



4th Floor, Marble Towers
208 -212 Jeppe Street
Johannesburg, 2001
P O Box 564
Bruma, 2026
Tel: 086 111 2014
Mobile: 073 693 6726
Fax: 086 662 5579

Email: mildred@mcpf.co.za
Website: www.mcpf.co.za

RFP No.09/16

REQUEST FOR PROPOSAL (RFP)

APPOINTMENT OF AN EXTERNAL AUDITOR

FOR

THE MUNICIPAL COUNCILLORS PENSION FUND

CLOSING DATE: 20 JULY 2016

Introduction

The MCPF was established on the 1st May 1988 in terms of the Pension Benefits for Local Authorities Act 105, 1987 as the only Fund to service the retirement needs of Municipal Councillors. It was originally a defined benefit fund but has since been restructured to a Defined Contribution Pension Fund.

The Fund's asset value totalled at R2.6bn as at the end of January 2016.

MCPF is currently managed by the Board of Trustees, nine of whom are member-elected, two independent trustees and a further two appointed by SALGA.



SECTION: 1

CONDITIONS AND UNDERTAKINGS BY TENDERER IN RESPECT OF THIS TENDER

1. Proprietary Information:

The Municipal Councillors Pension Fund (MCPF) considers this Tender and all related information, either written or verbal, which is provided to the respondent, to be proprietary to MCPF. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information to any third party without the prior written consent of MCPF.

2. Enquiries

All communication and attempts to solicit information of any kind relative to this Tender should be channelled to:

2.1 Contact person (all technical questions should be in writing)

Name: Ms Mildred Mlinjana

Email address: mildred@mcpf.co.za

Phone No: 086 111 2014

3. All the documentation submitted in response to this tender must be in English.

4. The Bidder should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by MCPF in regard to anything arising from the fact that pages are missing or duplicated.

5. Validity Period

Responses to this tender received from bidders will be valid for a period of 30 days counted from the closing date of the tender.

6. Service provider Performance Management

Service provider Performance Management is viewed by MCPF as a critical component in ensuring value for money acquisition and good service provider relations between the MCPF and all its service providers.

The successful bidder shall upon receipt of written notification of an award, be required to conclude a Service Level Agreement (SLA) with the MCPF, which will form an integral part of the service provider.

The SLA will serve as a tool to measure, monitor and assess the service provider's performance level and ensure effective delivery of service, quality and value-add to MCPF's business.

Bidders are required to comply with the above condition, and also provide a scorecard on how their product / service offering is being measured to achieve the objectives of this condition.

7. Submission of Tenders

7.1 Tenders should be submitted in (4 copies) all bound in a sealed envelope endorsed, **T05/16: Appointment of an External Auditor for MCPF**. The sealed envelope must be placed in the tender box at the Main Reception area of the MCPF Offices on:

4th Floor, Marble Towers, 208 – 212 Jeppe Street, Johannesburg, 2001

7.2 The closing date, company name and the return address must also be endorsed on the envelope.

7.3 If a courier service company is being used for delivery of the tender document, the tender description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the tender box.

7.4 No tender received by email, facsimile or similar medium will be considered.

7.5 Where a tender document is not in the tender box at the time of the tender closing, such a tender document will be regarded as a late tender and will not be considered.

7.6 The tenderer is responsible for all the cost that they shall incur related to the preparation and submission of the tender document.

7.7 A list of all references (minimum of 3) must be included in the tender document.

7.8 A valid tax clearance certificate must be included in the tender document.

7.9 A copy/s of any affiliations that you are affiliated to must be included in the tender document.

7.10 Kindly note that MCPF is entitled to amend any tender conditions, validity period, specifications, or extend the closing date of tenders before the closing date. All tenderers, to whom the tender documents have been issued, will be advised in writing of such amendments in good time.

7.11 The Fund reserves the right not to accept the lowest tender or any tender in part or in whole. It normally awards the contract to the tenderer who proves to be fully capable of handling the contract and whose tender is technically acceptable and/or financially advantageous to the Fund.

