

Crestway Office Park, 20 Hotel St,
Perseus, Pretoria, 0020
0860 POLMED (765 633)
www.polmed.co.za
procurement@polmed.co.za

REQUEST FOR PROPOSALS

BID DESCRIPTION:

APPOINTMENT OF A SERVICE PROVIDER FOR OUTSOURCED INTERNAL AUDIT SERVICES
FOR POLMED FOR A PERIOD OF THREE YEARS

(RENEWABLE ANNUALLY BASED ON PERFORMANCE FOR UP TO A MAXIMUM OF THREE YEARS)

BID NUMBER:

POLMED006/2024/INTERNALAUDIT

COMPULSORY BRIEFING SESSION:

09 October 2024 at 14H30

CLOSING DATE:

24 October 2024 AT 12H00



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GLOSSARY

Abbreviation	Description
Administrator	The Administrator of the Scheme as envisaged in the Medical Scheme Act.
Authorised representative	Person/ legal entity authorised by the Board of Trustees or by its delegate, the POLMED 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 Proposals.
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	The Department of Trade and Industry B-BBEE 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.
EME	Exempted Micro Enterprise in terms of the Codes of Good Practice.
IP	Intellectual Property.
Medical Schemes Act	The Medical Schemes Act, Act No 131 of 1998, and any regulations published in terms thereof.



Abbreviation	Description
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 Small 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 non-responsive.	Bidder will immediately be excluded from further evaluation.



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1. GENERAL TERMS AND CONDITIONS OF THE 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

Compulsory Briefing Session:

Date of Briefing: 09 October 2024

Time: 14H30

Venue: Team's Meeting

E-mail Reg: procurement@polmed.co.za

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. The RFP number must be mentioned in all correspondence.

1.4 SUBMISSION OF RESPONSES

Responses to the RFP document must be submitted in the following manner:

Hard Copies Submissions

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

Block A, 20 Hotel Street Perseuor 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 one (1) copy 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 six (6) documents must be submitted. Bidders must indicate on the cover of each document whether it is the original or a copy of the submission.

All bids must be submitted together with an **electronic copy (Memory Stick/USB)** of the entire bid in the format prescribed in section 1.4. the bid document.

Failure to submit an electronic copy of the bid will lead to the bid being non-responsive and will be disqualified.

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



- RFP number: POLMED006/2024/INTERNALAUDIT.
- Closing date and time: ~~24 October~~ 2024 at 12h00
- The name and address of the bidder.
- Indication if the envelope/ pack relates to the technical or financial response.

Electronic Bid Submissions

Failure to comply to the following electronic submission format will invalidate the bid by the closing date and time to procurement@polmed.co.za:

- Part 1- Administrative Documents
- Part 2 - Technical Proposal
- Part 3 - Pricing and B-BBEE Information

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 shall not be 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

Late submissions will not be accepted under any circumstances. A bid will be deemed late if it arrives even one second after 12:00 PM or at any subsequent time. The tender box will be sealed precisely at 12:00 PM. Bids that arrive after this time will be disqualified without exception.

The official Telkom time (Dial 1026) will serve as the benchmark for verifying the closing time. Should any bids arrive late, they will be returned unopened to the bidder whenever possible. Bidders are strongly advised to dispatch their bids with ample time to account for any unforeseen delays in delivery.

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

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- E: Team Competency and Experience, including CVs and Qualifications
- F: Financial Soundness (Financial Statements)
- G: Investigation by Regulatory Bodies
- H: Client References (Contactable)

1.7 VALIDITY OF THE BID

Both the functional and financial bids should remain valid for a duration of 90 days starting from the closing date of this Request for Proposal (RFP).

1.8 DURATION OF APPOINTMENT

The contract will initially span period for this RFP is for a maximum of three years, Service Providers must take note that the contract will be renewable annually based on performance.

1.9 NEGOTIATING AND CONTRACTUAL OBLIGATIONS

A bid will constitute a binding offer, but such offer will be deemed not to have been accepted, unless and until a definitive contractual agreement and other related 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 price.

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.

1.10 BIDDER SELECTION

POLMED reserves the right to select the appropriate service provider based on its requirements.

1.11 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 SCM Policy and other relevant applicable legislation in terms of access to information.

1.12 BIDDER ENQUIRIES

All technical and Supply Chain-related enquiries must be sent in writing to procurement@polmed.co.za. The RFP number must be mentioned in all correspondence.

