

**IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA**

Case No. 21904/2015

In the matter between:

CORRUPTION WATCH (NPC) (RF)

Applicant

and

**THE CHIEF EXECUTIVE OFFICER OF THE
SOUTH AFRICAN SOCIAL SECURITY AGENCY**

First Respondent

THE SOUTH AFRICAN SOCIAL SECURITY AGENCY

Second Respondent

CASH PAYMASTER SERVICES (PTY) LTD

Third Respondent

SUPPLEMENTARY AFFIDAVIT

I, the undersigned,

DAVID HARRIS LEWIS

say under oath as follows:

1. I am the executive director of the applicant, Corruption Watch. I deposed to Corruption Watch's founding affidavit. I am authorised to depose to this

DL R-m

supplementary affidavit, filed in terms of Rule 53(4) of the Uniform Rules of Court.

2. The facts contained in this affidavit are both true and correct, and within my personal knowledge unless the context provides otherwise. Where I rely on information conveyed to me by others I believe such information to be true and correct. Where I make submissions of a legal nature I do so on the advice of Corruption Watch's legal representatives.
3. For convenience I use the same abbreviations employed in Corruption Watch's founding affidavit.

INTRODUCTION

4. On 7 May 2015, SASSA served a copy of what purported to be the complete record of the decision to pay CPS approximately R317 million – being the decision that is the subject of these proceedings – on Corruption Watch's attorneys.
5. Corruption Watch regarded the record as being incomplete. It accordingly addressed correspondence to SASSA in this regard. On 1 June 2015, Corruption Watch's attorneys addressed a letter to SASSA's attorneys indicating a series of respects in which it considered that the record filed was deficient. A copy of that letter is attached as Annexure "DL13".
6. On 23 June 2015, SASSA served a supplementary record of the decision on Corruption Watch's attorneys. Following this, and on 7 August 2015, SASSA


Rm

served a further supplementary record of its decision on Corruption Watch's attorneys.

7. There remain relevant documents specified in the letter of 1 June 2015 which have not been provided by SASSA. Both SASSA and CPS contend that these documents are not within their possession, as is made clear by the letter from SASSA's attorneys on 1 July 2015 and the letter from CPS's attorneys on 13 July 2015 which are annexed as Annexures "DL14" and "DL15" respectively.
8. However, in view of the need to progress this matter and achieve finality, Corruption Watch has prepared this supplementary affidavit in light of the record as filed.
9. Corruption Watch considers the entire record to be of relevance to the review. It will ensure that the entire record is placed before the Court and reserves its rights to rely thereon. However, for the convenience of this Court, certain parts of the record are annexed to this affidavit.
10. As I explain below, the record supports the grounds of review set out in Corruption Watch's founding affidavit. Documentation in the record evidences, amongst other things, that SASSA took the decision to pay CPS the amount of approximately R317 million for the re-registration of social grant beneficiaries:
 - 10.1. absent a basis for doing so in terms of the contract it concluded with CPS;

*For
all*

- 10.2. in manner that contravened its 2012 Supply Chain Management Policy ("SCM policy");
- 10.3. in circumstances where it had not conducted an internal audit at the time it paid CPS – despite having previously advised CPS that it would only make payment of the full amount of R317 million when it had completed an internal audit of the claim lodged by CPS for this amount, and
- 10.4. on the basis of a report prepared by KPMG for CPS which was not an audit report, but which SASSA erroneously regarded as being an audit report justifying payment; and
- 10.5. without any justification for the amount charged by CPS to re-register beneficiaries.
11. As a last introductory matter, I note that SASSA has elected not to file any written reasons in response to the review application, despite Rule 53 entitling it to do so. Thus, the only reasons provided are the inadequate and flawed reasons provided by SASSA to Corruption Watch during the engagements referred to in my founding affidavit.

RELEVANT FACTS APPEARING FROM THE RECORD

- (i) **The contract, service level agreement and SCM policy**

Ram
Chen

12. The commercial relationship between SASSA and CPS is regulated by two documents: a contract and a service level agreement ("SLA") – both of which are attached to Corruption Watch's founding affidavit as annexures "DL7" and "DL8", respectively.
13. It appears that identical copies of these documents were included in the record, and accordingly served before SASSA when the decision to make payment to CPS was taken.
14. Clause 4 of the SLA provides that it was agreed that CPS would render those services to SASSA as set out in the SLA – which services included "enrolment" (registration) of social grant beneficiaries.
15. Clause 5 of the SLA provides that enrolment would occur in two phases: a "bulk enrolment" phase, and an "on-going" enrolment phase, which was in respect of new social grant recipients.
16. As is set out in paragraphs 21.2 to 21.4 of Corruption Watch's founding affidavit, these services would be provided for at a specific "Firm Price", which was defined in the contract between the parties, and which was fixed at a rate of R16,44, including VAT, per registration.
17. The contract and the SLA do not provide for a re-registration process. A re-registration process would fall under an "additional service" contemplated in clause 6.3 of the contract, which required the parties to reach a further written agreement as to the negotiated fee for those additional services. This was subject to only one qualification which was clearly not relevant in the re-

Rm
AbL

registration process, namely that if CPS had to supply disaster relief payment services, it would charge SASSA at the "Firm Price", being R16,44 (including VAT).

18. At all material times SASSA's SCM policy regulated the manner in which procured goods and services from third parties such as CPS. My founding affidavit attached a copy the 2008 SASSA SCM Policy. It appears from the record that by September 2012, there was a further version of the SCM Policy in place. I attach a copy of the 2012 SCM policy marked "DL16". All references in this affidavit to the "SCM Policy" will be to the 2012 SCM Policy.
19. Section 6.4 of the SCM policy is headed "*Extensions or Additions to Conclude or Existing Contracts / Agreements*". It provides as follows:

"In the event that there is a need to extend the existing or concluded contracts or agreements, approval must be sought from the Bid Adjudication Committee with valid reasons forwarded. Continuity should not be advanced as a reason to extend projects using same suppliers or service providers.

Contracts / Purchase Orders may be expanded or varied by not more than 20% or R20 million (including all applicable taxes) for construction related goods, works and/or services and a 15% or R15 million (including all applicable taxes) for other foods and/or services of the original value of the contract, whichever is the lowest amount. Any deviation in excess of these thresholds must be forwarded to the Bid Adjudication Committee which will then recommend to the CEO for approval"

B-17

B-17

20. Thus, under SASSA's SCM policy, the approval of the Bid Adjudication Committee ("BAC") is required for any extension to an existing contract (such as in this case the additional re-registration services). Moreover, such extensions could only occur where the cost of such services exceed R15 million (or 15% of the contract value, whichever is lower), unless a request for a deviation was submitted to the BAC, which was required to then make a recommendation to the CEO.
21. I am advised that the Constitutional Court has held that: (i) procurement prescripts of this nature are binding on organs of state; and (ii) that courts must insist on compliance with these prescripts in that they are vital in guarding against corruption and maladministration, and giving effect to the principles of s 217 of the Constitution.
- (ii) **The decision to effect part-payment of CPS' Invoice**
22. On 10 March 2014, CPS rendered an invoice to SASSA which is attached marked "DL17". The invoice is headed "*Financial Consideration for Bulk Re-registration*" and reflects an amount owing by SASSA of R316 447 361.41 (including VAT), and a cost of R23,20 (excluding VAT) per re-registration.
23. On 13 March 2014 the Executive Manager: Grants and Administration, Mr Frank Earl, sent a submission document to the BAC. The subject line of the document is "*Variation order: reimbursement of costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) in respect of additional resources procured for the re-registration project for the period 01 January 2013 to July 2013*". I attach a copy of this document marked "DL18".

RM
ll

24. The purpose of the document is described as being to seek the BAC's recommendation for a variation order to reimburse CPS for *"the costs incurred to procure the additional resources required in respect of the re-registration project for the period 01 January 2013 to July 2013"*, and to recommend that the CEO of SASSA *"grants approval to process part payment of the invoice for the current financial year amounting to 80% (R253,157,889.13) to Cash Paymaster Services (Pty) Ltd relating to the costs incurred, and that 20% of the total invoice be retained and paid after and (sic) independent Auditor has verified the completeness and correctness of the claim in the 2014/2015 Financial year"*.
25. Under the section of the document headed *"Motivation"*, it is stated that SASSA and CPS had *"during the SLA negotiations it became clear that the requirement to eliminate ghost dependants, non-qualifying beneficiaries and duplicate children was critical to the effective elimination of fraud"*, and that *"it was agreed that CPS would re-register all 9.2m social grant beneficiaries and recipients for a period of six months at their own cost"*. I note that this is not recorded in the SLA, or in the contract – despite the fact that this allegedly became clear *"during the SLA negotiations"*.
26. The document goes on to state that at the time that these *"negotiations"* took place, *"the total number of social grant recipients as well as dependents (sic) was unknown"*, and that when *"the plans were compiled"* the total number of people that were required to be registered *"more than doubled"*, representing an additional *"estimated 11.9 million people who had to be registered by the service provider"*.

RM
AA

27. Mr Earl's submission notes that "[t]he re-registration project, which commenced on 1 July 2012, should have been completed by 31 December 2012", and that only "cash" beneficiaries were registered during this period. He then states that "[b]anked beneficiaries had to be registered from January 2013 until March 2013" and that during this period "CPS continued to carry the cost of the project".

28. He then refers to an attached "audited breakdown of the costs incurred, from CPS, for the period allowed by SASSA to continue with the re-registration of all outstanding beneficiaries". It is not clear from the record what the "audited breakdown" is referred to as there is no attachment to the submission document evident. It appears however that this is a reference to a report dated 10 March 2014, prepared by KPMG on behalf of CPS. I attach a copy of the report marked "DL19". What is also striking about Mr Earl's submission is that it does not explain what was ultimately agreed between SASSA and CPS as regards the costs payable by SASSA to CPS for re-registrations.

29. The KPMG document is clearly not an audit report. It also sheds no light on what was agreed between SASSA and CPS as to the costs regarding re-registration. It expressly says that it is not an audit report in the conclusion. In fact, the report states that had KPMG "performed additional procedures, or had we performed an audit or review of the financial statement in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you".

Rm
[Signature]

30. On 14 March 2014, the BAC made a written recommendation to SASSA's CEO, Ms Virginia Petersen, to approve the immediate payment of 80% of CPS' claim, in accordance with the submission made to the BAC by Mr Earl. I attach a copy of this recommendation marked "DL20".
31. I note that under section 2 of the recommendation reference is made to a meeting of the BAC held on 13 March 2014 at which the BAC resolved to approve the "variation order". There are no minutes of that meeting contained in the record.
32. Importantly, under section 4 of the recommendation, reference is made to the KPMG report. It is stated that "[t]he remainder of the 20% of the invoice be paid in the 2014/2015 Financial Year after SASSA, through the Independent Auditor, has verified the completeness and correctness of the claim by Cash Paymaster Services (Pty) Ltd which was audited by their external auditors (KPMG)". (emphasis added).
33. As I have explained, KPMG had not performed an audit on CPS' claim.
34. On 18 March 2014, Ms Petersen, signed a document headed "Request to Procure", a copy of which is attached marked "DL21". It was in respect of "additional resource procured for the re-registration project for the period 01 January 2013 to July 2013", and in the amount of R316 447 361.41. On the same day she approved the BAC's recommendation regarding part-payment.
35. On 31 March 2014, SASSA's Acting Chief Financial Officer, Ms Thovhakale, wrote a letter to CPS (attached marked "DL22") that reads as follows:

R+m
DL

"SASSA has considered your invoice for registration of beneficiaries and has effected payment amounting to R253 157 889.13. The amount paid represents 80% of the invoice amount.

The 20% was retained to verify certain issues raised by SASSA's Bid Adjudication Committee. SASSA will appoint an independent (sic) Auditor to verify the claim against SASSA and once this claim has been confirmed all outstanding monies will be paid during the first quarter of the new financial year". (emphasis added)

36. CPS responded to Ms Thovhakale's letter on the same day. In an email from Ms Nanda Pillay, attached marked "DL23", CPS recorded the following:

"It is clear from the letter that the invoice and audit report submitted by CPS to SASSA is still subject to an independent audit as ordered by the Bid Adjudication Committee. As such, our external auditors do not believe it is prudent to recognize this partial payment as revenue in the CPS Financials as it is still subject to approval. In light of this, the CPS Executive have had no option but to transfer the R253,157,889.13 back to SASSA, pending the outcome of the independent audit. The transfer was effected, today." (emphasis added)

37. The record reflects that CPS returned the sum of R253 157 889.13 to SASSA as per the aforesaid email.

(iii) The decision to effect full payment of CPS' invoice

Brm
Er

38. On 25 April 2014 SASSA's Supply Chain Management department addressed a written submission to Ms Petersen in her capacity as the CEO of SASSA. I attach a copy of the submission marked "DL24".
39. Its stated purpose was to, *"request the Chief Executive Officer to consider the recommendation of the Bid Adjudication Committee and approve the variation order to effect full payment of R316 447 361.41 for the costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) to re-register all the grant recipients as well as outstanding beneficiaries"*.
40. In addition to recommending that the full amount of R316 447 361.41 be paid by SASSA, the submission also recommends that SASSA, *"engage the services of an Independent Auditor to verify the completeness and correctness of the claim submitted by CPS which incidentally was audited by their external auditors, KPMG. Further, should any discrepancies be uncovered by the Independent Auditor, CPS shall be afforded an opportunity to respond to the allegations and if its accepts the errors, CPS be held to refund the Agency the amount in question deemed overpaid"*.
41. The submission apparently served before the BAC on 24 April 2014. I attach the BAC's recommendations, which mirror those in the submission, marked "DL25".
42. As with the first BAC meeting in respect of the part-payment (apparently held on 13 March 2014), the record does not contain any minutes of the BAC's meeting on 24 April 2014.

Rm
CJ

43. As is evident from the second page of the submission, on 22 May 2014 Ms Petersen approved the BAC's recommendation to pay CPS the full amount of its claim, being the amount of R316 447 361.41.

B GROUNDS OF REVIEW

44. The record evidences that the decision by SASSA to make payment of R316 447 361.41 to CPS as per CPS' invoice of 10 March 2014 (annexure "DL107" falls to be reviewed and set aside for the reasons already canvassed in Corruption Watch's founding affidavit, and one or more of the reasons set out below.

(i) **The decision was unlawful**

45. In the founding affidavit, Corruption Watch's first ground of review was that there was no lawful basis for the decision. Corruption Watch persists in this ground in light of the record.
46. The record reveals that decision did not comply with even the SLA, let alone the SASSA SCM Policy.
47. Without in any way limiting the argument to be advanced by Corruption Watch in this regard, I emphasise the following:

R.M
G

- 47.1. CPS allegedly rendered the re-registration services to SASSA that formed the basis of its claim during the period 1 January 2013 to July 2013.
- 47.2. Yet there is no evidence in the record that before these services were rendered, SASSA complied with section 6.4 of the SCM policy. That section required it to seek the approval of the BAC and the CEO for the extension concerned and, on a proper construction, required that this approval be sought before the extended services were rendered.
- 47.3. Instead, SASSA did things the other way around. It instructed CPS to render services over and above those provided for in the contract and SLA, and only when it received CPS' invoice, after these services were allegedly rendered, did it seek approval from the BAC and CEO for payment. It does not appear from the record that SASSA had even agreed, prior to CPS commencing with the re-registration services, to a particular price for those services.
- 47.4. This is not in accordance with the SCM Policy. That Policy, understandably, regards *ex post facto* approvals as irregular. It provides in clause 8:

"Ex post facto approvals are regarded as irregular expenditure and must be forwarded to the Bid Adjudication Committee for condonement. They must further be referred to the financial misconduct board for decision and the officials concerned must be called to account for their actions."

Bm
197

- 47.5. Yet, the BAC does not purport to have exercised its clause 8 powers to condone irregular expenditure. There is nothing to indicate that it was asked or understood that it was being called upon to exercise such powers.
- 47.6. Moreover, clause 8 condonation may plainly only be used where there is a proper justification therefore. Here, the record reveals no justification given for the failure to seek approval from the BAC and CEO in advance. Nor could one exist.
- 47.7. Lastly, there is no indication that these matters have been referred to the financial misconduct board as required by clause 8. I invite SASSA in answer to set out (with reference to all supporting documentation):
- 47.7.1. Whether these matters were referred to the financial misconduct board;
- 47.7.2. If so, when this occurred and what the outcome was;
- 47.7.3. Whether any officials have been called to account for their actions in this regard; and
- 47.7.4. If so, the names of the officials, when this occurred and what the outcome was
- 47.8. In the circumstances, the decision did not comply with the SCM policy.

