

TERMS OF REFERENCE FOR THE APPOINTMENT OF A PANEL OF ACCOUNTING/AUDITING FIRMS FOR THE FINANCIAL REVIEW OF THE CASINO LICENCE APPLICATIONS

1. INTRODUCTION

- 1.1 The Eastern Cape Gambling Board (**“the ECGB”**) is a Schedule 3C public entity in terms of the Public Finance Management Act (**“PFMA”**). The ECGB was established in terms of the Eastern Cape Gambling Act, 1997 (as amended) (**“the Act”**) whose mandate *inter alia* to regulate and control all gambling activities in the Eastern Cape (**“the Province”**), South Africa.
- 1.2 ECGB is an agency of the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism.
- 1.3 The Act provides for the establishment of a stand-alone authority mandated with controlling, promoting, regulating, supporting, developing, enforcing and continuously improving the Gambling Industry in the Province. The above is to be achieved by complying with the Standards and Recommended Practices of the National Gambling Authority, whilst considering the local context.

2. BACKGROUND

- 2.1. The ECGB received two (2) casino licence applications for the Zone 1 and Zone 2 Casino in the Eastern Cape Province, and the Investigations and Licensing sub-programme conducts the investigation of applications in order to award licenses to suitably qualified applicants by the Board of the ECGB.
- 2.2. This invitation is issued to solicit proposals from service providers with related experience and expertise to assist the ECGB’s Investigation Team in the areas of expertise that might not be available as and when needed.

3. PURPOSE OF APPOINTMENT

- 3.1 The ECGB wishes to invite suitable, qualified and competent firms of professional accountants or auditors to be considered for inclusion on its panel of accountants or auditors. This implies that the selected firms are a pool, not necessarily the only contracted service providers.
- 3.2 The panel of accounting firms will be required to assist with financial evaluation of the casino applications on an ad-hoc basis for specific assignments that might arise.
- 3.3 The appointed panel of registered professional accountants or auditors will be retained to provide accounting and/or auditing services on an as-needed basis. Appointment to the panel will not guarantee the allocation of work.
- 3.4 Preference will be given to accounting or auditing firms with relevant prior experience in conducting financial reviews of gambling-related applications.

4. INVITATION TO THE PANEL

- 4.1. ECGB is seeking to procure the services of qualified and experienced accounting/auditing firms to assist the ECGB in rendering financial evaluation of casino applications on an ad-hoc basis for specific assignments.
- 4.2. The ECGB will evaluate the bid in terms of and in accordance with governing prescripts of the Republic of South Africa regarding supply chain management.
- 4.3. Based on the quality of the proposals submitted and upon acceptance of the proposed fee schedule, the ECGB intends to select various accounting firms, and to conclude a Service Level Agreement with each successful service provider for a period of approximately two (2) months aligned with the casino licensing process.
- 4.4. The ECGB reserves the right, at any time, to modify, amend, restructure, or terminate the bid, or any of the procedures or requirements set out in this document, without prior written notice, without giving reasons to prospective bidders, and without any obligation to compensate or reimburse any person.
- 4.5. The prospective bidders shall place no reliance on any information or comment about the bid from any third party or source.

5. SCOPE OF WORK AND DELIVERABLES

- 5.1 To conduct a financial review of the Casino applications received and utilisation of best practice methodology in financial modelling. This review would include, but not limited to:
 - 5.1.1 An in-depth analysis of the financial information provided by the applicants and provision of an analysis Report to the ECGB.
 - 5.1.2 Assessing the financial viability, sustainability and financial strength of the Applicants;
 - 5.1.3 An assessment of the Applicant' financial capacity, including funding structures, capital adequacy, and access to funding;
 - 5.1.4 An evaluation of the Applicants' financial projections, assumptions and underlying methodologies;
 - 5.1.5 Provision of assistance to the ECGBB Team of Investigators in the compilation of the Financial Investigation Report to be presented to the Board for deliberations.
 - 5.1.6 This Financial Investigation Report must include amongst other things the following:
 - 5.1.6.1 Financial Control;
 - 5.1.6.2 Financial Strength;
 - 5.1.6.3 Financial structure and access to capital resources;
 - 5.1.6.4 Financial Viability;
 - 5.1.6.5 Suitability of funder
 - 5.1.7 Assessment of the proposed fees charged, and services rendered by the Casino Operator in terms of the Casino Management agreement and benchmark the proposed fees against the market related rates for such services to determine if the fees represent a reasonable cost.
 - 5.1.8 Conduct a comprehensive review of related agreements, including but not limited to loan agreements, shareholder agreements, funding arrangements, and any other

