**APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF FINANCIAL AND MANAGEMENT ACCOUNTING CONSULTING SERVICES**

* 1. **BACKGROUND**

Sentech is a state-owned company and is the largest broadcasting signal distributor in South Africa. Sentech is a licensed Electronic Communications Network Service provider in South Africa. It currently operates many telecommunication networks for Satellite, Television, Radio, Internet and more. As such, Sentech is a global enabler of broadcasting and digital content delivery.

|  |  |  |  |
| --- | --- | --- | --- |
| **Scope of Work** | **1** | **Grant funded assets** | |
| Sentech receives grant funding to acquire assets, and the accounting treatment applied is to recognise the grant as deferred income and systematically amortised over a period matching the useful life of the acquired assets. The grant funded digital terrestrial television assets are now being brought into use, and must be recognised in SENTECH’s balance sheet, thus requiring expert guidance for the accounting treatment regarding: | | |
|  | . | Correct initial recognition and measurement of the assets, |
|  | . | Review of applicable depreciation and amortisation rates, |
|  | . | Assist with updating the fixed asset register with the correct values, |
|  | . | Calculation of the applicable tax base of the assets, and |
|  | . | Assist with updating the asset policy if required. |
|  |  |  |
| **2** | **Taxation** | |
| Assist management implications of the DTT assets with the computation, review, and audit of the: | | |
|  | . | Income Tax and Deferred tax calculation (Interim and final), |
|  | . | Review of the provisional tax calculation, and |
|  | . | Ensure correct application of allowances in terms of the Income Tax Act |
|  |  |  |
| **3** | **IFRS 9 Model review** | |
| The appointed service provider will be required to carry out the following scope of work: | | |
|  | . | Review the reasonableness and appropriateness of the Expected Credit Losses (ECL) model, |
|  | . | Reperform the assessment of debtor classes, and |
|  | . | Calculate the ECL. |
|  |  |  |  |
| **Terms and Conditions** | SENTECH reserves the right to | | |
|  | . | Extend the closing date |
|  | . | Verify any information contained in a response |
|  | . | Request documentary proof |
|  | . | Cancel or withdraw the requirement |
|  | . | To limit communications to only those Service Providers who meets the requirements. |
|  | . | This request will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the SCC conflict with the GCC, the SCC shall prevail. |
| **.** | The successful Service Provider may only enter a subcontracting arrangement with the approval of SENTECH. The successful Service Provider may not subcontract more than 30% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the Service Provider concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract. | |
| **.** | SENTECH reserves the right to request a BBBEE transformation plan with clearly defined timelines and milestones if the recommended Service Provider does not meet SENTECH’s transformation goals. These milestones must be achieved over the term of the contract. This transformation plan shall be submitted within 10 working days from the written request, failing which SENTECH reserves the right to withdraw its appointment of the preferred recommended Service Provider. | |
| **.** | SENTECH shall have the right, at its sole and exclusive discretion, upon written notice to the Service Provider, to terminate this Agreement, in whole or in part should the SERVICE PROVIDER fail to perform any of its obligations or deliver any deliverable timeously or should SENTECH not be satisfied with the quality of any service/s in terms of this Agreement, to the satisfaction of SENTECH. | |
| **.** | SENTECH shall furthermore have the right, because of such termination, to appoint a third party to perform the obligations of the Service Provider in terms of the Agreement and the Service Provider indemnifies SENTECH against all costs incurred by SENTECH in appointing such third party to fulfil the obligations of the Service Provider. | |
| **.** | SENTECH shall have the right, at its sole and exclusive discretion, to terminate this Agreement, at any time, upon 30 (thirty) days’ written notice to the Service Provider. | |
| **.** | SENTECH reserves the right to conduct supplier due diligence at any time pre, during and post the contract period. This may include announced or unannounced site visits. | |
| **.** | Key resource provided in response should be engage in the project, should there be resource changes the resource levels must be equivalent to the resources in the proposal, with notice and acceptance by SENTECH be understood as special condition of contract. | |
| **.** | Service Level Agreement will be signed with the successful Service Provider. | |
| **.** | SENTECH will renew the contract annually based on satisfactory performance review. | |
|  |  |  |  |
| **Functionality Criteria** | **Stage 1** | | |
| Administrative Evaluation | | |
|  |  |  |
| **Stage 2** | | |
| Mandatory evaluation | | |
|  |  |  |
| **Stage 3** | | |
| Functional evaluation | | |
|  | | |
| **Stage 4** | | |
| Reference interview questionnaire if deemed necessary | | |

