

**REQUEST FOR PROPOSALS FOR OUTSOURCED
INTERNAL AUDIT SERVICES FOR A PERIOD OF
THREE (3) YEARS**

**RFP NUMBER:
POLMED002/IA/2021**

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GLOSSARY

Abbreviation	Description
Administrator	The Administrator of the Scheme, duly appointed by the Scheme from time to time.
Authorised representative	Person/ legal entity authorised by the Board of Trustees or by its delegate, the Principal Officer of POLMED, to represent POLMED from time to time.
Award	Conclusion of the procurement process and final notification to this effect to the successful Bidder.
B-BBEE	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) and the Codes of Good Practice issued there under by the Department of Trade and Industry.
Bid	A written offer on the official bid documents and in a prescribed or stipulated form in response to an invitation by POLMED for the provision of services, works or goods.
Bidder	Entity/joint venture/consortium responding to the Request for Bid.
Board of Trustees	The duly elected and appointed Board of Trustees of POLMED.
CMS/ Council	The Council for Medical Schemes established in terms of section 3 of the Medical Schemes Act.
CoGP	Codes of Good Practice.
Contracting Entity/ Contractor	Contracting entity with whom POLMED will conclude a formal contract and service level agreement subsequent to the final award of the contract based on this Request for Bid.
Dti	Department of Trade and Industry of the Government
EME	Exempted Micro Enterprise in terms of the Codes of Good Practice.
IIASA	The Institute of Internal Auditors South Africa.
IP	Intellectual Property.

Abbreviation	Description
Medical Schemes Act	The Medical Schemes Act, Act No 131 of 1998, and any regulations published in terms thereof.
Member	Any person who is enrolled as a Member of the Scheme and who is a member in terms of the Rules and shall be deemed to include the registered dependents of a Member.
Original bid	Original document signed in ink by the person duly authorised to commit the Bidder. Copies of original document signed in ink by the person duly authorised to commit the Bidder.
PO	Principal Officer.
POLMED	The South African Police Service Medical Scheme being a medical scheme registered under the Medical Schemes Act, 1998 (referred to as the Scheme).
QSE	Qualifying smart enterprise in terms of the codes of good practice.
RFP	Request for Proposals.
Rules	The registered Rules of the Scheme as defined in terms of the Medical Schemes Act.
SCM	Supply Chain Management.
ToR	Terms of Reference.
Trustees	The members of the Board of Trustees of the Scheme, as constituted in terms of the Rules to manage the Scheme.
Valid document	A document containing authentic information conforming to legally binding status and is enforceable by the executing authority on the bidding authority whether in an original, copied, reproduced, photo, faxed or in electronic format and that has bearing to transaction(s) with POLMED. Such submission must be valid at the closing date and time of submission.
Will be deemed	Bidder will immediately be excluded from further evaluation non-responsive.

OUTSOURCED INTERNAL AUDIT TENDER

1. SPECIAL CONDITIONS OF BID

1.1. FRAUD AND CORRUPTION

All Bidders are to take note of the implications of contravening the Prevention and Combating of Corrupt Activities Act, Act No 12 of 2004 and any other Act applicable.

1.2. BRIEFING SESSION

No briefing session will be held for this request for bid.

1.3. CLARIFICATIONS AND QUERIES

Telephonic requests for clarification will not be accepted. Any clarification required by a bidder regarding the meaning or interpretation of any part of the Terms of Reference or any other aspect concerning the RFP, is to be requested in writing (e-mail) from procurement@polmed.co.za by no later than 12:00PM on 24 September 2021. The RFP number must be mentioned in all correspondence.

Responses to queries received by 12:00PM on 24 September 2021, will be published on www.polmed.co.za by 12:00PM on 28 September 2021. Queries received after the deadline will not be responded to.

1.4. SUBMISSION OF RESPONSES

Responses to the RFP for the appointment of an outsourced internal audit service provider must be submitted by 08 October 2021 at 12:00PM.

The tender box is situated at the reception of the POLMED head office:

Crestway Office Park

Block A, 20 Hotel Street

Persequor Park

Lynnwood

Pretoria

For purposes of this RFP, bids submitted via facsimile will not be considered.

The two (2) envelope system will be followed. One (1) original and three (3) copies of both the technical and financial bid must be submitted in a sealed envelope/ pack. The technical and financial bids must be submitted in separate envelopes. A total of eight (8) documents must be submitted, four (4) in each envelope/ pack. Bidders must indicate on the cover of each document whether it is the original or a copy of the submission.

An original version of the bid must be submitted for both the technical and financial bids. The original versions must be signed in ink. Only bids that are submitted as one (1) original and three (3) copies of the technical and financial bid will be accepted as valid and responsive.

Bids should be submitted in a sealed envelope/ pack, marked with:

- RFP number: POLMED002/IA/2021
- Closing date and time: 08 October 2021 at 12:00PM
- The name and address of the bidder.
- Indication if the envelope/ pack relates to the technical or financial response.

Electronic Bid Submissions

Electronic bids must be submitted by closing date and time to procurement@polmed.co.za.

The reference number of the bid must be clearly indicated in the subject line.

All bids submitted to POLMED will become the property of POLMED and will as such are not returned to the bidder. POLMED will maintain all reasonable efforts to maintain bids in confidence. Proprietary information should be indicated as such in each bid.

1.5. LATE SUBMISSIONS

Bids received late will not be considered. A bid will be considered late if it arrived even one (1) second after 12:00PM or any time thereafter. The tender box shall be locked at exactly 12:00PM and bids arriving late will not be considered under any circumstances.

