Requesting Office:	Magalies Water
Contact Person: Dineo Mphasane	
Contact Numbers: 014 597 4636	
Facsimile:	**RFQ – 10028254**
E-mail address: quotations@magalieswater.co.za	

DATE ISSUE: 03 SEPEMBER 2026

CLOSING DATE**: 08 SEPTEMBER 2026**

For More information/query email or call quotations@magalieswater.co.za OR 014 597 4636

Item No.	PROJECT MANAGEMENT REVIEW (HAMMANSKRAAL INTERVENTION PROJECT)	Quantity
	*Terms of Reference attached	

1. **Submission of Quotations**
   RFQ Number must always be stated on the quotation.

   Quotations should be submitted on or before the Request for Quotation Deadline **Date by no later than 12h00** to the email below. Email: quotations@magalieswater.co.za.
   No hand delivered quotations will be accepted, all quotations to be submitted to the email indicated on the RFQ.

2. **Selection of Qualifying Quotation**

   The selection of the qualifying quotation will be at Magalies water's sole discretion.
   Magalies Water does not bind itself to accept any particular Quotation.

3. **Documents required**

ADMINISTRATIVE REQUIREMENTS REQUIREMENTS:

- Quotation must have CSD vendor number or CSD report
- Quotation must have RFQ reference number
- Completed and signed Declaration of Interest Form (SBD4)
- Quotation with validity period should be a minimum of 30 days or more from the date of issue.
- Quotation with physical address, date, contact details and banking details.

MANDATORY REQUIREMENTS REQUIREMENTS:

- Quotation must be line with the specification.
- Quotations received after the closing date will not be accepted.

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***NB All non-responsive bids will be rejected.**

4. EVALUTION OF QUOTATION

All Quotations with a rand value equal to or below R50 million, will be evaluated in terms of the PPR 2022 using the 80:20 Preference point system.

CRITERIA	POINTS
Price	80
Specific goals	20
TOTAL	**100 points**

Specific goal	Number of points (80/20 system)	Means of verification
Black people ownership equity	5	Central Supplier Database (CSD) report
Women equity	3	Central Supplier Database (CSD) report
Youth equity	2	Central Supplier Database (CSD) report
Disability	2	Medical certificate or (CSD)
Promotion of small businesses Medium- 2 Points Small- 3 Points Micro- 4 Points Other- 0 Points	4	1. Central Supplier Database (CSD) report for transactions from rand value to R500 000.00. 2. Signed Financial Statements for transactions above R500 000.00
Locality	3	Proof of address (tribal authority letter/ Lease agreement accompanied by municipal rates invoice/statement)
Military Veterans (MVA)	1	MVA force number/CSD

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Total	**20**	

5. TERMS & CONDITIONS

5.1. Quotations received after the closing date will not be accepted.
5.2. All costs to be included in the quotation.
5.3. Delivery must take place at the specified place.
5.4. Quotations to be valid for a minimum of 30 days or more from date of issue.
5.5. The Government Procurement General Conditions of Contract shall apply.

1. INTRODUCTION

The service provider must perform an independent audit review of the proposed temporary reprioritisation of funds from the approved 2026/27 Major Capital Expenditure Budget to fund completion and cost regularisation requirements for Work Packages 1A, 1B and 2 of the emergency intervention project. The review must provide assurance to Management, CISEC and the Board on whether the reprioritisation request is properly motivated, supported, governed, compliant, reasonable and aligned to value-for-money principles.

The emergency intervention project is a fully funded DWS project for which MW was appointed as Implementing Agent. The reprioritization requires moving funds from 4 MW Planned Projects to fund the additional unforeseen activities.

2. AUDIT OBJECTIVE

The objective of the audit is to determine whether the need, timing, authority, accountability, cost basis, procurement and governance processes supporting the reprioritisation were adequate, effective and compliant. The audit must specifically answer the committee's questions of what was approved or incurred, who initiated and approved it, when decisions and expenditure occurred, why the additional funding became necessary, and how Management ensured compliance, control, accountability and value for money.

3. SCOPE OF WORK

1. Review the adequacy, effectiveness and adherence to Magalies Water's project management framework, policies, procedures, delegations of authority and applicable laws and regulations, including PFMA, National Treasury requirements, supply chain management prescripts and internal governance arrangements.
2. Assess the project governance and decision-making trail for the emergency intervention project, including emergency approvals, CISEC and Board submissions, minutes, management decisions, project steering structures, reporting lines and escalation processes.
3. Confirm what additional activities, variation orders, extension-of-time claims, scope refinements, emergency operational interventions and specialist services gave rise to the funding requirement for Work Packages 1A, 1B and 2.