1.13 REASONS FOR REJECTION

POLMED reserves the right to reject a bid for contract award if the recommended Bidder is suspected of fraud, improper conduct, or has engaged in proven corrupt or fraudulent activities during the bidding process for the specific contract.

Furthermore, POLMED retains the discretion to dismiss the bid of any Bidder if that Bidder or any of its directors:

- Have misused POLMED's Supply Chain Management (SCM) system.
- Are suspected of or have been involved in proven fraud or any other improper conduct in connection with the SCM system,
- Have failed to fulfill obligations on previous contracts.
- Are found complicit in collusive tendering or engaging in anti-competitive practices as outlined in the Competition Act, 89 of 1998
- If a Bidder or a member of the Bidder has a direct or indirect interest in any other Bidder.

1.14 CANCELLATION OF PROCUREMENT PROCESS

POLMED reserves the right to alter, adjust, or revoke this Request for Proposal (RFP), as well as amend, modify, or terminate any procedures or stipulations detailed herein, at any point and as deemed necessary. These changes may occur without prior notification, and POLMED is not obligated to provide compensation or reimbursement to any party involved.

1.15 ADMINISTRATIVE REQUIREMENTS

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

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- Company registration and shareholding information to support the B-BBEE contribution certificate. *(Refer to 1.16)*
- Valid, original tax clearance certificate or equivalent. *(Refer to 1.17)*
- B-BBEE status level of contribution certification or sworn affidavit. **(Refer to 1.18)**
- Declaration of interest. *(Refer to 1.19)*
- Confirmation Letter: Investigation by regulatory bodies *(Refer to 1.21)*
- Audited financial Statements covering a minimum 3 financial year-ends. *(Refer to 1.23)*
- Three (3) client reference letters indicating experience providing audit services at large Medical Schemes or Administrators. **(Refer to 1.24)**
- Signature by a duly authorised representative of the bidder and initials on all pages of the bid documents for accuracy. *(Refer to 1.22)*

1.16 COMPANY REGISTRATION AND SHAREHOLDING INFORMATION

The Bidder must be a South African entity and is required to submit its company registration details and documentation.

Bids that are submitted without a company registration document will be considered non-responsive.

1.17 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 pin 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.
- 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.

1.18 B-BBEE STATUS LEVEL

Proof pertaining to the bidder's level contributor status or sworn affidavit 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.

1.19 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.

1.20 DECLARATION OF INTEREST

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

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

1.21 INVESTIGATIONS BY REGULATORY BODIES

The bidder must provide a confirmation, in the form of a letter on the bidder's letterhead and signed by a duly authorized representative (refer to 1.22), stating that they are not under investigation by any regulatory bodies, regardless of the nature of the investigation. If the bidder is currently under investigation, they must also include the relevant details as part of their submission.

Bids submitted without a completed and signed Letter will be deemed to be non-



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responsive

1.22 SIGNATORY BY A DULY AUTHORISED REPRESENTATIVE

Bidders are required to furnish evidence that the individual signing the bid documents is duly authorized to do so. This may include providing a resolution of directors or any other relevant documentation confirming the authorization of the signatory.

Bids submitted without proof will be deemed to be non-responsive

1.23 FINANCIAL SOUNDNESS

Bidders must submit Audited financial statements covering a period of three (3) financial years.

Bids submitted without audited financial statements covering a period of three (3) financial years will be deemed to be non- responsive

1.24 CLIENT REFERENCE LETTERS

Bidders must submit a minimum of three (3) reference letters for audit services delivered at a large medical scheme or administrator meeting the following criteria:








- Letters must be on the letterhead of the client
- The contact details of the reference must be included on the letter
- The letterhead must contain the value and duration of the contract awarded.
- The service date of either Internal or external audit services at Medical Schemes or Administrators may not be older than 1 January 2019 and the cumulative value of the three reference letters must exceed R 10 million.
- Letters must be from three different clients. Appointment letters will not be accepted as reference letter.

Bids submitted without the three reference letters meeting the above criteria will be deemed to be non-responsive.



