

ENGINEERING COUNCIL OF SOUTH AFRICA		 E C S A <small>ENGINEERING COUNCIL OF SOUTH AFRICA</small>
REQUEST FOR PROPOSAL (RFP) FOR APPOINTMENT OF A SUITABLY QUALIFIED FIRM FOR THE PROVISION OF EXTERNAL AUDIT SERVICES OF THE COUNCIL FOR A PERIOD OF FIVE (5) YEARS		
UNIQUE IDENTIFIER: ECSA/RFP09/2024	Date: 07 October 2024	

(PRIVATE & CONFIDENTIAL)

REFERENCE NUMBER: ECSA/RFP09/2024

ISSUE DATE: 07 October 2024

SUBMISSION CLOSING/DUE DATE: 29 October 2024 (Tuesday) Time: 12h00

TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF EXTERNAL AUDIT SERVICES

1. BACKGROUND

The Engineering Council of South Africa (“ECSA”) is a statutory body established by section 2 of the Engineering Profession Act, Act 46 of 2000 (EPA). ECSA's primary role is the regulation of the engineering profession in terms of the EPA. Its core functions are the accreditation of engineering programmes, registration of persons as professionals and in specified categories, maintenance of registration through Continuing Professional Development (CPD), and the regulation of the conduct of registered persons.

1.1. The ECSA mandate

ECSA operates within the ambit of the Built Environment Professions. ECSA is a creature of statute, with its mandate anchored in the EPA. The EPA mandates ECSA to, inter alia:

- i. Register engineering practitioners in Council-approved categories;
- ii. Determine and impose fees and charges, including registration fees, application fees, annual fees, and appeal fees;
- iii. Conduct accreditation visits to education institutions and to grant, refuse or withdraw programme accreditation;
- iv. Establish mechanisms and minimum standards for, amongst others, registration.

To achieve these objectives ECSA must have the internal capabilities and competencies and attract and retain skills and motivated employees.

2. PURPOSE AND OBJECTIVES OF THE BID

- 2.1. The purpose of this bid is to appoint a suitable independent External Audit Service Provider, to provide assurance to Management; Audit, Risk and Compliance (ARC) Committee; and the Council.

3. SCOPE OF THE PROJECT

- 3.1. Perform an external audit of the financial statements in accordance with the International Standards on Auditing and applicable legal and regulatory requirements. The primary deliverables will be an auditor’s opinion expressed in a written auditor’s report on the financial statements concerned, as well as communicating with those charged with governance throughout the audit process, in writing to management, the ARC Committee and Council. The scope of the audit comprises the following:
 - 3.1.1. Conduct the Regulatory Audit for ECSA in line with applicable and relevant external audit standards, procedures, and processes on the:
 - 3.1.1.1. Financial Statements.
 - 3.1.1.2. Compliance with all applicable laws and regulations.
 - 3.1.1.3. Performance Information.
- 3.2. Review of the ECSA Annual Integrated Report in line with the International <IR> Framework and provide assurance on selected non-financial and performance information.
- 3.3. Maintain independence and objectivity from ECSA in accordance with the Independent Regulatory Council for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing external audits in South Africa.
- 3.4. Comply to other ethical responsibilities in accordance with the IRBA Code of Professional Conduct for Registered Auditors, and in accordance with other ethical requirements applicable to performing external audits in South Africa.
- 3.5. Continuously communicate with ECSA, involving Management, the ARC

Committee and Council regarding, among other matters, the planned scope and timing of the Regulatory Audit and external audit findings, including any significant deficiencies in internal control. This will include scheduling of meetings, written communications, including the final management report.

- preparation of the audit report.
- any additional audit requirements as agreed between the parties from time to time; and
- a description of the auditor's quality control system in order to ensure that the firm and its personnel comply with professional standards and applicable legal and regulatory requirements, and that reports issued by the firm or engagement partners are appropriate in the circumstances.

3.6. The following non-negotiable deadlines are applicable each year:

3.6.1 Engagement Letter and Audit Strategy to be discussed and presented to Management, and to ARC Committee for approval to the relevant meeting to be communicated by ECSA in line with the Business cycle.

3.6.2 Interim Regulatory Audit to be performed, as and when required by ECSA.

3.6.3 The final Regulatory Audit to be performed in line with business cycle, with planning executed timeously.

3.6.4 Audited financial statements to be available for submission to the Audit, Risk and Compliance Committee in July/August and for approval by the ECSA Council during the same period.