Rm
EA

(ii) The decision was irrational and unreasonable and based on a material mistake of fact

48. In the founding affidavit, Corruption Watch's second ground of review was that the decision was irrational and unreasonable. Corruption Watch persists in this ground in light of the record.

49. The record reveals that there was no rational or reasonable basis for the decision. Again, without in any way limiting the argument to be advanced by Corruption Watch in this regard, I emphasise the following.

50. First, it is clear from the record that SASSA's Supply Chain Management division, the BAC, and Ms Petersen, laboured under the misapprehension that CPS' claim for payment had been audited by KPMG.

50.1. It is plain from the record that this was, at the very least, a material consideration in relation to the decision on 14 March 2014 to make part-payment to CPS, as well as the decision taken on 22 May 2015 to make payment of the full amount claimed by CPS.

50.2. KPMG however did not audit CPS' claim, as is clear from its report.

50.3. This means that the decision was not merely irrational and unreasonable, but is based on a material error of fact. In the circumstances, the decision falls to be reviewed and set aside in terms of section 6(2)(e)(iii) of PAJA as well as the principle of legality.

R.M.
Bel

51. Second, there is no evidence in the record justifying a conclusion by SASSA, the BAC or Ms Petersen that the funds claimed were properly owing to CPS.

51.1. At the time that it was determined that a part-payment would be made to CPS, Ms Petersen had been advised that before final tranche of funds would be paid, an internal audit would be completed to verify CPS' claim. There is no evidence in the record to explain how this position could possibly have changed between 14 March 2014 and 22 May 2014, when no such internal audit had been done.

51.2. It is clear from the record that an independent audit was not conducted on CPS' claim before the decision to effect payment on 25 May 2014. In this regard I attach marked "DL26" a copy of a request issued by SASSA for the services of an independent auditor to verify CPS' claim, as well as the award of the contract for such services to SAB&T Chartered Accountants during March 2015. This was nearly a year after payment was made to CPS, and after Corruption Watch launched the present application.

52. Third, there is nothing in the record as regards how the amounts charged by CPS and paid by SASSA are substantiated, reasonable and cost-effective.

52.1. There is no documentation that explains the difference between the cost under the contract of R16,44 (including VAT) per registration of a beneficiary, and rate of R23,20 (excluding VAT) charged by CPS for re-registrations.

B-m
DL1

- 52.2. This deficiency is especially glaring given that (i) the initial agreement between CPS and SASSA was allegedly that CPS would cover this re-registration process without any charge; and (ii) the SLA specifically provided that even if CPS had to supply disaster relief payment services (which were not part of the main activities governed by the SLA), it would charge SASSA at the "Firm Price", being R16,44 (including VAT).
53. Fourth, to the extent that it may be contended that the BAC was seized with a condonation application in terms of clause 8 of the SCM Policy (which is not conceded), I submit that any decision to grant such condonation was irrational and unreasonable. I refer to what is set out in paragraph 47.5 to 47.7 above and pray that it be read as incorporated herein.

(iii) The decision did not comply with section 217 of the Constitution, and sections 50 and 51 of the PFMA

54. In the founding affidavit, Corruption Watch's third ground of review was that the decision did not comply with section 217 of the Constitution and sections 50 and 51 of the PFMA. Corruption Watch persists in this ground in light of the record.
55. Those provisions require that government procurement take place in a manner that is fair, equitable, transparent, competitive and cost-effective. The present decision fails to meet these requirements. Without in any way limiting the

JRM
He

argument to be advanced by Corruption Watch in this regard, I emphasise the following features of the decision:

- 55.1. The decision concerned a very significant sum – R317 million. That sum was paid to CPS without any form of competitive process.
- 55.2. Even if the absence of a competitive process in this situation were permissible, SASSA then had to put in place additional checks and balances to ensure that the procurement process met the requirements of transparency and cost-effectiveness. It failed to do so.
- 55.3. SASSA allowed CPS to do the additional work first, before a decision by the BAC and CEO had been made on whether to authorise the extension of the SLA and apparently without even agreeing on the fee to be paid;
- 55.4. SASSA ultimately paid a fee significantly higher than the registration fee set out in the SLA, without any explanation or justification and despite the fact that the re-registration process was to be performed without additional charge;
- 55.5. SASSA decided to pay CPS on its understanding that CPS' claim for payment had been audited by KPMG, when in fact this had not occurred;
- 55.6. SASSA initially took the view that it would only pay CPS 80% of the fee, pending completion of an independent audit, but when CPS rejected

R.M
/

this approach, SASSA capitulated and paid the full amount without an independent audit even having begun;

55.7. Throughout the process SASSA failed to keep minutes of critical meetings within SASSA and between SASSA and CPS; and

55.8. SASSA failed to make any public disclosure of the fact that it had paid R317 million to CPS above and beyond the amounts due in terms of the SLA. It was consequently only the fact that CPS was required by stock exchange rules to make disclosure of the payment that brought it into the public domain.

56. All of this amounts to a serious breach of the provisions of sections 217 of the Constitution and sections 50 and 51 of the PFMA.

APPROPRIATE REMEDY

57. In the circumstances, I submit that the SASSA decision falls to be reviewed and set aside.

58. The only remaining question concerns an appropriate remedy. In view of the contents of the rule 53 record and the facts set out above, I submit that the appropriate remedy is for CPS to be directed to repay the amount of R317 million to SASSA, together with interest thereon. An amended notice of motion seeking such relief is filed together herewith, in terms of Rule 53. Full

Rm
JL


DAVID HARRIS LEWIS

I certify that-

- (a) the deponent-
 - (i) acknowledged that he knows and understands the contents of this declaration;
 - (ii) informed me that he does not have any objection to taking the prescribed oath;
 - (iii) informed me that he considers the prescribed oath to be binding on his conscience;
- (b) the deponent then uttered the words, 'I swear that the contents of this declaration are true, so help me God';
- (c) the deponent signed this declaration in my presence at Parkview on the 11 day of September 2015.


COMMISSIONER OF OATHS

Full name: Richard Mashamba
 Business address: 71 Dunbar Avenue
 Designation: W/O

SOUTH AFRICAN POLICE SERVICES
 STATION COMMANDER
 2015-09-11
 CLIENT SERVICE CENTRE
 PARKVIEW
SOUTH AFRICAN POLICE SERVICES

Incorporated No. 1972004634/21

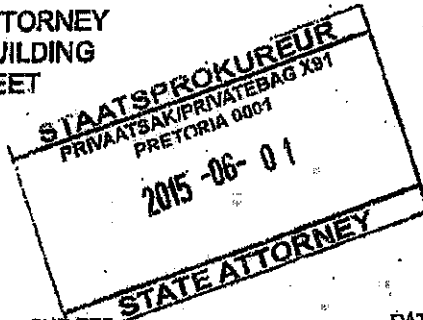
MacRobert Building
cnr Justice Mahomed & Jan Shaba Streets
Brooklyn Pretoria RSA
Private Bag X18 Brooklyn Square 0075
Doxat 43 Pretoria

GPS Co-ordinates: S 26° 46' 2.28", E 28° 14' 16.68"
law@macrobert.co.za www.macrobert.co.za
Pretoria Tel +27 12 425 3400
Fax +27 12 425 3800

Other Branches:

Cape Town Tel +27 21 484 2400 Fax +27 21 491 2940
Durban Tel +27 31 304 7185 Fax +27 31 304 2788

OFFICE OF THE STATE ATTORNEY
GROUND FLOOR, SALU BUILDING
316 THABO SEHUMO STREET
PRETORIA



(DELIVERY BY HAND)

YOUR REF:

R J RAMNARAIN

OUR REF:

MR SULIMAN/fc/00001832

DATE:

1 June 2015

Dear Sir / Madam

Corruption Watch / SASSA: Review Application (Case No. 21904/15)

1. We refer to the above matter and to the documents, delivered by your client on 7 May 2015, that your client contends comprises the record of its decision that forms the subject of our client's application.
2. Our client has considered the aforesaid documentation believes that it does not constitute the full record of your client's decision in that it does not include:
 - 2.1. Your client's Request for Proposals for the provision of payment services for social grants under Bid Number SASSA 01/11/BS;
 - 2.2. The Contract between your client and CPS for the payment of social grants dated 3 February 2012;
 - 2.3. Your client's internal supply chain management policy;
 - 2.4. In relation to the minutes of the meeting held on 15 June 2012, the following documents:
 - 2.4.1. A copy of the attendance register, agenda for the meeting;
 - 2.4.2. An electronic copy of the minutes;
 - 2.4.3. The names of all the Executive, Regional Executive and Regional General Managers who attended the meeting;
 - 2.4.4. The date of the presentation referred to in paragraph 3 of the minutes; and
 - 2.4.5. A copy of the presentation referred to in paragraph 3 of the minutes.

Your strategic partner at law

Conveyancers Notaries & Trade Mark Agents

Directors: LM Keirick (Chairman), LM Mahangu, MJ Paneta, AMG Bullman, SM Jacobs, CA Wassie, N Coles, NA Jansen van Rensburg, LE Soot, J Alberts, GP van der Merwe, B van der Merwe, KM Greig, D Venter, JA Erasmus, JD van Brakel, CN Groenewald, AB van Niekerk, L'Gani, KC Cameron, JC Jansen van Rensburg, G Wolshelp
Consultants: DE Pank, GK Hoy, JP van der Merwe
Sohler Associates: B de Bruin, J Roux, T Achada, J Naidoo, CRPA Papermac, K Ziyanda, PC Ryan, DR Platjean, E Deppa, A Fortuin, FA Dreyer, D du Plooy, T Bodysa
Associates: N Naidu, N Raanichien, E Ward, S Meeen, C Le Roux, H Hemman, A Abardier, M Kotze, T Khengala, LG Mncube, PS Nauf, L van Wyk, J Pieterse, T Kryzstofik

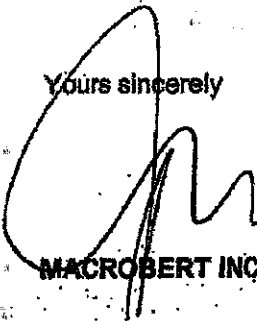
Rm
Jee

2.5. The minutes of the Service Level Negotiations held in January 2012; and

2.6. In respect of Item 14 of the record, a copy of minutes of the meeting at which the re-registration project was discussed together with the agreed project plan.

3. Your client is accordingly requested to deliver the aforesaid documentation as required by Rule 53 of the Uniform Rules of Court.
4. Kindly note that our client will be filing its supplementary affidavit as contemplated in Rule 53(4) of the Uniform Rules when it is in receipt of the complete record of your client's decision.
5. We look forward to receiving the requested documentation at your earliest convenience.

Yours sincerely



MACROBERT INC

PER: A SULIMAN

Direct telephone number : (012) 425-3530
Direct telefax number : (012) 425-3600
Email address : asuliman@macrobert.co.za

Riv
C/



Office of the State Attorney Pretoria

Private Bag X 91
PRETORIA
0001

Ground Floor, Salu Building
316 Thabo Sehume (Andries) Street
Cnr. Thabo Sehume (Andries) and
Francis Baard (Schoeman) Streets

Tel: (Switchboard): (012) 309 1500
(Direct Line): (012) 309 1582
(Secretary): (012) 309 1656

Fax/Faks: (012) 309 1649/50

01 JULY 2015

Enquires: RJ RAMNARAIN
Email: rakramnarain@justice.gov.za

My ref: 2193/2015/Z21/sn
Your ref: Mr A Suliman

MESSRS MACROBERT ATTORNEY
CNR. CHARLES & DUNCAN STREET
BROOKLYN
PRETORIA

ATTENTION: MR A SULIMAN
EMAIL: asuliman@macrobert.co.za

Dear Sir

RE: **CORRUPTION WATCH (NPC) RF) / THE SOUTH AFRICAN SOCIAL SECURITY AGENCY**

1. We refer to the above matter and your letter of 1 June 2015 wherein you request further documents to be included as part of the record.
2. On 24 June 2015, we served documents 2.1 and 2.2 referred to in your letter. These documents are:
 - 2.1. The request for proposals for the provision of payment services for social grants under Bid Number Sassa 01/11/BS; and
 - 2.2. The SLA and the main contract between Sassa and CPS for the payment of social grants dated 3 February 2012.
3. Kindly note that Sassa does not have in its possession the rest of the documents that you requested. Same have been requested from CPS. We await receipt of those documents from CPS and shall forward same as soon as they come to hand.

AM
[Signature]

4. In light of the above, we request an extension to serve and file the remaining documents from CPS until 15 July 2015.

Yours faithfully

RJ RAMNARAIN
FOR: STATE ATTORNEY (PRETORIA)

RJ
R.m

" DL 15 "



**SMIT SEWGOOLAM
INCORPORATED**
attorneys and conveyancers

12 Avonwold Rd (Cnr. Jan Smuts Ave) Saxonwold Johannesburg South Africa
Private Bag 836 Saxonwold 2132 Docex 126 Jhb Website: www.smitsew.co.za
Deeds Office Lodgement Numbers: Johannesburg 477; Pretoria 1683
Registration Number 2003/007801/21 • VAT Registration Number 4270208095
Tel + 27 11 646 0006 • Fax + 27 11 646 0016

Our Reference:
MAT21215/OCJ/SC
E-mail: iaan@smitsew.co.za

Your Reference:
RJ Ramnarain/2193/2015/Z21

OFFICE OF THE STATE ATTORNEY, PRETORIA

PER E-MAIL: RekRamnarain@justice.gov.za

13 July 2015

Dear Sirs

RE: - CORRUPTION WATCH (NPC) (RF) / THE CEO OF THE SOUTH AFRICAN SOCIAL SECURITY AGENCY AND OTHER

1. The abovementioned matter and your Mr Ramnarain's e-mail addressed to our client and our Mr Jonker on 7 July 2015 refer.
2. Attached hereto please find copies of –
 - 2.1 the agenda for the meeting held on 15 June 2012; and
 - 2.2 the presentation referred to in paragraph 3 of the minutes of the meeting held on said date.
3. We record that our client does not have in its possession the remainder of the documents requested by the Applicant's attorneys.

Yours faithfully,


SMIT SEWGOOLAM INC.

per: O.C. JONKER


R-M

DIRECTORS: Tiaan Jonker (Chairman); Harold Smit (Senior Partner); Rikesh Sewgoolam; Johannes Engelbrecht; Antia du Plessis; Bouwer van Niekerk; Jacques Merais (Managing Director);

Rachelle Freed

SENIOR ASSOCIATES: Ravika Sukdeo; Charl Cilliers; Francisca Pretorius

ASSOCIATES: Corné du Plessis; Schalk Pienaar; Matt Smit; Peter Otto

PROFESSIONAL ASSISTANTS: Kris Hamner; Dharmisha Laia

IN ASSOCIATION WITH: Schoerle & Sewgoolam Inc – Pietermaritzburg; Titia Sonnekus Attorneys – Heidelberg



LEVEL 1 BBBEE

"DL16"

Procurement Policy Version 4



sassa
SOUTH AFRICA'S SOCIAL SECURITY AGENCY

PROCUREMENT POLICY

POLICY NUMBER	SCM/PP/02/09/2012
POLICY VERSION	02
UNIT RESPONSIBLE	SUPPLY CHAIN MANAGEMENT
DATE OF REVIEW	September 2012
DATE APPROVED	

DL
Am

PREAMBLE	1
DEFINITIONS	2
1. INTRODUCTION	4
1.1. Guiding Principles	4
1.2. Supply Chain Management (SCM) Framework	5
1.2.1 Elements of SCM:	6
1.3. Objectives	6
2. CODE OF CONDUCT	7
3. DEMAND MANAGEMENT	9
4. PURCHASING MANAGEMENT	10
4.1. Roles of the Procurement Sub Unit	10
4.2. Its activities include, but are not limited to:	10
4.2. Training	11
4.3. Methods of Acquisitions	11
4.3.1. Petty cash for values up to R500 (VAT included)	13
4.3.2. Written quotations for values up to R5 000	13
4.3.3. Written quotations for values of R5 001 but not exceeding R500 000	13
4.3.4. Competitive Bids for a rand value above R500 000 (VAT included)	14
4.3.5. Urgent and or Emergency Situations	14
4.3.6. Sole Supplier	15
4.3.7. Transversal Contracts	16
4.3.8. Annual General Exemptions	16
5. INVITATION OF BIDS	16
5.2. Briefing Sessions	17
5.3. Bid documents	17

ffc
Rm

5.4.1. Technical ability	19
5.4.2. Calculation of Points for Price	20
6. CONTRACT MANAGEMENT	21
6.1. Award of Contracts	21
6.2. Duration of Contracts	21
6.3. Service Level Agreement (SLA)	21
6.4. Extensions or Additions to Conclude or Existing contracts / Agreements	22
7. TAX CLEARANCE	22
8. EX POST FACTO APPROVAL	23
9. MANDATE, ROLE AND FUNCTIONS OF THE SUPPLY CHAIN MANAGEMENT COMMITTEES	23
9.1. Bid Specification Committee	23
9.1.1. Legislative provisions	23
9.1.2. Composition of the Bid Specification Committee	24
9.1.3. Duties and Responsibilities of the Bid Specification Committee	24
9.2. Bid Evaluation Committee	25
9.2.1. Composition/ Membership	25
9.2.2. Duties and Responsibilities of the Bid Evaluation Committee	26
9.2.3. Evaluation of Bids	26
9.2.4. Presentations	28
9.3. Bid Adjudication Committee	28
9.3.1. Composition of Bid Adjudication Committee and the Appointment of Members	29
9.3.2. Duties and Responsibilities of the Bid Adjudication Committee	30
9.3.3. Duties and powers of the various Committee Members	33
9.3.4. Meeting Procedures	37

RM

Procurement Policy Version 2

9.3.5. Code of Conduct of Committee members ----- 39 -

10. REVIEW OF THE POLICY ----- 43 -

11. RESPONSIBILITIES ----- 43 -

12. KEY WORDS ----- 44 -

13. POLICY APPROVAL ----- 44 -

14. POLICY HISTORY ----- 44 -

Handwritten signature
RTM

PREAMBLE

The South African Social Security Agency (SASSA) aims to contribute to the improvement of the quality of life of all South African citizens by empowering its communities, especially the historically disadvantaged individuals through a procurement system that would allow all stakeholders to participate in a fair, equitable and competitive manner. The Agency, therefore, takes into account the need for a transparent and effective procurement system that gives effect to the objectives of the Preferential Procurement Policy framework Act (Act 5 of 2000) and the Regulations to the Framework on Supply Chain Management. Furthermore it is the intention of the Agency to grant and allow Black Empowered Businesses access to its procurement system.