1.25 EVALUATION PROCESS

Evaluation of the responses from the Bidders will be done in a phased approach as per the below criteria:

Stage 1	Stage 2	Stage 3	Stage 4
ADMINISTRATIVE COMPLIANCE  RETURNABLE DOCUMENTS 	TECHNICAL EVALUATION  75% THRESHOLD 	PRICE & B-BBEE EVALUATION <div style="border: 1px solid blue; border-radius: 10px; padding: 5px; background-color: #e6f2ff; display: inline-block;"> Price = 80 B-BBEE = 20 </div> WEIGHTED SCORING / 100 	FINAL AWARD Post tender negotiation (if applicable) requesting best & final offer.  Negotiation of final terms & conditions of contract 

2. GATE 1 – ADMINISTRATIVE DOCUMENTS AND COMPLIANCE

2.1 ADMINISTRATIVE COMPLIANCE

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

CHECKLIST – COMPLIANCE TO ADMINISTRATIVE COMPLIANCE

No	Document Required	Submitted (Y/N)	Cross Reference to Bid Document
1	Company registration and shareholding information to support the B-BBEE contribution certificate. <i>(Refer to 1.16)</i>		
2	Valid, original tax clearance certificate or equivalent. <i>(Refer to 1.17)</i>		
3	B-BBEE status level of contribution certification or sworn affidavit. <i>(Refer to 1.18)</i>		
4	Declaration of interest. <i>(Refer to 1.20)</i>		
5	Audited Financial Statements covering a minimum 3 financial year-ends. <i>(Refer to 1.23)</i>		
6	Confirmation Letter: Investigation by regulatory bodies <i>(Refer to 1.21)</i>		
7	Three (3) client reference letters indicating experience with provider audit services <i>(Refer to 1.24)</i>		
8	Signature by a duly authorised representative of the bidder and initials on all pages of the bid documents for accuracy <i>(Refer to 1.22)</i>		



STANDARD BID DOCUMENTS

i). INVITATION TO BID

YOU ARE HEREBY INVITED TO RESPOND TO A BID OF POLMED				
BID NUMBER	POLMED006/2024/INTERNALAUDIT		CLOSING DATE	24 October 2024
			CLOSING TIME	12:00
DESCRIPTION	Request for Proposals for appointment of a service provider for the provision of Outsourced Internal Audit services.			
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				
<p style="text-align: center;">No posted OR faxed Bids will be accepted</p> <p>Bidders should ensure that bids are delivered before the closing date and time to the correct physical address and email 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).</p>				
TECHNICAL AND SUPPLY CHAIN ENQUIRIES MAY BE DIRECTED VIA EMAIL TO				
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	



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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 NUMBER	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>PROOF MUST BE SUBMITTED</i> <i>A B-BBEE STATUS LEVEL VERIFICATION CERT/FICATEI SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED</i>
POLMED DOMICILIUM	

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 <input type="checkbox"/> Yes <input type="checkbox"/> No



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, taxpayers 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 POLMED, or persons having a kinship with persons employed by POLMED, 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 POLMED, 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 POLMED; and/or
- the Bidder is a management Board of Trustees 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 POLMED	Yes <input type="checkbox"/>	No <input type="checkbox"/>
--	---------------------------------	--------------------------------

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If so, provide particulars:

2. Do you or any person connected with the Bidder, have any relationship (family, friend, other) with a person employed by POLMED and who may be involved with the evaluation and/or adjudication of this bid?

Yes

☐

No

☐

If so, provide 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 POLMED who may be involved with the evaluation and or adjudication of this this bid?

Yes

☐

No

☐

If so, provide 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

☐

No

☐

If so, provide particulars:

DECLARATION

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.

Name of Bidder

Signature

Position



Date



iv). 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 persona who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, provide 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 of 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 012-3235445.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If so, provide particulars:		



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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, provide particulars:		
4. Was any contract between the Bidder and any organ of state or private entity 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, provide particulars:		

DECLARATION	
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.	
Name of Bidder	
Signature	
Position	
Date	

v). **SUB-CONTRACTING**

Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES ☐ NO ☐

If yes, indicate:

a) What percentage of the contract will be sub-contracted?



..... %

b) The name of the sub-contractor(s)

c) The B-BBEE status level of the sub-contractor(s)

The Service Provider may use subcontractors in connection with the work performed under this Agreement. When using subcontractors, however, if not listed in the proposal at the time of selection, the Service Provider must obtain prior written approval from POLMED. In using subcontractors, the Service Provider is responsible for all their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Main Contractor. All requirements set forth as part of the bid will be applicable to all subcontractors and their employees to the same extent as if the Main Contractor and its employees had performed the service



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TERMS OF REFERENCE – PROVISION OF OUTSOURCED INTERNAL AUDIT SERVICES

1. PURPOSE OF THE RFP

- 1.1. POLMED is inviting proposals from reputable and well-established professional service providers to provide outsourced internal audit services.