3.7. Capacity and Experience

3.7.1. Total number of audit staff and staff that provide audit related services in the following categories: Directors/Partners, managers, specialists and other.

3.7.2. Provide up to date CVs of all partners and managers that will form part of the audit team. The CVs should indicate at a minimum the level (supervisor, manager, etc.), qualifications and experience.

4. CONTRACT DURATION

4.1. Five years, subject to the annual AGSA concurrence.

5. EVALUATION AND SELECTION CRITERIA

6.1 ECSA has set minimum standards that prospective bidders must meet in order to be evaluated and selected as a successful bidder. The received proposals will be evaluated in different phases in order to arrive at the final phase of the award, and the phases will be as follows:

6.1.1 Administrative Criteria (Phase 1) - Prospective bidders (s) must submit all required minimum and mandatory documents.

6.1.2 Technical Evaluation Criteria (Phase 2) - The proposed resource(s) must meet the minimum functionality points as outlined. - Prospective bidders (s) will be evaluated out of eighty-one (81) points during Technical Evaluations and the minimum threshold of seventy (57) must be achieved.

6.1.3 Presentation (Phase 3) Prospective bidders (s) will be evaluated using a scoring criterion that will be shared with the shortlisted bidders.

6.1.4 Price and BBB-EE evaluation Criteria (Phase 4)

Position	Minimum Qualification
Partner	CA (SA)
Senior Manager	CA (SA)
Auditor Manager	NQF 8
Specialist / Expert	Applicable Professional qualification / membership with relevant field

6. MINIMUM ADMINISTRATIVE REQUIREMENTS – PHASES

6.1. Administrative Requirements (Phase 1):

Note: In this phase all proposals received will be verified for compliance and completeness of the submitted documents per the below set of mandatory requirements. Prospective bidders who fail to comply with the below requirements will be eliminated and prospective bidders who comply with the below will progress to the next phase of technical evaluation.

Requirements	Comply YES/ NO	Evidence
1. SAICA membership for the relevant partners and directors proposed for the audit.		
2. The bidder shall operate an audit firm that is registered with SAICA.		
3. The bidder must be IRBA registered and in good standing.		
4. IRBA membership for the relevant partners and directors proposed for the audit.		

- Bid forms must be properly received on the bid closing date and time specified on the invitation, fully completed, dated, and signed.
- Invitation to Bid (SBD 1) must be fully completed.
- Company Profile
- CIPC certificate
- Proposal incorporating requirements as set out in technical evaluation criteria
- CVs and proof of certified copies of qualifications of the proposed team members. If the minimum qualification is not met this will mean disqualification.
- Reference questionnaire completed from companies where similar work was executed and completed.
- SARS Tax Pin clearance
- Submission of duly completed SBD 4 (Bidder`s disclosure),
- A valid certified B-BBEE Status Level Verification Certificate or affidavit.
- Proof of banking details
- Joint venture agreement (If applicable)
- Pricing Schedule

6.2 Technical evaluation point allocation (Phase 2):

Only prospective bidder(s) that have met the Administrative Criteria in Phase 1 will be evaluated in Phase 2. Technical Evaluation will be out of 81 points. Prospective bidder(s) that achieve a minimum threshold of 57 points out of 81 points for technical capabilities will proceed to Phase 3.

The allocation of points for technical evaluation is set out in the Table below:

