



**UBUHLEBEZWE MUNICIPALITY
CHIEF FINANCIAL OFFICE
SUPPLY CHAIN MANAGEMENT UNIT**

**Tel : 039 834 7700 / 7745 / 7748 / 7749
Fax: 039 834 2978 / 039 834 1168
Email: procurement@ubuhlebezwe.org.za**

**QUOTE NO: UBU-Q-12/07/14
Date: 15 July 2014**

REF: 25021

Dear Sir / Madam

REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS FOR QUALITY ASSURANCE ON ANNUAL FINANCIAL STATEMENTS.

Kindly furnish me with a written quotation for the supply of the goods/services as detailed in the enclosed schedule.

The quotation must be submitted on the letterhead of your business and must be submitted in a sealed envelope to the Tender Box. The envelope must be clearly marked "Quality Assurance on Annual Financial Statements - & UBU-Q-12/07/14" not later than the 25 of July 2014 at 12h00 to: 29 Margaret Street, Ixopo 3276

The following conditions will apply:


- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed forms MBD 2, MBD 4, MBD 6.1, MBD 8 & MBD 9 must be scrutinized, completed and submitted together with your quotation.
- Tax Clearance Certificate(MBD2)
- A proof of registration in the database
- **BBBEE Certificate bearing SANAS LOGO (if your certificate does not have SANAS logo, it will be regarded as invalid)**
- **Proof of Company Registration Document not older than 12 (twelve) months**
- **Copy of ID if Sole Trader**
- **Letter/Statement confirming status of municipal accounts (i.e. rates, water) not older than 2 (two) months.**
- **Attach the affidavit confirming that none of the Directors/Shareholders are employed in the Service of the state.**

NB: No quotations will be considered from persons in the service of the state.

The council does not bind itself to accept the lowest or any quotation and reserves the right to accept the quotation as whole or in part, at the rates quoted

Failure to comply with these conditions may invalidate your offer.

Yours faithfully



Mr G M Sineke
Municipal Manager

PERFORMING QUALITY ASSURANCE ON AFS FOR THE YEAR ENDING 30 JUNE 2014

PURPOSE

To assist the Municipality with ensuring that the annual financial statement are complete and accurate.

To ensure the Municipality complies with all relevant GRAP standards including the 6 new standards.

To review accounting policies and ensure they are GRAP compliant.

To ensure that all statement, notes and accounting policies in the AFS are in terms of GRAP.

To ensure that the working paper file is adequate.

Assist where necessary with Auditor general queries. Request for service provider to do quality assurance o annual

SCOPE OF WORKS

Review the AFS for accuracy and completeness

Review the Trail Balance and general ledger.

Review Notes to AFS for accuracy and completeness

Ensure that the working paper file is adequate, complete, correct and properly referenced.

SPECIFICATION

Proven, substantiated track record/ experience in preparing municipal annual financial statements in terms of the GRAP accounting standards at local government level.

- Thorough knowledge of and conversant with the following:
 - Applicable accounting standards in local government including but not limited to GRAP, IFRS.
 - Local government legislation and circulars
- At least 3 years' experience in compiling municipal GRAP, IFRS compliant financial statements.
- Curriculum vitae of key staff to be engaged on this projects, detailing municipal experience, GRAP experience, municipal accounting and auditing experience.
- Team to demonstrate hands on accounting and auditing experience in municipalities.
- Clearly indicated qualifications and membership to registered governing bodies e.g. SAICA, IMESA.
- Must demonstrate ability of reconciling and balancing of the trial balance, general ledger and Annual Financial Statement
- Must review working paper both hard and soft copies for audit purposes.
- Provide three references of municipalities and contact details to confirm experience and projects under taken.
- Rates based on competency and experience of the project team.

- The Municipal staff will prepare the financial statements - The consultants will only provide guidance and review the work performed.

Evaluation

The evaluation criteria will be two stages in terms of Preferential Procurement Act. The first stage will be on functionality and final stage will be on price. Tenderer who scores less than 80% on functionality will be deemed non-responsive and will be disqualified. Only tenderers who scores above 80% will qualify for stage two evaluation;

Stage 1 evaluation criteria:

- 1. The names and CV's of the project team/ member assigned to the Municipality have adequate municipal accounting experience. Hands on experience in municipalities or AG will be added advantage.**

1-2 Years	= 5 points
3-5 Years	= 10 points
5 + Years	= 15 points

- 2. At least 3 year' experience in compiling a Municipal GRAP compliant annual financial statement and relevant consulting experience in Municipalities.**

1-3 Years	= 5 points
4-5 Years	= 15 points
Over 5 Years	= 30 points

- 3. Three contactable and verifiable municipal references for unqualified audit report from Municipalities in the last 2 years where the consulting experience in Municipalities**
 - Compiled Annual Financial Statements where the municipality did not obtain unqualified audit opinion = 5 points
 - Compiled Annual Financial Statements where the municipality obtained unqualified audit opinion in the last year = 10 points
 - Compiled Annual Financial Statements where the municipality obtained unqualified audit opinion in the last 2 years = 15 points

- 4. Certified SAICA, IMESA registration of project team proposed.**
 - Team member registered with SAICA = 5 points
 - Team member registered with IMESA = 5 points

5. Detailed methodology

- Detailed approach only = 20 points
- Detailed approach/methodology with project plan = 25 points
- Detailed approach/ methodology with project plan and clear skills transfer and capacity building = 30 points

Stage 2

80 point for price

20 point for BBBEE

This is the final stage of evaluations is purely based on 80 point for the price and 20 points for the BBBEE LEVEL. In ordered to claim the 20 points bidders are required to complete MDB 6.1 and submit their certifies copy of BBBEE certificate.

Enquiries: All enquiries regarding specifications may be directed to Mrs UP Mahlasela at 039 834 7700 during office hours.

Yours faithfully

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Mr G M Sineke

Municipal Manager