2. BACKGROUND ON POLMED

- 2.1. POLMED is a closed medical scheme registered under the Medical Schemes Act (Act 131 of 1998), specifically designed for employees of the South African Police Service (SAPS) and their dependents. The Board of Trustees, operating within the framework of the Scheme's rules and the Medical Schemes Act, oversees the effective operation of POLMED for the welfare of its members.
- 2.2. For more information about the scheme's size, composition, and strategic objectives, please refer to the POLMED website (www.polmed.co.za) and the annual report of the Council for Medical Schemes

3. SCOPE OF SERVICES

- 3.1. The internal audit service provider will be expected to assist POLMED management in maintaining effective governance measures by evaluating risk controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvements.

- 3.2. The scope of planned projects will include, inter alia, the following projects:

- a) **Performing specialised internal audit projects such as:**
 - Investment Mandates with Asset Managers reviews
 - Information and Communication Technology (ICT) Reviews.
 - Contributions & Benefits Management
 - Member and credit control management
 - Disaster Recovery and Business Continuity Review.
 - Compliance reviews and Corporate Governance reviews
 - IT Governance reviews,



- Integrated Reporting Reviews
- Cloud Security review
- Internal and External Vulnerability testing
- IT Security review
- MS365 Operating System and Database Security reviews
- Procure to pay
- Claims assessing
- Fraud, Waste and Abuse Recoveries
- RAF recoveries
- High-Cost Case Management
- Ex-gratia process
- Network Management
- Human Resource and performance management processes
- Stakeholder management
- Prior year findings follow-up reviews

- b) Perform Consulting and Probity Engagements as per management requests.
- c) Evaluate the adequacy and effectiveness of the Risk Management processes within the Scheme and make appropriate recommendations
- d) Review the existing Internal Audit Strategic Documentation (e.g. Internal Audit Charter, etc.) and ensure that it is aligned with IIA Standards and Best Practice
- e) Prepare relevant reports for the Combined Assurance Forum, Risk Steering Committee, Audit and Risk Committee and Board where applicable.
- f) Attend Audit & Risk Committee. Combined Assurance, Risk Steering and Management meetings as and when required.

4. OBJECTIVES AND MINIMUM SERVICE LEVEL REQUIREMENTS



4.1. 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 aforementioned 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.

4.2. The internal audit service provider must assist management in maintaining corporate governance measures by evaluating risk management controls and by developing recommendations for enhancement or improvement of such controls.

4.3. 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 Audit Plan 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.
- The internal audit service engagement leader must attend the five (5) Audit and Risk Committee meetings and other client-coordinated meetings (risk steering committee, combined assurance committee) when required.
- The internal audit service provider must coordinate 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.

5. INDEPENDENCE AND OBJECTIVITY OF AUDIT STAFF

- 5.1. The internal audit service provider and its staff through whom it delivers the service to POLMED need to be and remain independent of the POLMED and its administrator Medscheme.
- 5.2. In carrying out the work, the internal audit service provider must ensure that their staff maintains proper objectivity by remaining independent of the activities that they audit.
- 5.3. The internal audit service provider will be required to provide an annual declaration of independence to the Audit and Risk Committee.

6. REQUIREMENTS AND CONDITIONS

- 6.1. The successful Bidder will be required to:
 - a) Provide the details of the entity's locality, infrastructure, and resources.
 - b) Provide confirmation of the premises from which it conducts its business.
- 6.2 Further, the successful Bidder will be expected to declare to POLMED any conflict of interest that may have an impact on them providing the services referred to above, irrespective of when it may arise.
- 6.3 It is at the sole discretion of POLMED to review any contract of appointment on an annual basis or at any point, if deemed necessary.
- 6.4 POLMED reserves the right to use alternate Service Provider as and when it deems necessary. The appointment in terms of this Bid will therefore not be exclusive to a Service Provider.
- 6.5 Notwithstanding anything else in this Bid, and without limiting its rights at law or otherwise, POLMED reserves the right of appointment of any bidder.



7. TEAM COMPETENCY AND EXPERIENCE

- 7.1. 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.
- 7.2. 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.
- 7.3. Resources to be utilised for POLMED internal audit services should have the following minimum years of experience per resource level:

No	Resource Level	Years of Experience
1.	Partner/ Director	At least 10 years
2.	Senior Manager	At Least 8
3.	Manager	At least 6 years
4.	Assistant Manager/ Supervisor	At least 4 years
5.	Senior Internal Auditor	At least 3 years
6.	Internal Auditor	At least 1 years

- 7.4. 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.
- 7.5. 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.
- 7.6. 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.
- 7.7. 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.