The official Telkom time (Dial 1026) will be used to verify the exact closing time.

Bids received late shall be returned unopened, where possible, to the bidder. Bidders are therefore strongly advised to ensure that bids be dispatched allowing enough time for any unforeseen events that may delay the delivery of the bid.

1.6. FORMAT OF THE TECHNICAL BID

Submissions by Bidders must be in the following format:

- A: Executive Summary.
- B: Company Profile, Capacity and Geographical Footprint
- C: Company Competency and Expertise
- D: Methodology and Approach
- E: Team Competency and Experience, including CVs and Qualifications
- F: Financial Soundness
- G: Investigation by Regulatory Bodies

- H: Compulsory Documentation
- I: Completed Bid Documents.

1.7. FORMAT OF THE BID

Submissions by Bidders must be in the following format:

- Part 1: Completed Bid Documents (Administrative Compliance)
- Part 2: Technical Proposal
- Part 3: B-BBEE and Pricing schedule

1.8. VALIDITY OF THE BID

The functional and financial bids must be valid for a period of 90 days from the closing date of this RFP.

1.9. DURATION OF APPOINTMENT

The term of the contract will commence on 1 January 2022 and will be annually renewable based on an annual performance review executed by the Audit and Risk Committee, up to a maximum of three (3) years. POLMED reserves the right to terminate the contract of the service provider on the basis of poor performance, giving the service provider at least three (3) months' prior notice thereof in writing.

1.10. NEGOTIATING AND CONTRACTUAL OBLIGATIONS

A bid will constitute a binding offer which offer will be deemed not to have been accepted and no agreement will be deemed reached by any bidder, unless and until a definitive contractual agreement and other related transaction documents are concluded between POLMED and the preferred bidder.

POLMED or its authorised representatives have the right to enter into negotiation with one (1) or more bidders regarding any terms and conditions, including price(s), of a proposed contract.

POLMED shall not be obliged to accept the lowest bid.

Negotiation with the preferred Bidder will take place subsequent to the POLMED Board of Trustees considering the recommendations of the Audit and Risk Committee.

POLMED reserves the right to select another Preferred Bidder in the event that negotiations with the originally selected Preferred Bidder prove unsuccessful and/or unduly delayed.

Upon final selection and notification of the Preferred Bidder, a process of final negotiations will commence. Negotiations will be used to finalise outstanding elements of the SLA in an

effort to arrive at a comprehensive binding SLA that will govern the relationship between POLMED and the Successful Bidder.

Under no circumstances will negotiation with any Bidders, including with preferred Bidders, constitute an award or promise/ undertaking to award the contract or be construed as legitimate expectations by such Bidder.

1.11. BIDDER SELECTION

POLMED reserves the right to select the appropriate service provider(s) based on its requirements. The recommendation of the Audit and Risk Committee and final decision by the Board of Trustees of POLMED will be final.

1.12. ACCESS TO INFORMATION

All Bidders will be informed of the status of their bid once the procurement process has been completed. Requests for information regarding the RFP process will be dealt with in line with the POLMED Procurement Policy and relevant legislation.

1.13. BIDDER ENQUIRIES

All technical and Supply Chain-related enquiries must be sent in writing to procurement@polmed.co.za. All queries to be submitted by no later than 12:00PM on 24 September 2021. The RFP number must be mentioned in all correspondence.

1.14. REASONS FOR REJECTION

POLMED shall reject a bid for the award of a contract if the recommended Bidder is suspected of fraud or improper conduct or has committed a proven corrupt or fraudulent act in competing for the particular contract.

POLMED may disregard the bid of any Bidder if that Bidder, or any of its directors:

- Have abused the Supply Chain Management (SCM) system of POLMED.
- Are suspected of or have committed proven fraud or any other improper conduct in relation to such system.
- Have failed to perform on any previous contract.
- In case of collusive tendering by the Bidders or any anti-competitive conduct as determined in terms of the Competition Act, 89 of 1998.
- In case a Bidder, a member of the Bidder, has interest (directly or indirectly) in any other Bidder.

1.15. CANCELLATION OF PROCUREMENT PROCESS

POLMED reserves the right to amend, modify or withdraw this RFP or amend, modify or terminate any of the procedures or requirements set out herein at any time and from time to time, without prior notice and without liability to compensate or reimburse any person.

1.1. ADMINISTRATIVE REQUIREMENTS

Bids submitted by potential service providers must include at least the following mandatory documentation/ information:

- Company registration and shareholding information to support the B-BBEE contribution certificate.
- Valid, original tax clearance certificate or equivalent.
- B-BBEE status level of contribution certification.
- Three (3) years audited annual financial statements.
- Declaration of interest.
- Declaration of bidder's past SCM practices.
- Investigation by regulatory bodies.
- Signature by a duly authorized representative of the bidder.

1.1.1. COMPANY REGISTRATION AND SHAREHOLDING INFORMATION

The Bidder must be a South African entity and must submit its company registration details and documentation. Bids submitted without a company registration documents **will** be deemed to be non-responsive.

1.1.2. VALID, ORIGINAL TAX CLEARANCE CERTIFICATE

A valid SARS Tax Clearance Certificate must accompany the bid and must be valid at the date of closing of the RFP. In case of a consortium/ joint venture, a valid SARS Tax Clearance Certificate for each consortium/ joint venture member **must** be submitted.