No.	Evaluation Criteria	Evidence	Weight										
1	<p>Understanding the business – Experience and expertise in providing similar services to businesses within professional services also demonstrating an understanding of the environmental issues faced by the auditee and emerging industry trends sector (Please provide a minimum of three reputable, contactable reference where services were provided in similar industries. Reference questionnaire should not be older than three years for the services rendered. The questionnaire (Annexure A) must be completed in full:</p> <table border="1" data-bbox="256 875 1110 1216"> <tr> <td data-bbox="256 875 871 943">Demonstratable experience with 4 or more contactable references</td> <td data-bbox="876 875 1110 943">20 points</td> </tr> <tr> <td data-bbox="256 949 871 1016">Demonstratable experience with 3 contactable references.</td> <td data-bbox="876 949 1110 1016">15 points</td> </tr> <tr> <td data-bbox="256 1023 871 1090">Demonstratable experience with 2 contactable references.</td> <td data-bbox="876 1023 1110 1090">10 points</td> </tr> <tr> <td data-bbox="256 1097 871 1164">Limited experience with 1 contactable reference</td> <td data-bbox="876 1097 1110 1164">5 points</td> </tr> <tr> <td data-bbox="256 1171 871 1216">No demonstratable experience in providing similar services.</td> <td data-bbox="876 1171 1110 1216">0 points</td> </tr> </table>	Demonstratable experience with 4 or more contactable references	20 points	Demonstratable experience with 3 contactable references.	15 points	Demonstratable experience with 2 contactable references.	10 points	Limited experience with 1 contactable reference	5 points	No demonstratable experience in providing similar services.	0 points		20
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Demonstratable experience with 2 contactable references.	10 points												
Limited experience with 1 contactable reference	5 points												
No demonstratable experience in providing similar services.	0 points												
2	<p>Technical and General Approach</p> <p>As a minimum the auditor must demonstrate all the following points in a report:</p> <ul data-bbox="304 1391 1110 1832" style="list-style-type: none"> • Their methodology, scope of work and value add throughout the audit process is clearly defined. = 3 • Sufficient senior partner involvement and commitment from the firm to provide the services required. = 1 • Clear arrangements regarding the direction, supervision and review of the engagement work. = 2 • How the firm ensures that appropriate consultation takes place on difficult or contentious matters (technical, ethical and other matters). = 1 • How the firm maintains a high-level of quality control, independence, and objectivity. = 3 • The extent to which the team is proactive and continuously improves their service. = 1 		11										

3	<p>Capability, knowledge and experience of the Lead Partner and the team to be used for the assignment</p> <p>Engagement partner experience</p> <table border="1"> <tr> <td>Above 8 to 12 years or more experience demonstrating appropriate qualification, skills and experience.</td> <td style="text-align: center;">12 points</td> </tr> <tr> <td>Above 6 to 8 years' experience demonstrating appropriate qualification, skills and experience.</td> <td style="text-align: center;">8 points</td> </tr> <tr> <td>5 to 6 years' experience demonstrating appropriate qualification, skills and experience.</td> <td style="text-align: center;">5 points</td> </tr> <tr> <td>Less than 5 years' experience demonstrating appropriate qualification, skills and experience.</td> <td style="text-align: center;">0 points</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> <p>Audit Manager to be assigned to the Audit must:</p> <ul style="list-style-type: none"> Have the necessary competence and capabilities, collectively, to perform the audit engagement in accordance with the ISAs and applicable legal and regulatory requirements, <table border="1"> <tr> <td>More than 5 years' audit manager experience</td> <td style="text-align: center;">8 points</td> </tr> <tr> <td>5 years audit manager experience</td> <td style="text-align: center;">6 points</td> </tr> <tr> <td>Less than 5 years audit manager experience</td> <td style="text-align: center;">0 points</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> <p>Expert / Specialist for the assignment:</p> <ul style="list-style-type: none"> The bidder must demonstrate the capacity to provide the relevant expertise for the audit, including IT auditors, GRAP Specialist, sustainability/Integrated reporting etc. <table border="1"> <tr> <td>More than 5 years' experience in the area of expertise</td> <td style="text-align: center;">5 points</td> </tr> <tr> <td>3 to 5 years' experience supported by relevant qualifications</td> <td style="text-align: center;">3 points</td> </tr> <tr> <td>Less than 3 years' experience</td> <td style="text-align: center;">1 point</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> <p>Senior Auditor</p> <table border="1"> <tr> <td>More than 5 years' experience in the area of expertise</td> <td style="text-align: center;">5 points</td> </tr> <tr> <td>3 to 5 years' experience supported by relevant qualifications</td> <td style="text-align: center;">3 points</td> </tr> <tr> <td>Less than 3 years' experience</td> <td style="text-align: center;">1 point</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	Above 8 to 12 years or more experience demonstrating appropriate qualification, skills and experience.	12 points	Above 6 to 8 years' experience demonstrating appropriate qualification, skills and experience.	8 points	5 to 6 years' experience demonstrating appropriate qualification, skills and experience.	5 points	Less than 5 years' experience demonstrating appropriate qualification, skills and experience.	0 points			More than 5 years' audit manager experience	8 points	5 years audit manager experience	6 points	Less than 5 years audit manager experience	0 points			More than 5 years' experience in the area of expertise	5 points	3 to 5 years' experience supported by relevant qualifications	3 points	Less than 3 years' experience	1 point			More than 5 years' experience in the area of expertise	5 points	3 to 5 years' experience supported by relevant qualifications	3 points	Less than 3 years' experience	1 point			30
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4	Quality control		20
	<ul style="list-style-type: none"> • Confirmation that the firm applies ISQC 1 and also in the process of implementation of the ISQM 1 and accordingly maintains a comprehensive system of quality control • A summary in relation to the audit firm's monitoring of its quality control policies and procedures, including notes on its most recent internal reporting with respect to conclusions drawn from its monitoring procedures and, where relevant, key deficiencies identified, and steps taken to address such deficiencies • A summary of the outcome of the most recent IRBA firm inspection and inspection of the engagement partner to be assigned to this engagement, in terms of the nature of any significant deficiencies and the steps taken to address such deficiencies • A summary of any legal or disciplinary proceedings currently pending or concluded within the last three years (and the outcome) instituted against the firm or the engagement partner to be assigned to this engagement • Any other audit quality indicators that the firm wishes to share as part of this submission 		
	Most recent IRBA report with no material deficiencies.	20 points	
	Material deficiencies with Adequate quality control measures instituted.	10 points	
	Material deficiencies with Less than adequate quality control measures applied	0points	
	Total for functionality		81