7.12 MCPF also reserves the right to award this tender as a whole or in part without furnishing reasons.

7.13 The tenderer hereby offer to render all or any of the services described in the attached documents to the MCPF on the terms and conditions and in accordance with the specifications stipulated in these Tender documents (and which shall be taken as part of, and incorporated into, this Proposal at the prices inserted therein).

7.14 All submissions will be evaluated and shortlisted tenderers may be requested to prepare a possible presentation should MCPF require such and the tenderer shall be notified thereof no later than 4 (four) days before the actual presentation date.

7.15 The tenderer hereby agree that the offer herein shall remain binding upon him/her and receptive for acceptance by the MCPF during the validity period indicated and calculated from the closing hour and date of the Tender; this Proposal and its acceptance shall be subject to the terms and conditions contained in this tender document.

7.16 The tenderer furthermore confirm that he/she has satisfied himself/herself as to the correctness and validity of his/her Tender response that the price(s) and rate(s) quoted cover all

the work/item(s) specified in the Tender response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accept that any mistakes regarding price(s) and calculations will be at his/her risk.

7.17 The tenderer hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on him/her under this agreement as the Principal(s) liable for the due fulfilment of this contract.

7.18 Failure to comply with any of the conditions as set out above will invalidate the tender.



Name of your Company (in block letters)	
Signature(s) of the Tenderer or assignee(s)	Date:
Name of person signing (in block letters)	
Capacity	
Are you duly authorized to sign this Tender	
Company Registration Number	
VAT Registration Number	
Postal address (in block letters)	
Physical address (in block letters)	
Domicilium citandi et executandi in the RSA (full street address) (in block letters)	
Contact person:	
Telephone Number: _____	Fax Number: _____
Cell phone Number:	
Email:	

8. RESPONSE FORMAT

Tenderers shall submit their responses in accordance with the response format specified below (each schedule must be clearly marked):

8.1 **Cover Page:** (the cover page must clearly indicate the tender reference number,

tender description and the tenderer's name)

8.2 **Schedule 1:** Executive Summary (clearly indicating the bidding structure and the responsibilities of each member of the bidding structure)

8.3 **Schedule 2**

8.3.1 Conditions of Bid and Contract: Section 1 - Pages 3- 5 of this tender document (duly signed);

8.3.2 Original and Valid tax clearance certificate(s);

8.3.4 Annexure 1 of this tender document (duly signed).

8.3.5 BEE Certificate verified by a SANAS accredited verification agency or a letter from the supplier's auditor (option only for Exempted Micro Enterprises with annual turnover less than R5 million);

Note: If a Consortium, Joint Venture or Subcontractor, the documents listed above (8.3.2-4) must be submitted for each Consortium/ JV member or subcontractor.

8.4 **Schedule 3:** Response to Section 2 of this document.

8.5 **Schedule 4:** Price Proposal (response to Section 3 of this bid document) **(Must be submitted in a separate envelope)**

9. EVALUATION CRITERIA

Tenders shall be evaluated in terms of the following parameters:

9.1 Technical

Bids will be evaluated in accordance with the following technical criteria:

ELEMENT	WEIGHT
Bidder's relevant experience	50%
Bidder's proposed methodology	10%
Qualifications, skills and experience of the key personnel of the proposed project team	30%
Pension Fund Audit Experience	10%
TOTAL	100%

Note: The minimum qualifying score for functionality is 70%. All tenders that fail to achieve the minimum qualifying score on functionality shall not be considered for further evaluation on Price and BEE.

9.2 Preference Point System

All tenders that will achieve the minimum qualifying score (acceptable tenders) will be evaluated further in terms of the preference point system as follows:

CRITERIA	POINTS
Price	90
BEE	10
TOTAL	100 points

SECTION: 2

SPECIFICATION DETAILS

SECTION 2: TECHNICAL REQUIREMENTS SPECIFICATION

1. Special instructions to bidders

1.1 Should a bidder have reasons to believe that the requirement Specification is not open and/or is written for a particular brand or product or service provider; the bidder shall notify MCPF Procurement within five (5) days after publication of the bid.