supporting contractual documents relevant to the financial assessment of the applications.

- 5.1.9 Identification of any financial risks, weaknesses, or material concerns arising from the bid submissions;
- 5.1.10 Provide clear findings, conclusions and recommendations to support the Board's decision-making process;
- 5.1.11 Presentation and/or clarification of findings to the Investigation and Licensing Team and/or the Board, if required;
- 5.1.12 Compile and submit a report to the Board regarding the assignment.

6. METHODOLOGY, TIMEFRAMES AND BUDGET

- 6.1 All proposals must include the methodology to be employed by the service provider, together with a breakdown of the estimated time and cost requirements for each of the deliverables and phases. The appointed service provider will be required to sign a performance service level agreement with the ECGB.
- 6.2 The appointed accounting/auditing firm shall complete the financial evaluation before the applications are submitted to the Board for consideration on or before 07 August 2026.
- 6.3 It is expected that the prospective bidders should have thorough understanding of the Preferential Procurement Policy Framework Act, 2022 ("**PPPFA**") and its Regulations, the PFMA and other pieces of legislation or standards applicable to organs of state.
- 6.4 All firms are to ensure that their proposed team structures includes accountants or auditors who have at minimum a recognized Bachelor of Accounting or auditing degree or equivalent with completed SAICA articles.
- 6.5 Prospective bidders must submit detailed curriculum vitae and/or resumes of accountants/auditors and/or directors to be utilized for ECGB related assignments with certified copies of their respective qualifications.
- 6.6 The accounting firm will also be required to ensure transfer of skills to the Investigation Team of the ECGB.
- 6.7 Panel members are not guaranteed any work under this tender proposal.

7. CONTENT OF THE PROPOSAL

The bidders must include the following in their submission:

- 7.1. The firm's profile, which must include the Directors, Partners and/or Associates of the firm.
- 7.2. Bidders must provide the following information in respect of area that it wants to be considered: -
 - 7.2.1. Summary of work performed or under way;
 - 7.2.2. Year in which the project commenced and was completed; and
 - 7.2.3. Contactable references for the projects referred to above.
- 7.3. Information relating to the firm's team members, which must, amongst others, include: -
 - 7.3.1. Detailed Curriculum Vitae;
 - 7.3.2. Experience of the team members;

- and
- 7.3.3. Tertiary and other qualifications with full particulars, including the date obtained and the name of the institution from which the qualification was obtained.
- 7.4. A contingency plan for any instances when identified team members may not be available for a specific requirement at a specific time.
- 7.5. A pricing schedule (as per Annexure B) which should cover the hourly rate for each of the team members in the following manner:
- Senior Partner or Director;
 - Manager;
 - Assistant Manager;
 - Auditor or Accountant.