6.3 Presentation (Phase 3)

All bidders that score the minimum score of 57 in phase 2 will go through to the presentation phase. The scoring criteria will be shared with the qualifying bidders after the phase 2 evaluation is completed.

6.4 Price and BBEE (Phase 4)

All bidders that qualify after the presentation phase 3 will be evaluated using the 80/20 principle for price and BBEE.

7. PRICING SCHEDULE

Note to bidders: Where there is more than one (1) individual required to execute the audit on an expenditure item description (e.g. partner, manager, etc.); the rate per hour on the table shall be an average whilst the hours shall represent the total hours required by all individuals involved. The bidders may provide additional supporting tables with details of the individuals and costs to clarify the breakdown of costs proposed.

Minimum Required Technical Threshold

Service Providers will be required to meet a minimum of 57 points to be considered further for B-BBEE and pricing evaluation.

Pricing Schedule – Methodology

- Detailed costing aligned to the deliverables must be submitted.
- Pricing should be inclusive of all cost levers and quoted Including VAT.

The bidder is required to provide the proposed audit fees for the full scope of the audit for price comparison purposes per annum for five (5) years. Although the contract is for a period of five (5) years, the process is subject to an annual concurrence process as indicated above.

Item Description	Rate per hour	HOURS	Cost (Inc. VAT)
Partners/Directors			
Audit Managers			
Senior Auditor / Manager/Assistant Manager/Supervisor			
Expert / Specialist			
Other Audit Team Members			
Total audit fees			

Breakdown of applicable disbursements	
Cost element	Value (Inc. VAT)
Total disbursements	
Sub-total of costs for the audit of Year One (1)	
Sub-total of costs for the audit of Year Two (2)	
Sub-total of costs for the audit of Year Three (3)	
Sub-total of costs for the audit of Year Four (4)	
Sub-total of costs for the audit of Year Five (5)	
Gross-total proposed audit fees for a period of five (5) years	

8. LIABILITY

The successful prospective supplier shall be liable to ECSA for any direct damages and/or losses incurred by ECSA due to failure by the prospective supplier to perform its obligations in the manner required by the Service Level Agreement signed by the parties.

The successful prospective supplier shall further be liable to ECSA for all indirect and consequential or special damages and/or losses suffered by ECSA as a result of gross negligence, willful misconduct, a breach of confidentiality provisions stipulated in the signed Service Level Agreement between the parties, breach of applicable laws, infringement of a third party's intellectual property rights, or a criminal act committed by the prospective supplier or any employees of the prospective supplier .

9. PROSPECTIVE SUPPLIER'S OWN TERMS AND CONDITIONS OR BID QUALIFICATIONS

This document contains the terms and conditions of this bid, and prospective suppliers must not modify / qualify the specifications or come up with their own terms and conditions. ECSA reserves the right to disqualify a bid which seeks to modify or depart from the specified conditions.

10. PREPARATION COSTS

The prospective supplier will bear all its costs in preparing, submitting, and presenting any response to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in

this bid will be construed as placing ECSA, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the prospective suppliers in the preparation of their response to this bid.

