



**TENDER DOCUMENT: HPCSA 07/2023**

**REQUEST FOR PROPOSAL**

**FOR**

**EXTERNAL AUDIT SERVICES FOR A  
PERIOD OF 5 YEARS**

**ON BEHALF OF THE  
HEALTH PROFESSIONS COUNCIL  
OF SOUTH AFRICA READVERTISEMENT**

**Situated at: 553 Madiba Street, Arcadia, Pretoria**

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## 1. PART 1 – General Tender Information

<b>TENDER ADVERTISED</b>	<b>[29 October 2023]</b>
<b>TENDER CLOSING DATE/TIME</b>	<b>[21 November 2023] (12h00 – Local SA Time)</b>
<b>COMPULSORY BRIEFING DATE &amp; TIME</b>	<b>N/A</b>
<b>VENUE</b>	<b>N/A</b>
<b>TENDER BOX &amp; ADDRESS</b>	<p>Tender Box, Reception Area HPCSA Main Building 553 Madiba Street Arcadia, Pretoria 0001</p> <p>If the tender offer is too large to fit into the above-mentioned box or the box is full, please enquire at the reception.</p>
<b>HPCSA TENDER REPRESENTATIVES</b>	<p>Mr. R Mawasane Email: <a href="mailto:Tenders@hpcsa.co.za">Tenders@hpcsa.co.za</a></p>
<b>TENDER FEE:</b>	<b>N/A.</b>
<b>OPENING OF TENDERS: PLACE TIME</b>	<p>HPCSA Main Building, 553 Madiba Street <b>[21 November 2023] [12h00]</b></p>
<b>PREFERENCE SYSTEM</b> (Preferential Procurement Regulations)	<b>80/20</b>

**2. PART 2 - DETAILS OF TENDERER**

**2.1 Type of Entity** (Please tick one box)

Individual / Sole Proprietor Company
  Close Corporation
  Partnership or Joint Venture or Consortium
  Trust
  Other: .....

**2.2 Required Details** (Please provide applicable details in full):

<b>Name of Company / Close Corporation or Partnership / Joint Venture / Consortium or Individual /Sole Proprietor</b>	
<b>Trading as</b> (if different from above)	
<b>Company / Close Corporation registration number</b> (if applicable)	
<b>Postal address</b>	Postal Code _____
<b>Physical address</b> (Chosen domicilium citandi et executandi)	Postal Code _____
<b>Contact details of the person duly authorised to represent the tenderer</b>	Name: Mr/Ms _____ (Name & Surname) Telephone:( ____ ) _____ Fax:( ____ ) _____ Cellular Telephone: _____ E-mail address: _____
<b>Income tax number</b>	
<b>VAT registration number</b>	
<b>SARS Tax Compliance Status PIN</b>	

**3. PART 3 – FORM OF OFFER AND ACCEPTANCE**

TENDER NO: HPCSA 07 /2023 EXTERNAL AUDIT SERVICES READVERTISEMENT

**PART A (TO BE FILLED IN BY TENDERER):**

**Required Details** (Please provide applicable details in full):

<b>Name of Tendering Entity*</b> ("the tenderer")	
<b>Trading as</b> (if different from above)	

**AND WHO IS** represented herein by:(full names of signatory) \_\_\_\_\_

duly authorized to act on behalf of the tenderer in his capacity as: (title/ designation)

\_\_\_\_\_

**HEREBY AGREES THAT** by signing the *Form of Offer and Acceptance*, the tenderer:

1. confirms that it has examined the documents listed in the Index (including Schedules and Annexures) and has accepted all the Conditions of Tender;
2. confirms that it has received and incorporated any and all notices issued to tenderers issued by the HPCSA;
3. confirms that it has satisfied itself as to the correctness and validity of the tender offer; that the price(s) and rate(s) offered cover all the goods and/or services specified in the tender documents; that the price(s) and rate(s) cover all its obligations and accepts that any mistakes regarding price(s), rate(s) and calculations will be at its own risk;
4. offers to supply all or any of the goods and/or render all or any of the services described in the tender document to the HPCSA in accordance with the:
  - a. terms and conditions stipulated in this tender document;
  - b. specifications stipulated in this tender document; and
5. accepts full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on it in terms of the Contract.

\_\_\_\_\_  
Signature(s)

\_\_\_\_\_  
Print name(s):  
On behalf of the tenderer (duly authorised)

\_\_\_\_\_  
Date

**FORM OF OFFER AND ACCEPTANCE (continued)**

TENDER NO: HPCSA 07 /2023 EXTERNAL AUDIT SERVICES READVERTISEMENT

**PART B (TO BE FILLED IN BY THE HPCSA)**

By signing this *Form of Offer and Acceptance* the HPCSA (also referred to as the 'Purchaser'):

1. accepts the offer submitted by (DETAILS OF SUCCESSFUL TENDERER, ALSO REFERRED TO

**AS THE "SUPPLIER")** \_\_\_\_\_,

thereby concluding a contract with the supplier for a contract period from date of commencement of contract not exceeding 60 months;

2. undertakes to make payment for the goods/services delivered in accordance with the terms and conditions of the Contract.