8. REQUIRED ATTRIBUTES



8.1. The following attributes, among others, will be considered by POLMED:

- a) Extensive knowledge, practical experience and understanding of Internal Audit services for Corporate Entities of a Similar size as POLMED.
- b) Knowledge and application of the Medical Scheme and Health regulatory framework.
- c) Conformance to exceptional quality, standard of work, and meticulous attention to detail.
- d) Quick turnaround times.
- e) Ability to adapt quickly to POLMED's needs.

GATE 2: TECHNICAL EVALUATION

8.2. PHASE 1 - EVALUATION CRITERIA

Bids will be evaluated functionally as per the evaluation criteria and weights in the table shown below.

Bids will be evaluated functionally as per the evaluation criteria and weights in the table shown below.

NO	TECHNICAL CRITERIA	WEIGHT
1	Relevant Experience and Expertise. <ul style="list-style-type: none"> • Demonstrated experience in conducting similar internal audit projects as outlined in the scope. • Specific relevant case studies that highlight the firm's ability to deliver high-quality internal audit services in the areas specified. • Presence of staff with specialized qualifications or certifications related to the focus areas (e.g., CA, CIA, CISA, etc.). • Composition of the project team, including the roles and qualifications of key team members, and their relevant experience in similar audits. • Evidence of the firm's project management capabilities, including tools and processes used to ensure timely delivery, quality control, and resource allocation. • Approach to managing project risks and ensuring adaptability 	30 Points

NO	TECHNICAL CRITERIA	WEIGHT
	<p>to any changes in audit scope or unexpected findings.</p> <ul style="list-style-type: none"> • Include examples of scope letters for claims assessing and compliance universe audits to demonstrate a clear understanding of the regulatory and operational environment of a medical scheme. 	
2	<p>Understanding of Risks and Controls</p> <ul style="list-style-type: none"> • Clear articulation of the firm's understanding of POLMED's operational environment, including major risks, governance challenges, and the regulatory landscape. • Proposed methodologies for evaluating risk controls and effectiveness in the key areas outlined in the scope. • Identification of potential areas for improvement based on the firm's prior experience with Medical Schemes and best practices. 	25 Points
3	<p>Methodology and Approach.</p> <ul style="list-style-type: none"> • Description of the audit approach and methodologies to be used for the various projects listed in the scope, including: <ul style="list-style-type: none"> • Specialised internal audits. • Consulting and probity engagements. • Outline of the plan for integrating risk management evaluations into the audit process. • Strategies for stakeholder communication and engagement, particularly during reporting to the Combined Assurance Forum and other committees. 	20 Points
4	<p>Quality Assurance and Compliance</p> <ul style="list-style-type: none"> • Explanation of the firm's procedures for ensuring compliance with IIA Standards and best practices. • Overview of the quality control mechanisms in place to maintain service delivery standards. • Previous assessments or feedback from external quality reviews or client evaluations. 	15 Points



NO	TECHNICAL CRITERIA	WEIGHT
5	Reporting Capabilities	10 points
	<ul style="list-style-type: none"> • Examples of past audit reports that demonstrate the firm's ability to prepare clear and concise deliverables for various governance and oversight committees. • Approach to developing reports for the Combined Assurance Forum, Risk Steering Committee, and others, including the responsiveness to feedback and stakeholder needs. • Examples of how the firm has communicated complex audit findings and recommendations to non-technical stakeholders in past projects. 	

3.2 Bidders must meet a minimum threshold of 75% on the technical evaluation to proceed to Gate 3, i.e. Price and B-BBEE.

9. GATE 3: PRICE AND BBEE EVALUATION

9.1. POINTS FOR PRICE

- a) Bidders are required to include in their responses, fee proposals in respect of the amount and nature of their expected remuneration for the services to be provided by them. In this regard, Bidders are to indicate specific billing arrangements, hourly rates per professional level, details of any proposed discounts and whether the rates are negotiable. Only Bidders that have achieved a minimum score of 80 points on technical evaluation will be evaluated on price and B-BBEE.
- b) The percentage scored for price shall be calculated by applying the undermentioned formula:
- c)
$$Ps = 80(1 - (Pt - Pmin)/Pmin)$$

Where;

- i). Ps: percentage scored for price under consideration.
 - ii). Pmin: lowest acceptable price
 - iii). Pt: price under consideration
 - iv). 80: percentage/weight allocated for price
- d) 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 indicated formula. POLMED shall not be obliged to accept the lowest price bid.