1.2 Bidders shall provide full and accurate answers to the questions posed in this document, and, where required explicitly state either "Comply/Not Comply" regarding compliance with the requirements. Bidders **must** substantiate their response to all questions, including full details on how their proposal/solution will address specific functional/ technical requirements. All documents as indicated must be supplied as part of the bid response.

2. Objectives of the Audit

The objective of the audit is to provide an independent audit opinion of the accounts, financial statements and annual financial reports of MCPF for each financial year covered by the term of the audit appointment. The external auditor must adhere and meet all statutory requirements of the Public Audit Act, 2004 (Act No. 25 of 2004, etc.), the International Auditing Standards (ISA), and requirements as may be set by the Auditor – General (SA) (AGSA).

3. Terms of Reference (TOR)/Scope of Work

3.1 The External Auditors will be required to perform audit functions in terms of the Public Audit Act, 2004 (Act no. 25 of 2004), as well as the following:

- evaluating compliance with applicable legislation relating to financial matters, financial management and other related matters; audit of performance against predetermined objectives; and;
- Other legislative functions;
- Assistance with the application of IFRS 1 (First-time Adoption of International Financial Reporting Standards);
- Assistance with tax calculation;
- Audit review of submissions to Financial Services Board

3.2 The External Auditor will also be required to:

- Carry out such work as is necessary to form an opinion as to whether:
 - the accounts are properly kept; and
 - the annual financial statements:
 - i) are prepared in accordance with the financial records; and
 - ii) represent fairly in all material respects, the financial position of the Fund as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with IFRS and the requirements of the PFMA.
- 1.
- Determine his or her scope, methodology and approach as per the AGSA guidelines and legislative requirements (Public Audit Act (Act no 25 of 2004).
 - Communicate audit findings and make recommendations to PEO/relevant management
 - Provide a final report with PEO/relevant management responses on corrective actions and the presentation thereof to the Audit Committee, where necessary.
 - Review the financials in the annual report prior to publishing.
 - Communicate audit findings and make recommendations to PEO/management and Board of Trustees

3.3 The External Auditor will be required to submit the following if appointed during the different phases of the audit:

- 2.
- Detailed Audit Planning Memorandum;
 - Detailed budget in line with the Audit Planning Memorandum;
 - Draft and issue audit reports upon completion of audit assignments;
 - Attend Audit Committee meetings; and
 - Present External Audit Report to the Audit and Risk Committee.
 - Attend all Board meetings.

4. Deliverables

- Final report with management responses on corrective actions and the presentation thereof to the Audit Committee, where necessary.
- Review the financials in the annual report prior to publishing.

5. Term of Engagement

MCPF is seeking to appointment an External Auditor for (?) year commencing, with the option of annual renewal.

6. TECHNICAL REQUIREMENTS

6.1 Mandatory Technical Requirements

6.1.1 IRBA REGISTRATION	Comply	Not Compl
<p>The bidder must be registered with the Independent Regulatory Board for Auditors (IRBA).</p> <p>The bidder must provide documentary proof of their IRBA registration.</p>		
Substantiate / Comments		
6.1.2 CERTIFICATION OF INDEPENDENCE		
<p>The auditor is required to certify that they are independent of MCPF and nothing has transpired that would compromise their independence during the conduct of the audit.</p>		
Substantiate / Comments		

6.2 EXPERIENCE	Comply	Not Comply
<p>The bidder must have relevant experience in rendering external audit services to public entities within the pension fund industry and performing other audits in South Africa.</p> <p>The bidder must provide three (3) relevant contactable references of similar work done in the past 5 (five) years. Please refer to Annexure 2 of this document for the format in which the required formation must be provided.</p>		
Substantiate / Comments		