CHIEF EXECUTIVE OFFICER

jc
R.M

DEFINITIONS

In this policy, unless the context otherwise indicates:-

Acceptable bid: means any bid which, in all respects, complies with the conditions of bid and specifications as set out in the bid document.

Agency: means the South African Social Security Agency (SASSA)

Equity ownership: refers to the percentage ownership and control, exercised by individuals within an enterprise.

Black Empowered Businesses: business that has 25% black shareholding

Black managed and black controlled business: 50% plus 1% black shareholding or management

Contract: refers to a legally binding agreement between the Agency and the service provider

Closing date: date on which the bid closes as reflected on the bid documents

Closing time: refers to the specified time (11:00 a' clock) on which date the bid closes

Chief Executive Officer: means the Head of the South African Social Security Agency

Chairperson: means the chairperson of the Bid Adjudication Committee.

Committee: refers to the Bid Adjudication Committee duly appointed by the Chief Executive Officer.

Member: means a member of the Bid Committee

Handwritten signature and initials
R-m

Service providers: refers to the bidders who have been successful in being awarded the contract.

Small Micro Medium Enterprise (SMME): refers to separate and distinct business entities, including co-operative enterprises and NGO's, managed by one owner or more, as defined in the National Small Business Act (Act 102 of 1996).

SCM: means supply chain management.

B-BBEE: means Broad-Based Black Economic Empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.

B-BBEE status level of contributor: means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.

Comparative Price: means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration.

de Rm

1. INTRODUCTION

The South African Social Security Agency (SASSA) has been established as an agent for the administration and payment of social assistance and all matters connected with that. As part of its business, SASSA will procure goods and services to be used by various branches through the Supply Chain Management unit. The supply chain of SASSA consists of different divisions, ranging from demand management to provisioning management. Activities include demand planning, acquisition, asset management, storing and delivery to end-users. The aim of this policy document is to set out how activities will be planned, executed and monitored.

1.1. Guiding Principles

Section 217 (1) of the Constitution of the Republic of South Africa stipulates that when an organ of state in the National, Provincial or Local sphere of government, or any other institution identified in the national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

In light of this provision, SASSA as an institution identified in the national legislation, undertakes all of its procurement and bidding in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

The system that SASSA uses to ensure effective competition and transparency in line with the provisions of Section 217 (1) of the

Constitution of the Republic of South Africa, demonstrates that all undertakings to purchase goods, works and services (including consultants) are handled through a Request for Quotes and open Bids. The following principles will be followed when acquiring goods and services:-

- ↓ Value for money;
- ↓ Open and effective competition;
- ↓ Ethics and fair dealing;
- ↓ Accountability and reporting and
- ↓ Equity.

This policy should be read with the following Acts and regulations:-

- ↓ Constitution of the Republic of South Africa;
- ↓ Public Finance Management Act;
- ↓ Broad Based Economic Empowerment Act;
- ↓ Preferential Procurement Policy Framework Act;
- ↓ Implementation Guide: Preferential Procurement Regulations
- ↓ Supply Chain guidelines;
- ↓ Supply Chain practice notes;
- ↓ Treasury regulations and
- ↓ Any other applicable law or regulation.

1.2. Supply Chain Management (SCM) Framework

The supply chain management cycle encompasses activities associated with the flow and transformation of identified goods and services needs through to the End-User's needs being fulfilled. It integrates planning,

sourcing and delivering. It synchronises business processes by linking demand for goods and services to both the Agency's strategic plan and the budget.

1.2.1 Elements of SCM:

- 1.2.1.1 Demand management.
- 1.2.1.2 Purchasing management.
- 1.2.1.3 Asset management.
- 1.2.1.4 Risk management and regular assessment of supply chain performance.

1.3. Objectives

The objectives of this policy include the following:-

- i To ensure that goods and services needs are aligned to both the strategic plan and budget of the Agency;
- ii To ensure an effective, efficient, economical and uniformed SCM process for the acquisition of goods and services in fair, equitable, transparent, cost effective and competitive process thereby ensuring the promotion of Black Economic Empowerment for SASSA.
- iii To ensure that effective controls are communicated to management and staff through clear and comprehensive written documentation;
- iv To ensure that the procurement of goods and services is in-line with Government's broader policy objectives;
- v To provide efficient procurement, storage and delivery of goods and services; and

Rm
D

- vi To ensure compliance with the appropriate supply chain management guidelines and the Public Finance Management Act (PFMA).

2. CODE OF CONDUCT

The supply chain unit plays an important role in procuring goods and services for the smooth running of the Agency. It is therefore important to set out the manner in which SCM members are to execute their responsibilities. The SASSA SCM code of conducts sets out the core values and behaviour for all members of the supply chain unit. It encourages members to work openly, fairly and honestly at all times.

Officials of SASSA, any third parties, contractors or Individuals/entities conducting purchasing practices for or on behalf of the Agency shall observe the following ethical standards, principles and behavior:

- i Ensure that value for money is obtained by promoting fair, open and accessible competition when seeking or renewing contracts and ensuring continuous and effective contract management;
- ii Accept responsibility, be fully accountable and maintain comprehensive documentation and justifiable evaluation criteria;
- iii Maintain confidentiality and respect the rights of suppliers or potential suppliers in relation to their intellectual property and commercially confidential information;
- iv Ensure that every process is transparent; free from bias or the perception of bias, and that the benefits of all information,

R-m
[Signature]

course of duty shall be true and fair and not be intended to mislead; and

- xvi Gifts of money or goods, including the sale of materials or services at artificially low prices which are not available to the public, personal favours and hospitality which might impinge, or might be deemed by others to impinge upon the official's sound business judgement, shall not be accepted.

Exceptions are:-

- i. Advertising material of low intrinsic value such as paper knives, pens, diaries, calendars, etc.
- ii. Incidental business hospitality such as lunches, cocktail parties and dinners which do not differ significantly from that which the official/representative is prepared to offer his host, and in respect of which the invitations are addressed to the manager who may delegate a representative; and
- iii. Complimentary tickets to sports meetings, provided the official/representative himself bears the cost of transport and accommodation.

3. DEMAND MANAGEMENT

The objective of demand management is to ensure that goods and services needs are identified at the beginning of the financial year and aligned to both the operational plan and the spending plan of the Agency. As demand management is the first phase of the SCM cycle, resources required have to be identified at the beginning of the financial year. This will ensure that needs are delivered at the right time, place and that the quality of goods and services satisfies end-user's requirements. It is the policy of the Agency to:-

Rm
[Signature]

maximize value for money while adhering to international standards;

- iv Manage the bidding process so that genuine competition is preserved and discrimination is avoided;
- v Co-ordinate and/or support the Bid Adjudication Committee approval process;
- vi Ensure that effective control mechanisms are in place in all procurement areas to meet audit requirements;
- vii Develop strategies to ensure the timely supply at the best possible combination of price, quality and availability; and
- viii Implement government's preferential procurement policy objectives.

4.2. Training

To fully achieve the objectives of the SCM policy, the Procurement unit must have access to a dedicated, well-trained, professional team of people. It is the responsibility of the Chief Executive Officer to ensure that the SCM personnel are adequately trained and deployed in accordance with the requirements of Framework for Minimum Training and Deployment issued by the National Treasury.

4.3. Methods of Acquisitions

Section 217 (1) of the Constitution of the Republic of South Africa stipulates that when an organ of state in the National, Provincial or Local sphere of government, or any other institution identified in the national legislation, contracts for goods or services, it must do so in accordance

Handwritten signature and initials
R-m

4.3.1. Petty cash for values up to R500 (VAT included)

This is utilized when procuring goods or services with values not exceeding R500 (including VAT) and must be used in line with the internal petty cash procedures. Inventory and Asset related items must not be procured using petty cash.

4.3.2. Written quotations for values up to R5 000

This method is utilized when procuring goods or services of a rand value up to R5 000 (including VAT), by obtaining at least one (1) written quotation from the database of suppliers.

4.3.3. Written quotations for values of R5 001 but not exceeding R500 000

This method is utilized when procuring goods or services of a rand value of R5 001 up to R500 000 (including VAT), by obtaining at least three (3) written quotations from the database of suppliers.

- i The Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations must be applied for all procurement equal to or above R30 000 (VAT included).
- ii The 80/20 preference point system is applicable to quotations with a Rand value equal to, or above R30 000 and up to a rand value of R1 million (all applicable taxes included).
- iii Suppliers/Service Providers must submit original valid tax clearance certificates and B-BBEE Status Level Verification certificates for all price quotations and competitive bids exceeding the value of R30 000 (VAT included). The

RM

Procurement Practitioner must ensure that the B-BBEE Status Level Verification Certificates submitted are issued by verification agencies accredited by South African National Accreditation System (SANAS) or registered auditors approved by Independent Regulatory Board of Auditors (IRBA). Bidders who do not submit B-BBEE Status Level Verification Certificates or are non-compliant contributors to B-BBEE do not qualify for preference points for BBEE but should not be disqualified from the bidding process. They will score points out of 90 or 80 for price only and zero (0) points out of 10 or 20 for BBEE.

4.3.4. Competitive Bids for a rand value above R500 000 (VAT included)

- i. Open and effective competition provides many benefits, including innovation, efficiency and choice; and clearly illustrates the transparency and integrity of SASSA's procurement policies.
- ii. The 80/20 preference point system is applicable to bids with a Rand value above R500 000 and up to a rand value of R1 million (all applicable taxes included). The 90/10 preference point system is applicable to bids above R1 million (all applicable taxes included).

4.3.5. Urgent and or Emergency Situations

An emergency/urgent case is whereby immediate action is necessary in order to avoid a dangerous or risky situation, misery or want. Goods/services subject to approval by the relevant authority (see

Handwritten signature
R-m

delegation of authority) may be procured by preferably making use of the supplier database in cases where early delivery is of critical importance and the invitation of comparative bids is either impossible or impractical.

However a lack of proper planning should not be used as a reason for urgent or emergency case. (Refer delegations of authority document for level of authority to sign for urgent/emergency cases).

When goods or services are procured using the emergency or urgent criteria and such goods or services are above the value of R1 Million (all taxes included) a report must be made to the National Treasury and Auditor-General to that effect within ten (10) working days.

The report must include the description of the goods or services, the names of the suppliers, the amounts involved and the reasons for dispensing with the prescribed competitive bidding processes.

4.3.6. Sole Supplier

Sole supplier of services /goods can be determined by testing the market i.e. terms of reference/specifications should be drawn up and invitation of bids must be advertised. A certificate should be from South African Bureau of Standards (SABS) and or relevant registered competent body to that effect. SASSA should verify the validity and correctness of the documents.

Handwritten signature and initials
p-m

4.3.7. Transversal Contracts

The acquisition of goods or services whereby an Agency of the state or government department is mandated or can provide such goods or services and has followed the normal procurement processes, the Agency may not solicit bids for the same or similar product or service during the tenure of the transversal term contract. However the Agency has an option to procure from service providers by following approved procurement processes.

4.3.6. Annual General Exemptions

Annual General Exemption (A.G.E) is the process whereby SASSA procure goods and services without following the normal procurement processes. There are instances where it is impractical for the Agency to use three quotations to procure goods and services, or to invite bids, hence the Annual General Exemption (A.G.E) is applied. The copy of the Annual General Exemption (A.G.E) is attached as per Annexure "A".

5. INVITATION OF BIDS

Bids shall be invited by the Procurement sub-unit for all goods and services exceeding R500 000 (including VAT). These bids are advertised at least 21 days before closure in at least the Government Tender Bulletin and in other appropriate media if necessary to ensure greater exposure to potential bidders. In urgent cases subject to the Bid Adjudication Committee's approval, shorter periods and deviations from normal tender process can be used. Bidding processes should be easy, transparent and free of corruption.

Rm
AT

5.1. Common Bids that Relates to Head Office as Well as Regions

To this end, terms of reference/specification will be drawn up at Head Office taking inputs from all regions and after deliberations by the specification committee. The terms of reference/specifications must be sent to all Supply Chain Management regional representatives for advertisement, closure and evaluation at various regions.

Their respective evaluation panel's recommendations must then be forwarded to the Bid adjudication for consideration. Appointment letters will then be issued by the regional Supply Chain Management (SCM) representatives with the necessary Service Level Agreement (SLA) and contracts. The Chief Executive Officer may direct that the bid be advertised and evaluated at Head Office irrespective of the rand value.

5.2. Briefing Sessions

Briefing sessions must only be used to answer questions from the prospective bidders and also to clarify meanings on the advertised terms of references/specifications. No additional conditions or criteria should be added on briefing sessions that do not appear on the advertisement.

5.3. Bid documents

Bid documents must contain technical specifications which promote the broadest possible competition. They must adequately cover the information needs of the suppliers, enabling them to offer exact requirements. The bid will also spell out the evaluation criteria that will be

DM
EG

used to select the successful bidder. The bid will stipulate the bid number, a closing time and date for responses.

Bid documents shall be made available to the prospective bidders at a minimum non-refundable fee of R200.00. Any other fee in excess of R200.00 must be determined by the bid specification committee and to be approved by the Chief Executive Officer.

5.4. Evaluation of Bids Based on Functionality as a Criterion

Bids invited on the basis of functionality as a criterion must be evaluated in two stages – first functionality must be assessed and then in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations 5 and 6. The evaluation must be done as follows:

a) First stage – Evaluation of functionality

Bids must be evaluated in terms of the evaluation criteria embodied in the bid documents. The amendment of evaluation criteria, weights, applicable values and/or the minimum qualifying score for functionality after the closure of bids is not allowed as this may jeopardise the fairness of the process.

A bid will be considered further if it achieves the prescribed minimum qualifying score for functionality. Bids that fail to achieve the minimum qualifying score for functionality must be disqualified. Score sheets should be prepared and provided to panel members to evaluate the bids. The score sheet should contain all the criteria and the weight for each

R.M.
Cee

criterion as well as the values to be applied for evaluation as indicated in the bid documents.

Each panel member should offer thorough evaluation independently award his /her own value to each individual criterion. Score sheets should be signed by panel members and if necessary, written motivation may be requested from panel members where vast discrepancies in the values awarded for each criterion exist.

b) Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems

Only bids that achieve the minimum qualifying score / percentage for functionality must be evaluated further in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations 5 and 6.