The following options will be regarded as a valid tax clearance certificate:

- A valid original tax clearance certificate printed directly by SARS; or
- A valid tax clearance certificate mailed to the relevant party to the bid and thus printed by the party to the bid and which is accompanied by a PIN through which POLMED may confirm the validity of the certificate on the closing date of the bid. Failing to provide a PIN will lead to the verification being done at a later stage which would require that the party to the bid's tax compliance status be measured after the closing date and must be in order on date of measurement.

1.2. Where no valid tax clearance exists for any party noted above, a letter from SARS needs

to be provided for that party, indicating that satisfactory arrangements have been made with SARS to meet the party's tax obligations.

Bids submitted without a valid original tax clearance certificate or proof of arrangements made with SARS for each party to the bid **will** be deemed to be non-responsive.

1.1.3. B-BBEE STATUS LEVEL

The proof pertaining to the bidder's level contributor status should be provided. Information is available at www.dti.gov.za.

Failure to provide the B-BBEE Certification **will** lead to the bid being regarded as non-responsive.

1.1.4. DECLARATION OF INTEREST

The bidder must complete and return the "Declaration of Interest" on behalf of all parties to the bid.

The bidder must fully declare all co-administration or sub-contracting arrangements/ agreements/ financial interest between the organisation and other entities, including POLMED and its service providers.

Irrespective of the "Declaration of Interest" form, the bidder must submit a full declaration of relationships between the bidder and other service providers in the healthcare industry (including POLMED). If no such relationships exist, the bidder must indicate this in their submission in terms of this requirement.

Bids submitted without a completed and signed Declaration of Interest **will** be deemed to be non-responsive.

1.1.5. DECLARATION OF BIDDER'S PAST SCM PRACTICES

The bidder must complete and return the "Declaration of bidder's past Supply Chain Management practices" on behalf of all parties to the bid.

Bids submitted without a completed and signed "Declaration of bidder's past Supply Chain Management practices" form **may** be deemed to be non-responsive.

1.1.6. INVESTIGATIONS BY REGULATORY BODIES

The bidder is to confirm that it is not being investigated by any regulatory bodies irrespective of the nature of the investigation. If it is being investigated, the respective details are to be supplied as part of this submission.

1.1.7. SIGNATORY BY DULY AUTHORISED REPRESENTATIVE

Bidders must provide proof that the individual signing the bid documents are duly authorised to sign the bid, i.e. a resolution of directors, etc. should be provided.

ANNEXURE A - STANDARD BID DOCUMENTS

PART 1 – ADMINISTRATIVE DOCUMENTS AND COMPLIANCE

i. INVITATION TO BID

YOU ARE HEREBY INVITED TO RESPOND TO A BID OF POLMED					
BID NUMBER	POLMED002/IA/2021	CLOSING DATE	08/10/2021	CLOSING TIME	12:00
DESCRIPTION	Request for bid to render outsourced internal audit services for a period of three (3) years				
VALIDITY	90 DAYS				
The successful Bidder will be required to fill in and sign a written Formal Contract and SLA.					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:					
Crestway Office Park Block A, 20 Hotel Street Persequor Park Lynnwood Pretoria					
No posted OR faxed Bids will be accepted					
Bidders should ensure that bids are delivered before the closing date and time to the correct physical address.					
Submission of late bids will not be accepted.					
Bids can be delivered and deposited into the tender box between 08:00 and 16:30, Mondays to Fridays prior to the closing date and between 08:00 and 11:00 on the closing date.					
All bids must be submitted on the official bid forms (not to be re-typed).					
TECHNICAL AND SUPPLY CHAIN ENQUIRIES MAY BE DIRECTED VIA EMAIL TO					
CONTACT PERSON	Jostina Molaiwa				
DESIGNATION	Supply Chain Manager				
E-MAIL ADDRESS	procurement@polmed.co.za				

SUPPLIER INFORMATION			
NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE		NUMBER
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE		NUMBER
E-MAIL ADDRESS			
COMPANY REGISTRATION NUMBER			
INCOME TAX REFERENCE NUMBER			
COMPANY PAYE NUMBER			
COMPANY UIF NUMBER			
VAT REGISTRATION NUMBER			
TAX CLEARANCE CERTIFICATE/ TAX COMPLIANCE SYSTEM PIN SUBMITTED	TICK APPLICABLE BOX <input type="checkbox"/> Yes <input type="checkbox"/> No <i>PROOF MUST BE SUBMITTED</i>		
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ B-BBEE STATUS LEVEL SWORN AFFIDAVIT	TICK APPLICABLE BOX <input type="checkbox"/> Yes <input type="checkbox"/> No <i>A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED</i>		
POLMED DOMICILLIUM			
POLMED chooses the following as its domicilium citandi et executandi for all purposes of and in connection with the final contract: Crestway Office Park, Block A, 20 Hotel Street, Persequor Park,			

Lynnwood, Pretoria

DECLARATION

I/ We have examined the information provided in your bid documents and offer to undertake the work prescribed in accordance with the requirements as set out in the bid document. The prices quoted in this bid are valid for the stipulated period. We confirm that this bid will remain binding upon us and may be accepted by you at any time before the expiry date.

Signature of the bidder

Position

Date

**Duly authorised to
commit the Bidder**

TICK APPLICABLE BOX

Yes

No

PROOF MUST BE SUBMITTED

ii. TAX COMPLIANCE REQUIREMENTS

It is a condition of this bid that the taxes of the successful Bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Services (SARS) to meet the Bidder's tax obligations.