8. CONTRACTUAL AGREEMENT

- 8.1. The selected firms will officially report to the Chief Executive Officer of the ECGB.
- 8.2. No documents may be reproduced, copied or distributed without the prior written consent of the ECGB.
- 8.3. The successful proposals will be expected to enter into Service Level Agreement with the ECGB for specified period of assignment as maybe agreed by the parties.
- 8.4. The SLA will include, amongst others, the following:
- 8.4.1. Period of agreement;
 - 8.4.2. A schedule of the charges;
 - 8.4.3. Method of communication and reporting;
 - 8.4.4. Non-performance and penalties;
 - 8.4.5. Financial penalties and termination of contract;
 - 8.4.6. Procedures relating to payments;
 - 8.4.7. Procedures relating to management reports;
 - 8.4.8. Terms of deliverables;
 - 8.4.9. Forms and formats of working papers;
 - 8.4.10. Reviews;
 - 8.4.11. Intellectual property
 - 8.4.12. Confidentiality; and
 - 8.4.13. Disputes.
- 8.5. If the firm is in breach of its duties and responsibilities or if the quality of work is not of a suitable standard, the ECGB reserves the right to cancel the appointment and/or the Service Level Agreement.
- 8.6. The ECGB shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered as a result of the bidder's participation in this process.
- 8.7. No bid shall be awarded to a bidder whose name (or any of its directors or partners or associates and/or accountants) appears on the Register of Defaulters kept by the Treasury, or who have been placed on the National Treasury's List of Restricted Supplies. The ECGB reserves the right to withdraw an award or cancel the Service Level Agreement concluded with the bidder should it be established, at any time, that a bidder has been blacklisted with the National Treasury by any Government Institution.
- 8.8. No bid shall be awarded to a bidder whose tax affairs are not in order. ECGB reserves the right to withdraw an award made or cancel the Service Level Agreement concluded with the successful bidder(s) should it be established that such bidder was, in fact, not tax compliant at the time of the award, or has submitted a fraudulent tax status to the ECGB.
- 8.9. The ECGB further reserves the right to cancel the agreement with the successful bidder in the event that such bidder does not remain tax compliant for the full term of the agreement.
- 8.10. The shortlisted bidders shall agree to an inspection of their premises in the event that ECGB considers such inspections necessary.

8.11. The ECGB will allocate work to the successful bidders as and when required.

9. COMPLIANCE WITH POPIA

- 9.1. The Parties shall fully comply with the statutory obligations contained in the Protection of Personal Information Act, 2013 (“POPIA”), with which the Parties warrant that they are fully conversant as at the Signature Date, when processing Personal Information obtained by a Responsible Party and such information is entered into a record.
- 9.2. The Parties shall comply with the security and information protection obligations equivalent to those imposed on them in terms of POPIA and other applicable data protection legislation, and failing such legislation, they shall take, implement, and maintain all such technical and organizational security procedures and measures necessary to preserve security and confidentiality of the Personal Information in its possession and to protect such Personal Information against unauthorized or unlawful disclosure, access or processing, accidental loss, destruction or damage.

10. BID EVALUATION PROCEDURES

The following are key criteria that will be used in appointing the successful accounting/auditing firm:

- a) **THRESHOLD:** Bids will be evaluated on the 80/20 principle as prescribed in the Preferential Procurement Policy Framework Act, 2000. (Preferential Procurement Regulations of 2022);
- b) Bids will be considered and evaluated in a two (2) staged approach.
- c) During the first stage, bidders will only be evaluated on functionality, and only qualifying firms who meet the minimum requirements for functionality will be allowed to proceed to the second stage where scoring will be done on 80 points for price and 20 points for specific goals.
- d) Bidders are required to submit their bids in two envelopes with the first envelope outlining the functionality. The first envelope must be clearly marked Stage 1 Functionality.
- e) Furthermore, bidders are required to include their pricing in a second sealed envelope marked Stage 2; Price and proof of office location.
- f) **Only bidders who meet the minimum of 75 points on functionality during the evaluation of Stage 1 will proceed for scoring in Stage 2**
- g) **Bidders should note only top 5 bidders will be selected to be in the pool. The scores will be based on overall in terms of price points scored together with specific goals points.**