5.4.1. Technical ability

A team consisting of people with the relevant technical or other expertise can evaluate. Examples of what the technical evaluation committee looks at are experience, qualifications, references, capability to fulfill the requirement, project management /understanding of the requirement, proposed service level agreements, proposed work-plan and methodology, etc.

R.M.
[Signature]

5.4.2. Calculation of Points for Price

The 80/20 preference point system is applicable to bids/price quotations with a rand value equal to, or above R30 000 up to a rand value of R1 million (all applicable taxes included). Points for price are allocated using the formula below in respect of competitive bids/price quotations with a Rand value equal to, or above R30 000 and up to a value of R1 million.

$$\frac{Pt - Pmin}{P}$$

Points scored = 80 (1 - $\frac{Pt - Pmin}{P}$) Where,

P_s = point scored for price of bid under consideration

Pt = Rand value of bid under consideration

Pmin = Rand value of the lowest acceptable bid

The 90/10 preference point system is applicable to bids with a rand value above R1 million (all applicable taxes included). Points for price are allocated using the formula below in respect of competitive bids/ price quotations with a Rand value above value of R1 million.

$$\frac{Pt - Pmin}{P}$$

Points scored = 90 (1 - $\frac{Pt - Pmin}{P}$) Where,

P_s = point scored for price of bid under consideration

Pt = Rand value of bid under consideration

Pmin = Rand value of the lowest acceptable bid

*R-m
lee*

6. CONTRACT MANAGEMENT

This is where the rights, risks and obligations of all the parties concerned are defined. The nature of the requirement, the quantity and quality of the goods and services should be clearly specified.

6.1. Award of Contracts

According to the PPPFA of 2000 and Treasury Regulations, a contract must be awarded to the bidder who scored the highest total number of points in terms of the preference point system. In exceptional circumstances a contract may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points. The reasons for such a decision must be approved and recorded for audit purposes and must be defensible in a court of law.

6.2. Duration of Contracts

Except in exceptional cases, the duration of contracts should not exceed a maximum of (3) three years. However should there be compelling reasons to conclude contracts over the stipulated three year term, motivation should be given for such requests.

6.3. Service Level Agreement (SLA)

This must be entered into in order to specify deliverables within specified time frames and standards. This can also be used as a tool to measure

R.M.
L

milestones achieved and to calculate work done in percentage to determine values to be paid.

6.4. Extensions or Additions to Conclude or Existing contracts Agreements

In the event that there is a need to extend the existing or concluded contracts or agreements, approval must be sought from the Bid Adjudication Committee with valid reasons forwarded. Continuity should not be advanced as a reason to extend projects using same suppliers or service providers.

Contracts/ Purchase Orders may be expanded or varied by not more than 20% or R20 million (including all applicable taxes) for construction related goods, works and/or services and 15% or R15 million (including all applicable taxes) for other goods and/or services of the original value of the contract, whichever is the lowest amount. Any deviation in excess of these thresholds must be accompanied by a motivation to be forwarded to the Bid Adjudication Committee which will then recommend to the CEO for approval.

7. TAX CLEARANCE

The original tax clearance certificate must be submitted together with the bid/quotation exceeding R30 000. Failure to submit the original and valid tax clearance certificate will result in the invalidation of the bid/quotation.

RM
ee

8. EX POST FACTO APPROVAL

Ex post facto approvals are regarded as irregular expenditure and must be forwarded to the Bid Adjudication Committee for condonement. They must further be referred to the financial misconduct board for decision and the officials concerned must be called to account for their actions.

9. MANDATE, ROLE AND FUNCTIONS OF THE SUPPLY CHAIN MANAGEMENT COMMITTEES

Section 44 and 56 of the Public Finance Management Act empower accounting officers/authorities to delegate powers or instruct any official in that department, trading entity, constitutional institution or public entity to perform any of the duties assigned to the accounting officer in terms of Act.

Section 51(1) (a) (iii) of the Act, prescribes that accounting authority of a public entity must ensure that the public entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.

9.1. Bid Specification Committee

9.1.1. Legislative provisions

Section 56 of the Public Finance management Act, 1999 (Act 1 of 1999) empowers the Accounting Authority to delegate powers or instruct any official in that public entity to perform any of the functions assigned to the Accounting Authority in terms of the Act.

R-m
109

B. EX POST FACTO APPROVAL

Ex post facto approvals are regarded as irregular expenditure and must be forwarded to the Bid Adjudication Committee for condonement. They must further be referred to the financial misconduct board for decision and the officials concerned must be called to account for their actions.

9. MANDATE, ROLE AND FUNCTIONS OF THE SUPPLY CHAIN MANAGEMENT COMMITTEES

Section 44 and 56 of the Public Finance Management Act empower accounting officers/authorities to delegate powers or instruct any official in that department, trading entity, constitutional institution or public entity to perform any of the duties assigned to the accounting officer in terms of Act.

Section 51 (1) (a) (iii) of the Act prescribes that accounting authority of a public entity must ensure that the public entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.

9.1. Bid Specification Committee

9.1.1. Legislative provisions

Section 56 of the Public Finance management Act, 1999 (Act 1 of 1999) empowers the Accounting Authority to delegate powers or instruct any official in that public entity to perform any of the functions assigned to the Accounting Authority in terms of the Act.

BR *12.11.11*

Section 51 (1)(a)(iii) of the Act prescribes that the Accounting Authority must ensure that the institution has and maintains an appropriate procurement, provisioning system which is fair, equitable, transparent, competitive and cost effective.

9.1.2. Composition of the Bid Specification Committee

Members of the Bid Specification should preferably be composed of cross functional representatives from all SASSA branches. The Chairperson must be from Supply Chain Management.

a) Quorum

The Bid Specification Committee should only convene if at least four (4) of its members are present.

9.1.3. Duties and Responsibilities of the Bid Specification Committee

The Bid Specification Committee must ensure that:-

- a) A proper and unbiased specification is compiled for specific requirement ; Proper Terms of Reference are drawn up for the service required clearly indicating the scope of the requirement , the evaluation criteria as well as their weights and values;
- b) Strategic sourcing principles were applied and that the market was properly researched and analyzed;
- c) The necessary funds are available;

12-m
De

- d) If and when applicable, in addition to the General Conditions of contract, appropriate Special Requirements and Conditions of Contract are specified;
- e) The preference points system prescribed and that appropriate goals are identified and points allocated for these goal are consistent with the requirements of the Preferential procurement Regulations; and
- f) Where appropriate, ranges have been set (indicating breakdown of the points /percentage as provided for in the relevant sliding scales for the selected specified goals).

9.2. Bid Evaluation Committee

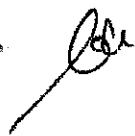
9.2.1. Composition/ Membership

The Bid Evaluation Committee must preferably be composed of cross function members from various branches within the South African Social Security Agency and where necessary from outside the institution as is deemed desirable by the Accounting Authority. The BEC should consist of at least 5 members including Chairperson.

Regions may also have Bid Evaluation Committees who will be responsible to evaluate bids for their regions from time to time. The appointment of the BEC should only be made after the closing of the bid.

a) Quorum

The Bid Evaluation Committee should only convene if at least four (4) of its members are present excluding SCM delegates. SCM officials will serve as chairperson and secretariat.

 R-m

These members must be approved by the Accounting Authority on an ad-hoc basis and must be cross functional. The submission to recommend appointment of the BEC members must be signed by the Regional Executive Managers/ Executive Managers.

This Committee will make their recommendation to the Accounting Authority or his/her delegate(s) e.g. the Bid Adjudication Committee.

9.2.2. Duties and Responsibilities of the Bid Evaluation Committee

The Bid Evaluation Committee is responsible for the evaluation of bids received, which will include verification of: -

- a) The capability/ability of the bidder to execute the contract.
- b) Tax Clearance certificate issued by SARS.
- c) National Industry Participation Programme (NIPP) requirements (only applicable for contracts in excess of \$10 million).

9.2.3. Evaluation of Bids

- i. Bid documentation must include evaluation and adjudication criteria, including the criteria prescribed in terms of the Preferential Procurement Policy Framework (Act No.5 of 2000) and the Broad Based Black Economic Empowerment Act (Act No.53 of 2003).
- ii. Within the ambit of the Preferential Procurement Policy Framework (Act No.5 of 2000). Bids/Proposal for the

OL R-m

Appointment of Consultants should be evaluated on the basis of functionality and price as well as the B-BBEE Status Level of Contribution. The evaluation should be carried out in two phases –first the functionality and then the price and preference. Score sheets should be prepared and provided to the committee members to evaluate the bids on functionality. In view of impartiality, members of the Bid Adjudication Committee must not also act as panel members in the evaluation of bids.

- iii. The Score-sheets should contain all the criteria and the weight for each criterion as indicated in the Terms of Reference as well as values to be applied for evaluation. Each panel member should after thorough evaluation award his/her own value to every criteria without discussing any aspect of any bid with any of the other members. Under no circumstance may additional evaluation criteria be added to those originally indicated in the bid documentation nor may the evaluation criteria be amended or omitted after closing of the bid. Score sheets should be signed by committee members and if required, a written motivation could be requested from the panel members in the event of vast discrepancy in the values awarded for each criterion.
- iv. Reasons for disqualification of bids must be given by panel members when evaluating and where possible i.e. in the case of product, disqualification should be on specific criteria or terms of reference that were included in the advertisement.
- v. In case of a product, bids should be evaluated on the values attached, taking into account the quality and other aspects stipulated on the specification. Brand names should never be

Rm

Lee

used as criteria for evaluation, but words such as 'similar to' may be used to specifically describe a particular product. General conditions and or special conditions of contract should apply to all bids.

- vi. Bids may only be evaluated in accordance with the criteria as specified in the bid documentation. According to the prescripts of section 2 of the Preferential Procurement Policy Framework Act, No.5 of 2000 (PPFFA) bids must be evaluated in accordance with a preference point system.
- vii. The evaluation committee should evaluate all bids received and submit a report and recommendation (s) regarding the award of the bid(s) to the Accounting officer or his/her delegate(s) e.g. The Bid Adjudication Committee.

9.2.4. Presentations

It is necessary that bidders who have scored the pre-advertised threshold points/percentage required as a condition to move into the final evaluation process are invited for presentations, they should not be used to disqualify bidders on account of their presentations. However if it was pre-stated in the advertisement of the bid that such bidders will be scored, this must form part of the criteria for evaluation and must be given a weight within the score range.

9.3. Bid Adjudication Committee

Treasury Regulation 16A6.2 stipulates that an institution 's supply chain SCM system must inter alia , provide for the adjudication of bids through a bid adjudication committee , the establishment ,composition and

RM
2011

functioning of the bid specification, evaluation and adjudication committees and the selection of the adjudication members.

9.3.1. Composition of Bid Adjudication Committee and the Appointment of Members

- a) Bid Adjudication Committees must be appointed in writing by the accounting authority and will determine the term of office for members.
- b) Such a committee must consist of at least four senior officials constituted as follows:-
 - i. Chairperson-Where possible the person should be the level of at least General Manager. Each meeting will be presided over by the chairperson.
 - ii. Vice Chairperson-the Vice-Chairperson should be on at least Senior Manager Level. In the absence of the chairperson, vice vice-person will preside as chairperson. In which case he/she will occupy the chair for the duration of the meeting, even if the chairperson should arrive during the course of the meeting.
 - iii. Other Members - The Bid Adjudication should be composed of cross-functional teams comprising senior officials. Where considered necessary, additional officials or advisors may be co-opted on account of specialized knowledge.
 - iv. In the case where Bid adjudication members are from outside the Agency, they may only make recommendations to the Accounting Authority who will

Ed PM

approve /disapprove their recommendations and the final award of bids.

- v. Secretariat - An official from the Supply Chain Management must be made available to act as secretary.

9.3.1.1. Quorum

The Bid Adjudication Committee should only convene if at least fifty percent (50%) + 1 of its members are present.

9.3.1.2. Secundi

For the purpose of continuity and not delay meetings, the accounting authority may also appoint secundi to temporarily replace members that are absent from meetings due to illness, leave, etc. The accounting authority will also decide whether or not such secundi will have the same powers as members.

9.3.2. Duties and Responsibilities of the Bid Adjudication Committee

- a) The Bid Adjudication Committee must consider the recommendations/reports of the Bid Evaluation Committee and depending on the delegated powers make:
 - i. A final award ; or
 - ii. A recommendation to the accounting authority to make a final award ; or

all
R-m

- iii. Make another recommendation to the accounting authority on how to proceed with the relevant procurement.
- b) The Bid Adjudication Committee must ensure that:-
- i. All necessary bid documents have been submitted;
 - ii. Disqualifications are justified and that valid and accountable reasons/motivations were furnished for passing over of bids;
 - iii. Scoring has been fair, consistent and correctly calculated and applied ; and
 - iv. Bidders declarations of interest have been take into cognizance of.
 - v. If a bid other than the one recommended by the Bid Evaluation Committee is approved by the Bid Adjudication Committee, the accounting authority, must first be notified. The accounting authority or the delegated official may after consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee.
 - vi. The accounting officer/ authority or his /her delegate may at any stage refer any recommendation made by the Bid Evaluation Committee or the Bid Adjudication Committee back to that committee for reconsideration.
 - vii. The Bid Adjudication Committee must also consider and rule on all recommendations/reports regarding the amendment, variation, extension, cancellation or transfer of contracts awarded.

Handwritten initials: Rm

- c) The Bid Adjudication Committee may also, if and when required to do so, consider for approval the recommendations of the Bid Specification Committee in order to ensure that:-
- vi. A proper and unbiased specification is compiled for specific requirement ; Proper Terms of Reference are drawn up for the service required clearly indicating the scope of the requirement, the evaluation criteria as well as their weights and values;
 - vii. Strategic sourcing principles were applied and that the market was properly researched and analyzed; and that
 - viii. The necessary funds are available;
 - ix. If and when applicable, in addition to the General Conditions of contract, appropriate Special Requirements and Conditions of Contract must be specified;
 - x. The preference points system prescribed are consistent with the requirements of the Preferential Procurement Regulations;
 - xi. In order to meet their obligations, committee members must be familiar with and adhere to all relevant SCM legislation, policy guides, practice notes and circulars.
 - xii. The integrity of supply chain practitioners must never be compromised and the highest level of professional competence must be maintained. Furthermore courteous conduct is expected of all committee members.

AM

- xiii. All members, as well as the secretary of Bid Adjudication Committees should be cleared at the level of "Confidential" by the accounting authority and should be required to declare their financial interest annually.
- d) Members of the Bid Adjudication Committee must sign a declaration form at each Bid Adjudication Committee meeting. Members to declare that they will:
 - i. Accept the confidentiality of the meeting.
 - ii. Not make known anything regarding the meeting, unless officially authorized; and
 - iii. Not purposefully favor or prejudice anybody

9.3.3. Duties and powers of the various Committee Members

a) The Chairperson:-

- i Has a casting vote as well as a deliberate vote;
- ii Retains all his/her rights as a member;
- iii May adjourn a meeting;
- iv May rule on points of order which will be final;
- v May withdraw any proposal or other matters under discussion; before it is put to the vote; and
- vi Convene extraordinary committee meetings on request.

b) The Chairperson shall:-

- i Maintain order during a meeting and ensure that business is conducted in an orderly manner;

Rm

- ii Before opening a meeting , ensure that it is properly constituted;
- iii Protect the rights of every members;
- iv Vacate his/her seat to the vice chairperson , should he/she wish to partake in a discussion in a partial manner;
- v Regulate participation in discussions;
- vi Deal with items in sequence of the agenda;
- vii Ensure that members know exactly what they are required to vote on;
- viii Ensure that only one member holds the floor at any time;
- ix Provide guidelines by directing the meeting, but shall not dominate;
- x Conduct meetings in a formal manner; and
- xi Formulate clearly the decisions to be minuted and sign and approve the minutes after they have been verified for correctness.

c) The Vice -Chairperson

The Vice-chairperson has the same powers and duties as those of members and in addition, where necessary, shall:-

- i In the absence of the Chairperson, preside as chairperson; and
- ii Take the seat of and act as chairperson, should the chairperson wish to partake in partial discussions.

In the event that both the chairperson and vice- chairperson are absent from a meeting, the members present may elect one of their members to preside at such meeting.