Bidders are required to submit their Unique Personal Identification Number (PIN) issued by SARS to enable POLMED to view the Bidders profile and tax status.

Application for tax compliance status (TCS) or PIN may also be made via e-filing. In order to use this provision, tax payers will need to register with SARS e-filing through the website www.sars.co.za.

Bidders may also submit a printed Tax Clearance Certificate or Tax Clearance Status.

In bids where consortia/ joint ventures/ sub-contractors are involved, each party must submit a separate Tax Clearance Certificate or proof of Tax Clearance Status/ PIN.

iii. DECLARATION OF INTEREST

Any legal person, including persons employed by the principal, or persons having a kinship with persons employed by the principal, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the principal, or to persons connected with or related to them, it is required that the Bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where:

- the Bidder is employed by the principal; and/or
- the Bidder is a management board member; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

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

1. Are you or any person connected with the Bidder, employed by the principal?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		
2. Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		

3. Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		
4. Do you or any of the directors/ trustees/ shareholders/ members of the company have any interest in any other related companies whether or not they are bidding for this contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		

DECLARATION	
<p>I, the undersigned (name).....,..... certify that the information furnished above is correct. I accept that the state may reject the bid or act against me should this declaration prove to be false.</p>	
Name of Bidder	
Signature	
Position	
Date	

DECLARATION OF INTEREST

This declaration will be used by institutions to ensure that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

The bid of any Bidder may be disregarded if that Bidder, or any of its directors have:

- a. abused POLMED's supply chain management system.
- b. committed fraud or any other improper conduct in relation to such system; or
- c. failed to perform on any previous contract.

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

1. Is the Bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the audi alteram partem rule was applied).	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		
2. Is the Bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? To access the Register, enter the National Treasury's website, www.treasury.gov.za click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number 012-3265445.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		

3. Was the Bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five (5) years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		
4. Was any contract between the Bidder and any organ of state/ company terminated during the past five (5) years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, state particulars:		

DECLARATION	
<p>I, the undersigned (name).....,..... certify that the information furnished above is correct. I accept that POLMED may reject the bid or act against me should this declaration prove to be false.</p>	
Name of Bidder	
Signature	
Position	
Date	

PART 2 – TECHNICAL SCOPE OF WORK

2. TERMS OF REFERENCE

2.1. THE PURPOSE AND OBJECTIVE OF THE REQUEST FOR PROPOSAL

POLMED is looking to appoint a reputable and well-established professional services provider to provide outsourced internal audit services for an initial period of one (1) years, to be renewed annually up to a maximum of three (3) years based on an annual performance review by the POLMED Audit and Risk Committee.

The objective of this Request for Proposal (RFP) is to invite parties, in good tax standing, to submit bids for consideration to be appointed as the outsourced internal audit service provider.

The Terms of Reference (ToR) are intended to define the purpose, scope of work and deliverables of the required service for POLMED for which the appointment of a service provider is required.

2.2. BACKGROUND ON POLMED

The South African Police Service Medical Scheme (POLMED), is a closed medical scheme registered under the Medical Schemes Act (Act 131 of 1998). Only employees of the South African Police Service (SAPS), appointed under the South African Police Service Act (Act 68 of 1995), and their dependents are eligible to be members of POLMED.

The duties and responsibilities of the Board of Trustees are regulated by the Rules of the Scheme and the Medical Schemes Act, 131 of 1998, as amended. The Board of Trustees is entrusted with ensuring the optimal operation of the Scheme to the benefit of the members.

The Board of Trustees has a number of Board committees, inter alia, the Audit and Risk Committee that are designed to allow every Trustee to play a role in governance of the Scheme. The internal audit reports are tabled at scheduled Audit and Risk Committee meetings.

Please refer to www.polmed.co.za and the annual report of the Council for Medical Schemes for further detail on the size and composition of the Scheme.

2.3. SCOPE OF SERVICES

The internal audit service provider should assist POLMED management in maintaining effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvements. A risk-based internal audit approach should be followed. The successful bidder should be able to assist with, among others, the following medical aid related reviews/ services:

- Enterprise Risk Management contributing to combined assurance.
- Membership, Contributions and Claims.
- Data Analytics on specialised, large database systems which is used in the general scheme administration environment.
- Contribution Tables and Tariff Files.
- Managed Care Provider/ Third Party Management.
- Human Resources and Payroll.
- Financial Discipline.
- Complaints Management and Litigation.
- Information and Communication Technology (ICT), including cyber security.
- Disaster Recovery and Business Continuity Management.
- Governance and fraud risk management.
- Regulatory compliance, such as Medical Scheme's Act, POPIA, FAIS, etc.
- Perform ad-hoc consulting reviews as per management requests.

2.4. OBJECTIVES AND MINIMUM SERVICE LEVEL REQUIREMENTS

The objectives to be achieved and minimum service level requirements to which the internal audit service provider will have to adhere to include, but are not limited to the following:

- The internal audit service provider appointed by POLMED must, at a minimum, deliver their work in full compliance with the Medical Schemes Act 131 of 1998; the Regulations and annual guidelines of the afore mentioned Act; the registered rules of the Scheme; the principles of sound corporate governance and in full compliance with the Standards of the Institute of Internal Auditors. Such work may further be subject to an external quality assurance assessment as may be considered necessary.
- The internal audit service provider must assist management in maintaining effective controls by evaluating those controls and by developing recommendations for enhancement or improvement.
- The internal audit service provider must, in consultation with the Audit and Risk Committee, prepare:
 - A rolling three (3) year strategic Internal Audit Plan based on its assessment of key areas of risk for the scheme, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy.
 - An annual Internal Audit Plan.
 - Plans indicating the scope, hours, cost and timelines of each audit. All plans are

discussed and agreed at the quarterly combined assurance forum to facilitate and support an effective combined assurance framework for POLMED.