SIGNED AT \_\_\_\_\_ ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_  
(PLACE) (DD) (MM) (YY)

\_\_\_\_\_  
Signature(s) and stamp of  
Executive Director or his/ her delegated authority

\_\_\_\_\_  
Print name(s):  
(duly authorised in terms of the System of Delegations as approved by Council)

**FORM OF OFFER AND ACCEPTANCE (continued)**

**Schedule of Deviations**

**Notes:**

1. The extent of deviations from the tender documents issued by the HPCSA before the tender closing date is limited to those permitted in terms of the conditions of tender.
2. A tenderer's covering letter shall not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid, become the subject of agreements reached during the process of offer and acceptance, the outcome of such agreement shall be recorded here.
3. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the Parties becomes an obligation of the contract shall also be recorded here.
4. Any change or addition to the tender documents arising from the above agreements and recorded here, shall also be incorporated into the final draft of the Contract.

1      Subject

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Details

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2      Subject

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Details

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3      Subject

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Details

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By the duly authorized representatives signing this agreement, the HPCSA and the tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to this tender document and addenda thereto as listed in the returnable schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the tenderer and the HPCSA during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.

## **4. PART 4 - ADMINISTRATIVE INFORMATION**

### **4.1 Purpose**

**4.1.1** The Health Professions Council of South Africa (HPCSA) is conducting selection process for an external audit firm. We invite your firm to participate and to submit a proposal. Success in this process requires that the appointed firm be prepared to begin with external audit for the financial years 31 March 2024.

**4.1.2** The appointed firm should be prepared to perform audits in accordance with the International Standards on Auditing (ISA) as issued by the International Auditing and Assurance Standards Board (IAASB), and issue an opinion on the financials prepared by the HPCSA.

**4.1.3** The external auditors will be required to audit the financial statements for five (5) years starting from 31 March 2024 and ending 31 March 2028.

**4.1.4** Responding firms will be evaluated on the quality of the written proposals and /or oral presentations.

**4.1.5** Bidders must submit a complete response that substantially satisfies all requirements as stated in this tender.

### **4.2 HPCSA Terms & Conditions of the Tender**

**4.2.1** The HPCSA reserves the right without furnishing any reasons whatsoever, to cancel, withdraw or re-advertise, or to award or not to award this service/tender(s).

**4.2.2** The HPCSA reserves the right not to accept the lowest tender or any tender, in part or in whole.

**4.2.3** Successful applicants will be required to enter into service level agreements with the HPCSA in addition to contractual obligations.

**4.2.4** Tenders should be submitted in a sealed package marked, "HPCSA 07/2023"

**4.2.5** Bidders are required to provide both hard and electronic copies of their bid submission/ regarding Envelope 1 – "Technical Proposal", bidders must provide original proposal plus three (3) hard copies. The sealed envelope must be placed in the tender box at the Main Reception area of the HPCSA Building, 553 Madiba Street, Arcadia, 0002, South Africa.



**4.2.6** Note: This Tendering Process will use a two-envelope system i.e., Bidders must submit the Administrative Requirements (Mandatory) and functional proposal in one envelope (together with relevant copies) and pricing and preference points proposals in a separate envelope (together with the relevant copies). BOTH ENVELOPES MUST BE CLEARLY MARKED.0-

**4.2.7** No Tender received by telegram, mail, e-mail, or facsimile will be considered.

**4.2.8** Where a tender is not submitted at the time of the tender closing, such a tender will not be assessed.

**4.2.9** The HPCSA is entitled to amend any tender condition, validity period and specification of such a tender before the closing date. All tenderers, to whom the tender documents have been issued, will be advised in writing of such amendment or of extensions, promptly.

### **4.3 Confidentiality**

**4.3.1** Both parties shall keep all information obtained by them in the context of the Contract confidential and shall not divulge it without the written approval of the other party.

### **4.4 Retention of Tenders**

**4.4.1** All tenders submitted shall become the property of the HPCSA.

**4.4.2** The HPCSA will make all reasonable efforts to maintain tenders in confidence.

**4.4.3** Proprietary information should be identified in each tender.

### **4.5 Cancellation and re-invitation of bids**

**4.5.1** The decision to cancel a bid will be published in the same media in which the original bid invitation was advertised

**4.5.2** The decision to cancel a bid will be published in the same media in which the original bid invitation was advertised.

