

THE NATIONAL CREDIT REGULATOR

DECEMBER 2020

**TERMS OF REFERENCE FOR THE APPOINTMENT OF
SERVICE PROVIDER TO PROVIDE CO-SOURCED
SERVICES TO MANAGE THE NCR REGISTERED
PAYMENT DISTRIBUTION AGENTS**

RFP NUMBER: NCR 728.11.2020

**DUE DATE: 11 JANUARY 2021 AT 11H00
CAT
HAND DELIVERY TO NCR OFFICES**

SECTION 1

GENERAL TERMS OF CONDITIONS

1. General Information for Bidders

The National Credit Regulator (NCR) was established in terms of Section 12 (1) of the National Credit Act (Act 34 of 2005) and came into being on 1 June 2006.

The NCR will determine which bidding organisation (“bid participant”), if any, is appointed in response to this request for submission as stipulated in section 2 of this document.

1.1. General Terms

This tender is issued in terms of the Public Finance Management Act 1 of 1999 (PFMA), the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), the Preferential Procurement Regulations, 2017 (PPR), Supply Chain Management Regulations issued by the National Treasury and BBBEE Act.

Parties that wish to submit proposals are required to indicate that they are willing to accept the General Conditions and Procedures of the NCR (see Section 4 below and Annexure B.1). Please read this document carefully prior to submitting your proposal.

1.2. The Proposal Format

1.2.1. Economy of proposal preparation

The proposal should be prepared simply and economically, providing a straightforward and concise description of the bid participant’s ability to meet the requirements of the proposal request.

Clear factual responses are required. The content of the proposals shall determine the merit of each participant, not brochures or other marketing material. To facilitate the review of proposals, participants are required to organise their responses according to the format presented below. Should a participant wish to provide additional information, that information should be referred to, and provided for, in a file of Annexures.

1.2.2. Validity of proposals

The proposals must include a statement as to the period for which the proposal remains valid. The proposal must be valid for at least ninety (90) days from the due date for the submission of all bids. Refer to the quarters in the terms of reference (TOR).

1.2.3. Number of proposals

Each bid participant must provide **three (3) hard copies and 1 CD/Stick** of their entire proposal,

including all the documentation referred to in 4 below, in the format specified in that section. All submitted proposals will become the property of the NCR, and will not be returned. Receipt of all proposals will be recorded in a register at the point of receipt. One copy of the proposal must be signed and dated in black ink by the bidder or authorized representative of the bidder and initialled on each page.

2. Submission of proposals

2.1. Proposals must reach the offices of the NCR before **11:00 on 11 January 2021, @11H00am** and must be enclosed in a sealed envelope which must be clearly labelled/addressed on the outside:

(a) RFP No: NCR 728.11.2020

(b) TERMS OF REFERENCE (TOR) FOR APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE CO-SOURCED SERVICES TO MANAGE THE NCR REGISTERED PAYMENT DISTRIBUTION AGENTS

(c) CLOSING DATE: 11JANUARY 2021 AT 11H00 SHARP

2.2. Proposals are to be submitted in the marked tender box, in the reception area, National Credit Regulator, 127-15th Road, Randjiespark, Halfway House, Midrand. The tender box will only be available for the depositing of proposals between 08h00 and 16h30 on weekdays (excluding public holidays).

2.3. Please note that this RFP closes punctually at 11h00 on **11JANUARY 2021**. No late submissions will be considered under any circumstances.

2.4. All the documentation referred to in Section 4 below must be submitted. Failure to submit all the documentation referred to in this section may result in a submission being discarded, and not considered for evaluation.

2.5. If responses are not delivered as stipulated in this Section 2.1, such responses will be considered "late", and will not be considered for evaluation.

2.6. The NCR shall not disclose any details pertaining to the responses received, to any other participant, as this is regarded as confidential information.

2.7. Envelopes must not contain documents relating to any RFP other than the one referred to in this RFP.

2.8. The responses to the RFP will be opened as soon as is practical after the expiry of the time advertised for receiving them.