- Audit reports directed to the Audit and Risk Committee detailing its performance against the plan, to allow effective monitoring and intervention when required.
- The internal audit service engagement leader must attend the four (4) Audit and Risk Committee meetings and other client coordinated meetings, as and when required.
- The internal audit service provider must co-ordinate with other internal and external assurance providers to ensure proper coverage and to minimise duplication of effort.
- All work must be performed and reviewed by resources with the appropriate level of knowledge, skills and experience.
- The internal audit service provider must avail a dedicated person who will serve as the primary liaison between the service provider and POLMED. This dedicated person must be available to attend meetings with the Scheme at POLMED House in Pretoria or at any other location as and when required by the Scheme.
- The internal audit service provider will report administratively to the POLMED Principal Officer or his/ her nominees and functionally to the Audit and Risk Committee.

These requirements may be expanded on and will be agreed with the Internal Auditors at POLMED's sole discretion.

2.5. INDEPENDENCE AND OBJECTIVITY OF AUDIT STAFF

In carrying out the audit work, the auditor must ensure that internal audit service provider staff maintain their objectivity by remaining independent of the activities they audit. The auditor shall:

- Have no executive or managerial powers, functions or duties except those relating to Internal Audit.
- Not be involved in the day-to-day operation of POLMED.
- Not be responsible for the detailed development or implementation of new systems and procedures.

The internal audit service provider will be required to provide an annual declaration of independence to the Audit and Risk Committee.

2.6. TECHNICAL REQUIREMENTS

Bids submitted by the potential service providers must indicate the following technical requirements and conditions:

- Footprint, competency and expertise.
- Methodology and approach, including proposed three (3) year rolling internal audit plan.
- Key personnel, CVs and qualifications.
- Financial soundness.

Bids with deviations from the stipulated requirements/ conditions will immediately be eliminated from further consideration.

2.6.1. COMPANY PROFILE, CAPACITY AND GEOGRAPHICAL FOOTPRINT

Bidders must be a South African entity. A company profile, indicating the nature and location of the company; its history and registration details; core business and number of years' experience should be provided.

The bidder should also indicate its human resource capacity to service POLMED and its national footprint in terms of membership services. Due to the national distribution of POLMED members, certain work could require a national footprint. Furthermore, POLMED Annual General Meetings are held on a rotation basis amongst the provinces and therefore the internal audit service provider should be in a position to avail themselves within any province.

Bids submitted without indicating the years of experience, clients or reference letters **will** be deemed to be non-responsive.

2.6.2. COMPANY COMPETENCY AND EXPERTISE

Detailed information on the bidder's client experience, preferably in the financial services, medical scheme or medical scheme administrator or related industries, should be provided. Bidders should provide at least the following information:

- Entities at which services were/ are being provided.
- Size of the entity, including the number of principal members and number of beneficiaries.
- Type of services provided.
- Period during which services were/ are being provided. Note: Bidders must have a minimum of five (5) years' experience in rendering these services.
- Estimated project value.

- Contact person/ reference of client.

A minimum of three (3) positive reference letters from existing/ previous clients relevant to this tender should be submitted. Reference letters must be in the name of the contracting entity. The reference letters must be on the letterhead of the client and must be in the format prescribed in Annexure B.

Bids submitted without indicating the client experience or reference letters **will** be deemed to be non-responsive.

2.6.3. METHODOLOGY AND APPROACH

Bidders must submit a description of the methodology and approach that will generally be used to perform the type of work as set out in the Terms of Reference. This methodology and approach must demonstrate the bidder's understanding of the requirement and also of the medical scheme or financial services environment.

Bidders must at least cover the following in their technical approach:

- Describe, in detail, how they propose to generally carry out the activities to achieve the outcomes identified in the Terms of Reference. They should identify any possible problems that might hinder delivery and indicate how they will avoid, or overcome such problems.
- Describe how the work will be aligned to the Scheme's business objectives.
- Provide a proposed detailed three (3) year rolling internal audit plan indicating the estimated scope, hours and timelines of each audit. The annual plan should be based on 1 100 hours per annum. Costing for this plan to be included in the attached pricing schedule.
- Describe the use of electronic internal audit software to perform audits, specifically relating to data analytics.
- Provide detailed descriptions of the nature and frequency of the reports to be provided to POLMED and its governance structures.
- Describe how the work will be managed by clearly indicating the lines of reporting and supervision within the bidder's team and the lines of reporting between the bidder, POLMED and other stakeholders, if applicable.
- Describe the internal audit team engagement structure, roles and responsibilities, oversight and quality control, specifically indicating the level of involvement of all team members across the engagement.
- Provide evidence where the service provider was subjected to an external quality assessment in terms of the IIA Standards as well as the outcome of such an assessment.

- Indicate the potential contribution that can be made towards an effective combined assurance framework within POLMED.

Bids submitted without a description of the methodology and approach **will** be deemed to be non-responsive.