## **4.6 Vendor (Bidder) Communications**

- 4.6.1** During the tendering period, communications between vendors and the HPCSA will only be in writing through email for any queries and questions. All communications, correspondence, documentation, manuals, tenders, presentations, demonstrations etc., must be in English.
- 4.6.2** All questions concerning the Tender must refer to the Tender page number, section number and paragraph number.
- 4.6.3** All questions and correspondence must only be directed to the authorised HPCSA Tender Representatives, listed in PART 1 of the tender.

## **4.7 Prime Contractor Relationship**

- 4.7.1** The HPCSA intends to contract only with an identified vendor known as the Prime Contractor when the Tender is issued. Subcontracting assignments will be allowed
- 4.7.2** Subcontracting assignments will be allowed. The subcontractors should adhere to the same requirements as set out for the Prime Service Provider. In the event of a subcontracting arrangement, the Prime Service Provider assumes all responsibility for delivery, installation, maintenance, and any support service including documentation that is supplied by the subcontractor.

## **4.8 Response Validity Period**

- 4.8.1** Tender responses will be valid for a period of 90 days after the closing date

## **4.9 Pricing Section**

- 4.9.1** These guidelines are to assist you in submitting pricing data.
- 4.9.2** Provide a summary description of your standard estimating methods bearing the following in mind:
- 4.9.3** Prices based on currencies other than the South African Rand, the exchange rate utilised, and the date of the exchange rate must be clearly indicated;
- 4.9.4** Prices are to be inclusive of all applicable tax. An indication of those prices to which tax does not apply is also required.
- 4.9.5** Competitive fee quote to complete the external audit for the years 2023/24 to 2027/28
- 4.9.6** General overview of the schedule and timing of billings
- 4.9.7** Fee schedule for advisory work outside the scope of audit
- 4.9.8** Price must be fixed for all categories and inclusive of the five yearly increases.

## **5. PART 5 – TERMS OF REFERENCE (SPECIFICATION)**

### **5.1 Background**

The Health Professions Council of South Africa (HPCSA) is a statutory body established under the Health Professions Act 56 of 1974 (as amended) and is mandated to regulate the health professions in the Republic of South Africa and functions through 12 Professional Boards operating under its auspices. The Professional Boards control the professions falling within their ambit under the overarching coordination and guidance of the HPCSA and are responsible for:

- 5.1.1** Set contextually relevant healthcare training and practice standards for registered professions;
- 5.1.2** Ensure compliance with standards;
- 5.1.3** Foster on-going professional development and competence;
- 5.1.4** Protect the public in matters involving the rendering of health services;
- 5.1.5** Engage the public and all relevant stakeholders;
- 5.1.6** Uphold and maintain ethical and professional standards within the health professions.

### **5.2 Scope of work**

#### **5.1.1. The appointed service provider will be required to:**

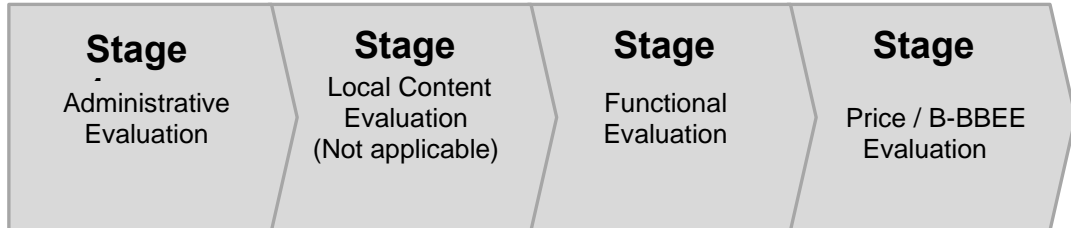
- a) Perform Audit on Annual Financial statements prepared in compliance with the International Financial Reporting Standards (IFRS);
- b) Perform audits in accordance with International Standards on Auditing (ISA)
- c) To provide an audit opinion on the audited Annual Financial Statements;
- d) Review the adequacy and effectiveness of the internal control systems monitored by the Internal Auditors;
- e) Review and provide advice on governance; and
- f) Provide final management letter with recommendations to Council and Management.

### **6. Duration of contract**

- 6.1** The Service Provider would be required to enter into a service level agreement for a period of five (5) years for the financial year ending 31 March 2024 to 31 March 2028.

## 7. PART 6 - EVALUATION PROCESS

- This tender will be evaluated in accordance with the Preferential Procurement Regulations. The HPCSA will use a staged approach to evaluate the bids. The requirements of any given stage must be complied with prior to progression to the next stage. The HPCSA reserves the right to disqualify bidders without requesting any outstanding document/information.
- The stages are outlined in the diagram below and further detailed in the paragraphs that follow.