[Handwritten signature]
Rm

d) Secretary

The Secretary shall:-

- i. In conjunction with the chairperson / vice chairperson compile an agenda and determine dates of meetings;
- ii. Give notice of proposed meetings to committee members;
- iii. Process and distribute all submissions/reports together with their agenda to committee members at least three working days before the actual meeting takes place;
- iv. Minute all decisions taken at meetings;
- v. Adhere strictly to the stipulations of the National Archives of South Africa Act, No.43 of 1996 and accompanying directives;
- vi. Ensure that the proceedings at meetings are recorded mechanically;
- vii. Give written feedback of all decisions taken by the committee and;
- viii. Be responsible for all the administrative tasks of the Committee.

e) Members

Members of the Committee shall:-


- i. Be fully conversant with the powers and limitations of the Committee as well as all directives pertaining to Supply Chain Management , including the relevant sections of the Constitution, Public Finance Management Act and accompanying Treasury Regulations, Preferential Procurement Policy Framework Act, Broad Based Black Economic

R.M.

- Empowerment Act and accompanying regulations, all directives issued by National Treasury/ relevant provincial treasury as well as the delegated powers issued by the accounting officer/authority and at all times act in accordance with the above-mentioned legislation, regulations and procedures;
- ii. Apply their minds to matters at hand in order to take meaningful and accountable decisions and in the event of doubt or uncertainty, to propose that matters be referred back for clarification;
 - iii. In advance, furnish a written apology should she/he not be able to attend a meeting;
 - iv. Prepare properly for each meeting by studying the agenda and submissions/reports;
 - v. Be familiar with meeting procedures in order to make a contribution in the correct manner; and
 - vi. Refrain from repetition and duplication of contributions by other members.
 - vii. Refrain from questioning the strategic decisions of the tender to be adjudicated upon.
 - viii. Must only concern themselves with the matter to be adjudicated and tabled which appear on the agenda.

g) Members have the right to:-

- i. Have advance knowledge of the agenda;
- ii. Submit proposals and participate in proceedings;
- iii. Vote; and
- iv. Have a dissenting voice and have reasons therefore recorded.


R.M.

g) Co-opted members/ advisors

- i. Co-opted members/advisors have the same powers and duties as members but excluding the right to vote on any matter under discussion.
- ii. Members of the Bid Evaluation Committee may present their recommendations/ reports to the Bid Adjudication Committee and clarify any issues but shall not have any voting powers.

h) Observers

The Chairperson may, on request, allow officials to attend a meeting as observers. Observers have no participation in the proceedings, except to advise the representative (member) or the committee if permitted by the chairperson. Observers should be cautioned to maintain the confidentiality of the discussions.

9.3.4. Meeting Procedures

a) Notice of Meeting

- i. The agenda of the meeting serves as the program of the meeting and unless the Committee decides otherwise, the items and sequence may not be changed during the meeting.
- ii. In order to afford members the opportunity to prepare for the meeting, the agenda shall be made available to members at least three working days before the actual meeting.

Be
Qm

b) Submissions /reports to the Bid Adjudication Committee

- i. All submissions/reports to the committee must be in writing, substantiated and channelled through the Bid Specification Committee or Bid Evaluation Committee

c) Minutes

- i. The minutes will be the written record reflecting in a brief, clear and impartial manner the decisions of the committee. The signed minutes will serve as proof of the decisions of the committee.
- ii. Should a member wish to have a specific matter other than a decision recorded, it must be specifically requested. A member's reason for a dissenting voice must also be recorded.
- iii. Proceedings are also recorded electronically to enable the secretariat to prepare verbatim reports when required by a court of law.

d) Register

- i. Members shall sign a register at each meeting, serving as attendance register as well as an undertaking to confidentiality of that meeting.
- ii. This register will also provide for declaration of interest.
- iii. Members must declare all gifts and invitations accepted to social events received from suppliers or potential suppliers, irrespective of the value of such a gift. Such declaration must

RM
R.M

be captured in the minutes of the meeting and must be reported to the Accounting Authority.

e) Points of order

- i A member may speak on a point of order only if he/she is of the opinion that there has been a departure from the rules of order, e.g. an objection against improper language used, that a speaker has transgressed, etc.

9.3.5. Code of Conduct of Committee members

c) Rights and Responsibilities

A person as a member of the committee has certain rights such as a share in the control of the matter for which the meeting is constituted and the member may exercise this right by making proposals, voting, etc. A member's conduct at the meeting must however not infringe on the rights of others, the rules of conduct are based on mutual respect for the rights of each other and respect for the purpose of the meeting.

d) Members must accept that:-

- i. The chairperson must be respected;
- ii. The chairperson has the right to interrupt and ask a member to stop speaking if the address is repetitive or irrelevant to the matter under discussion;
- iii. A member must stop speaking if ruled out of order by the chairperson;

RM

- iv. Decisions are taken by general consensus or by a show of hands when a matter is decided upon by voting;
 - v. Once a decision has been taken it is final and not open for discussion unless additional information which was not available at the time of decision making can be produced;
 - vi. Information and documentation are confidential;
 - vii. A member (including the chairperson or vice-chairperson) shall beforehand declare his/her interest regarding any matter serving before the Committee and the member will then recuse her/himself during the discussion of that matter. No discussion by the member concerned will be allowed prior to the serving of that submission /report. Any personal interest that may infringe or might reasonably be deemed to infringe on a member's impartiality in any matter relevant to their duties must be recorded;
 - viii. Outvoted members must abide by the majority decision of the Committee; and
 - ix. No communication should be made with a bidder/ contractor by any member prior to or after any meeting.
- e) **Members of Committees must undertake:-**
- i. to act at all times with fidelity, honesty, integrity and in the best interests of the state and the general public it serves;
 - ii. to diligently perform the duties of an official efficiently, effectively and strictly in accordance with the rules of the Supply Chain Management practices as set out in the Procurement Policy for SASSA.

Dec
R m

- iii. to act at all times in accordance with the relevant legislation and regulations including the Public Service Regulations published under the Public Service Act 103 of 1994 "the Public Service Regulations", the PFMA, National Treasury Regulations published under the PFMA, and directives given by SASSA;
- iv. specifically, to comply with the Public Service Regulations as well as
- v. Provisions of National Treasury Practice Notes,
- vi. to recognise the public's right to have access to information in the interests of administrative justice;
- vii. to take utmost care in ensuring that there is reasonable protection of the records of the institution and all bid documentation;
- viii. not to misuse the position or privileges of an official, or confidential information obtained as an official.
- ix. to carry out duties with the skill and care expected from a person of knowledge and experience, and to exercise due judgment;
- x. to not unfairly discriminate against any bidder on the grounds of race, gender, ethnic or social origin, colour, sexual orientation, age, disability, religion, political persuasion, conscience, belief, culture or language;
- xi. to not abuse any position in the Public Services to promote or prejudice the interest of any political party or interest group;
- xii. to give the Auditor General all the information and explanations it requires to carry out its functions;
- xiii. to report to the appropriate authorities, any case of: fraud, corruption, nepotism, mal-administration and any other acts

RM

- which constitute an offence, or which are prejudicial to the public interest, arising during the Bid Committee Proceedings,
- xiv. to diligently, accurately and honestly declare, in the *Declaration of Interest*, all personal and/or business interests that I or a family member may have in any business of any bidder, and to willingly abide to the rules and regulations governing Supply Chain Management,
 - xv. to be open and honest about all decision and actions taken regarding the procedures of Supply Chain Management, and to give clear reasons for these which can be accurately recorded;
 - xvi. not make any dishonest allegations about any bidder;
 - xvii. not make any false or misleading entries whenever information is required.
 - xviii. make no contractual commitments related to the bid, to any bidding party, on behalf of the Institution;
 - xix. to proactively protect confidential and privileged information of the Agency from theft, unauthorised disclosure or inappropriate use, and specifically:
 - xx. not respond to any queries relating to the bid evaluation unless expressly authorised by the Accounting Officer or Authority to do so in writing, on behalf of the Institution;
 - xxi. not speak to or correspond carelessly with any person (fellow-Member, colleague, friend, family member or otherwise) on any matter related to the Bid Evaluation.
 - xxii. not request, solicit or accept any reward, gift or favor in return for voting or not voting in a particular way on any matter, or for disclosing privileged or confidential information;

RM
Rm

- xxiii. not to accept or agree to later accept, any 'kickbacks' in the form of money, favors, inappropriate gifts or anything else of value from a member of the public, government, a political or social movement or any stakeholder or potential stakeholder which is or may be viewed as aimed at influencing.
- xxiv. to disclose immediately to the Chairperson or the Accounting Officer or Authority, any attempted inducement or offers of perks that may be construed as aimed to influence or direct the evaluation of the bids and procedures of Supply Chain Management.

10. REVIEW OF THE POLICY

This policy shall be reviewed by Supply Chain Management Head Office as and when new developments with regards to supply chain management are to be implemented.

11. RESPONSIBILITIES


RESPONSIBILITY	POSITION
Ensure Implementation	Assistant Manager/Manager/ Senior Manager/General Manager: SCM
Ensure Compliance	Assistant Manager/Manager/ Senior Manager/General Manager: SCM
Monitoring and Evaluation	Assistant Manager/Manager/ Senior Manager/General Manager: SCM
Development and/or Review	Assistant Manager/Manager/ Senior Manager/General Manager: SCM
Interpretation and Advice	Assistant Manager/Manager/ Senior Manager/General Manager: SCM

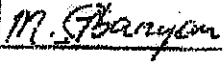
Handwritten signature/initials
A.M


12. KEY WORDS

Procurement Policy

13. POLICY APPROVAL

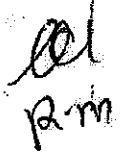
Policy No:	SCM/PP/02/09/2012
Recommended by CFO:	Mr. Clifford Appel
Date	11/12/12
Signature	

Endorsed by EM: Corporate Services	Ms. Thandi Sibanyoni
Date Endorsed	11/12/2012
Signature	

Approved by CEO	Ms. Virginia Petersen
Date Approved	14/12/2012
Signature	

14. POLICY HISTORY

Date Of Review	2012 September
Name & Title Of Policy Author	Mr. Petrus Mabula
If Review, Name & Title Of Official Reviewing The Policy	Mr. Justice Mudau
Name & Title Of Policy Custodian	Mr. Justice Mudau Acting General Manager: SCM
Date Policy Custodian Received Approved Policy	


R.M.

"DL17"

31

Net 1 UEPS Technologies, Inc.

CASH PAYMASTER SERVICES (PT)

3rd Floor, President Place
Cnr. Jan Smuts Ave &
Balfon Rd, Rosebank
P.O. Box 2424
Perklands 2121
Republic of South Africa
Telephone: +27 (11) 343 2830
Facsimile: +27 (11) 343 2868

VAT REGISTRATION NUMBER : 4050198591

10 March 2014

The Chief Financial Officer
The South African Social Security Agency
SASSA House
501 Prodinna Building
Cnr. Beatrix and Pretorius Street
Pretoria
0001

Tax Invoice CPSREG01

Financial Consideration for Bulk Re-registration

Province	Re-registrations in excess of tender requirement	Rate	Total Excluding Vat	Total Including Vat
Western Cape	869 589 R	23.20	20 174 475.15	22 998 901.67
Eastern Cape	1 846 810 R	23.20	42 846 013.97	48 844 455.93
Northern Cape	(129 294) R	23.20	(2 999 622.94)	-3 419 569.47
Free State	687 459 R	23.20	15 949 056.98	18 181 924.96
KwaZulu Natal	3 230 962 R	23.20	74 958 333.64	85 452 500.35
North West	1 210 802 R	23.20	28 079 020.80	32 010 083.71
Gauteng	1 548 936 R	23.20	35 925 333.63	40 966 280.34
Mpumalanga	1 114 544 R	23.20	25 857 434.06	29 477 474.83
Limpopo	1 585 575 R	23.20	36 785 358.86	41 985 909.10
TOTAL DUE	11 964 082		277 585 404.75	316 467 361.41

Banking Details:
Westbank Corporate
Account Number : 1454 027 262
Branch Code : 14 54 03

South African Social Security Agency
Head Office Sassa House 501
Prodinna Building
Cnr Beatrix & Pretorius Street Pretoria
Private Bag X 696, Arcadia 0081

3 00 21

Here Under is a Certificate that the value net and / or Batch has been PAID

NAME: *Kuper*

2014 A.M

" DL18 "

44



sassa

SUBMISSION

TO:	Bid Adjudicating Committee
FROM:	Executive Manager: Grants Administration
DATE:	13 March 2014
SUBJECT:	VARIATION ORDER: REIMBURSEMENT OF COSTS INCURRED BY CASH PAYMASTER SERVICES (Pty) Ltd (CPS) IN RESPECT OF ADDITIONAL RESOURCES PROCURED FOR THE RE-REGISTRATION PROJECT FOR THE PERIOD 01 JANUARY 2013 TO JULY 2013

PURPOSE

- To seek the recommendation of the Bid Adjudication Committee for the approval of a variation order to reimburse CPS for the costs incurred to procure the additional resources required in respect of the re-registration project for the period 01 January 2013 to July 2013.
- To recommend that the CEO grants approval to process part payment of the invoice for the current financial year amounting to 80% (R263,157,889.13) to Cash Paymaster Services (Pty) Ltd relating to costs incurred and that 20% of the total invoice be retained and paid after and Independent Auditor has verified the completeness and correctness of the claim in the 2014/2015 Financial year.(see attached invoice).

Rm
[Signature]

45

MOTIVATION

In terms of the request for proposal (RFP) as well as the tender response submitted by CPS the requirement was to re-register almost 9.2 million social grant beneficiaries and to issue each and every beneficiary with a SASSA branded biometric payment card.

During the SLA negotiations it became clear that the requirement to eliminate ghost dependents, non-qualifying beneficiaries and duplicate children was critical to the effective elimination of fraud. In order to achieve this objective it was agreed that CPS would re-register all 9.2m social grant beneficiaries and recipients for a period of six months at their own cost. At the time of these negotiations, the total number of social grant recipients as well as dependents was unknown. When the plans were compiled, taking into account beneficiaries, procurators and children, the total number of people that had to be registered had more than doubled and was almost 22 million. This represents an additional estimated 11.9 million people who had to be re-registered by the service provider. The CEO of SASSA requested that all children be verified and registered

The re-registration project, which commenced on 1 July 2012, should have been completed by 31 December 2012. During the planning phase up to December 2012, only cash beneficiaries were registered.

Banked beneficiaries had to be registered from January 2013 until March 2013. During this period, CPS had to also register all the outstanding cash beneficiaries, procurators and children. In order not to cause any disruptions, CPS continued to carry the cost for the project which included enrolment equipment, hiring of venues, staff, vehicles, etc.

SASSA could not cancel the grants of beneficiaries that failed to register on humanitarian grounds. SASSA sent out letters to beneficiaries in January 2013, placed adverts in the print media, radio, and television reminding beneficiaries to re-register by 31 March 2013. However, there were still beneficiaries that did not heed the call. Further reminder letters were sent to beneficiaries allowing them a further 3 months period until September 2013 to re-register, in order to comply with PAJA requirements.

Attached, is an audited breakdown of the costs incurred, from CPS, for the period allowed by SASSA to continue with the re-registration of all outstanding beneficiaries.

R-n

[Handwritten signature]

46

FINANCIAL IMPLICATION

Budget is available from service fees to pay for the additional costs.

RECOMMENDATION

It is recommended that

1. the Bid Adjudication Committee recommends to the Chief Executive Officer to approve the variation order in order to process the payment of 80% of the invoice which amount to R253,157,889.13 for the costs incurred by CPS to re-register all the grant recipients as well as outstanding beneficiaries.
2. The remainder of the 20% of the invoice be paid in the 2014/2015 Financial year after SASSA through and independent Auditor has verified the completeness and correctness of the claim by CPS which was audited by CPS external auditors (KPMG).

Executive Manager: Grants Administration

Mr Frank Earl

Date 13/3/2014

Recommended/ Not Recommended

Chairperson: Bid Adjudication Committee

Date

Approved/ Not Approved

Chief Executive Officer

Ms Virginia Petersen

Date

[Handwritten signature]
R.M.

"DL19"

bb

KPMG Services Proprietary Limited
KPMG Crescent
88 Empire Road, Parktown, 2193.
Private Bag 8, Parkview, 2122, South Africa

Telephone +27 (0)11 647 7111
Fax +27 (0)11 647 8000
Docsx 472 Johannesburg
Web <http://www.kpmg.co.za>

Private and confidential
Herman Kotze
Cash Paymaster Services (Pty) Ltd
President Place
Cnr. Jan Smuts Ave & Bolton Rd
Rosebank

Our ref Net_CPS Agreed upon
procedures_Re-registration
Claim.doc

10 March 2014

Dear Mr. Kotze

Report to Cash Paymaster Services (Pty) Ltd in respect of the SASSA Re-registration Claim (in respect of additional re-registrations)

1.1 Introduction

We have performed the procedures as specified by you and detailed below with respect to the SASSA Re-registration Claim (in respect of additional re-registrations) ("the claim calculation"). Our engagement was conducted in accordance with the International Standard on Related Services 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information, applicable to agreed-upon procedures engagements.

