79 Harding Street Tel: (034) 328 5000
Private Bag X6644 Fax: (034) 326 3388
Newcastle Email: info@uthukelawater.co.za
South Africa 2940 Web: www.uthukelawater.co.za

RFQ2026-STR-001

EXTERNAL QUALITY ASSESSMENT REVIEW

1. Description

Appointment of a service provider to conduct an External Quality Assessment Review for uThukela Water (Pty) Ltd (UTW) Internal Audit Function

2. Purpose

The objective of this exercise is to assess whether the UTW's Internal Audit Function conforms to Sections 164 and 165 of the Municipal Finance Management Act (No. 56 of 2003) (MFMA) and the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing. The review should cover the following, but not limited to:

i. Assess the conformance with the IIA's International Standards for the Professional Practice of Internal Auditing (the Standards)—including the Internal Audit Charter, plans and policies.
ii. Review of documentation such, as audit strategies, working practices, and internal audit reports.
iii. Conduct interviews with key stakeholders;
iv. Gather data from the relevant personnel through surveys;
v. Identify gaps and improvement opportunities in the UTW Internal Audit Function conformance with the definition of Internal Audit and Code of Ethics; and

Assess the internal audit value drivers by conducting interviews and surveys with key stakeholders.

3. Background

UTW's Internal Audit is due for an external quality assessment (QA) since the previous one was concluded in February 2022. The International Standards for the Professional Practice of Internal Auditing (Standards) of the Institute of Internal Auditors (IIA) and King IV, external quality assessments of the Internal Audit Activity (IAA) must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

4. Scope

The activities of UTW's internal audit function are outsourced to a panel of auditors comprising of five audit firms. The firms are allocated various audit activities on an annual basis. For the past three years, the audit focussed on:

i. Financial accounting and reporting
ii. Inventory management and control
iii. Expenditure and revenue management
iv. Procurement and supply chain management
v. Production and operations
vi. ICT systems and controls
vii. Human resources management systems
viii. Risk and performance management systems
ix. Occupational health and safety

The external QA should thus focus on the internal audit reviews for the above focal areas.

5. Compliance requirements

This QA call for proposals requires potential service providers' compliance with the relevant local government sector legal frameworks as well as the IAA South Africa standards, including:

- Professional Registration: The lead assessor must hold recognized designations such as Certified Internal Auditor (CIA) or Chartered Accountant (SAICA/CA(SA)) and be registered with the IIA SA and/or Independent regulatory body of auditors (IRBA).
- Central Supplier Database (CSD): Bidders must be registered on the National Treasury CSD.
- Tax Compliance: Valid SARS Tax Clearance or a Verification Pin. Municipal/Operational Accounts: Proof of good standing regarding company and director municipal accounts (not in arrears for more than three months).

6. Resources Experience and certification

Lead assessor required to have -

- A minimum of 5 years of working experience in performing internal audit quality assessments.
- A Certified Internal Auditor (CIA) certification issued by the IIA and an accreditation as an Internal Quality Assessor/ Validator issued by the IIA.
- A valid membership with the IIA and/or IRBA.

Core Team Member must have –

- A minimum of 3 years' experience in the performance of Internal Audit External Quality Assessments.
- A Certified Internal Auditor (CIA) certification issued by the IIIA and an accreditation as an Internal Quality Assessor/ Validator issued by the IIA.
- A valid membership with the IIA and/or IRBA.

7. Deliverables

The Service provider must meet the following requirements and provide services in this nature:

Focal area	Deliverables
QA Assessment	a. Service provider must ensure that all work conforms to the IIA standards. b. The review process should end by producing external quality assessment report in line with the IIA QA Manual scope and in compliance with the relevant IIA Standards on performance of external quality assessment for internal audit functions. c. The report must outline the findings of the assessment, and an outline of the methodology used to conduct the external quality assessment. d. Make recommendations on the possible actions that need to be taken to correct the weaknesses identified. e. Provide a quality assurance improvement plan/ programme.
Independence and objectivity of the assessment team	In carrying out the work, service provider assessment team members will be expected to conduct themselves in accordance with the Code of Ethics as prescribed by the IIA.
Reporting	a. Service provider must guarantee the availability of the relevant staff throughout the duration of the allocated engagement. b. The External QA exercise is confidential, with the results provided to the Company Secretary. c. Upon completion of the assignment, a draft report shall be submitted to the Company Secretary, within 20 working days.

79 Harding Street Tel: (034) 328 5000
Private Bag X6644 Fax: (034) 326 3388
Newcastle Email: info@uthukelawater.co.za
South Africa 2940 Web: www.uthukelawater.co.za

uthukela water

	b. The report will be finalised within 15 working days following comments received from the Company Secretary.

8. Functionality requirements

Bidders must obtain a minimum of 65% to qualify for evaluation on Price and Specific Goals.