2.6.4. TEAM COMPETENCY AND EXPERIENCE

The bidders must provide a list of employees and key individuals that will be assigned to this account, including the client relationship director, responsible engagement director and engagement manager and team members assigned to POLMED.

The bidder should also indicate the level of experience for these employees, specifically focusing on experience in providing professional services to medical schemes, medical scheme administrators and related industries.

Resources to be utilised for POLMED internal audit services should have the following minimum years of experience per resource level:

Resource Level	Years' Experience
Partner/ Director	More than 10 Years
Senior Manager	8 to 10 years
Manager	6 to 8 years
Assistant Manager/ Supervisor	4 to 6 years
Senior Internal Auditor	3 to 4 years
Internal Auditor	1 to 2 years

Possession of relevant tertiary qualifications and professional certification, in any of the categories, i.e., CIA, CA (SA), CISA, CISM, CGEIT, CISSP, CEH, CCSA, CRMA etc., will be required. The service providers must provide a table that details the proposed team, and their collective skills and competencies.

Key personnel must be registered with the Institute of Internal Auditors (IIA). As a minimum requirement, bidders must provide in this part, for all resources identified in the bid, valid copies (as at the closing date and time of the bid) of their certificates of accreditation / certification by the professional bodies as applicable.

The bidder's resources that will be utilised for specialised work, must, as a minimum, be accredited with or admitted by their respective professional bodies, e.g., ICT specialists to be Certified Information Systems Auditors (CISA) etc. Before using such resources, proof of their accreditation must be submitted to POLMED if the resource was not already identified in the response to this bid with its proof submitted.

Copies of CVs, qualifications and professional certifications of the proposed engagement team should be provided. The bidder should also explain how changes to the core team will be managed to avoid disruptions to POLMED and to secure continuity in your team.

Bids submitted without CVs, qualifications and professional certifications of the proposed team **will** be deemed to be non-responsive.

3. EVALUATION CRITERIA

POLMED shall follow the following points system when evaluating the bids submitted by potential service providers:

Criteria	Points
Technical/ Functionality	60 points
Price	20 points
Preferential procurement (B-BBEE)	20 points

3.1. CRITERIA AND WEIGHTS

Criteria	Indicator	Score	Weight
Technical Criteria			60
Company footprint	Offices in all nine (9) provinces	5	5
	Offices in seven (7) to eight (8) of the nine (9) provinces	4	
	Offices in five (5) to six (6) of the nine (9) provinces	3	
	Offices in three (3) to four (4) of the nine (9) provinces	2	
	Offices in one (1) to two (2) of the nine (9) provinces	1	
Capacity to service POLMED	More than 61 dedicated internal audit staff	10	10
	Between 46 and 60 dedicated internal audit staff	8	

Criteria	Indicator	Score	Weight
	Between 31 and 45 dedicated internal audit staff	6	
	Between 16 and 30 dedicated internal audit staff	4	
	Between 1 and 15 dedicated internal audit staff	2	
Years of Experience	More than 10 years' experience	10	10
	More than 8 years' experience and up to 9 years' experience	8	
	More than 7 years' experience and up to 8 years' experience	6	
	Between 5 and 7 years' experience	4	
	Up to 5 years' experience	2	
Number of clients for similar services	Five (5) or more clients	6	10
	More than two (2) clients but less than five (5) clients	4	
	Up to two (2) clients	2	
	Bonus point: Three (3) or more clients are medical schemes	2	
	Bonus point: Two (2) or more clients are medical schemes of a similar size	2	
Methodology and Approach	Methodology and approach demonstrates knowledge and understanding of Internal Auditing.	8	10
	Methodology and approach partially demonstrates knowledge and understanding of Internal Auditing.	6	
	Methodology and approach does not demonstrate knowledge and understanding of	2	

Criteria	Indicator	Score	Weight
	Internal Auditing.		
	Bonus point: Three (3) year rolling internal audit plan demonstrates knowledge of the business and innovation.	1	
	Bonus point: Data and analytics capabilities are demonstrated.	1	
Team Qualifications and Experience	All members of the engagement team have: <ul style="list-style-type: none"> • The minimum number of years' experience • Relevant tertiary qualifications. • Relevant professional qualifications/designations. 	8	10
	A total of 80% of the members of the engagement team has: <ul style="list-style-type: none"> • The minimum number of years' experience; • Relevant tertiary qualifications; • Relevant professional qualifications/designations; 	6	
	A total of 60% of the members of the engagement team has: <ul style="list-style-type: none"> • The minimum number of years' experience; • Relevant tertiary qualifications; • Relevant professional qualifications/designations; 	4	
	A total of 40% of the members of the engagement team has: <ul style="list-style-type: none"> • The minimum number of years' experience; 	2	

Criteria	Indicator	Score	Weight
	<ul style="list-style-type: none"> Relevant tertiary qualifications; Relevant professional qualifications/designations; 		
	<p>A total of 20% of the members of the engagement team has:</p> <ul style="list-style-type: none"> The minimum number of years' experience; Relevant tertiary qualifications; Relevant professional qualifications/designations; 	1	
	<p>Less than 20% of the members of the engagement team has:</p> <ul style="list-style-type: none"> The minimum number of years' experience; Relevant tertiary qualifications; Relevant professional qualifications/designations; <p>As listed in paragraph 2.6.4.</p>	0	
	Bonus point: Engagement Leader is black, female and comply with the requirements listed in paragraph 2.6.4.	1	
	Bonus point: Engagement Manager is black, female and comply with the requirements listed in paragraph 2.6.4.	1	
Financial Soundness	Demonstrated that the Bidder is financially sound.	5	5
Pricing Criteria			20
Price and costing model	Price quoted, inclusive of VAT, score calculated as outlined in paragraph 4.3		20