11. INDEMNITY

If a prospective supplier breaches the conditions of this bid and, as a result of that breach, ECSA incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the prospective supplier indemnifies and holds ECSA harmless from any and all such costs which ECSA may incur and for any damages or losses ECSA may suffer.

12. LIMITATION OF LIABILITY

A prospective supplier participates in this bid process entirely at its own risk and cost. ECSA shall not be liable to compensate a prospective supplier on any grounds whatsoever for any costs incurred or any damages suffered as a result of the prospective supplier's participation in this bid process.

13. TAX COMPLIANCE

No bid shall be awarded to a prospective supplier whose tax affairs are not in order. ECSA reserves the right to withdraw an award made, or cancel a contract concluded with a successful prospective supplier in the event that it is established that such prospective supplier was in fact not tax compliant at the time of the award. ECSA further reserves the right to cancel a contract with a successful prospective supplier in the event that such prospective supplier does not remain tax compliant for the full term of the contract.

14. CONFIDENTIALITY

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a prospective supplier's submission will be disclosed by any bidder or other person not officially involved with ECSA's examination and evaluation of a tender/ bid.

Throughout this bid process and thereafter, prospective suppliers must secure ECSA's written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process which follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

No confidential information relating to the process of evaluating or adjudicating tenders or appointing a prospective supplier will be disclosed to a prospective supplier or any other person not officially involved with such process.

15. INTELLECTUAL PROPERTY

ECSA retains ownership of all Intellectual Property rights in the bid/ tender information documents that form part of this RFP. Prospective suppliers will retain the Intellectual Property rights in their bid/ tender responses, but grant ECSA the right to make copies of, alter, modify, or adapt their responses, or to do anything which in its sole discretion is necessary to do for reasons relating to the RFP process.

16. TERMS & CONDITIONS OF THE APPLICATION

- ECSA reserves the right without furnishing any reasons whatsoever, to cancel, withdraw or re-advertise, or to appoint or not to appoint any of the Service Providers.
- ECSA may request clarification or further information regarding any aspect of the prospective supplier. The prospective supplier must provide the requested information within forty-eight (48) hours after the request has been made; otherwise, the prospective supplier may be disqualified.

- The Bid and supporting documents shall be submitted strictly in accordance with the instructions given in these ToR's.
- All prices quoted must be VAT inclusive. ECSA will not provide upfront payments.

17. BID SUBMISSION

The Bid/ proposal must be emailed to ECSA-TENDERS@ECSA.CO.ZA by no later than **12H00** on **29 OCTOBER 2024**.

- Do not send submissions to email addresses other than ecsa-tenders@ecsa.co.za
- The completed bid must be attached to the email, any text included in the body will not be evaluated.
- The email subject should clearly indicate the name of the service provider and the bid reference number. If amending a submission, the title of the email should also include the word amendment.
- Example: Company ABC, ECSARFP09/2024
- Example: Company ABC, Amendment to ECSARFP09/2024
- If the submission is larger than 20 MB, please zip the folder to reduce size, and or submit in parts referencing each submission accordingly.
- Where a response is not submitted at the time of the bid closing date, such submission will not be evaluated.
- Submissions must be made in PDF format only; no editable documents will be accepted.
- PDF documents submitted must not be protected.
- Failure to adhere to the above submission rules may lead to disqualification.

ECSA is entitled to amend any application condition, validity period, specification, or extend the return date of such an application before the closing date. All applicants to whom the application documents have been issued will be advised in writing of such amendment or of extensions, promptly.

18. RETENTION OF APPLICATIONS

All applications submitted shall become the property of ECSA. ECSA will make all reasonable efforts to maintain applications in confidence. Proprietary information should be identified in each application.

19. CANCELLATION AND RE-INVITATION OF BIDS

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

20. VENDOR COMMUNICATIONS

During the application period, communications between applicants and ECSA will only be in writing through email for any queries and questions. All communications, correspondence, documentation, manuals, applications, presentations, demonstrations etc., must be in English.

All questions concerning the Application must refer to the Application page number, section, and paragraph. All questions and correspondence must only be directed to the authorized ECSA Application Representatives, listed below:

20.1. General Enquiries:

Supply Chain Management: Ms. Nthabiseng Somoro Telephone number:(011) 607 9534
Email address: nthabiseng@ecsa.co.za