- 2.9.** Only the participants that are short-listed after the evaluation process will be informed of the results of the submission adjudication process.
- 2.10.** After the evaluation process is completed, the Evaluation Committee may, prior to making a final selection, draw up a shortlist of participants and require them to make a detailed presentation to the Adjudication Committee. A minimum of 2 days' notice will be given to relevant participants in advance of the presentation date.

3. Timetable

Date	Activity
04/12/2020	Advertisement of the RFP
11/01/2021	Closing date @ 11h00
26/01/2021	Preliminary evaluation
29/01/2021	Evaluations by the Evaluation Committee
08/02/2021	Adjudication Committee meeting
11/02/2021	Appointment

The National Credit Regulator reserves the right to determine the structure of the process, the right to determine the number of short-listed participants, the right to withdraw from the proposal process, and the right to change this timetable at any time without notice.

4. Documentation to be submitted

Please Note

All of the documentation described below must be submitted, with no omissions whatsoever. Where a particular form or format of documentation is stipulated, this is the only form or format in which these documents must be submitted. Failure to adhere to these requirements may result in the rejection of the entire submission.

All of the documentation referred to below (in Parts One – Twelve) must be acknowledged and submitted. For ease of reference and to facilitate the evaluation process, you are requested to clearly mark each part of the submitted documentation as it is referred to below.

4.1. Table of content

Introductory letter by the bidder with authorized contact person and details for this specific tender

4.2. SBD 1 – should be the completed and inserted after the introductory letter

One – Proposal drafted in response to Terms of Reference

Section 2 of this document below, contains the terms of reference (TOR) for the above mentioned tender. Bid participants are required to draft a proposal that will clearly indicate to the Evaluation Committee how they will fulfil the requirements as set out in the TOR.

Bid participants should include the following information when drafting their proposals:

- Proposals should make clear the relevant skills, experience and capacity of the participant, in respect of this particular TOR. This is an important evaluation criterion. Bid participants should ensure that their proposals focus on how they will address the requirements of this TOR, rather than on achievements.
- Proposals must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR.
- Proposals should clearly indicate whether or not bid participants have the internal capacity to meet the requirements of the TOR.

4.3. Two – Pricing Proposal- SEPERATE ENVELOPE

SBD 3.1 Pricing Schedule together with signed off detailed pricing on the company's letter head. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected. Additional information may be added on a separate page if necessary.

The total price that the participant will charge to deliver services in accordance with the TOR must be clearly indicated. The pricing proposal should contain sufficient information to allow the Evaluation Committee to estimate the cost of the service, to a high degree of accuracy.

Please note that a financial proposal must be submitted in a separate sealed envelope together with your submission. The financial Proposal will be opened once all technical proposals have been evaluated. This appointment will be made in line with QBS. All prices provided must be inclusive of Value-Added Tax (VAT).

Please note that the prices contained in the pricing proposal are the only charges that may be levied if the participant's proposal is successful, unless explicitly agreed to in writing by the National Credit Regulator, and in terms of the General Conditions of Contract, no additional cost will be accepted after the bidding documents have been submitted and the tender closing date has expired. Any cost for additional parts and peripherals needed for the successful implementation of the project shall remain and form part of the bidding price.

4.4. Three – General Conditions and Procedures of the NCR

Annexure B and B1 - General Conditions and Procedures of the NCR. Bid participants must indicate clearly that they have read this document, and have no objections to being bound by its

contents. In cases where any provisions of the General Conditions and Procedures conflict with this General Information for Bidders and/or Terms of Reference, the latter will take precedence over the General Conditions of Contract.

4.5. Four – Contract Form: Rendering of Services

Annexure C - Contract Form: Rendering of Services. This will only be completed by the successful bidder once a selection has been made by NCR. Participants do not, therefore, need to complete this form at the bidding stage but their proposals must clearly indicate that they have read this form, and have no objections to signing it as is, if selected as the successful participant.

4.6. Five – Tax status

Annexure D - Please attach CSD showing Tax status

A CSD print out must also be attached.