The procedures were performed solely to provide reasonable assurance that the claim calculation is accurate.

1.2 Agreed-upon procedures

We agreed to perform the following procedures and report to you in writing the factual findings resulting from our work:

"We will obtain the claim calculation from Cash Paymaster Services (Pty) Ltd ("CPS") and perform the following procedures as agreed with you:

1. Agree the total bulk re-registration cost per the claim calculation to the 30 June 2013 Net 1 U.E.P.S. Technologies, Inc. Annual Report.
2. Agree the total number of registrations in the claim calculation to the Stratus Enrolment Report.
3. Agree the number of projected registrations per the claim calculation to the SASSA tender documentation.
4. Verify the mathematical accuracy of the claim calculation.

KPMG Services Proprietary Limited is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with the KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Services Proprietary Limited is a Registered Auditor in terms of the Accounting Professions Act, 36 of 2005 and does not provide such services as defined in Section 1 of the Act.

Registration number 189291287829

Policy Board
Chief Executive

SA Kgobane

Executive Director:

T. Fiso, A. Moll, S. Mngweni, J.S. Mkhomo, G.M. Siso, Q. van Heerden

Other Directors:

D.C. Dlamini, L.R. Dlamini, H. Fiso, S.M. Manku, A. Jaffer, M. Leshale, A. Mngweni, M. Kgobane, T. Mngweni, T. Mngweni, T. Mngweni (Chairman of the Board), A. Mngweni

The company's principal place of business is at KPMG Crescent, 88 Empire Road, Parktown, Johannesburg. The company's website is available for inspection.

Handwritten signature and initials: "Coco" and "B-7"

67

*Cash Paymaster Services (Pty) Ltd
Report to Cash Paymaster Services (Pty) Ltd in
respect of the SASSA Re-registration Claims (in respect
of additional re-registrations)
10 March 2014*

5. Verify that the CPS has not charged any interest on the Re-registration claim."

1.3 Findings

We report our findings below:

We obtained the claim calculation (refer to Annexure A) from CPS management.

1. With respect to item 1, we agreed the "Total cost of bulk re-registration per audited financial statements" as per the claim calculation to the "direct implementation expenses" of R488,3 million as presented on page 38 of the Net 1 U.E.P.S. Technologies, Inc. Annual Report for the year ended 30 June 2013. No exception was noted.
2. With respect to item 2:
 - a) We agreed the "Total Number of Registrations" as per the claim calculation totalling 22,114,257 to the Stratus "Enrolment Report" as at 31 July 2013. This report was generated on 01 August 2013. No exceptions were noted.
 - b) For the "New Registrations" per the claim calculation, totalling 1,066,854, we obtained a data file listing the Identity Numbers of registrations post 01 April 2012 ("New Registration listing"). We further received a data file of Identity Numbers for the beneficiaries as at 01 April 2012 ("static file"). We performed a comparison of the two data files to confirm that Identity Numbers in the New Registrations listing do not appear in the static file of Identity Numbers at 01 April 2012 list. No exceptions were noted.
3. With respect to item 3, we agreed the "Number of registrations per Tender", of 9,082,521, in the claim calculation, to the "PROJECTED NUMBERS OF GRANT RECIPIENT OVER THE MTEF" extract and "the compulsory costing template" from the SASSA RFP, as provided to us by management. No exceptions were noted.
4. With respect to item 4, we verified the mathematical accuracy of the claim calculation. No exceptions were noted.
5. With respect to item 5, we confirm that no interest has been charged on the Re-registration claim.

1.4 Conclusion

Based on our work performed as per section 1.2 and 1.3 above, and subject to the limitations of sample testing and information made available to us, we can conclude that the claim calculation of R277,585,404-75 is accurate.

Because the above agreed-upon procedures do not constitute an audit, review or any other assurance engagements made in accordance with International Standards on Auditing, Internal Standards on Review Engagements, or International Standards in Assurance Engagements, we do not express any assurance over the transactions listed on the SASSA Re-registration Claim (in respect of additional re-registrations).

Had we performed additional procedures, or had we performed an audit or review of the financial statement in accordance with International Standards on Auditing or International

*BM
BCL*

68

*Cash Paymaster Services (Pty) Ltd
Report to Cash Paymaster Services (Pty) Ltd in
respect of the SASSA Re-registration Claim (in respect
of additional re-registrations)
10 March 2014*

Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

1.5 Disclaimer

Our report is solely for the purpose set out in the first paragraph of this report, and is not to be used for any other purpose. This report has been prepared for the sole and exclusive use of the Cash Paymaster Services (Pty) Ltd ("CPS"). Therefore it may not be made available to anyone other than authorised persons within the organisation, or relied upon by any other third party.

This report relates only to the SASSA Re-registration Claim (in respect of additional re-registrations) and does not extend to any financial statements of the CPS taken as a whole. We are aware that CPS intends to distribute this report to the SASSA in support of a cost claim in respect of beneficiary re-registration costs incurred by CPS, however we wish to draw attention to the fact that KPMG Services (Pty) Ltd (KPMG) has no contractual obligations, responsibility or duty of care to SASSA in relation to the work performed as outlined in this report or otherwise, as it relates specifically to CPS. KPMG's scope of work and procedures performed were discussed and agreed upon with CPS and not SASSA and as such KPMG has no liability, responsibility, duty of care or obligation to SASSA should SASSA choose to rely on KPMG's report.


No part of this work may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopying and recording, or by information storage or retrieval system except as permitted, in writing by KPMG.

Yours faithfully
KPMG Services (Pty) Ltd



per Marlene Pappas
Chartered Accountant (SA)
Director

cc:
Nanda Pillay



Annexure A

69

Cash Paymaster Services (Pty) Ltd
SASSA Re-registration Claim (in respect of additional re-registrations)

1 Calculation of number of beneficiaries and dependants re-registered in excess of the tender requirement

Province	Total Number of Registrations	New Registrations	Number of registrations per Tender	Re-registrations In excess of tender requirement
Western Cape	1 781 895	124 466	787 840	869 589
Eastern Cape	3 462 052	138 147	1 477 095	1 846 810
Northern Cape	621 377	33 690	716 981	-129 294
Free State	1 323 590	60 275	575 856	687 459
Kwazulu Natal	5 526 642	219 320	2 076 363	3 230 961
North West	1 535 055	86 925	237 828	1 210 302
Gauteng	3 005 144	191 579	1 264 629	1 548 936
Mpumalanga	1 853 352	81 953	656 855	1 114 544
Limpopo	3 005 150	130 499	1 289 076	1 585 575
	<u>22 114 257</u>	<u>1 066 854</u>	<u>9 082 521</u>	<u>11 964 882</u>

2 Calculation of average cost per re-registration

Total cost of bulk re-registration per audited financial statements	R 488 300 000
Total number of bulk re-registrations (excluding new registrations)	21 047 403
Average cost per re-registration	R 23,20

3 Calculation of claim

Province	Re-registrations in excess of tender requirement	Average cost per re-registration	Total claim
Western Cape	869 589	R 23,20	R 20 174 475,15
Eastern Cape	1 846 810	R 23,20	R 42 846 013,97
Northern Cape	-129 294	R 23,20	R -2 999 622,34
Free State	687 459	R 23,20	R 15 949 056,98
Kwazulu Natal	3 230 961	R 23,20	R 74 958 333,64
North West	1 210 302	R 23,20	R 28 079 020,80
Gauteng	1 548 936	R 23,20	R 35 935 333,63
Mpumalanga	1 114 544	R 23,20	R 25 857 434,06
Limpopo	1 585 575	R 23,20	R 36 785 358,86
	<u>11 964 882</u>		<u>R 277 585 404,75</u>

4 Interest on outstanding amount

Payment in respect of the above services was due and payable within 30 days from date of service. The above calculation does not include any interest due and payable to CPS as a result of late payment.

Rim
Ngc

[Handwritten signature]

" DL20 "



51

SUBMISSION

To: The Chief Executive Officer

From: Supply Chain Management

Branch: Finance

Unit: Supply Chain Management

Enquiries: Godfrey Twala – 012 400 2167

Date: 14 March 2014

Subject: Variation Order: Reimbursement of Costs Incurred by Cash Paymaster Services (Pty) Ltd (GPS) In Respect of Additional Resources Procured for the Re-registration Project for the Period 01 January 2013 to July 2013 – HEAD OFFICE

1. Purpose

To request the Chief Executive Officer to consider the recommendation of the Bid Adjudication Committee and approve the variation order to process the payment of 80% of the invoice which amounts to R253 157 889.13 for the costs incurred by Cash Paymaster Services (Pty) Ltd to re-register all the grants recipients as well as outstanding beneficiaries.

2. Background

The Bid Adjudication Committee at its meeting held on Thursday, 13 March 2014, recommended to the Chief Executive Officer to approve the variation order to process the payment of 80% of the invoice which amounts to R253 157 889.13 for the costs incurred by Cash Paymaster Services (Pty) Ltd to re-register all the grants recipients as well as outstanding beneficiaries.

Pa 77
[Signature]

S2

3. Financial Implications

The payment of 80% of the invoice will amount to R253 157 889.13

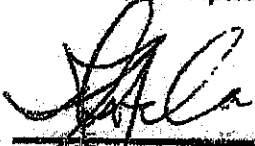
4. Recommendation

The Bid Adjudication Committee recommended that the Chief Executive Officer approve the following:

- 1) The variation order to process the payment of 80% of the invoice which amounts to R253 157 889.13 for the costs incurred by Cash Paymaster Services (Pty) Ltd to re-register all the grants recipients as well as outstanding beneficiaries.
- 2) The remainder of the 20% of the invoice be paid in the 2014/15 Financial Year after SASSA, through the Independent Auditor, has verified the completeness and correctness of the claim by Cash Paymaster Services (Pty) Ltd which was audited by their external auditors (KPMG).

The above is recommended on condition that the requesting Branch attaches supporting documents where CEO approved this variation.

The BAC requests the requesting Branch, in consultation with Legal Services, to write to CPS indicating that the 80% of the invoice will be paid. Payment of the 20% is pending SASSA's verification of the invoice. Should the verification indicate that SASSA has overpaid CPS, SASSA will recover the costs overpaid to CPS.



Mr. Godfrey Tyafa
Senior Manager: Demand Management

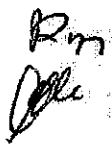
Date: 17/03/2014

Supported/Not Supported



Mr. Gopaling Sefara
Acting General Manager: Supply Chain Management

Date: 17/03/2014



S3

3. Financial Implications

The payment of 80% of the invoice will amount to R253 157 889.13

4. Recommendation

The Bid Adjudication Committee recommended that the Chief Executive Officer to approve the following:

- 1) The variation order to process the payment of 80% of the invoice which amounts to R253 157 889.13 for the costs incurred by Cash Paymaster Services (Pty) Ltd to re-register all the grants recipients as well as outstanding beneficiaries.
- 2) The remainder of the 20% of the invoice be paid in the 2014/15 Financial Year after SASSA, through the Independent Auditor, has verified the completeness and correctness of the claim by Cash Paymaster Services (Pty) Ltd which was audited by their external auditors (KPMG).

The above is recommended on condition that the requesting Branch attaches supporting documents where CEO approved this variation.

The BAC requests the requesting Branch, in consultation with Legal Services, to write to CPS indicating that the 80% of the invoice will be paid. Payment of the 20% is pending SASSA's verification of the invoice. Should the verification indicate that SASSA has overpaid CPS, SASSA will recover the costs overpaid to CPS.

Comments: _____

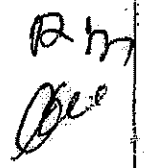
Approved / Not approved / Approved with amendments



Ms. Virginia Petersen

Chief Executive Officer

Date: 18/03/2014





sassa

54

RECOMMENDATION BY BID ADJUDICATION COMMITTEE

Date:	13 March 2014	Bid / Quote no:	
Reference no:			

Description of service: 11.3.3 Variation Order: Reimbursement of Costs Incurred by Cash Paymaster Services (Pty) Ltd (CPS) In Respect of Additional Resources Procured for the Re-registration Project for the Period 01 January 2013 to July 2013 - HEAD OFFICE

Name:	Capacity:	Approved	Not Approved	Refer matter back	Noted	Recommended	Signature
Ms L Thovhakale	Chairperson					✓	<i>[Signature]</i>
Dr. W Terblanche	Deputy Chairperson					-	Apology
Ms. K Lubelwana	Member					✓	<i>[Signature]</i>
Mr. B Maqetuka	Member					✓	<i>[Signature]</i>
Ms. C Koster	Member					✓	<i>[Signature]</i>
Dr. J Marite	Member					✓	<i>[Signature]</i>
Ms. P Naicker	Member					✓	<i>[Signature]</i>
Ms. S Sibankulu	Member					✓	<i>[Signature]</i>
Ms. D Dunkerley	Member					-	Apology

Recommendation By The Bid Adjudication Committee

Comments

The Bid Adjudication Committee at its meeting held on Thursday, 13 March 2014, recommended to Chief Executive Officer to approve the following:

- 1) The variation order to process the payment of 80% of the invoice which amounts to R253 167 889.13 for the costs incurred by Cash Paymaster Services (Pty) Ltd to re-register all the grants recipients as well as outstanding beneficiaries.
- 2) The remainder of the 20% of the invoice be paid in the 2014/16 Financial Year after SASSA, through the Independent Auditor, has verified the completeness and correctness of the claim by Cash Paymaster Services (Pty) Ltd which was audited by their external auditors (KPMG).

The above is recommended on condition that the requesting Branch attaches supporting documents where CEO approved this variation.

The BAC requests the requesting Branch, in consultation with Legal Services, to write to CPS indicating that the 80% of the invoice will be paid. Payment of the 20% is pending SASSA's verification of the invoice. Should the verification indicate that SASSA has overpaid CPS, SASSA will recover the costs overpaid to CPS.

Approved/Not-Approved
Comments

[Empty box for comments]

[Signature]
SIGNATURE OF CEO
Ms. Virginia Petersen

13/03/2014
DATE

[Signature]
Rm

"DL21"

35

SCM 1



REQUEST TO PROCURE (WITH SCORING)
(Approval of responsiveness and evaluation criteria)

To:	SUPPLY CHAIN MANAGEMENT
Project title:	Reimbursement of Costs incurred by Cash Paymaster Services(PTY)LTD(CPS)In Respect of Additional Resources Procured for the Re-registration Project for the Period 01 January 2013 to July 2013.

SCM Reference no:		Project Manager:	Frank Earl
Cost Centre Name:	Benefits Transfer	Telephone number:	012 400 2073
Quotation/Bid no:		Oracle Requisition No:	

SCM1 Captured by:.....
 Signature:.....
 Date:.....

CATEGORY: Goods and Services

1. VALUE THRESHOLD: (Tick only one applicable threshold)

<input checked="" type="checkbox"/> R30 001 – R500 000	<input type="checkbox"/> Above R 500 000
--------------------------------------------------------	------------------------------------------

1.1. Estimate Value: R316 447 361.41

1.2. Available Budget to date: R

1.2. Motivation for goods/service: Reimbursement of Costs incurred by Cash Paymaster Services(PTY)LTD(CPS)In Respect of Additional Resources Procured for the Re-registration Project for the Period 01 January 2013 to July 2013.

1.3. Description of goods/ service:

Item Number	Description	Quantity
	Bulk Re- registration	

2. BID / QUOTE CRITERIA:

2.1. The Bid Specification Committee's (where applicable) approval is hereby requested for the following procurement procedure:
(if Negotiated Procedure is requested, it must be fully motivated in a separate attachment.)