STAGE 1: FUNCTIONALITY

FUNCTIONALITY	MAXIMUM POINTS
<p>A. Bidders with gambling or related financial evaluation projects.</p> <ul style="list-style-type: none"> • 3 or more relevant projects = 30 • 2 relevant projects = 25 • 1 relevant project = 10 <p><i>Bidders are required to submit signed letters of reference on the Client’s letterhead from previous contracts to substantiate all the projects undertaken -with contactable references for each category bidding for.</i></p>	30
<p>B. Methodology and Approach</p> <ul style="list-style-type: none"> • The Bidder should detail their proposed methodology and approach. The proposed methodology and approach in evaluating the financial information must be clearly reflected = 10 points • Research and investigation approaches and techniques = 5 points • General project management = 5 points 	20
<p>C. Team members (Senior partner/director, Manager, assistant manager, Auditor) relevant experience in similar projects.</p> <p>Senior Partner or Director</p> <ul style="list-style-type: none"> • 7+ years relevant experience = 20 	30

FUNCTIONALITY	MAXIMUM POINTS
<ul style="list-style-type: none"> 5 years relevant experience = 15 <p>Manager or Assistant Manager</p> <ul style="list-style-type: none"> 4+ years relevant experience each = 15 3+ years relevant experience each = 10 <p>Auditor or Accountant</p> <ul style="list-style-type: none"> 3 years relevant experience each = 10 2 years relevant experience each = 5 <p>Detailed CVs of team members who will be directly involved in providing the required services should be submitted in support of the above for category bidding for.</p>	
<p>D. Qualification of Key staff for the project</p> <p>Bidders are required to provide and submit with their bid documents the following</p> <ul style="list-style-type: none"> Chartered Accountant - 20 Bachelor's degree in accounting/Auding with SAICA articles - 15 Relevant Bachelor's degree -10 <p>Supported by relevant qualification certificate</p>	20
TOTAL POINTS	100

STAGE 2: Preferential points system

- PREFERENTIAL PROCUREMENT REGULATIONS OF 2022 WILL APPLY: Preferential Procurement Regulations of 2022**
-
- Price and points for specific goals will be calculated as described in the Preferential Procurement Regulation 2022.
- NB: Tenderers are to submit proof of the specific goals claimed**

Table 2: Points available per criteria in Stage 2 are as follows:

PRICE	80
SPECIFIC GOALS	20
50% or >50% Black Ownership	5
50% or >50% Black female ownership	5
SMME (i.e. EME or QSE)	5
Eastern Cape based bidder	5
Total points for Price and SPECIFIC GOALS	100

11. IMPORTANT SUBMISSION GUIDELINES

All proposals will be adjudicated in terms of the Supply Chain Management Policy of the ECGB and in accordance with the PFMA. In addition to those (the conditions) stipulated in any other section of the request for proposals, the bidders should be especially aware of the following terms and conditions:

- 11.1 The ECGB reserves the right not to make any appointment from the submitted proposals.
- 11.2 The ECGB does not bind itself to accept the proposal with the lowest price.

- 11.3 The ECGB reserves the right to cancel this RFP and pursue an alternative course of action at any time without incurring any liability towards any service provider.
- 11.4 The Bidders are advised that the submission of proposals gives rise to no contractual obligations on the part of ECGB.
- 11.5 Proposals submitted by electronic transmission or faxed will not be accepted.
- 11.6 All proposals submitted shall become the property of ECGB and shall not be returned.
- 11.7 CSD reports will be used to verify all company/organization's details and tax status pin codes must be provided.
- 11.8 Bidders are required to complete, sign and submit the declaration form (i.e. SBD 4). **If the bidder does not meet this requirement, they will be automatically disqualified.**
- 11.9 Proposals must be submitted by electronic transmission to procurement@ecgb.org.za.
- 11.10 Proposals received after the specified time and date i.e. _____ at **11h00 am** will **NOT** be considered and accepted.
- 11.11 No services shall be rendered, or goods delivered before an official letter of award has been issued.
- 11.12 The ECGB may request written clarification or further information regarding any aspect of proposals submitted. Service providers must supply such requested information in writing within the stipulated timeframe after the request has been made, or their proposal may be disqualified.
- 11.13 Bidders shall not qualify their proposals with their own conditions.
- 11.14 The name(s) and contact details of the person or persons(s) in your organisation responsible for this proposal must be included in the bid document submitted.
- 11.15 The ECGB will not be held responsible for any cost incurred by the service provider in the preparation and submission of this proposal.
- 11.16 The ECGB reserves the right to terminate the contract if not satisfied with the work or the deliverables as stated above are not going to be met. Only bidders that meet the requirements of the request for proposal specification shall be considered during the adjudication process.
- 11.17 Bidders that bid as joint venture must have a signed business agreement by both parties. If the bidder does not meet this requirement, it will be automatically disqualified.
- 11.18 The terms and conditions set out in this RFP are stipulated for the express benefit of the ECGB and save as expressly stated to the contrary, may be waived at the ECGB's discretion at any time.
- 11.19 No Applicant shall have any claim against the ECGB arising out of any matter relating to the selection of any nature whatsoever where such claim is based on any act or omission by the ECGB, of any nature whatsoever, under any circumstances whatsoever or such claim based on the content of or any omission from this RFP of any nature whatsoever.
- 11.20 The shortlisted bidders may be invited for presentation and rate negotiations.
- 11.21 Bidders must submit a pricing schedule attached hereto with list of Accountants/Auditors levels within the firm with applicable rate per hour per level.

NB: These rates will be negotiated with potential bidders before inclusion into the panel. ECGB reserves the right not to appoint a firm should the proposed rates not be acceptable. Furthermore, inclusion into the panel does not guarantee any work, work will be allocated as and when required.

- 11.22 The ECGB reserves the right to clarify any information with any bidder regarding their response to this RFP at ECGB's discretion within a reasonable period.
- 11.23 Bidders who submit a response to this call for interest may be required to give an oral presentation by the ECGB, which may include, but is not limited to, a demonstration of their proposed solution. This provides an opportunity for the bidder to clarify or elaborate on their proposal. This is a fact-finding and explanation session only and does not include negotiation. ECGB will schedule the time and location of these presentations, if required.

12. SUBMISSION OF BID DOCUMENT

- 12.1 Proposals must be submitted in a separate envelope and must be marked accordingly.
- 12.2 The pricing schedule (i.e. Annexure B) must be submitted on a separate envelope from the detailed/technical proposal for ease of evaluation.
- 12.3 Bid documents should be submitted in a sealed envelope/package clearly marked with the bid reference number, bidder/company name and be deposited in the tender box situated in the foyer of ECGB head office, addressed as follows:

**Eastern Cape Gambling Board
Quenera Park
Quenera Drive
Beacon Bay
East London**

- 12.4 The closing date as stipulated in front of the bid document should be adhered to; all bids should be received on or before the closing date and time. Bid documents received after the closing date and time will, as a rule, not be accepted for consideration.
- 12.5 Bidder(s) must take pride in preparing their response(s) and submit a neat and clearly marked document as per the description above.

13. CONTACT DETAILS

Enquiries concerning SCM and completion of SBD forms:

Name: Thandi Malotana
E-mail: thandazwam@ecgb.org.za
Tel no.: 043 - 702 8307
Fax no.: 043 - 748 2218

Enquiries concerning Terms of reference:

Name: Mr. F Mjikwa
E-mail: fezilem@ecgb.org.za
Tel no.: 043 - 702 8300
Fax no.: 043 - 748 2218

Prepared by

**F. MJIKWA
MANAGER: INVESTIGATIONS & LICENCING**

DATE: _____

REVIEWED BY

**T. MALOTANA
SUPPLY CHAIN MANAGEMENT**

DATE: _____

RECOMMENDED BY

R.M ZWANE
CHIEF EXECUTIVE OFFICER

DATE: _____

APPROVED BY

Z. MQOBOLI
CHIEFFINANCIAL OFFICER

DATE: _____

ANNEXURE A

PRICING SCHEDULE

Project Team	Estimated hours	Rate per Hour	Amount
Project Leader	80		
Manager	100		
Assistant Manager	220		
Total	400		

Kindly note this pricing is for bid evaluation purposes only it is not final bid price. However, the rate will form part of the agreement should the bidder be awarded.