4. Determine who was responsible for initiating, recommending, reviewing, approving, implementing and monitoring the additional work, expenditure, claims, variation orders and reprioritisation request, including the roles of Management, Project and Engineering Services, Finance, SCM, the Professional Service Provider, contractors, CISEC and the Board.
5. Establish when the additional costs arose, when works were instructed or executed, when approvals were obtained, when payments were made or committed, and whether any work proceeded before formal approval due to emergency circumstances.
6. Assess why the additional funding was required, including whether the reasons cited by Management were valid, unavoidable, adequately substantiated and linked to unforeseen ground conditions, flooding, electrical failures, pipeline upgrades, commissioning delays, emergency operating requirements, professional fees and specialist support.
7. Evaluate how the identified costs were quantified, validated, reported and controlled, including the adequacy of supporting documentation, cost estimates, payment certificates, PSP recommendations, claims assessments, contract instructions, variation order files and reconciliation to the approved project budget.
8. Review the mandate, appointment, deliverables and performance of the Professional Service Provider, including whether its responsibilities for design, scoping, costing, contract administration, supervision, monitoring, reporting, quality assurance and close-out were clearly defined and properly discharged.
9. Assess the adequacy of the PSP report and reports supporting the additional funding requirement, including whether technical, commercial and contractual evaluations were sufficient to support Management's submission.
10. Review the variation order and claim approval process, including whether variations were properly motivated, priced, reviewed, approved, recorded and aligned to contract conditions and delegated authority.
11. Assess whether the reasons for additional activities that were not identified during original planning were reasonable, including whether scoping, design, budgeting, risk assessment, contingency planning and due diligence were adequate for an emergency project of this nature.
12. Evaluate whether contingency provisions were included, how they were calculated, what they were used for, whether they were exhausted appropriately, and whether the use or absence of contingency funding was reasonable and acceptable.
13. Assess budget management and financial implications, including the source projects proposed for temporary deferral, the rationale for reprioritising those projects, the

impact of deferral, whether projects are cancelled or merely deferred, and whether the reprioritisation remains within the Board-approved capital programme.

14. Determine whether the reprioritised funding will be used exclusively for assets that will be owned, operated and maintained by Magalies Water, and verify that Work Package 3 costs are excluded from the Magalies Water reprioritisation.
15. Evaluate project scope, schedule, quality, commissioning and completion status for Work Packages 1A, 1B and 2, including whether reported progress, at-completion values, paid-to-date amounts and balances are consistent with project records.
16. Assess economy, efficiency, effectiveness and value for money, including whether the additional costs were necessary, market-related, supported by appropriate procurement or contractual mechanisms, and proportionate to the public health, service delivery and operational benefits expected.
17. Review stakeholder engagement and reporting, including communication with DWS, CISEC, the Board, contractors, PSP, affected internal divisions and other relevant stakeholders.
18. Assess resource allocation and capacity within the Project and Engineering Services Division, including whether the divisional structure, skills, oversight capacity and internal controls were adequate for managing the emergency intervention.
19. Assess and evaluate the impact of deferring the implementation of the 4 MW planned projects in order to reprioritize their budget to an intervention project of the Department. Magalies Water will not experience inefficiencies in the WTPs as a result of the reprioritization.
20. Confirm what were the other funding options explored by MW such as requesting the additional funds from the DWS.
21. One of the evaluation criteria used to recommend Bidders or SPs for appointment is the preference point system where Bidders are considered for pricing, what is the impact of the proposed additional funding on the contract amount of the current Contractor? Would the Bidder still be the lowest scoring Bidder recommended for appointment or the additions would result in the price being higher than those of the competitors evaluated?

4. REQUIRED AUDIT QUESTIONS

Committee Question	Audit Focus
What?	What work, variations, claims, costs, approvals, commitments and budget movements make up the reprioritisation request?

Who?	Who requested, assessed, recommended, approved, implemented, monitored and reported the decisions and transactions?
When?	When were the works instructed, costs incurred, approvals obtained, payments processed, reports submitted and risks escalated?
Why?	Why were the additional costs necessary, why were they not fully anticipated, why specific projects were selected for deferral, and why WP3 was excluded?
How?	How were governance, procurement, variation management, cost validation, budget control, reporting, stakeholder engagement and value for money ensured?

5. EXPECTED DELIVERABLES

Audit planning memorandum setting out methodology, document requests, sample selection and stakeholder interview plan.