10. PRICING SCHEDULE

- 10.1. Service Providers must provide a quote for bid evaluation based on the complete scope of services outlined. The pricing schedule format may not be altered. Furthermore, the quotation should include a Rate card per resources required to fulfil the scope of work and any additional requirements as outlined in section 3. (b):

YOU ARE HEREBY INVITED TO RESPOND TO A BID OF POLMED	
BID NUMBER	POLMED006/2024/INTERNAL AUDIT
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF OUTSOURCED INTERNAL AUDIT SERVICES
VALIDITY	90 DAYS



Item	Engagement/ Activity	Hours	Total fees in RSA Currency (Exclusive of VAT)
	Bidders are required to complete the below price schedule for recurring annual engagements and activities		
1	Audit governance and client management:		
1.1	Rolling three-year Audit plan	16	
1.3	Internal Audit Charter review	16	
1.4	Annual Risk assessment	48	
1.5	Annual Internal Audit plan	48	
1.6	Risk Steering Committee preparations and attendance	40	
1.7	Audit and Risk Committee preparations and attendance	40	
1.8	Combined Assurance Forum preparations and attendance	40	
1.9	IT Steering Committee preparations and attendance	40	
1.10	Management meetings	40	
1.11	External Audit liaison meetings	6	
2	Internal Audit Engagements		
2.1	Information and Communication Technology (ICT) Reviews	120	
2.2	Integrated report review	72	
2.3	Follow-up review of prior of internal audit findings	40	
2.4	Review of Conflict of Interest and Declarations	32	
2.5	Cloud and It Security review	120	
2.6	Internal and External vulnerability testing	134	



Item	Engagement/ Activity	Hours	Total fees in RSA Currency (Exclusive of VAT)
2.7	SCM Policy Compliance and payments	80	
2.8	Membership and Credit Control	180	
2.9	Claims assessing	196	
2.10	High-Cost Case Management	48	
2.11	Ex gratia claims payment process	48	
2.12	Network Management	48	
TOTAL COST EXCLUDING VAT		1 452 hours (Total inclusive of all costs)
VAT @ 15%			
TOTAL INCLUDING VAT			

NB: The aforementioned engagements and audits are not exhaustive; the audit areas may change based on the annual risk assessment and at the discretion of the Audit and Risk Committee. The 1,452 hours should be considered as annual retainer hours, which may be utilised throughout the approved annual audit plan. Any additional engagements will be billed according to the rate card provided below and will align with the approved scope, as the need arises.

DISBURSEMENTS RATE CARD	
BID NUMBER	POLMED006/2024/INTERNAL AUDIT
DESCRIPTION	Please list all disbursements.
VALIDITY	Duration of the contract, subject to annual CPI adjustment.

Item	Disbursement name	Rate in Rands
1	Travel: Rate per km	



Item	Disbursement name	Rate in Rands
2		
3		
4		
5		
6		

RESOURCE RATE CARD	
BID NUMBER	POLMED006/2024/INTERNAL AUDIT
DESCRIPTION	Please list all resources who will be involved in the scope of services along with their applicable hourly rates.
VALIDITY	Duration of the contract, subject to annual CPI adjustment.

Item	Resource Title (Not all lines need to be completed if unnecessary)	Hourly Rate in ZAR Currency (<u>Inclusive</u> of VAT)
1		
2		
3		
4		
5		
6		
7		
8		
9		



Item	Resource Title (Not all lines need to be completed if unnecessary)	Hourly Rate in ZAR Currency (<u>Inclusive</u> of VAT)
10		
11		
12		

11. 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 points depending on the bidder's level contributor status as per the POLMED B-BBEE Contributor level scorecard.

The following table will be used to allocate points for B-BBEE where the 80/20 for all Request for Quotations requests.

B-BBEE Status Level Contributor	Points allocated for B-BBEE Level Contributor
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-Compliant Contributor	0

The remaining ten (10) will be allocated for **B-BBEE** bonus points as follows:



An EME or QSE which is at least 51% black owned	5 Points
An EME or QSE which is at least 31% black owned by women	5 Points

12. 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 Tender Adjudication Committee on the final score received by each Bidder.

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

