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**TERMS OF REFERENCE FOR APPOINTMENT OF A CONSULTANT TO  
UNDERTAKE DETERMINATION TEST FOR IRREGULAR EXPENDITURE  
INCURRED BY NAMC FROM 2018/19 TO 2021/22 FINANCIAL YEAR**

**RFQ NUMBER: 158**

**CLOSING DATE: 08 April 2022 at 11:00**

**BID VALIDITY PERIOD: 60 DAYS**

**NB: On the last page of this document the bidder needs to declare and indicate that they have read and understood the document in full.**

**Faxed and/or emailed bids will not be accepted, only hand delivered, and couriered original proposals will be accepted.**

## 1. INVITATION

The National Agricultural Marketing Council (NAMC) is inviting service providers to submit proposals to undertake determination test on irregular expenditure incurred from 2018/19 to 2021/22 financial year.

## 2. INTRODUCTION

The NAMC is a statutory body established in terms of the Marketing of Agricultural Products Act, 1996. The main function of the Council is to advise the Minister of Agriculture, Land Reform and Rural Development (DALRRD) on issues relating to the marketing of agricultural products.

## 3. PROJECT SCOPE AND DELIVERABLES

### 3.1 Project scope

The NAMC invites reputable consulting firms to submit proposals to undertake determination test in line with National Treasury Irregular Expenditure Framework on irregular expenditure incurred from 2018/19 to 2021/22 financial year.

*Follow below links to download the NAMC annual reports:*

**Annual Report - 2018/19:** <https://www.namc.co.za/wp-content/uploads/2020/01/2018-19-NAMC-ANNUAL-REPORT-13-09-2019-Low-Reso.pdf>

**Annual Report - 2019/20:** <https://www.namc.co.za/wp-content/uploads/2021/04/NAMC-ANNUAL-REPORT-2019-20.pdf>

**Annual Report - 2020/21:** <https://www.namc.co.za/wp-content/uploads/2021/12/NAMC-ANNUAL-REPORT-2020-21-09-Sep-2021.pdf>

**Annual Report - 2021/22:** *note the 2021/22 financial year end is being finalized*

- a) The successful bidder will be required to perform the following functions:
  - Investigate whether the irregular expenditure disclosed by NAMC from 2018/19 financial year to 2021/22 financial year is indeed irregular expenditure as per PFMA definition of irregular expenditure and if not irregular provide justifiable reasons to support in line with applicable prescripts,

- Those confirmed to be irregular, stipulate the relevant employees responsible for the transgression,
- Assess and confirm whether losses has been incurred by NAMC or not,
- Assess and advice on employees that should underwent disciplinary action, if any,
- Assess and confirm if there are any elements of fraud, corrupt and/or criminal conduct in incurring this irregular expenditure,

### **3.2 Project deliverables**

Produce a detailed determination test report as per requirements under point 3.1 above with findings and recommendations within three (3) months of appointment.

### **3.3 The quantity of irregular expenditure**

The irregular expenditure to be investigated totaled R 147 990 000 from 2018/19 to 2020/21 financial year and for the current financial year 2021/22 it is currently R2 401 000 (note the 2021/22 figure might change as the financial year end is being finalized).

## **4. TERMS AND CONDITIONS**

### **4.1 The quotation should contain the following information:**

- Type of skills and experience including track record in undertaking assignments with similar deliverables.
- Extensive knowledge and experience Public Finance Management Act, Preferential Procurement Policy Act and related supply chain management guidelines, circulars, instruction and practice notes as issued by National Treasury from time to time,
- Extensive knowledge of National Treasury Irregular Expenditure Framework,
- Track record as a registered Investigator/ internal auditor and/or risk management practitioner
- Contact details of references where a similar service was undertaken

- Proof of registration with a relevant professional body for both the firm and the personnel to be allocated for this task.

## 5. EVALUATION AND SELECTION PROCESS

The evaluation process will follow the stages detailed below:

- Administrative compliance (Stage 1)); and
- Functionality (Stage 2)
- Pricing and B-BBEE Status (Stage 3).

### 5.1 Mandatory requirements

Proposals duly lodged will be examined to determine compliance with bidding requirements and conditions (completion and attachment of compulsory documents). Proposals with deviations from the requirements/conditions will be eliminated before stage 2 (two) of the evaluation process.

The following are compulsory requirements and if not submitted the bidder will not progress to stage 2 (two) of the evaluation process:

<b>Pre-Qualification Requirements</b>		<b>Check list</b> √ <b>Tick each box</b>
SBD 2:	Completed, attached and signed	
SBD 4:	Completed, attached and signed	
SBD 6.1:	Completed, attached and signed	
SBD 8:	Completed, attached and signed	
SBD 9:	Completed, attached and signed	
Terms of Reference document:	Completed, attached and signed	
General Conditions of Contract:	Initialled and attached	
Proof of registration on Central Supplier Database (managed by		

National Treasury)	
Proof of registration with a professional body for the individual allocated for this task	
Proof of registration with a professional body for the firm	
Tax compliance on CSD	

***Note: All SBD forms must be submitted (signed) noting where it is not applicable. If any specific SBD form is not submitted, documentary proof clearly stating the reasons must be attached.***

Failure to adhere to the above conditions will invalidate the proposal.

Bidders must also supply the following documents (where applicable).