4.7. Six – Preference Points Claim Form

Annexure E – form SBD 6.1. Bid participants must complete Sections 8 and 9 in full. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected. *## Please note that a **BBEE certificate/ sworn affidavit** must also be attached to the bid documents. None submission will result in zero scoring in this competitive bidding process*

4.8. Seven – Declaration of Interest

Annexure F – form SBD 4. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

4.9. Eight – Declaration of past Supply Chain Management Practices

Annexure G – form SBD 8. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

4.10. Nine – Non-Disclosure Agreement

Annexure H – Non-Disclosure Agreement. Participants must indicate clearly that they have read this agreement, and have no objections to signing it, as is.

4.11. Ten – Certificate of Independent Bid Determination

Annexure I – Certificate of Independent Bid Determination Participants. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

4.12. Eleven – SLA draft version for supplier review

Annexure K – SLA draft version for supplier review. The participants must indicate clearly that they have read this agreement, and have no objections to signing it, as is. If not objections should be outlined separately in a letter. NB: all the SBD documents can be downloaded from our website - <https://www.ncr.org.za/tenders-download/current-tenders>

5. Evaluation Criteria

Proposals will be evaluated on the 80/20 preference points scoring system: that is, 80% of the points awarded will be based on price, as indicated in the table below; and 20% of the points awarded will be based on B-BBEE codes system, allocated as indicated in the table below:

B-BBEE status level of contributor	Number of points	Price
Total maximum points	20	80

Functionality will be evaluated in terms of Section 2 point 10

6. Conflict of interest

Service providers are required to provide services that are professional, objective and impartial. Service providers must ensure that there is no conflict of interest between existing assignments, obligations and responsibilities to other clients and the services set out in the TOR. In the event of any uncertainty in this regard, full disclosure in the submitted proposal should be considered. Non-disclosure of a conflict of interest may be grounds for termination of any contract.

7. Confidentiality agreement

The successful service provider may have access to confidential data or information. The appointment of a successful bidder is subject to that bidder agreeing to the contents of, and signing, the NCR's standard Non-Disclosure Agreement.

8. Contact details

This no-contact policy does not apply to any information deemed to be in the public domain, or which is readily available from organs of State, which are repositories of such information. All communications and enquiries/requests for clarification relating to this proposal should be directed to procurement@ncr.org.za.

SECTION 2

TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE CO-SOURCED SERVICES TO MANAGE THE NCR REGISTERED PAYMENT DISTRIBUTION AGENTS

1. BACKGROUND

The National Credit Regulator (NCR) is the regulatory authority established in terms of the National Credit Act (NCA), with the mandate to promote and advance the social and economic welfare of South Africans, promote a fair, transparent, competitive, sustainable, responsible, efficient, effective and accessible credit market and industry, and to protect consumers.

Furthermore, in terms of section 44A of the NCA, a person may apply to the NCR to be registered as a Payment Distribution Agent (PDA). The NCR has to date registered four (4) PDAs (3 of the PDAs are based in Gauteng and 1 in the Western Cape) whose primary role is to collect and distribute funds of consumers under debt counselling to credit providers. The NCR places the payment distribution process at the centre of debt counselling and as an integral part to safe guard the funds of consumers under debt counselling and as a vehicle contributing towards consumers' rehabilitation.

To provide oversight, manage the payment distribution process of all PDAs and to monitor their compliance, the NCR manually analyses the monthly PDA reports and conducts quarterly compliance monitoring and periodic (bi-annual) audits conducted through the services of an external and independent service provider. In terms of clause 19 of the PDAs' conditions of registration: "The PDA must permit the NCR or any person authorized by the NCR to enter any premises from which the PDA provides payment distribution services." Further to this, PDAs must satisfy all requests and enquiries relating to compliance monitoring with the conditions of registration and the requirements of the NCA, its regulations, guidelines and standard operating procedures.

As at September 2020, the PDAs have collectively distributed in excess of R73 billion to credit providers with a monthly average of R949 million distributions. The PDAs operations are highly automated and as a result of the current manual operations by the NCR, the analysis and reporting processes are cumbersome.

2. TERMS OF REFERENCE

In light of the above, the NCR seeks to employ the services of an audit firm and/or accounting firm to provide co-sourced services to manage the PDAs and to develop a reporting and analytical application/tool for the NCR. This service is required for a period of thirty-six (36) months. In providing this service, special attention (though not exhaustive) should be provided to the following terms of reference:

2.1 Assess the current NCR process undertaken to manage the PDAs for a comprehensive understanding and:

- Provide a revised PDA management, analysis and reporting process document and related templates having regard to the areas of improvement noted from the walk through of the process; and
- Assist the NCR with the implementation of the revised process.

2.2 Based on the understanding of the PDA operations and the NCR internal processes, develop an analysis and reporting application/tool.

2.3 Upon appointment up to the end of the contract, perform the analysis of the monthly reports received from all NCR registered PDAs and verify the following (list not exhaustive) reported items:

- All receipts for the month (having regard to all PDA declared bank accounts);
- Reconciled and linked receipts to the distributed and undistributed funds;
- That distributed funds performed are in line with the debt re-arrangement plan loaded by the debt counsellors (DCs) and distributed within the prescribed timelines;
- PDA and DC fees paid and their validity periods;
- Debit order disputes and recoveries made;
- The interest earned by the PDAs (consider all PDA interest bearing accounts);
- The PDA trust account balances (i.e. opening and closing);
- The closing balances between the PDA system and PDA trust account;
- The treatment of carry-over of PDA system balances per transaction types;
- Debt counselling related distributions and non- debt counselling related distributions performed during the month;

- Distributions suspended as a result of the instruction by the DC and/or due to inactive debt re-arrangement plans and/or invalid reference numbers used and/or returned funds from credit providers and/or paid up or closed consumer accounts;
- Funds awaiting distribution; and
- Note any exceptions.

NOTE: Use the 100% raw data from the PDA systems to verify what is reported on the NCR reports.

2.4 Draft a consolidated monthly PDA statistical report using all the reported and verified variables in paragraph 2.3 above.

2.5 Perform the above services with the NCR’s internal payment distribution team and transfer relevant and necessary skills.

3. OUTPUT REQUIRED

The appointed service provider will be required to:

- Provide a detailed assessment report of the current NCR PDA management, analysis and reporting process and recommendations on areas of improvement.
- Develop a reporting and analytical application/tool that interfaces with the PDAs systems.
- Perform the monthly PDA analysis and produce a report.

4. FUNCTIONALITY EVALUATION

VALUES: 1=Poor: 2=did not meet the requirements: 3= partially met the requirement: 4= meet the requirements: 5=Exceed the requirements

DESCRIPTION	WEIGHT
<p>Understanding of the NCR requirements</p> <p>The proposal should display:</p> <ul style="list-style-type: none"> • Bidder’s understanding of the key requirements and expectations of the NCR; • Bidder’s Experience- A minimum of 5 years track record of providing accounting and auditing services as well as development of the analysis and reporting tools/application. 	<p>10</p>

<ul style="list-style-type: none"> • Previous work done in relation to the above. Proof of clientele must be provided. <p>2 points= 3 years and less track record with or without proof of previous work done(clientele).</p> <p>3 points= 4 years track record with proof of previous work done(clientele).</p> <p>4 points= 5 years track record with proof of previous work done(clientele). Proof of previous work should include a minimum of 3 and maximum of 5 clients.</p> <p>5 points = Over 5 years track record with proof of previous work done(clientele). Proof of previous work should include anything over 5 clients.</p>	
<p>Methodology</p> <p>Proposals must contain the details of the proposed approach to deliver the service in accordance with the TOR. Bidders must amongst others provide:</p> <ul style="list-style-type: none"> • Project Execution Plan or Framework highlighting: <ul style="list-style-type: none"> ➤ Bidder’s ability to meet the TORs under tight deadlines; ➤ The turnaround time to perform and deliver the specified TORs above (i.e. from 2.1 to 2.4); ➤ Tools and or applications to be used in providing the related services; ➤ High-level templates of the reports to be submitted to the NCR based on the TORs from paragraph 2.1 to 2.4. <p>2 points= Proposal that does not detail the methodology to deliver as per the TOR.</p> <p>3 points=Proposal with methodology that does not respond to some of the above mentioned requirements relating to the project execution plan.</p> <p>4 points=Proposal covering the methodology and responding to all requirements relating to the project execution plan (i.e. indication of ability to meet tight deadlines, turnaround times, indication of tools/applications to be used and high-level templates of reports to be submitted to the NCR)</p> <p>5 points= Proposal covering the methodology and responding to all requirements relating to the project execution plan (i.e. indication of ability to meet tight deadlines,</p>	40

<p>turnaround times, indication of tools/applications to be used and high-level templates of reports to be submitted to the NCR) and with added value adding services to be provided and customised as per the NCR's TORs.</p>	
<p>Capacity</p> <p>Proposals should make clear the relevant skills, capacity and experience of the bidder relevant to the TORs. The following amongst others should be covered:</p> <ul style="list-style-type: none"> • The demonstrated experience of the company in undertaking similar work or projects (provision of co-sourced services within the audit and/or accounting services and development of analysis and reporting tool/application) – 5 years' experience • The relevant skills of the entire proposed project team and the team to be dedicated to this project (Brief CV's of the team members indicating amongst others their qualifications and experience). <ul style="list-style-type: none"> ➤ Project leader- 5 years' experience in audit and/or accounting co-sourced project management and relevant audit/accounting qualifications; and ➤ Project team members to have a combination of 8 years' audit/accounting and development of an analysis and reporting tool skills, capacity and experience. <p>2 points= 3 years' relevant experience for the company and project team with or without submission of the CVs of the team members inclusive of the project leader's experience.</p> <p>3 points =4 years' relevant experience for the company and project team with or without submission of the CVs of the team members inclusive of the project leader's experience.</p> <p>4 points = 5 years' relevant experience for the company and project team with submitted CVs of the team members to be dedicated to the NCR project which meet the requirements inclusive of the project leader's experience.</p> <p>5 points = Over 5 years' relevant experience for the company and project team. with submitted CVs of the team members to be dedicated to the NCR project which meet the requirements inclusive of the project leader's experience. Added</p>	30

<p>advantage- if the project team leaders has the experience on the development of analysis and reporting tool.</p>	
<p>Accreditation and certification</p> <p>Proof of registration such as SAICA (SA Institute of Chartered Accountants);CIMA (Chartered Institute of Management Accountants);ACCA (Association of Chartered Certified Accountants);IRBA (Independent Regulatory Board for Auditors);IIASA (Institute of Internal Auditors South Africa);SAIPA (South African Institute of Professional Accountants) and others.</p>	<p>10</p>
<p>References</p> <p>Contact details of at least three (3) references from amongst recent clients with whom similar work has been conducted in the past 24 Months. The bidder must provide the reference letters indicating the period of service and contact details.</p> <p>2 points= Non submission of reference letters.</p> <p>3 points = Irrelevant submission or less than 3 reference letters.</p> <p>4 points = 3 reference letters for the specified period.</p> <p>5 points = More than 3 reference letters for the specified period.</p>	<p>10</p>

Bidders will need a minimum of 70 points to be qualified for price and BBEE.

1. **Additional information/documents to be submitted**

- Brief company profile, as relevant to the above mentioned terms of reference.
- Experience in the relevant areas and Clientele
- All sub-contractor information (if applicable) needs to be disclosed in the proposal by the bidder for e.g. BEE certificate, SARS Tax Clearance etc.
- **NB: The BEE level of the sub-contractor (if applicable) needs to be equivalent to that of the bidder.**
- CV/Resumes of key members
- Financial proposal- full and detailed pricing must be on the company's letter head and signed off by the delegated and authorised person, the total cost must link to SBD 3.1 attached.

-----End-----