Open Procedure Quotation Procedure Negotiated Procedure

2.2. The following Evaluation Method for responsive bids will be applicable:

Method 1 (Financial and Preference offer)

Rm

36

Method 2 (Financial, Functionality and Preference offer

2.3. Indicate which preference points scoring system is applicable for this bid:

<input type="checkbox"/> 80/20 Preference points scoring system	<input type="checkbox"/> 90/10 Preference points scoring system
-----------------------------------------------------------------	-----------------------------------------------------------------

2.3.1. Indicate the price / functionality weighting applicable to this bid:

	Weighting percentage (must add up to 100 %)
Price:	
Functionality:	

2.3.2. Indicate the functionality criteria applicable to this bid:
(Weights for functionality must add up to 100)

Functionality criteria:	Weighting factor:
Total	100

(Weightings will be multiplied by the scores allocated during the evaluation process to arrive at the total functionality points)

Minimum functionality score to qualify for further evaluation:	
----------------------------------------------------------------	--

2.3.3. The following preferential procurement model will be applicable for this bid according the preferential procurement model in the PPPFA:

Preferential procurement model:	Points:
1. Historically Disadvantaged Individuals (HDI)	
(a) Persons who had no franchise in national elections before the 1983 and 1993 Constitutions:	
(b) Who is a female:	
(c) Persons with disability:	
2. Other specific goals (according to the PPPFA): (specific goals must be fully specified in a separate attachment)	

RTH
Alex

37

Total (Total of points allocated must add up to 10 or 20 according to the selection in section 2.3)	
-----------------------------------------------------------------------------------------------------	--

3. BID SPECIFICATION COMMITTEE MEMBERS:

3.1. The following members hereby certify that the bid specifications, evaluation criteria and preference point scoring system have been analysed and agreed upon:

Bid Specification Committee member:	Signature:

4. RESPONSIVENESS CRITERIA:

4.1. Indicate responsiveness criteria applicable for this bid:

<input type="checkbox"/>	Bid offer must be properly received on the bid closing date and time specified on the invitation, fully completed and signed in ink.
<input type="checkbox"/>	Submission of applicable Resolution by the Legal Entity, or consortium / joint venture, authorising a dedicated person(s) to sign documents on behalf of the firm / consortium / joint venture.
<input type="checkbox"/>	Submission of other compulsory returnable schedules / documents as per the list of returnable documents.
<input type="checkbox"/>	Submission of Declaration of Interest.
<input type="checkbox"/>	Submission of an original valid Tax Clearance Certificate.
<input type="checkbox"/>	Copy of joint venture agreement if bidder is a joint venture and / or consortium.
<input type="checkbox"/>	Specify other responsiveness criteria
<input type="checkbox"/>	Specify other responsiveness criteria
<input type="checkbox"/>	Specify other responsiveness criteria

4.2. Additional information that may be required during the bid evaluation:

<input type="checkbox"/>	Certified copy of the Founding Statement (CK1), if the firm is a Close Corporation.
<input type="checkbox"/>	Articles of Agreement, (CM1) and shareholding certificates endorsed by an auditor if the firm is a Company.
<input type="checkbox"/>	Articles of Association and shareholding certificate, endorsed by an auditor, if the firm is a private company, (Pty) Ltd
<input type="checkbox"/>	In the event of the bidder being a public company, a letter from their auditor, certifying their status as a public company and attached thereto, a certified copy of the bidder's Articles of Agreement
<input type="checkbox"/>	Submission of certified copy(s) of identity document(s) if natural person(s) or partnership.
<input type="checkbox"/>	Specify other responsiveness criteria
<input type="checkbox"/>	Specify other responsiveness criteria

5. BID ADVERTISEMENT PERIOD:

<input type="checkbox"/>	30 days
--------------------------	---------

R-m
Ad

38

<input type="checkbox"/>	Other: motivate other than 30 days
--------------------------	------------------------------------

6. ADDITIONAL COMMENTS: (if applicable)

insert comments, e.g. Other specific goals

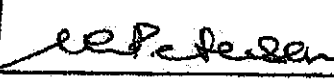
7. BUDGET CONFIRMATION-CHARGE ACCOUNTS (CONFIRMED BY COST CENTRE MANAGER)

Contact name:	Frank Earl	Tel / Cell no:	012 400 2073
Confirmation date:	18/03/14	AMOUNT TO BE COMMITTED:	R316 447 361.41
COMPANY:	SASSA	LOCATION:	Head Office
COST CENTRE:	58050 232002	ACCOUNT:	
PROJECT:			

8. COMPILED BY:

Jeaneth Ramushu		18/03/2014
Project leader/ Cost Centre Coordinator	Signature	Date

9. SUPPORTED BY:

Ms. V.L. PETERSEN CEO		18/03/2014
Head Of Branch/Division/Unit	Signature	Date

10. APPROVED BY:

Head of SCM/ Regional Executive Manager/Bid Adjudication Committee/CEO	Signature	Date

Rm
lbel

"DL22"

43



CPS (Cash Payment Services)
P.O. Box 2424
Parklands
Johannesburg
2121

CPS REGISTRATION INVOICE: CPS REG001

1. SASSA has considered your invoice for registration of beneficiaries and has effected payment amounting to R253 157 880.13. The amount paid represents 80% of the invoice amount.
2. The 20% was retained to verify certain issues as raised by SASSA's Bid Adjudication Committee. SASSA will appoint an independent Auditor to verify the claim against SASSA and once this claim has been confirmed all outstanding monies will be paid during the first quarter of the new financial year



Ms Thovhakale LM
Acting Chief Financial Officer
Date:- 31/03/2014





paying the right amount, to the right person,
at the right time, and when it's due.

South African Social Security Agency
16.03.14

2014-03-31 14:00:00
Date: 2014-03-31 14:00:00

"DL 23"

41

Page 1 of 2

Lorraine Thovhakale - RE: CPS Registration invoice CPS REG001

From: "Nanda Pillay" <nandap@net1.com>
To: "Lorraine Thovhakale" <LorraineT@sassa.gov.za>
Date: 3/31/2014 4:04 PM
Subject: RE: CPS Registration invoice CPS REG001
CC: "Frank Earl" <FrankE@sassa.gov.za>, "Hester Wagenaar" <HesterW@sassa.gov.za>, "Jeaneth Ramushu" <JeanethR@sassa.gov.za>, <ireneg@net1.com>, <anjai@net1.com>

Dear Lorraine,

Thank you for your letter dated, 31 March 2014.

It is clear from the letter that the invoice and audit report submitted by CPS to SASSA is still subject to an independent audit as ordered by the Bid Adjudication Committee. As such, our external auditors do not believe that it is prudent to recognize this partial payment as revenue in the CPS financials as it is still subject to approval. In light of this, the CPS Executive have had no option but to transfer the R253, 157, 889.13 back to SASSA, pending the outcome of the independent audit. The transfer was effected, today.

Kind Regards,

Nanda

From: Karin Nebbe [mailto:karinn@sassa.gov.za]
Sent: 31 March 2014 03:16 PM
To: nandap@net-1.org; ireneg@net1ueps.co.za
Cc: Frank Earl; Hester Wagenaar; Jeaneth Ramushu; Lorraine Thovhakale
Subject: CPS Registration Invoice CPS REG001

Dear Colleagues,

Attached hereto letter from the Acting CFO (Ms Lorraine Thovhakale) for your attention:-

Ms Karin Nebbe
Internal Control Branch Finance
South African Social Security Agency (SASSA)
Tel: +27 (0) 12 400 2331
Email: karinn@sassa.gov.za
Web: www.sassa.gov.za (URL: 'http://www.sassa.gov.za') (URL: 'http://www.sassa.gov.za')

Paying the right social grant, to the right person, at the right time and place. NJALO!

Karin Nebbe

39

Lorraine Thovhakale - RE: CPS Registration Invoice CPS REG001

From: "Irene Ganess" <ireneg@net1.com>
To: "Lorraine Thovhakale" <LorraineT@sassa.gov.za>
Date: 3/31/2014 5:47 PM
Subject: RE: CPS Registration Invoice CPS REG001
CC: "Nanda Pillay" <nandap@net1.com>, "Frank Earl" <FrankE@sassa.gov.za>

Dear Lorraine,

The funds has been refunded into the following bank account:

South African Social Security Agency

First National Bank

Account No: 62086876623

Branch Code: 253145

Kind Regards

Irene

From: Nanda Pillay [mailto:nandap@net1.com]
Sent: 31 March 2014 04:04 PM
To: 'Lorraine Thovhakale'
Cc: 'Frank Earl'; 'Hester Wagenaar'; 'Jeaneth Ramushu'; ireneg@net1.com; anjal@net1.com
Subject: RE: CPS Registration Invoice CPS REG001

Dear Lorraine,

Thank you for your letter dated, 31 March 2014.

It is clear from the letter that the invoice and audit report submitted by CPS to SASSA is still subject to an independent audit as ordered by the Bid Adjudication Committee. As such, our external auditors do not believe that it is prudent to recognise this partial payment as revenue in the CPS financials as it is still subject to approval. In light of this, the CPS Executive have had no option but to transfer the R243, 317, 889.33 back to SASSA pending the outcome of the audit.

R.M.
Earl

40

Kind Regards,

Nanda

From: Karin Nebbe [mailto:karinn@sassa.gov.za]
Sent: 31 March 2014 03:16 PM
To: nandap@net1.org; ireneo@net1ueps.co.za
Cc: Frank Earl; Hester Wagenaar; Jeaneth Ramushu; Lorraine Thovhakale
Subject: CPS Registration Invoice CPS REG001

Dear Colleagues,

Attached hereto letter from the Acting CFO (Ms Lorraine Thovhakale) for your attention:-

Ms Karin Nebbe
Internal Control Branch Finance
South African Social Security Agency (SASSA)
Tel: +27 (0) 12 400 2331
Email: karinn@sassa.gov.za
Web: www.sassa.gov.za (<http://www.sassa.gov.za/>) (<http://www.sassa.gov.za/>)

Paying the right social grant, to the right person, at the right time and place. NJALO!

LEGAL DISCLAIMER AND CONFIDENTIALITY NOTICE

This message may contain information which is confidential, private or privileged in nature. If you are not the intended recipient, you may not peruse, use, disseminate, distribute or copy this message or file which is attached to this message. If you have received this message in error, please immediately notify the sender by e-mail, facsimile or telephone and thereafter return and/or destroy the original message.

Any views contained in this communication are those of the sender except where the sender specifically states them to be those of South African Social Security Agency (SASSA).

While every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and no responsibility or liability is accepted by the South African Social Security Agency as to the accuracy of the information contained herein, that the mail is virus-free, or for any loss arising therefrom.

Email Disclaimer - <http://www.net1.com/main.aspx?ID=24>
Email Disclaimer - <http://www.net1.com/main.aspx?ID=24>

R.M.
2014

42

Compuser Generated Copy Tax Invoice
 Corp ST 1766
DELIVER TO FNB SUNNYSIDE
PUBLIC SECTOR MANAGED DEPOSIT ACCOUNT
SOUTH AFRICAN SOCIAL SECURITY AGENCY
SASSA HOUSE
501 PRODINGA BUILDING
CNR STEVE BIKO AND PRETORIUS STR
ARCADIA
0083

FNB Corporate Banking Johannesburg
 P O Box 1153
 Johannesburg 2000
 info@fnb.co.za
 www.fnb.co.za
 (011) 362-3801
 Last Card 0800-11-01-32
 Account Enquiries 087-575-9479
 Branch Code 255005
 Officer Code One MAN17
 Officer Code Two SLIP01
 Bank's VAT Registration Number : 4210102051

Customer VAT Registration Number : Not Available

COPY Tax Invoice/Statement Number : 1766
 Statement Date: 31 March 2014
 Previous Statement Date: 29 March 2014

Bank Charges	Statement Balance	Interest Rates
Services Fee Rate 21.82/21.32/21.32	Opening Balance 10,728.91 Cr Closing Balance 253,187,689.13 Cr	Credit Rate 0.00 % Debit Rate 0.00 %

If there is an error on your statement you wish to query, please contact the Account Enquiries number as soon as possible, preferably within 30 days, in order that it may be investigated

is inclusive of VAT @ 14.00%
 Total VAT on this statement is 0.00

PUBLIC SECTOR MANAGED ACCOUNT : 0206670623

Date	Description	Reference	Amount	Fee	Interest Use
31 Mar	RRAs And Foreign Exchange General Credit - Domestic Treasury	Opening	253,187,689.13 Cr		11 Apr 2014
	Deposits				
13 Mar	Adi Cash Deposit FNB, (400.00)	16322	400.00 Cr	2.72	2 Apr 2014
31 Mar	Cash Deposit FNB, Capetown (120.00)	60002276	120.00 Cr	6.69	3 Apr 2014
31 Mar	Cash Deposit FNB, Rustburg (20.00)	60009153	20.00 Cr	6.69	4 Apr 2014
31 Mar	Cash Deposit FNB, Bech (5000.00)	60007202	5,000.00 Cr	65.13	5 Apr 2014
31 Mar	Cash Deposit FNB, Sunpark (997.00)	60027007	997.00 Cr	18.30	6 Apr 2014
31 Mar	Cash Deposit FNB, Nelspruit (51.00)	60027115	51.00 Cr	6.66	7 Apr 2014
	Intra-company/Inter-group Transfers				
31 Mar	Manual Transfer To	68586636	10,728.91 Dr		8 Apr 2014
	Receipts Via Other Banks				
31 Mar	Magtapa Credit User 2550 Seq 080016	Binnecol 18 Payment 20140331	1,042.00 Cr		9 Apr 2014
31 Mar	Magtapa Credit User 8541 Seq 055827	Customer 1150 Beest	1,800.00 Cr		10 Apr 2014
31 Mar	Magtapa Credit User 8801 Seq 280940	791016054089	18.00 Cr		11 Apr 2014
31 Mar	Magtapa Credit User 8801 Seq 200941	7904118763281	18.00 Cr		12 Apr 2014
31 Mar	Magtapa Credit User 8801 Seq 280942	7907105944051	18.00 Cr		13 Apr 2014

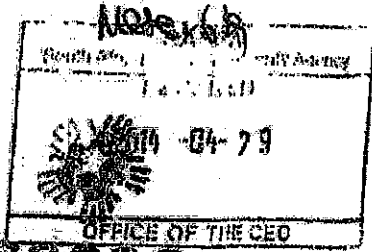
First National Bank - a division of FirstRand Bank Limited. Reg No. 1928/001225/03.
 An Authorized Financial Services and Credit Provider (NCRCP20).

0206670623 Final balance as at end
 29 March 2014 10,728.91 Cr

COMPRESS - 04/08/14/02/02

Handwritten signature and initials

"DL24"



sassa
SOUTH AFRICAN SOCIAL SECURITY AGENCY

ROUTE form

47

To: The Chief Executive Officer

From: Supply Chain Management

Branch: Finance

Date: 25 April 2014

Subject: Variation Order: Reimbursement of Costs Incurred by Cash Payment Services (Pty) Ltd (CPS) in Respect of Additional Resources Procured for the Registration Project for the Period 01 January 2013 to July 2013 - HEAD OFFICE

Enquiries: Godfrey Twale - 012 400 2167

Name	Ext	Office	Date In	Signature	Date Out
Mr Godfrey Twale	2167	Senior Manager, Demand Management	25/04/2014	<i>[Signature]</i>	25/04/2014
Ms. Gopolang Sefara	2280	Acting General Manager, SCM	25/04/2014	<i>[Signature]</i>	25/04/2014
Mr. Tsakerwa Chauke	2473	Acting Chief Financial Officer	25/4/2014	<i>[Signature]</i>	25/4/2014
Ms. Virginia Petersen	2455	Chief Executive Officer		<i>[Signature]</i>	02/05/2014

Remarks

Mr. Chauke please discuss

uel

09/05/2014



paying the right amount, to the right person, at the right time and place. N/A, 01

South African Social Security Agency
Head Office

SASSA House • 801 Protea Building Cnr Beatrix & Pretorius Street
Pretoria • Private Bag X55662 Arcadia • Pretoria, 0001

[Handwritten initials]

48



sassa
SOUTH AFRICAN SOCIAL SECURITY AGENCY

SUBMISSION

To: The Chief Executive Officer

From: Supply Chain Management

Branch: Finance

Unit: Supply Chain Management

Enquiries: Godfrey Twala – 012 400 2167

Date: 25 April 2014

Subject: Variation Order: Reimbursement of Costs Incurred by Cash Paymaster Services (Pty) Ltd (CPS) in Respect of Additional Resources Procured for the Re-registration Project for the Period 01 January 2013 to July 2013 – HEAD OFFICE

1. Purpose

To request the Chief Executive Officer to consider the recommendation of the Bid Adjudication Committee and approve the variation order to effect full payment of R316 447 361.41 for the costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) to re-register all the grant recipients as well as outstanding beneficiaries.

2. Background

The Bid Adjudication Committee at its meeting held on Thursday, 24 April 2014, recommended to the Chief Executive Officer to the variation order to effect full payment of R316 447 361.41 for the costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) to re-register all the grant recipients as well as outstanding beneficiaries.

RM

49

3. Financial Implications

The financial implications for the project will be R316 447 361.44. Finance Branch to make a formal request urgently to the National Treasury to roll over funds to honour the payment.