**STAGE 1**

Mandatory Eligibility Criteria

The follow in criteria is mandatory and proof of submission must be attached: Failure to attach proof will lead to disqualification

|  |  |
| --- | --- |
| **MANDATORY ELIGIBILITY CRITERIA** | **PLEASE TICK √ WHATS APPLICABLE** (Attach evidence and Link, reference page number in your proposal) |
| Registration with professional bodies including SAICA, SAIPA, SAIT and ACCA |  |

**STAGE 2**

Functional Evaluation: Must be comprehensive and supported by evidence

|  |  |  |  |
| --- | --- | --- | --- |
| **Number** | **Functionality Criteria** | **Documents required** | **Weighting factor** |
| **1** | **Track Record** |  | **60** |
| 1.1 | The service provider must have at least 5 years’ experience in similar assignments. Details of experience in providing such corporate taxation assistance, assessment of IFRS 9 implementation to entities/similar organisations should be provided. A list of a minimum of 3 clients and reference letters to be provided as confirmation of successful implementation of similar projects.  Scoring   * + - 0 reference 🡪 0 points     - 1 – 2 references 🡪 5 points     - 3 – 4 references 🡪 10 points     - 5+ references 🡪 15 points | Reference letters from clients. |  |
| 1.2 | Company Experience in consulting on the accounting for grant funded assets and the tax implications  Scoring   * + - Less than 1 year 🡪 0 points     - 1 to 2 years 🡪 5 points     - 3 to 4 years 🡪 10 points     - 5 or more years 🡪 15 points | Company profile with specific reference to client where this service was provided. |  |
| 1.3 | Company Experience in providing taxation consulting services for the computation of the income and deferred tax liability/asset.  Scoring   * + - Less than 1 year 🡪 0 points     - 1 to 2 years 🡪 5 points     - 3 to 4 years 🡪 10 points.     - 5 or more years 🡪 15 points | Company profile |  |
| 1.4 | Provide methodology for the implementation of IFRS 9 and policy requirements to ensure effective review of assessments. Provide refences of successful implementation.  Scoring   * + - Less than 1 year 🡪 0 points     - 1 to 2 years 🡪 10 points     - 3 years 🡪 15 points | Company profile including methodology used in the assessment of IFRS 9 implementation (showing application of IFRS 9 requirements). Reference letter on successful implementation of IFRS 9. |  |
| **2** | **KNOWLEDGE, EXPERTISE, EXPERIENCE AND**  **COMPOSITION OF KEY PROJECT TEAM** |  | **40** |
| 2.1 | * Detailed and current CVs of key personnel (minimum 2 personnel) that will be assigned to the project, including defined roles and responsibilities. The CVs must include registrations with SAICA/SAIPA/ACCA/SAIT membership (with the project head being a CA (SA)), details of expertise and experience related to understanding the function and operations of public entities and exposure to Grant Funding accounting, involvement in audits. The CVs should be supported with proof of qualifications.   **Project Lead must have 10 years’ experience in the industry (C.V must be attached)**  **Project Lead**   * Less than 5 years of experience 🡪 0 points * Between 5 and 10 years of experience 🡪 10 points * More than 10 years of experience 🡪 20 points | CV of project lead |  |
| 2.2 | **Profile of other resources**   * 1-year experience 🡪 0 points * 2 to 3 years’ experience 🡪 5 points * 4 to 7 years’ experience 🡪 10 points   More than 8 years’ experience 🡪 20 points | CVs of team |  |
|  | Total |  | 100 Points |

**PRICING**

**Price List**

|  |  |  |
| --- | --- | --- |
| **Description** | **Rate** | **Month total** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  | **Sub Total** |  |
|  | **Total (Including vat)** |  |

**BID SPECIFICATION EVALUATION COMMITTEE (BSEC)**

|  |  |  |
| --- | --- | --- |
| **BSEC Members** | **Department** | **Signature** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |