



Request for Proposal
for
the provision of External audit services

Procurement No: SC/RP/NAC-03/2021

NAMIBIA AIRPORTS COMPANY

P.O. Box 23061

Windhoek

Tel: 061 - 295 5000

Fax: 061- 295 5022

E-mail: tender@airports.com.na

Request for Proposal

LETTER OF INVITATION

Dear Sir,

Subject: Request for Proposal for the selection of audit firm to provide external audit services for the financial years ending 2020/2021, 2021/2022 and 2022/2023.

1. You are hereby invited to submit technical and financial proposals for the provision of external audit services to the Namibia Airports Company (NAC) Limited.
2. The objective of this RFP is to identify, evaluate and appoint an audit firm capable of performing the External Audit Services of NAC. The procurement process of NAC will be followed and award is dependent on the recommendations made by the Bid Evaluation and Procurement Committees of NAC.
3. The following documents are enclosed to enable you to submit your proposal:
 - (a) the Terms of Reference (TOR) [Annexure 1];
 - (b) supplementary information for consultants, including a suggested format of curriculum vitae [Annexure 2]; and
 - (c) a sample format of the Service Contract under which the service will be performed [Annexure 3]

4. Any request for clarification should be forwarded in writing to:

John Shivute at ShivuteTBJ@airports.com.na or tender@airports.com.na. Request for clarifications should be received 14 days prior to the deadline set for submission of proposals.

5. The Government of the Republic of Namibia requires that bidders/suppliers/contractors participating in the procurement in Namibia observe the highest standard of ethics during the procurement process and execution of contracts.

Bidders are advised to consult the website of the Procurement Policy Office: **www.mof.gov.na/procurement-policy-unit** to acquaint themselves with the legislations related to public procurement in the Republic of Namibia.

6. Eligibility

- (a) A firm/consultant that is under a declaration of ineligibility by the Government of Namibia in accordance with applicable laws at the date of the deadline for bid submission and thereafter shall be disqualified.
- (b) Proposals from bidders appearing on the ineligibility lists of African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank Group and World Bank Group shall be rejected.

- (c) Bidders should submit a statement on past and present declaration of ineligibility, if any, by any local/international agency or any termination of contract for unsuccessful completion of assignment, giving adequate details to enable a fair assessment.
- (d) Further, to be eligible in this process the bidders should:
- i. Have a valid registration certificate (PAAB)
 - ii. Have an original Good Standing Certificate with Inland Revenue
 - iii. Have an original valid Good Standing Certificate with the Social Security Commission
 - iv. Have a valid certified copy of Affirmative Action Compliance Certificate, proof from the Employment Equity Commissioner that the bidder is not a relevant employer, or exemption issued in terms of Section 42 of the Affirmative Action Act, 1998.
 - v. Completed forms to be attached with the bid document as listed in terms of reference Annexure 2.

7. Submission of Proposals

The proposals from the bidders shall be submitted in TWO envelopes, namely and clearly marked Technical proposal, and Financial Proposal. Four (3) copies of each proposal shall be submitted.

The proposals must be deposited into the bid box on or before:

Closing date: 09 April 2021 at 11H00 am, 145 Independence Avenue, Sanlam Building, 5th Floor, Windhoek, Namibia.

Opening will be done internally. Opening summary will be available to any bidder on request within three working days of opening.

Proposals should **not** be forwarded by electronic mail.

8. Deciding Award of Contract

Qualification and experience of the firm and its team members shall be considered as the paramount requirement. The proposals will be evaluated on the basis of a maximum of 70 marks for Technical Proposals and 30 marks for Financial proposals. Proposals from consultants should score at least 50 marks for the Technical Proposals to be retained for further consideration.

Only those bidders scoring a total of 70 marks on the overall assessment shall be considered for the assignment. Negotiations will start with the bidder scoring the highest marks and if negotiation is not successful, negotiation will start with the next best-ranked bidder and so on until an agreement is reached. Should you be contacted for negotiations, you must be prepared to furnish the detailed cost breakdown and other clarifications to the proposals submitted by you, as may be required to adjudge the reasonableness of your price proposals.

9. Rights a Public Entity

- (a) Please note that NAC is not bound to select any of the firms submitting proposals.
- (b) Please note that the cost of preparing a proposal and of negotiating a contract including visits to Namibia, if any, is not reimbursable as a direct cost of the assignment.

10. Duration of Assignment

It is estimated that the minimum duration of the assignment shall be for a period of three years, upon which firm rotation will be required.

11. Validity of Proposal

You are requested to hold your proposal valid for 90 Days from the deadline for submission of proposals during which period you will maintain without change, your proposed price. NAC will make its best efforts to finalize the agreement within this period.

12. Commencement date of Assignment

Assuming that the contract can be satisfactorily concluded in 5 working days, you will be expected to take up/commence with the assignment as soon as the engagement letter is issued. The successful firm will be expected to present their audit strategy to the Risk and Audit Committee before audit work can commence.

13. Tax Liability

Please note that the remuneration which you receive from this contract will be subject to normal tax liability in Namibia; but NAC shall pay directly or reimburse the taxes, duties, fees, levies and their impositions in Namibia related to:

- (a) payments to the firm in connection with carrying out this assignment;
- (b) equipment, materials and supplies brought into Namibia for the purpose of carrying out the assignment, provided they are subsequently withdrawn; (This clause shall apply only to foreign firms). and
- (c) property brought in for your personal use provided the property is subsequently withdrawn. (This clause shall apply only to foreign firms).

14. Insurance

The Firm shall meet the cost of any insurance and/or medical examination or treatment required by him/her in the course of performing the services.

15. Conformation of Invitation to submit proposal

We should appreciate if you would inform us by facsimile:

- (a) your acknowledgment of the receipt of this Letter of Invitation within 1 day and
- (b) further indicate whether or not you will be submitting the proposal.

16. NAC would like to thank you for considering this invitation for submission of proposals.

Yours faithfully,

John Shivute
Secretary to the Procurement Committee

Enclosures:

Annexure 1: Terms of Reference.

Annexure 2: Supplementary Information to Consultant.

Annexure 3: Draft contract under which service will be performed.

TERMS OF REFERENCE

Part 1. Background

The Namibia Airports Company Limited (NAC) is a public entity was established in terms of Airports Company Act, 25 of 1998, registration number 98/472. It is governed in terms of the Companies Act 61 of 1973 and the State-owned Enterprises Governance Act, 2006. In terms of the latter legislation, the company is required to file audited financial statements no later than six (6) months after the end of each financial year. The company has a 31 March financial year.

NAC operates and manages eight airports around the country. It is directed and legally represented by a Board of Directors whose members are appointed by the Minister of Works and Transport in consultation with the Minister of Public Enterprises.

The Board delegates to the Chief Executive Officer (CEO) of NAC the responsibility to implement the NAC policies and objectives. It is against this framework that NAC seeks to appoint a firm to perform statutory audits on financial information provided by the entity's management to its stakeholders.

Part 2. Scope and Approach

The external auditors will be required to perform the necessary audit work to enable them to express an audit opinion for each year ending 31 March on the Financial Statements and performance of NAC. The accounting system is built on the Oracle EBS platform, which integrate all finance, payroll, assets and project related modules.

a. Technical approach

Tenderers must, at least:

- i. Describe in detail the firms Audit methodology/ approach and the technology used
- ii. Discuss the firm's approach to relying on the work of internal auditors.
- iii. Describe their approach in ensuring a seamless transition from predecessor auditors, if necessary.

b. Capacity and experience

- i. Total number of audit staff and staff that provide audit related services in the following categories: partners, managers and other specialists and team members.
- ii. Provide up to date CV's of all partners and managers that will form part of the audit team. The CV's should indicate at a minimum the level (supervisor, manager, etc.) and experience.
- iii. Provide details of the technical departments (or equivalent departments) specializing in Information Systems/ Technology etc. Details should be provided of the key partners and managers in these fields who can be regarded as specialists.
- iv. Provide details of names of the firm's audit engagements during the preceding 5 years in the Public Sector.

c. Other

i. Quality control

Describe the firm's quality control system and demonstrate that the firm has established adequate quality control policies and procedures that comply with Auditing pronouncements.

ii. Independence and objectivity

- To ensure independence and objectivity, NAC discourages the external auditors and their consulting arms or related entities from being engaged for non-audit related work.
- Provide details of all consulting work (description, amount and period) performed or to be performed by the audit firm for NAC during the past 3 years 2018 to 2020. This also includes work performed or to be performed as subcontractors.
- Provide details of any possible conflict of interests as well as other information where independence and objectivity may be at risk. Indicate how this would be managed by the firm should it be appointed as the auditor. (Please note that should the firm be appointed auditor, NAC will review the firm's involvement in such consulting services).

iii. Insurance

Provide details of local as well as international professional indemnity insurance (where Applicable).

iv. Draft Engagement Letters

Please provide us with a draft engagement letter together with your standard terms and conditions for providing audit services to NAC.

Part 3. Facilities to be provided by the Public Entity

Office space will be availed as and when required. Any requirements for travel and accommodation outside Windhoek will be facilitated by NAC.

Part 4. Contract duration and fees

a. Duration of initial contract

The firm will be appointed for a period of three (3) years subject to the following conditions:

- Confirmation on an annual basis by the Risk and Audit Committee of NAC based on an evaluation of the effectiveness as well as the independence and objectivity of the External Auditors.
- Approval at the Annual General Meeting of the continued engagement of the auditors.

b. Payment

Payment will be done in accordance with the terms of contract agreed with the audit firm.

Part 5. Evaluation of Bids Received

a. Stage 1 – Administrative Compliance

All proposals received will be examined to determine compliance with RFP requirements and conditions (completion and attachment of compulsory documents). Proposal with obvious deviations from the requirements/conditions will be disqualified from stage 1 (one) of the evaluation process. A two envelope system will be utilised for consideration for bids. Responsive bids will therefore be evaluated using the 80/20 preference point system in terms of which points are awarded to bidders on the basis of:

- Functionality (maximum 70 points)
- The bid price (maximum 30 points)

b. Stage 2 – Functionality

The technical proposals will be evaluated in terms of, but not limited to the below minimum guidelines:

| Evaluation criteria | Guidelines for criteria application | Weight |
|---|---|--------|
| Experience | <ul style="list-style-type: none"> • Experience of the prospective external audit firm in a public sector environment: • 0-2 years = 5 • 3-4 years = 15 • More than 4 years = 20 | 20 |
| Technical approach | <ul style="list-style-type: none"> • Basic overview of the methodology of scope of work by listing the audit approach = 10 • Detailed description of methodology of scope of work by providing detailed explanations = 30 | 30 |
| Capability, knowledge and experience of the team leader to be used for the assignment | CV for Manager and Partner: <ul style="list-style-type: none"> • 3-5 years combined experience in public sector = 5 • 6-12 years combined experience in public sector = 10 • More than 12 years combined experience in | 20 |

| | | |
|------------------------------|---|------------|
| | public sector = 20 | |
| Quality control | <ul style="list-style-type: none"> • Brief description of the firm’s quality control systems = 5 • Copy of the firm’s quality control policies and procedures that comply with international standards on ISA 220 and or Quality Control (ISQC1) = 15 | 15 |
| Independence and objectivity | <p>Indicate how the firm will manage its independence and objectivity when conflict of interest arise (policy)</p> <ul style="list-style-type: none"> • Non submission of policy = 0 • Policy = 15 | 15 |
| Total | (To be weighted at 70% of the total score) | 100 |

c. Stage 3 Price Evaluation

The Bidder having submitted the lowest evaluated responsive bid price and qualified to perform the task shall be selected for award of contract.

Annexure - 2

SUPPLEMENTARY INFORMATION FOR CONSULTANTS

Proposals

1. Proposals should include the following information:
 - (a) Technical Proposals
 - (i) Curriculum Vitae of Consultant's team (Form F-2).
 - (ii) An outline of recent experience on assignments/ projects of similar nature executed during the last five years (Form F-3).
 - (iii) Any comments or suggestions of the Consultant on the Terms of Reference (TOR).
 - (iv) A description of the manner in which the Consultant would plan to execute the work.
 - (v) The Consultant's comments, if any, on the data, services and facilities to be provided by the Public body indicated in the Terms of Reference (TOR).
2. The proposals shall be submitted in one original and 4 copies

Contract Negotiations

1. The aim of the negotiations is to reach an agreement on all points with the Consultant and initial a draft contract by the conclusion of negotiations. Negotiations commence with a discussion of Consultant's proposal, the proposed work plan, and any suggestions you may have made to improve the Terms of Reference. Agreement will then be reached on the final Terms of Reference and the bar chart, which will indicate periods in [weeks/months] and reporting schedule.
2. Once these matters have been agreed, financial negotiations will take place and will begin with a discussion of your proposed payment schedule.

Review of reports

1. A review committee of three members will review all reports and suggest any modifications/changes considered necessary within 15 days of receipt.

BID SUBMISSION FORM

From: _____

To: _____

Request for Proposal for the Provision of External Audit Service

I/We _____herewith enclose Technical for selection as Consultant for the Namibia Airports Company

I/we undertake that, in competing for (and, if the award is made to me/us, in executing) the above contract, I/we will observe the highest level of ethical conduct.

Yours faithfully

Signature: _____

Full name: _____

Address: _____

FORMAT OF CURRICULUM VITAE (CV) FOR CONSULTANT

Name of Consultant: _____

Profession: _____

Date of Birth: _____

Nationality: _____

Membership in Professional bodies: _____

Key Qualifications:

[Give an outline of experience and training most pertinent to tasks on assignment. Describe degree of responsibility held on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education, giving names of institutions, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and employers references, where appropriate. Use about two pages.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and experience.

Date: _____

Sign: _____

Full name of Consultant: _____

**ASSIGNMENTS OF SIMILAR NATURE SUCCESSFULLY COMPLETED
DURING LAST 5 YEARS**

1. Outline of recent experience on assignments of similar nature:

| Sl.No | Name of assignment | Name of Project | Owner or Sponsoring agency | Cost of Project | Date of Commencement | Date of Completion | Was assignment satisfactorily completed |
|--------------|---------------------------|------------------------|-----------------------------------|------------------------|-----------------------------|---------------------------|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Note: Please attach certificates from the employer by way of documentary proof. (Issued by the Officer of rank not below that of Divisional Manager or equivalent.)

Cost Estimate of Services

Remuneration:

| Consultant Name (in currency) | Monthly Rate | Working Months (in currency) | Total Cost |
|--|---------------------|---|-------------------|
| _____ | _____ | _____ | _____ |
| | | Sub-Total (Remuneration) | _____ |

Out-of-Pocket Expenses²:

| (a) Per Diem ³ : | Room charge | Subsistence | Total | Days |
|--|-------------|---------------------------|-------|-------|
| | _____ | _____ | _____ | _____ |
| (b) Air fare | | | | _____ |
| (c) Lump Sum Miscellaneous Expenses ⁴ : | | | | _____ |
| | | Sub-Total (Out-of-Pocket) | | _____ |
| | | Contingency Charges: | | _____ |
| | | Total Estimate: | | _____ |

Annexure 3

CONTRACT No. _____

CONSULTANCY SERVICE CONTRACT

BETWEEN

Namibia Airports Company Limited

AND

TABLE OF CONTENTS

| | | Page |
|---------------|---|------|
| Preamble..... | | 3 |
| Article I | Scope of Services..... | 15 |
| Article II | Commencement of Services and Duration of Contract | 15 |
| Article III | Duties of the Consultant | 16 |
| Article IV | Payment for the Services | 17 |
| Article V | Confidentiality and Ownership of Documents..... | 17 |
| Article VI | Assignment and Sub-Contracting..... | 17 |
| Article VII | Liability of the Consultant..... | 18 |
| Article VIII | Force Majeure..... | 18 |
| Article IX | Termination of Contract | 19 |
| Article X | Dispute Settlement..... | 19 |
| Article XI | Modification or Amendment..... | 20 |
| Article XII | Effective Date | 20 |
| Article XIII | Channel of Communications and Notices..... | 21 |
| Article XIV | Governing Law | 22 |
| ANNEX I | Terms of Reference | |
| ANNEX II | Contract Amount and Method of Payment | |

THIS SERVICE CONTRACT entered into this _____, between the *Namibia Airports Company* [hereinafter called the "Public Entity"] and _____ (hereinafter called the "Consultant").