### Stage 1: Administrative Evaluation

During this stage of the evaluation the bidders will be evaluated on whether or not they comply with the following:

- Complied with all the conditions of tender; and
- Submitted all mandatory documentation required;
- Submitted all compliance documents (i.e., CSD Reports)

A bidder who fails to comply with all the criteria below will be disqualified at this stage and will not be considered any further.

Mandatory Document	Checklist
CSD Report	
Company Registration Certificates	
Company Profile	
Bidder's three (3) years audited financial statements	
Proof that the bidder's tax affairs are in order with SARS (Tax Clearance Certificate/ Status Pin number)	
Proof of the audit firm registration with Independent Regulatory Board for Auditors (IRBA)	

Proof of the Auditor registration with Independent Regulatory Board for Auditors (IRBA)	
Proof of Auditor's registration with South African Institute of Chartered Accountants (SAICA)	
A letter of good standing from labour (COIDA)	
SBD4 – Declaration of Interest see <b>Annexure A</b>	
SBD8 – Declaration of bidders past Supply Chain Management Practices <b>Annexure B</b>	
SBD9 – Declaration of Independent Bid Determination <b>Annexure C</b>	

### Stage 2: Local Content

- Local Content is **not** applicable for this Tender.

### Stage 3A: Functional Evaluation

Bidders who qualified for the previous stage(s) of the Evaluation will then be evaluated in terms of the functional requirements.

### Scoring Criteria

All bidders who met all the mandatory functional requirements will now be evaluated further on functionality.

*A minimum score of 70 points out of 100* will be required to pass the Functional Evaluation stage.

The HPCSA will analyse and assess functional capability and therefore the bidder should demonstrate the following:

TECHNICAL EVALUATION CRITERIA								
CRITERIA	SUB-CRITERIA	POINTS						
<p><b>Company experience</b> The company must have a minimum of (fifteen) 15 years' auditing experience. Proof of experience must be provided in the form of at least Contactable references letter/s (must include number of years) must attached including the contract value.</p> <table border="1"> <tr> <td>15 – 20 years</td> <td>21 – 25 years</td> <td>Above 25 years</td> </tr> <tr> <td>25</td> <td>30</td> <td>40</td> </tr> </table>	15 – 20 years	21 – 25 years	Above 25 years	25	30	40		40
15 – 20 years	21 – 25 years	Above 25 years						
25	30	40						
<p><b>Experience, qualifications, and references of the core service team:</b></p> <p>Names of your firm's core service team, location and relevant experience, including references letters for each Senior Member.</p> <table border="1"> <tr> <td>5 reference letters</td> <td>6-10 reference letters</td> <td>Above 10 reference letters</td> </tr> <tr> <td>10</td> <td>20</td> <td>30</td> </tr> </table> <p>How your firm's Senior Executive will be involved in the engagement</p>	5 reference letters	6-10 reference letters	Above 10 reference letters	10	20	30	<p>30</p> <p>10</p>	40
5 reference letters	6-10 reference letters	Above 10 reference letters						
10	20	30						
<p><b>Quality assurance:</b></p> <ul style="list-style-type: none"> <li>- Describe the internal processes used for quality assurance.</li> <li>- Describe the firm's approach to resolving accounting and financial reporting issues.</li> <li>- Outline audit methodology</li> </ul>	<p>5</p> <p>5</p> <p>10</p>	20						
<b>TOTAL</b>		<b>100</b>						

#### **Stage 4: Price and Specific Goals**

Only bidders that passed the Functional Evaluation stage will be evaluated on price and preference (Specific Goals). The 80/20 preference point system will be applicable for this tender, in accordance with the Preferential Procurement Regulations.

4.(1) The following formula will be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

#### **Where**

$P_s$	=	Points scored for price of tender under consideration
$P_t$	=	Price of tender under consideration
$P_{\min}$	=	Price of lowest acceptable tender

- (2) A maximum of 20 points **may be** awarded to a tenderer for the specific goal specified for the tender.
- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act (PPPFA, 2000 (Act No. 5 of 2000), the contract must be awarded to the tenderer scoring the highest points.

#### **Evaluation of Specific Goals**

Specific goals will be scored out of 20 points. If a tenderer fails to meet Specific goals and submit proof, the tenderer will not be disqualified. However, be awarded 80 points for price and will score 0 points for Specific goals (out of 20).



BBEE Status Level will be used to allocate Specific Goals Points in accordance with the table below:

<b>B-BBEE Status Level of Contributor</b>	<b>Number of points (80/20 system) For procurement, up to R50 million</b>
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

**NOTE: A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs& QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE**

**8. PART - 7 HPCSA CONTRACT TEMPLATE**

(Attached Separately)

**ANNEXURE A SBD 4 (Attached separately)**

**ANNEXURE B SBD 8 (Attached separately)**

**ANNEXURE C SBD 9 (Attached separately)**

**ANNEXURE D SBD 6.1 (Attached separately)**