Other Requirements	Check list √ Tick each box
Valid B-BBEE Certificate or attached (certified copy) or Sworn Affidavit	
Company Registration documents	

## **5.2 Stage 2 (two) - Elimination of proposals on grounds of functionality**

Proposals that score less than 80% of the scores for functionality will be eliminated from further participation in the Bid Evaluation process (Stage 3).

Proposals will be evaluated for functionality as follows:

## Stage 2 Technical (Functionality) proposal

Technical (Functionality) proposal		Maximum points to be awarded
<b>1.</b>	<b>Company Information and relevant experience</b>	
1.1	<p>A minimum number of years in operation:</p> <ul style="list-style-type: none"> <li>• <i>Less than 1 year to 2 years in operation</i> – 5 points</li> <li>• <i>3 to 5 years in operation</i> – 10 points</li> <li>• <i>Over 6 years in operation</i> – 15 points</li> <li>•</li> </ul>	15
<b>2.</b>	<b>Technical requirement</b>	
2.1	Methodology and compliance with the scope of work as mentioned under point 3 above, evaluation as per Table A below (Detailed Project Plan with milestones/activities, timeframes etc.)	25
2.2	<p>Human resources</p> <p>Extensive knowledge and experience in undertaking irregular expenditure determination test, knowledge of Public Finance Management Act and Preferential Procurement Policy Act</p> <ul style="list-style-type: none"> <li><i>Less than 1 year to 2 year of experience</i> – 5 points</li> <li><i>3 to 4 years of experience</i> – 10 points</li> <li><i>5 to 6 years of experience</i> – 20 points</li> <li><i>Over 7 years of experience</i> – 30 points</li> </ul>	30
<b>3.</b>	<b>Reference</b>	
3.1	<p>The company's proven track record in handling assignments of a similar nature.</p> <p>A minimum of three written reference letters from clients where a similar service is/ was being rendered. Letters should not be older than three (3) years.</p> <ul style="list-style-type: none"> <li><i>1 - 2 letters submitted</i> – 10 points</li> <li><i>3 - 4 letters submitted</i> – 20 points</li> <li><i>5 and above letters submitted</i> – 30 points</li> </ul>	30
<b>Total technical points</b>		100
<b>Minimum threshold for technical (functionality)</b>		80

**Note: The minimum qualifying score is 80 out of 100 points. All bidders that fail to achieve the minimum qualifying score will not be considered for further evaluation on Price and B-BBEE.**

A point scoring system for evaluation criterion 2.1 above would be utilized as follows:

Table A

Score	Description
1	Does not meet requirements, or no information supplied
2	Meet some of the requirements (2 of the requirements not met as per point 3)
3	Almost meet all requirements (1 of the requirements not met as per point 3)
4	Fully meet all requirements
5	Exceeds all requirements

### 5.3 Stage 3 (three): Price and B-BBEE Status level of contributor

#### Points awarded for price

The 80-preference points system for price would be utilized for procurement with a contract of up to R50 000 000, 00 (VAT inclusive), as per the Preferential Procurement Policy Framework Act (PPPFA) and its regulations.

The following formula would be applied:

$$P_s = 80[1 - P_t - P_{min} / P_{min}]$$

Where:

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Rand value of bid under consideration

$P_{min}$  = Rand value of lowest acceptable bid

#### Points awarded for B-BBEE status level of contributor

**A maximum of 20 points will be awarded for B-BBEE Status Level of Contributor.**

B-BBEE Status Level of Contributor	Number of Points
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1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

## 6. VALIDITY OF PROPOSALS

- The Service Provider is required to confirm that it will hold its proposal valid for 60 days from the closing date of the submission of proposals.
- In exceptional circumstances, NAMC may solicit the bidder's consent to an extension of the period of the validity of the bid. The request and responses thereto shall be made in writing.

## 7. PROPOSAL SUBMISSION REQUIREMENTS

- All compulsory documents as stated under point 5 above
- The bid proposal as per point 3 above
- In case of joint ventures, bidders must provide a clear agreement regarding joint venture/consortia
- A trust, consortium or joint venture must submit a consolidated B-BBEE status level verification certificate.

Bidders must submit 1 x original RFQ document, and 1 x copy of the original.

No late bids will be considered. It is the bidder's responsibility to ensure that the bid is sent to the correct physical address and that this is received by the NAMC before the closing date and time in NAMC's dedicated tender box or physical address. The office hours are Monday to Friday except public holidays, from 08h00 to 16h00.

Proposals must be submitted or delivered at NAMC at the following address:

National Agricultural Marketing Council

Old Mutual Building, Block A, 4<sup>th</sup> Floor

536 Francis Baard Street

Meintjiesplein, Arcadia, Pretoria, 0001

**Closing date for submission of proposals is 08 April 2022**


## **8. PRICE**

- Bidders must indicate any other charges, if any.
- All prices should be fixed and inclusive of taxes, disbursements, etc.

## **9. ENQUIRIES**

- Technical: Nokuhle Shelembe; [nshelembe@namc.co.za](mailto:nshelembe@namc.co.za)
- Supply Chain Management: Mmasabata Nkhodi; [mnkhodi@namc.co.za](mailto:mnkhodi@namc.co.za)

## 10. APPROVAL

Approval			
	Name & Title	Signature	Date
Approved by:	Ms Nokuhle Shelembe		30 March 2022

## 11. DECLARATION BY THE BIDDER

I, \_\_\_\_\_ the \_\_\_\_\_ undersigned \_\_\_\_\_ (full name).....Certify that the information provided is true and correct, and understood the contents of the document in full.

SIGNATURE :

DATE