



Sedibeng District Municipality
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Finance Cluster

Sedibeng District Municipality

Internal Memo

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| To: | MUNICIPAL MANAGER | MR. M.F. MATHE |
| From: | ACTING CHIEF FINANCIAL OFFICER | MR. CHARLES STEYN |
| Date: | 22 NOVEMBER 2022 | |
| Subject: | REQUEST FOR APPROVAL TO CANCEL AND RE-ADVERTISE BID 8/2/3/2-2022: PROPOSALS FOR PROCUREMENT OF A SERVICE PROVIDER TO PERFORM A V.A.T. REVIEW, AUDIT & RECOVERY | |

Dear MM,

We refer to bid number: 8/2/3/2 – 2022 : “Proposals For Procurement Of A Service Provider To Perform A V.A.T. Review, Audit & Recovery” which is currently being advertised from 02 November, 2022 until 14 December 2022.

At the Bid Specification Committee of 27 October 2022, the Committee had resolved to include a minimum requirement that bidders must be accredited with the Financial Services Board (FSB / FSCA).

To this effect, numerous potential bidders have been excluded from submitting proposals as they cannot demonstrate registration with FSCA. Furthermore, this should not have been a requirement in terms of the Financial Sector Regulation Act, as the FSCA is the market conduct regulator of financial institutions, that provide financial products and financial services, financial institutions that are licensed in terms of a financial sector law, including banks, insurers, retirement funds and administrators, and market infrastructures, and not required for the provision of auditing services, as is the case of this specific tender.

RECOMMENDATIONS:

1. It is recommended that bid number: 8/2/3/2 – 2022 : “Proposals For Procurement Of A Service Provider To Perform A V.A.T. Review, Audit & Recovery” be cancelled under PPPFA Regulation 13(1)(d) due to there being a material irregularity in the terms of reference, and,
2. A revised / updated terms of reference be re-tabled to the Bid Specification Committee with the intention of re-advertising the bid.

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| Recommended | Not Recommended |
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Mr. Charles Steyn
Acting Chief Financial Officer

Date: 22 November 2022

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| Approved | Not Approved |
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Mr. M.F. Mathe
Municipal Manager

Date: 24 November 2022