WITNESS THAT:

WHEREAS the Public Entity has determined the need to procure the services described, implied or referred to in this Contract, subject to the terms and conditions hereinafter set forth;

WHEREAS the Consultant represents and affirms that he/she possesses the requisite experience, qualifications, capability and skill to perform the said services;

NOW THEREFORE the parties hereto have agreed as follows:

ARTICLE I
SCOPE OF SERVICES

1.1 The services to be performed by the Consultant under this Contract (hereinafter called the Services) are those described in the Terms of Reference attached hereto as Annex I to the present Contract. The Terms of Reference shall form an integral part of this Contract.

ARTICLE II
COMMENCEMENT OF SERVICES AND DURATION OF CONTRACT

2.1 The Consultant shall commence the Services on _____ upon signature of the present Contract, and shall carry out the Services in a manner most suited to the requirements of the Contract and in accordance with the schedules and time limits established under the Terms of Reference (annex I) or indicated by the Public Entity.

2.2 The Services shall be for minimum 3 months beginning on the date of commencement of the Services.

ARTICLE III
DUTIES OF THE CONSULTANT

- 3.1 The Consultant shall perform the services with all due care, diligence and efficiency, in accordance with the highest standards of professional competence, organization and responsibility, and in a manner acceptable to the Public Entity
- 3.2 The Consultant shall:
- (a) regularly report to, and obtain direction and guidance from the Public Entity on all matters arising from or relating to the present Contract;
 - (b) promptly comply with such instructions as may be issued from time to time by the Public Entity in connection with the performance of the services.
- 3.3 The Consultant shall perform the services to the satisfaction of the Public Entity in accordance with the Terms of Reference and at such intervals as the Public Entity may require.
- 3.4 The Consultant shall keep and maintain accurate and complete accounts in respect of expenditure incurred under the present Contract in such form and detail as shall be satisfactory to the Public Entity for the purposes of making payment or settlement under the Contract, where applicable.
- 3.5 The Consultant shall meet the cost of any insurance and/or medical examination or treatment required by him/her in the course of performing the services.
- 3.6 The Consultant shall seek and obtain any visas or residence permits that he/she may require to carry out the services and perform his/her obligations under the present Contract. The Public Entity shall, as necessary, assist the Consultant in obtaining such visas and/or permits.

ARTICLE IV
PAYMENT FOR THE SERVICES

- 4.1 The Public Entity shall pay to the Consultant, in respect of the services, the various amounts specified in Annex II to this Contract (hereinafter referred to as the "Contract Amount").
- 4.2 The Contract Amounts shall be paid to the Consultant in accordance with the modalities specified in Annex II to the present Contract, which forms an integral part hereof.

ARTICLE V
CONFIDENTIALITY AND OWNERSHIP OF DOCUMENTS

- 5.1 All documents, statistics, reports, data and other information provided, created, obtained or made available to the Consultant in connection with or by virtue of the present Contract, shall be treated as confidential by the Consultant, and the Consultant shall not be entitled to use or make copies of them for any purpose that is not related to the present Contract.
- 5.2 The documents, statistics, reports and data under the preceding paragraph shall, upon the completion of Services or termination of this Contract, be promptly returned to the Public Entity.
- 5.3 Any study, report or other material, graphic, software or otherwise, prepared by the Consultant for Public Entity under the Contract shall belong to and remain the property of the Public Entity. The Consultant may retain a copy of such documents and software.

ARTICLE VI
ASSIGNMENT AND SUB-CONTRACTING

- 6.1 Except with the prior written consent of the Public Entity, the Consultant shall not:
- (a) in whole or in part, assign, transfer or otherwise dispose of, his/her rights or obligations under the present Contract;

- (b) sub-contract, or otherwise transfer responsibility for, the whole or any part of the Services.