6.3 BIDDER'S PROPOSED METHODOLOGY	Comply	Not Comply
<p>The bidder must demonstrate thorough understanding of the objectives and deliverables of this project as set out above; and</p> <p>the applicable regulatory framework.</p> <p>The bidder must provide a detailed proposal of the methodology/</p> <p>approach to be used to carry out the scope of work outlined above and clearly demonstrating how the project deliverables will be achieved. A schedule of timelines and deliverables must also be provided.</p>		
Substantiate / Comments		

6.4 COMPANY PROFILE	Comply	Not Comply
<p>The bidder must demonstrate knowledge and experience of auditing large pension funds.</p> <p>The bidder must provide a detailed company profile.</p>		

SECTION: 3

COST PROPOSAL

SECTION 3: Cost Proposal

1. Please indicate your total bid price here: R..... (compulsory)

2. **NOTE: All prices must be VAT exclusive and must be quoted in South African Rand (ZAR).**

3. Are the rates quoted firm for the full period of the contract?

Important: If not firm for the full period, provide details of the basis on which adjustments shall be applied
e.g. CPI, and also details of the cost breakdown.

4.

The bidder must indicate CLEARLY which portion of the bid price is linked to the exchange rate.	Comply	Not Comply
Substantiate / Comments		

5.

All additional costs must be clearly specified and included in the total bid price.	Comply	Not Comply
Substantiate / Comments		

6. Costing Model

Activity/ Deliverable	Resource(s)	Rate/Hour per resource	Number of hours	Cost (VAT Excl)
Disbursements				
Total Cost of Service (VAT Excl)				

Note: Disbursements and must be clearly defined (outlining all assumptions) and a detailed breakdown thereof must be provided.

7. Summary of the Proposal

DESCRIPTION	BIDDER'S PROPOSAL
Number of resources (personnel)	
Average rate per hour	
Project Duration (hours)	
Commencement Date	

Price Declaration Form

Dear Sir/Madam

Having read through and examined the Request for Proposal (RFP) Document, RFP no. **T/05/16** the General Conditions, The Requirement and all other Annexures to the RFP Document, we offer to conduct an external audit on MCPF, as detailed in the Tender document at a total amount of (including escalation fees):

R..... (Excluding VAT)

In words

R.....Excluding VAT)

We confirm that this price covers all activities associated with external auditing services, as called for in the Tender document. We confirm that MCPF will incur no additional costs whatsoever over and above this amount in connection with the provision of this service.

We undertake to hold this offer open for acceptance for a period of 30 days from the date of submission of offers. We further undertake that upon final acceptance of our offer, we will commence with the provision of service when required to do so by the MCPF.

We understand that you are not bound to accept the lowest or any offer and that we must bear all costs which we have incurred in connection with preparing and submitting this tender.

We hereby undertake for the period during which this tender remains open for acceptance not to divulge to any persons, other than the persons to which the tender is submitted, any information relating to the submission of this tender or the details therein except where such is necessary for the submission of this tender.

SIGNED _____ **DATE** _____

(Print name of signatory) _____

Designation _____

FOR AND ON BEHALF OF: COMPANY NAME: _____

TEL No.: _____

Cell No.: _____

Annexure 2:

Response Format for Section 2

Bidder's Experience and the proposed Project Team

Request for Proposal No: _____

Bidder Name: _____

Authorised signatory: _____

[Note to the Bidder: The bidder must complete the information set out below in response to the Requirements stated in Paragraph 8.2.1-2 of Section 2 of this bid document. If the bidder requires more space than is provided below it must prepare a document in substantially the same format setting out all the information referred to below and return it with this Returnable Schedule 3.]

The bidder must provide the following information:

(a) Details of the bidder's current and past (over the past 5 years) projects of similar type, size and complexity to the required services set out in Section 2 of this document:

Client' Name	Project description	Project Cost	(Start and End Dates)	Description of service performed and extent of Bidder's responsibilities	Name, title and telephone contact

--	--	--	--	--	--

(b) Details of the bidder's proposed project team:

Name	Position	Role / Duties in this Project	Relevant Project Experience Project description, Client, Project period	Project Cost