Functional area	Criteria	Points
Company Experience	• Less than 3 years company experience = Disqualification • 3 years company experience = 5 • Less than 3 reference letters = Disqualification • 5 reference letters = 40 Points • 4 reference letters = 30 Points • 3 reference letters = 20 Points **Note**: bidders must submit company profiles indicating a synopsis of appropriate work experience.	40
Key Personnel Experience	**Project Leader** • 5 years' working experience in the performance of Internal Audit External Quality Assessments of which 2 years as a Project Leader = 20 Points • 3 years' working experience in the performance of Internal Audit External Quality Assessments with no 2 years as a Project Leader = 15 Points • Less than 3 years' working experience in the performance of Internal Audit External Quality Assessments with no 2 years as a Project Leader = 0 Points **Core Team Member** • 3 years' working experience in the performance of Internal Audit External Quality Assessments = 10 Points • 3 years' working experience in the performance of Internal Audit External Quality Assessments = 10 Points	30

	• Less than 3 years' working experience in the performance of Internal Audit External Quality Assessments = 0 Points **Note**: bidders must submit team members' CVs detailing appropriate work experience.		
Key Personnel Certifications and Accreditations	**Project Leader** • Certified Internal Auditor = 10 Points • No certifications/accreditations submitted = Disqualification • Valid IIA and/or IRBA membership = 5 Points • No valid IIA membership = 0 Points **Core Team Member** • Certified Internal Auditor = 10 Points • Valid IIA and/or IRBA membership = 5 Points • No valid IIA membership = 0 Points	30	

9. Preference points system and specific goals

Bids will be adjudicated in terms of the Preferential Procurement Regulations, 2022 pertaining to Preferential Procurement Policy Framework Act, 5/2000 and other application legislations.
Preference points will be awarded to service providers using Specific Goals claimed on MBD 6.1 (points will be not be allocated for unclaimed points)
The municipal Entity reserves a right to accept all, some or none of the bids submitted, either wholly or in part and is not obliged to accept the lowest bid.

10. Compulsory Site Clarification meeting

None
Failure to attend the site clarification meeting will disqualify the service provider

11. Contacts:

SCM queries: Ms Xolile Mgaga Xolile.Mgaga@uthukelawater.co.za

Technical enquiries : Mzamani.khoza@uthukelawater.co.za

12. Closing Day: 07 JULY 2026	
13. Submission of the quotation Quotes in plain sealed envelope, endorsed RFQ number should be placed place in the bid box provided by uThukela Water at 79 Harding Street Newcastle 2940 before 4pm or email to quotes@uthukelawater.co.za before end of business day.	
14. Important information Service providers are required to complete the following forms below failure to do so will renders the submission invalid. MBD4 MBD 6 MBD9 **The MDB forms are part of this RFQ , Please see below** **CSD Summary report and BBBEE Certificate must be submitted.**	

Name of the service provider	
Central Database number	
Company registration number	

DECLARATION OF INTREST
MBD 4

1. No bid will be accepted form persons in the service of the state
2. Any person, having a kinship with person in the service of the state, including a blood relationship, may make an offer or offers of this invitation of bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to person connected with or related to person in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.

3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid

3.1 Full Name____

3.2 Identity Number____

3.3 Company Registration Number:
____

3.4 Tax Reference Number____

3.5 Vat Registration Number____

Item	Question	Yes	No
3.6	Are you presently in the service of the state?		
3.6.1	If so, furnish particulars		
3.7	Have you been in the service of the state of the past twelve months?		
3.7.1	If so, furnish particulars		
3.8	Do you, have any relationship (family, friend, other) with person in the service of the state and who may be involved with the evaluation and or adjudication of this bid?		
3.8.1	If so, furnish particulars		

3.9	Are you, aware of any relationship (family, friend, other) between a bidder and any person in the service of the state who may be involved with the evaluation and or adjudication of this bid		
3.9.1	If so, furnish particulars		
3.10	Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state?		
3.10.1	If so, furnish particulars		
3.11	Are any spouse, child or parent of the company's directors, managers, principal shareholders in service of the state?		
3.11.1	If so, furnish particulars		

CERTIFICATION

I, THE UNDERSIGNED (NAME) ____
(DIRECTOR /SHAREHOLDER MEMBER/TRUSTEE)

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE

FALSE.

____________________ ____________________
Signature Date

____________________ ____________________
Capacity Name

MBD6.1 PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 **To be completed by the organ of state**

a) The applicable preference point system for this tender is the 80/20 preference point system.

b) 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

(a) Price; and

(b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	**80**
SPECIFIC GOALS	**20**
Total points for Price and SPECIFIC GOALS	**100**

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

(a) "tender" means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

"price" means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(a) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(b) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(c) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

***Note to tenderers: The tenderer must indicate how they claim points for each preference point system.*)**

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
<51% black owned	5	
51%-100% black owned	20	

MBD 9: CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding

79 Harding Street Tel: (034) 328 5000
Private Bag X6644 Fax: (034) 326 3388
Newcastle Email: info@uthukelawater.co.za
South Africa 2940 Web: www.uthukelawater.co.za

(or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

   a. take all reasonable steps to prevent such abuse;

   b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and

   c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with

[1] Includes price quotations, advertised competitive bids, limited bids and proposals.

[2] Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

____
____
(Bid Number and Description)

in response to the invitation for the bid made by:

____
____
(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:
I certify, on behalf of:____that:
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
    a. has been requested to submit a bid in response to this bid invitation;
    b. could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    c. provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
    a) prices;
    b) geographical area where product or service will be rendered (market allocation)

c) methods, factors or formulas used to calculate prices;
d) the intention or decision to submit or not to submit, a bid;
e) the submission of a bid which does not meet the specifications and conditions of the bid; or
f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation

[3] Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract

Name of the Bidder	**Date**	**Signature**
Capacity		