ARTICLE VII
LIABILITY OF THE CONSULTANT

- 7.1.1 The Consultant shall abide by, and take all measures necessary to enable him/her comply with all laws and regulations in force in any place where the Services are to be wholly or partially performed.
- 7.2 The Consultant shall be fully liable for the consequences of any error or omission on his/her part or for any damage caused by negligence on his/her part in carrying out the Services or performing his/her obligations under the present Contract.

ARTICLE VIII
FORCE MAJEURE

- 8.1 Neither party to the present Contract shall be responsible for any delay or failure to perform the obligations under the Contract if the delay or failure is attributable to force majeure.
- 8.2 In the event of force majeure which delays performance of the whole or any part of the present Contract for more than sixty (60) days, either party shall have the right, by notice in writing to the other party, to terminate the Contract.
- 8.3 For purposes of this Article, an event of force majeure shall mean an unforeseen and unavoidable event beyond the reasonable control and contemplation of the party invoking the existence of such event, and which impacts directly on the discharge of the obligation under the Contract.

ARTICLE IX **TERMINATION OF CONTRACT**

- 9.1 The Public Entity may, upon giving not less than 30 days' notice in writing to the Consultant, terminate the present Contract for cause if the Consultant has failed to perform the Services or to comply with his/her other obligations under the Contract.
- 9.2 The Public Entity may, at its option, terminate this Contract when it is in the interest of or for the convenience of the Public Entity *to do so*, provided that the Consultant shall in that event be given a notice of not less than 30 days of such termination.
- 9.3 The Consultant may terminate the present Contract if the Public Entity has, within a period of forty five (45) days after the due date, failed to pay any amount due to him/her in respect of which no dispute has arisen.
- 9.4 The parties hereto may by mutual agreement terminate this Contract.
- 9.5 If the present Contract is terminated under this Article, the Public Entity shall be liable only for payment, in accordance with the payment provisions of the Contract, for the Services actually rendered prior to the effective date of termination, together with such other amounts incidental to the termination as may be reasonable in the circumstances.

ARTICLE X **DISPUTE SETTLEMENT**

- 10.1 Any dispute arising out of or in connection with the present Contract shall, unless it is amicably settled, be decided upon by the Accounting Officer of the Public Entity who shall transmit his decision in writing to both parties.
- 10.2 Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for arbitration under the applicable law.

ARTICLE XI
MODIFICATION OR AMENDMENT

- 11.1 Except by mutual agreement in writing between the parties, no change, modification or amendment shall be made to the present Contract.
- 11.2 Notwithstanding the preceding paragraph, the Public Entity may at any time order or require changes in the scope of the Services. If such changes add to or reduce the cost of the Services, the Contract Amount shall be adjusted accordingly.

ARTICLE XII
EFFECTIVE DATE

- 12.1 The present Contract shall enter into force on the date of its signature by both parties.
- 12.2 Unless terminated under Article VIII or IX above, the present Contract shall expire upon completion of the Services and the discharge of all obligations arising out of or under the Contract.

ARTICLE XIII
CHANNEL OF COMMUNICATIONS AND NOTICE

- 13.1 For the purposes of the present Contract, the authorized representative of the Public Entity shall be the Accounting Officer of the Public Entity.
- 13.2 Any communication, notification, submission, notice, demand or request under the present Contract shall be deemed to have been duly transmitted if it shall have been delivered by hand, mail, or facsimile by either party to the other at the appropriate address indicated below, or at such other address as that other party may have indicated:

FOR THE PUBLIC ENTITY

Postal Address : _____

Physical Address : _____

Facsimile : _____

FOR THE CONSULTANT

Postal Address : _____

Physical Address : _____

Facsimile : _____

ARTICLE XIV

(i) Governing Law

14.1 This Contract shall be governed by, and construed in all respects in accordance with, the Laws of the Republic of Namibia.

IN WITNESS WHEREOF the parties hereto have caused the present Contract to be signed in their respective names in two original counterparts in English on the date first above written.

Date: _____

FOR NAC

Date: _____

FOR THE CONSULTANT

Annex 1 - Terms of Reference
Annex 2 - Contract Amount and method of payment