4. Recommendation

The Bid Adjudication Committee recommended to the Chief Executive Officer to approve the following:

- 1) The variation order to effect full payment of R316 447 361.41 for the costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) to re-register all the grant recipients as well as outstanding beneficiaries.
- 2) The Agency to engage the services of an Independent Auditor to verify the completeness and correctness of the claim submitted by CPS which incidentally was audited by their external auditors, namely KPMG. Further, should any discrepancies be uncovered by the Independent Auditor, CPS shall be afforded an opportunity to respond to the allegations and if it accepts the errors, CPS be held liable to refund the Agency the amount in question deemed overpaid.

Mr. Godfrey Twala
Senior Manager: Demand Management

Date: 25/04/2014

Ms. Gopaling Seters
Acting General Manager: Supply Chain Management

Date: 25/04/2014

Comments: _____

Approved / Not approved / Approved with amendments

Ms. Virginia Petersen
Chief Executive Officer

Date: 22/05/2014

Alle
AM

"DL25"

50



sassa

RECOMMENDATION BY BID ADJUDICATION COMMITTEE

Date:	24 April 2014	Bid / Quote no:	
Reference no:			

Description of service: 11.3.1 Variation Order: Reimbursement of Costs Incurred by Cash Paymaster Services (Pty) Ltd (CPS) in Respect of Additional Resources Procured for the Re-registration Project for the Period 01 January 2013 to July 2013 - HEAD OFFICE

Name:	Capacity:	Approved	Not Approved	Refer matter back	Noted	Recommended	Signature
Mr. T Chauke	Chairperson					✓	
Mr. W Terblanche	Deputy Chairperson					✓	
Ms. K Lubelwana	Member					✓	
Mr. B Mqotuku	Member					✓	
Ms. C Koster	Member					✓	
Dr. J Maritz	Member					✓	
Ms. P Nelker	Member					-	Apology
Ms. S Sibankulu	Member					-	Apology
Ms. L Thovhakele	Member					-	Apology
Ms. D Dunkerley	Member					-	Apology

Recommendation By The Bid Adjudication Committee

Comments: The Bid Adjudication Committee at its meeting held on Thursday, 24 April 2014, recommended to the Chief Executive Officer to approve the following

- 1) The variation order to effect full payment of R316 447 381.91 for the costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) to re-register all the grant recipients as well as outstanding beneficiaries.
- 2) The Agency to engage the services of an Independent Auditor to verify the completeness and correctness of the claim submitted by CPS which incidentally was audited by their external auditors, namely KPMG. Further, should any discrepancies be uncovered by the Independent Auditor, CPS shall be afforded an opportunity to respond to the allegations and if it accepts the errors, CPS be held liable to refund the Agency the amount in question deemed overpaid.

Approved/Not Approved - Comments:

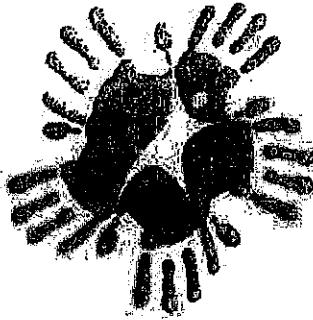
SIGNATURE OF CEO
Ms. Virginia Paterson

22/05/2014
DATE

12/11/14

"DL26"

ANNEXURE A



sassa

SOUTH AFRICAN SOCIAL SECURITY AGENCY

TERMS OF REFERENCE

REQUEST FOR THE SERVICES OF AN INDEPENDENT AUDITOR TO VERIFY THE COMPLETENESS, VALIDITY AND ACCURACY OF CLAIMS SUBMITTED BY CASH PAYMASTER SERVICES (PTY) LTD (CPS) TO RE-REGISTER ALL GRANT RECIPIENTS

CONFIDENTIAL

Bm

TABLE OF CONTENTS

2

1. BACKGROUND
2. OBJECTIVES OF THE SERVICES TO BE PROVIDED
 - 2.1 OVERALL OBJECTIVE
 - 2.2 SPECIFIC OBJECTIVES
3. SCOPE OF THE WORK
4. EXPECTED OUTPUTS/DELIVERABLES
5. KEY EXPERTISE REQUIRED
 - 5.1. QUALIFICATIONS
 - 5.2. GENERAL PROFESSIONAL EXPERIENCE
6. TIME FRAME
7. LOGISTIC SUPPORT
8. CONTRACTING AUTHORITY
 - 8.1 CONTRACT MANAGEMENT
 - 8.2 ROLE PLAYERS
 - 8.3 REPORTING
9. SPECIAL REQUIREMENTS
 - 9.1. DOCUMENTATION
10. PAYMENT CONDITIONS
11. EVALUATION OF THE PROPOSALS
 - 11.1 EVALUATION CRITERIA
 - 11.2 ADMINISTRATIVE COMPLIANCE
 - 11.3 *Functionality criteria*
12. CONDITIONS
13. ENQUIRIES

CONFIDENTIAL

RM
Date

3

1. Background

In terms of the Request for Proposal (RFP) as well as the tender response submitted by Cash Paymaster Services (CPS), the requirement was to re-register almost 9.2m social grant beneficiaries and to issue each and every beneficiary with a SASSA branded biometric payment card. During the SLA negotiations, it was agreed that CPS would re-register all 9.2m social grants beneficiaries and recipients for a period of six months at their own cost. At that time, the total number of social grants recipients as well as dependents was unknown. When the plans were compiled, taking into account beneficiaries, procurators and children, the total number that had to be re-registered had more than doubled and was almost 22m. This represents an additional estimated 11.9m people who had to be re-registered by the service provider.

As of 01 March 2012, all Sekulula clients were required to present themselves at the nearest SASSA Local Offices and had to bring their Identity Documents and Sekulula cards which were replaced with a temporary SASSA card. All existing Emplweni and All Pay beneficiaries were issued with temporary SASSA cards with effect from 01 April 2012 at the respective pay points.

The first phase of the bulk re-registration of all existing beneficiaries which included children and procurators commenced on 01 June 2012. During this period up to 31 December 2012; beneficiaries were issued with a permanent SASSA payment card which will enable them to access their grants anywhere in the country.

All ACB beneficiaries were required to present themselves at the nearest re-registration site and had to bring Identity Documents, birth certificates and the dependents. The bulk re-registration of all existing beneficiaries through biometric technology which included children and procurators started on 07 January 2013.

Del
Rm

4

The Bid Adjudication Committee at its meeting held on Thursday, 24 April 2014, recommended to the Chief Executive Officer to approve the following:

- The variation order to effect full payment for the costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) to re-register all the grant recipients as well as outstanding beneficiaries.
- The Agency to engage the services of an independent auditor to verify the completeness and correctness of the claim submitted by CPS which incidentally was audited by their external auditors KPMG.
- Further should any discrepancies be uncovered by the independent auditor, CPS shall be afforded an opportunity to respond to the allegations and if it accepts the errors, CPS to be held liable to refund the Agency the amount in question.

2. Objectives of the services to be provided

2.1 Overall objective

The overall objective of the review is to establish the following in respect of the amount paid by the Agency for the costs incurred by Cash Paymaster Services (Pty) Ltd (CPS) to re-register all the grant recipients as well as outstanding beneficiaries:

2.2 Specific objective:

The secondary objective is to determine the following in respect of the amount claimed by Cash Paymaster Services (Pty) Ltd (CPS) for the costs incurred to re-register all the grant recipients as well as outstanding beneficiaries:

- Value for Money
- Validity
- Completeness
- Accuracy and
- Ethics and Fair Dealing
- Rationale for the inclusion of each expenditure type in the calculation.

16/6
12/11

5

- Accuracy of the calculation and any underlying schedule.
- Costs included in the calculation are supported by source documents.
- Confirmation of the variation versus the initial agreed contract amount.

3. Scope of the Work

The review will be carried out at the Head Office by Cash Paymaster Services (Pty) Ltd (CPS) Johannesburg plus three (3) Regions and will cover the following:

- Fuel utilised in terms of hired and CPS owned vehicles to transport staff and equipment to re-registration venues.
- Delivery and Courier costs relating distribution of stationery and smart cards to the nine provinces from the CPS Head Office in Rosebank.
- Hire Charges in terms Infrastructure
- Hall rental
- Stationery
- Motor vehicle repairs and maintenance
- Security Services
- Travel and accommodation
- Data services
- Salaries for re-registration staff employed by CPS
- Central System- Data Warehouse Hardware requirement

4. Expected Outputs/Deliverables

The outputs/deliverables for this project are as follows:

- a) An Inception Report with a detailed project plan.
- b) Bi-weekly progress reports including problems/challenges expected/experienced
- c) A draft report, including, findings, conclusions and recommendations
- d) A final report relating to further areas requiring review, where necessary.

Red
Dm

6

5. Key Expertise Required

5.1. Qualifications

The audit team should be comprised of professionals with experience and knowledge in the following fields:

- Legal;
- Auditing
- Supply Chain Management
- Finance and
- Business/public administration.

5.2. General professional experience

The investigation team will be required to possess the following skills:

- An excellent understanding of the public sector institutional landscape in South Africa in general and of the South African government systems in particular;
- Thorough knowledge of the PFMA, Treasury Regulations and Frameworks issued by the National Treasury;
- Expertise in supply chain management process
- Auditing and Accounting knowledge and experience.
- Knowledge and Interpretation of the Law of Contracts
- Expertise in forensic investigations and
- Proven project leadership and project management capability.

6. Time Frame

The project is expected to commence on 23 February 2015 until 20 March 2015.

Call
P.M.

Should further investigations be required based on any outcome from the interim and final reports, the Department: Internal Audit would approach the Chief Executive Officer for approval of an extension of this project.

7. Logistic support

The Department: Internal Audit will provide administrative support for setting meetings between SASSA and the appointed service provider as well as access to documents.

The Department: Internal Audit will also be responsible for quality assurance of the work performed before finalization of the report.

8. Contracting Authority

8.1 Contract management

SASSA will be the contracting authority.

8.2 Role Players

- SASSA
- CPS

8.3 Reporting

The Department: Internal Audit will be responsible for, amongst other things, determining the milestones for interim reporting by the investigating team. The reporting process will be determined on commencement of the project.

CONFIDENTIAL

Rm
Ged

8

The Internal Audit Department will facilitate the process of receiving the management comments and arrange meeting for the discussion of the report as and when necessary.

The working and reporting language is English.

9. Special requirements

9.1. Documentation

- CONFIDENTIAL**
- a) The audit team will have access to all the information and persons / services that they consider necessary and useful for the purpose of the investigation. It is understood that the audit will not be restricted in any manner.
 - b) All documents requested for and used by the audit team will be signed for in a document register.
 - c) All documents will be returned at the end of the audit and the person receiving them will countersign the document register.
 - d) Data and/or findings of a confidential nature will be handled with all the necessary prudence and will be disclosed only to duly authorized persons.
 - e) The audit will be carried out in accordance with the audit standards and conditions generally recognized by the profession at local and international level.

10. Payment conditions

Payment for services rendered by the appointed service provider shall only be made on the successful completion of the review including the

RIT
Eds

9

submission of the final review report to SASSA within thirty (30) days of receipt of an invoice.

11. Evaluation of the proposals

11.1 Evaluation Criteria

All proposals will be evaluated in terms of the 80/20 preferential scoring system. Proposals will be evaluated as follows:

11.2 Administrative compliance

Service provider must submit the following:

- Original and valid Tax Clearance Certificates.
- Original certified ID copies of the company directors.
- Proof of registration with Companies and Intellectual Properties Commission (CIPC).
- Curriculum Vitae and qualifications in (Post graduate in Auditing or equivalent) of the allocated audit team
- Company Profile
- Completion of standard bidding documents (SBD)

NB: FAILURE TO COMPLY WITH THE ABOVE MENTIONED REQUIREMENTS WILL RESULT IN YOUR PROPOSAL BEING DISQUALIFIED

11.3 Functionality criteria

- a) The service providers will be evaluated for functionality as stipulated in this Terms of Reference.
- b) Only service providers who score a minimum of 70% for functionality will proceed to be further evaluated on Price and Preferences.

Handwritten signature/initials

10

c) The functionality criteria are listed below:

Public Sector Auditing Experience of the bidding organization: <ul style="list-style-type: none">• 0 - 2 years = 1 point• 2 - 3 years = 2 points• 3 - 4 years = 3 points• 4 - 5 years = 4 points• More than 5 years = 5 points	30
Public Sector Auditing experience of staff to be allocated to the project: <ul style="list-style-type: none">• 0 - 2 years = 1 point• 2 - 3 years = 2 points• 3 - 4 years = 3 points• 4 - 5 years = 4 points• More than 5 years = 5 points	40
Project management experience of staff to be allocated to the project: <ul style="list-style-type: none">• 0 - 2 years = 1 point• 2 - 3 years = 2 points• 3 - 4 years = 3 points• 4 - 5 years = 4 points• More than 5 years = 5 points	5
Financial Background and experience of staff to be allocated to the project: <ul style="list-style-type: none">• 0 - 2 years = 1 point• 2 - 3 years = 2 points• 3 - 4 years = 3 points• 4 - 5 years = 4 points• More than 5 years = 5 points	25
TOTAL	100

R-m

Price and Preference Criteria

11

Price	80
BBBEE Status Level of Contribution	20

Points awarded for BBBEE Status Level of Contribution

In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the BBBEE status level of contribution in accordance with the table below.

BBBEE Status Level of Contributor	Number of points (80/20)
1	20
2	18
3	
4	
5	
6	6
7	4
8	2
Non-compliant contributor	0

Bidders must submit a BBBEE Verification Certificate from Verification Agency accredited by the South African Accreditation System (SANAS) or a registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the proposal. Failure to submit will be interpreted to mean that preference points for BBBEE Status Level of Contribution are not claimed.

CRM

12

12 Conditions

- The Agency reserves the right not to accept the lowest proposal, as other criteria, including the functionality, price and preferences will be taken into consideration, when bids are evaluated.
- Service Providers will be subjected to security clearance process (Vetting).
- The Agency reserves the right to cancel or not to award the RFQ to any service provider.
- The Agency will not be held liable for any expenses incurred by bidder in preparing and submitting the proposal.
- Service Provider must submit a BBBEE certificate in order to qualify or claim for points as BBBEE Status Level of Contributor.
- The price must be all inclusive of all variable costs including travelling and accommodation, and any other related costs.
- Bidders will be expected to attend the compulsory briefing.

13. Enquiries

Technical enquiries may be directed to Ms Pumla Mbeki at (012) 400 2435.

CONFIDENTIAL

R.M.
Giles

28



Eng. Ms Zintshu Sibusa
Tel: (012) 450 2130
E-mail: Zintshu@sassa.gov.za
REF: RFQ: 720140A

SABBT Chartered Accountants Incorporated T/A Nexia
119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0046

Tel: 012 692 8800/052 333 3392
Fax: 012 692 8801
Email: bln@nexia-sabt.co.za

Attention: Bilal Jhetam

LETTER OF AWARD

'WITHOUT PREJUDICE'

RE: RFQ: 720140A: APPOINTMENT OF INDEPENDENT AUDITORS TO VERIFY THE COMPLETENESS VALIDITY AND ACCURACY OF CLAIMS SUBMITTED BY CASH PAYMENT SERVICES (PTY) LTD (CPS) TO RE-REGISTER ALL GRANTS RECIPIENTS.

1. This letter serves to inform you that your proposal dated 4th March 2016 for the above-mentioned service has been accepted by the South African Social Security Agency (the Agency) subject to the following conditions that

- 1.1 Only the resources below will be availed to SASSA and that the quoted prices for the said resources per hour will be as follows:

No	Resources	Rates Per Hour
1	Audit Manager	R 775.00
2	Senior Manager	R 775.00
3	Supervisor-3 rd Year Audit Trainee	R 400.00
4	2 nd Year Audit Trainee	R 350.00

Rm
llc


29

LETTER OF AWARD
RFQ: 72014/1A

Page 2 of 2

2. The acceptance of your proposal is subject to General Conditions of Contract. This letter the purchase order, the GCC, the terms of reference shall constitute the formal contract in this regard. SASSA may also enter into a Service Level Agreement with your firm
3. Please direct all enquiries to the Project Manager: Ms. Phumla Mbeki on telephone number (012) 400 2424 and ~~Phumla Mbeki~~
4. Please note that an official purchase order will only be issued after the terms of the Agreement has been conceded to and signed.

Yours sincerely,



Mr. Dumile Ndlovu
General Manager; Supply Chain Management
South African Social Security Agency
Date: 2017/03/10

R.M.