Criteria	Indicator	Score	Weight
Preferential Procurement Criteria			20
B-BBEE Status	Level 1 Contributor Scores obtained for large and QSE organisations respectively as well as 100% black owned QSEs and EMEs.	5	20
	Level 2 Contributor Scores obtained for large and QSE organisations respectively as well as at least 51% black owned QSEs and EMEs.	4.5	
	Level 3 Contributor Scores obtained for large and QSE organisations respectively.	4	
	Level 4 Contributor Scores obtained for large and QSE organisations respectively as well as Exempted Micro Enterprise with less than 51% black ownership.	3	
	Level 5 to 6 Contributor Scores obtained for large and QSE organisations respectively.	2	
	Level 7 to 8 Contributor Scores obtained for large and QSE organisations respectively.	1	
	Bonus point: Majority black, female owned	1	
	Non-compliance Contributor	0	

4. EVALUATION PROCESS

Evaluation of the responses from the Bidders will be done in a phased approach, namely:

- Phase 1: Administrative Compliance
- Phase 2: Functionality
- Phase 3: Price and BEE

4.1. ADMINISTRATIVE COMPLIANCE

Bidders must submit the compulsory documents and information required for technical proposal. Refer to the checklist for a summary of the compulsory documentation and information. All bid documents must be completed and signed by the duly authorised representative of the Bidder. During this phase Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The Bidder's bid will be disqualified for non-submission of any of the documents.

4.2. FUNCTIONALITY

All bids which were found to be administratively compliant will be evaluated for technical/ functionality. Technical/ functionality will be evaluated based on the scores outlined in paragraph 3.1. A minimum score of 70% (42 out of 60) for technical/functionality must be achieved to be considered during the price and B-BBEE evaluation. No presentations will be required from the Bidders.

4.3. PRICE

Only Bidders that have achieved a minimum score of 70% will be evaluated on price and B-BBEE.

The percentage scored for price shall be calculated by applying the undermentioned formula:

$$P_s = (P_{min}/P_t) \times A_p$$

where

- P_s : percentage scored for price under consideration
- P_{min} : lowest acceptable price
- P_t : price under consideration
- A_p : percentage/weight allocated for price

The lowest acceptable bid, will obtain the maximum percentage allocated for the price/ price component. The other bids with higher prices for the price component, will proportionately obtain lower percentages based on the above indicate formula.

POLMED shall not be obliged to accept the lowest price bid.

4.4. B-BBEE STATUS

The proof pertaining to the bidder's level contributor status in terms of the B- BBEE Act and the Codes of Good Practice, issued by **the dti** 11 October 2013, as amended, will be evaluated. Information is available at www.dti.gov.za.

The bidder will be allowed to score up to a maximum of 20% depending on the bidder's level contributor status as per the evaluation criteria and weights in the table in paragraph 3.1 above.

To determine the final score in the case of a joint venture/ consortium, the score for each party to the bid will be determined and pro-rated based on the percentage of the contract that the party will execute.

4.5. ADJUDICATION OF THE BID

The scores received for functionality, price and B-BBEE will be added together to obtain a final score for the Bidder. The Tender Evaluation Committee will make its recommendation to the Audit and Risk Committee based on the final score received by each Bidder.

The Audit and Risk Committee will consider the recommendation made by the Tender Evaluation Committee prior to submitting their recommendation to the Board of Trustees.

POLMED reserves the right to award the contract to one (1) or more service provider or not to award the contract at all.

PART 3: FINANCIAL REQUIREMENTS AND PRICING SCHEDULE

4.5.1. FINANCIAL SOUNDNESS

As a minimum requirement, the contracting entity must submit confirmation of financial soundness to prove that it is a going concern for a period of three (3) years or shorter period, where the organisation has been operating for a shorter period (emerging entities). This could be done either through audited financial statements signed by the relevant parties, or statistics for the last financial year or other form of documentary evidence to that effect or through a letter signed by the CEO/ CFO indicating the financial statistics for the contracting entity for the last financial year and confirming the contracting entity is a going concern. This information may be independently verified upon contracting.

Bids submitted without the required proof of financial soundness for the contracting entity **will** be deemed to be non-responsive.

4.6. FINANCIAL SPECIFICATIONS

Bids submitted by the potential service providers must indicate the following financial requirements and conditions:

- Pricing schedule quoted in Rand inclusive of VAT and the methodology and assumptions applicable to the pricing.
- B-BBEE status level of contribution certification.

4.6.1. PRICING SCHEDULE

Bidders are required to provide a detailed pricing schedule for the three (3) year rolling internal audit plan provided in the methodology and approach. The annual plan should be based on 1 100 hours per annum. Total cost inclusive of VAT and disbursements must be reflected.

The proposed internal audit team mix, proposed annual hours for the service and average charge-out rate per year must be provided. Detailed methodology and assumptions relating to the pricing and reasonable expenses must be provided. All costs related to this assignment are to be allowed for in the Pricing Schedule and in the formats prescribed and must be returned as part of the submission.

The pricing schedule must be submitted on a separate sheet from the technical bid for ease of evaluation.

No handling fee on materials and disbursements will be considered.