- Detailed audit working papers supporting all findings and conclusions.
- A factual report structured around what, who, when, why and how.
- Assessment of compliance with applicable legislation, delegations, SCM requirements, contract conditions and internal project management controls.
- Assessment of adequacy of PSP reports, variation orders, claims, project records, emergency approvals and supporting evidence.
- Value-for-money assessment covering economy, efficiency, effectiveness, cost reasonableness and asset ownership considerations.
- Root-cause analysis for weaknesses identified in planning, budgeting, risk management, contingency, approvals, monitoring or reporting.
- Practical recommendations with responsible owners, timelines and priority ratings.
- Executive summary suitable for submission to Management, CISEC and the Board.

6. AUDIT PERIOD AND RECORDS TO BE REVIEWED

The audit must cover the full period from project initiation and original approval of the emergency intervention project up to the date of the latest CISEC or Board submission relating to the reprioritisation request. The service provider must review project approvals, contracts, tender records, variation orders, extension-of-time claims, payment certificates, progress reports, PSP reports, site instructions, correspondence, minutes, budget

schedules, financial records, risk registers, commissioning records and any other evidence relevant to the scope.

7. REVIEW TIMEFRAME

The service provider will be required to finalise the draft audit report within 2 weeks from the appointment date.

8. EVALUATION

The evaluation will be based on the normal procurement processes as per the 80/20 principle including Price (80) and Specific Goals (20), Approach and Scope areas to be reviewed for the Project.

8.1 Expertise and Experience Requirements

The service provider should demonstrate:

Previous experience in conducting Risk-Based Audits/Performance Management(EEEs)/Project Management/Contract Management Audit preferably in the **public sector. Minimum of** Two recent (not more than 8yrs) Reference Letters of previous similar projects including contact details of where the projects were executed**.**

Previous Experience in Risk-Based Audits/Performance Management(EEEs)/Project Management/Contract Management Audit**s(30 Points Max)**

Criteria	Points
0-1 Reference Letters	**0**
2-3 Reference Letters	**10**
4-5 Reference Letters	**20**
6 or more reference letters	**30**

8.2 Team Composition and Expertise

CVs and certified copies of qualifications of the team (The team used in the proposal must be the team executing the project and must be led by a Professionally Qualified Engagement Manager CA, CIA etc).

Previous experience conducting Risk-Based Audits, Performance Management(EEEs), Project Management or Contract Management Audit preferably in the public or water sector.

Team Qualifications and Technical Expertise (20 Points Max)

Criteria	Points
Qualifications and relevant experience of Engagement Manager/Leader	10
Qualifications and relevant experience of supporting team members	10
Total	**20**

Engagement Manager/Leader:

The Engagement Manager/Leader should be a qualified Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE) or Chartered accountant (CA/SA) by designation	5
Experience in overseeing risk-based internal audit related projects, Project, Contract or Performance Management Audits(EEEs) preferably in the public sector. Atleast 2 years or more relevant experience = 5	5
No Relevant Qualification or 2 yrs Experience	0

Supporting Team Member (Anyone if more than two team members are provided):

Experience in performing risk based internal audits in the public sector. Only completed year/s will be considered. Please include the resume.

The Minimum qualification is a Bachelor's or equivalent (NQF Level 7) in internal audit/accounting/ risk management	5
Experience in performing risk-based internal audit related projects, Project, Contract or Performance Management Audits(EEEs) preferably in the public sector. Atleast 2 years or more relevant experience = 5	5
No Relevant Qualification or 2 yrs Experience	0

Minimum Threshold to proceed to Price and Specific Goals Stage = 30 points

8.3 Price Proposal and Specific Goals

Points will be awarded to Suppliers/Bidders for price out of 80 points and Specific Goals out of 20 points.

Specific goal	Number of points (80/20 system)	Means of verification
Black people ownership equity	5	Central Supplier Database (CSD) report
Women equity	3	Central Supplier Database (CSD) report
Youth equity	2	Central Supplier Database (CSD) report
Disability	2	Medical certificate or (CSD)
Promotion of small businesses Medium- 2 Points Small- 3 Points Micro- 4 Points Other- 0 Points	4	1. Central Supplier Database (CSD) report for transactions (turnover) from rand value to R500 000.00. 2. Signed Financial Statements for transactions (turnover) above R500 000.00
Locality	3	Proof of address (tribal authority letter/ Lease agreement accompanied by municipal rates invoice/statement)

Military Veterans (MVA)	1	MVA force number/CSD
Total	**20**	