Bids submitted without the pricing schedule for the service proposed for the three (3) year period **will** be deemed to be non-responsive.

4.6.2. B-BBEE STATUS

POLMED fully endorses and supports Broad-Based Black Economic Empowerment (B-BBEE). POLMED wishes to give black businesses access to and opportunities in the business environment and to maximise purchases from B-BBEE owned or controlled companies as well as EMEs and QSEs. An additional point will be allocated to all black, female owned businesses.

POLMED shall not do business with non-compliant contributors. Tenderers who fail to submit proper B-BBEE Recognition Level verification certificates will not receive points for B-BBEE.

The bidder or all parties to the bid in the case of a consortium/ joint venture (JV), must provide proof, in the form of a certificate, of their level contributor status in terms of the B-BBEE Act and the Codes of Good Practice issued by **the dti** on 11 October 2013, as amended. Such certificate must be issued by a SANAS accredited B-BBEE verification agency or an IRBA accredited auditor. All certificates submitted must be valid at the closing date of the submission. Please also submit the page containing the detailed score obtained for each element of the scorecard if not contained in the first page of the certificate. Note: POLMED reserves the right to validate the accreditation status of the verification agency used. All proof which is aligned with the Codes of Good Practice will be considered.

Should any party to the bid be an Exempted Micro Enterprise in terms of the B-BBEE Act and the Codes of Good Practice (CoGP) issued by **the dti** on 11 October 2013, that party may submit a letter from either an auditor, or the accounting officer or a SANAS accredited verification agency or in terms of the new COGP through a sworn affidavit or a certificate from CIPC (only in terms of the new CoGP) proving its status by confirming that the total revenue of the contracting entity does not exceed R5 million (original CoGP) or R10 million (new CoGP) and the level of black ownership. This letter must cover the last financial year of the party. If a certificate is submitted from a verification agency, please submit the page containing the detailed score obtained for each element of the scorecard if not contained in the first page of the certificate.

Should no legal proof of B-BBEE status be available for any of the parties to the consortium/ JV as required above, the contracting entity must mention this fact in this part of the bid. Should the note referred to in this paragraph, have been provided, or should an expired certificate have been provided, the score allocated for B-BBEE will be zero.

POLMED reserves the right to request the contact details of the verification agency or other party used to supply the proof.

If a contractor loses its B-BBEE Contributor Status at any time or a change has occurred which could lead to its status being different, POLMED must be informed in writing within 30 days and POLMED reserves the right to require of the contractor to improve and rectify its status within an agreed period; failing which, POLMED may cancel the contract.

PRICING SCHEDULE

YOU ARE HEREBY INVITED TO RESPOND TO A BID OF POLMED	
BID NUMBER	POLMED001/IA/2021
DESCRIPTION	Request for bid to render outsourced internal audit services for a period of three (3) years
CLOSING DATE	08/10/2021
CLOSING TIME	12:00
VALIDITY	90 DAYS

Item	Description	Price in RSA Currency (Inclusive of VAT)
1	Bidders are required to indicate a price based 1 100 hours per annum, for all activities and all expenses, inclusive of VAT for the services. Price in total for the three (3) year rolling internal audit plan:	R..... (Total inclusive of all costs)
2	Persons who will be involved in the project and hourly rates applicable	
	Person and Position	Hourly Rate in RSA Currency

Item	Description	Price in RSA Currency (Inclusive of VAT)		
3	Average hourly rate			
4	Travel expenses (specify, for example, rate/km and total km, class of air travel, etc.) Only actual costs incurred are recoverable. Proof of the expenses incurred must accompany certified invoices.			
		Description of expense	Rate	Quantity

	Total			
5	Other expenses for example, accommodation (specify three-star hotel, telephone costs, reproduction costs etc.). Only actual costs incurred are recoverable. Proof of the expenses incurred must accompany certified invoices			
	Description of expense	Rate	Quantity	Amount
	Total			

ANNEXURE B – REFERENCE LETTER FORMAT

Reference letter to be printed on client letterhead

Insert date

To Whom It May Concern

REFERENCE: INTERNAL AUDIT SERVICES PROVIDED BY [INSERT COMPANY NAME]

[Insert company name] has been providing Internal Audit Services to the **[insert client name]** from **[date to date]**.

1. Details of service provided

Type of Engagement/ Project ¹	Estimated Value	Duration

2. Quality of Service

The quality of the service provided by **[insert company name]** can be summarised as follows:

Criteria	Excellent (5)	Very Good (4)	Good (3)	Satisfactory (2)	Poor (1)
Quality of work					
Turnaround time					
Accessibility and availability					
Reliability					
Customer satisfaction					

¹ For example: Internal Audit, Performance Audits, Risk Management, Combined Assurance, Forensic Audit, Information Technology Audits, Compliance Management Reviews, etc.

3. Contact details

Name:	
Designation:	
Email:	
Telephone:	

Yours faithfully

NAME & SURNAME

POSITION

CHECKLIST FOR SUBMISSION OF BID

Bidder No	Documents Required	Yes	No	Comments
1	Company Registration documents	√		
2	Signed Invitation to Bid			
3	Tax Pin Certificate		x	
4	B-BBEE Certificate			
5	Declaration of Interest			
6	Declaration of Past SCM Practices			
7	Company Profile, Capacity and Footprint			
8	Company's Competency and Expertise			
9	Methodology and Approach			
10	Team Competency			
11	Pricing Schedule			
12	Client Reference letters			
13	Financial Soundness (Financial Statements)			