



RFI 01 - 2022/23

EXPRESSION OF INTEREST:

EXPRESSION OF INTEREST FOR A SERVICE PROVIDER TO DESIGN, BUILD AND MAINTAIN A ROBUST EXPECTED CREDIT LOSS MODEL (ECL) COMPLIANT WITH IFRS 9 STANDARDS FOR A PERIOD OF THREE (3) YEARS

CLOSING DATE: 08 DECEMBER 2023 AT 11H00

Issued by:

Ithala SOC Limited
Ithala reception,
28 Somtseu Road, North Towers,
Kingsmead Office Park,
Durban,
4000

Procurement Enquires:

Supply Chain Management Unit
Email: ntmbhele@myithala.co.za
Tel: (031) 366 2502

For any complaints regarding our supply chain management abuses please email fraudbox@ithala.co.za or alternatively you can lodge an anonymous complaint at our toll-free hotline at 080 036 2546 or email ithala@thehotline.co.za.

Table of Contents

Part 1 – Invitation to Bid	3
Part 2 - Letter of Invitation	6
Part 3 - Instructions	7
3.1. Ithala SOC Limited.....	7
3.2. Contractual commitment	7
3.3. Submission Format.....	7
3.4. Submission of Proposals.....	8
3.5. Queries and clarifications.....	8
3.6. Automatic Disqualification	9
3.7. Proposal costs	9
3.8. Validity period	9
3.9. Important dates	9
Part 4- Eol Requirements	10
4.1 Introduction.....	10
4.2 Proposed Scope of work.....	10
4.3 Qualifying criteria.....	13
Part 5 - Financial Proposal	15
5.1. Price declaration form.....	15
Part 5: Evaluation Criteria	16
6.1. Evaluation of Proposals.....	16
6.2. Evaluation Criteria.....	16
6.3. Acceptance	17

PART 1 – INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	RFI 01 2023/24	CLOSING DATE:	08 DECEMBER 2023	CLOSING TIME:	11:00
DESCRIPTION	EXPRESSION OF INTEREST FOR A SERVICE PROVIDER TO DESIGN, BUILD AND MAINTAIN A ROBUST EXPECTED CREDIT LOSS MODEL (ECL) COMPLIANT WITH IFRS 9 STANDARDS FOR A PERIOD OF THREE (3) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
ITHALA SOC LIMITED Ithala reception, 28 Somtseu Road, North Towers, Kingsmead Office Park, Durban, 4000					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Nokuthokoza Mbhele		CONTACT PERSON		
TELEPHONE NUMBER	031 366 2502		TELEPHONE NUMBER		
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER		
E-MAIL ADDRESS	tenders_ltd@ithala.co.za		E-MAIL ADDRESS		
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REG. NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED FOR STATISTICAL RECORDS ONLY]					

<p><i>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</i></p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No [[IF YES ENCLOSE PROOF]</p>	<p><i>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</i></p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No [[IF YES, ANSWER THE QUESTIONNAIRE BELOW]</p>
---	---	--	---

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
<p>IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? NO</p>	<p><input type="checkbox"/> YES <input type="checkbox"/></p>
<p>DOES THE ENTITY HAVE A BRANCH IN THE RSA? NO</p>	<p><input type="checkbox"/> YES <input type="checkbox"/></p>
<p>DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? NO</p>	<p><input type="checkbox"/> YES <input type="checkbox"/></p>
<p>DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? NO</p>	<p><input type="checkbox"/> YES <input type="checkbox"/></p>
<p>IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? NO</p>	<p><input type="checkbox"/> YES <input type="checkbox"/></p>
<p>IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.</p>	

**PART B
TERMS AND CONDITIONS FOR BIDDING**

<p>1. BID SUBMISSION:</p>
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</p> <p>1.3. THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p>
<p>2. TAX COMPLIANCE REQUIREMENTS</p>
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER’S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p>

- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED :

DATE:

PART 2 - LETTER OF INVITATION

Ithala SOC Limited (Ithala), State Owned Company hereby invites proposals from suitably qualified service provider to design and build a robust ECL model compliant with IFRS 9 standards for a period of three (3) years.

Please note the publication is to request the information of your services and offerings with the intention to shortlist or select a service provider with whom Ithala SOC (Ltd) will enter into Commercial Agreements under the procedures described in this Expression of Interest (Eoi) document or which may be extended to the shortlisted candidates.

The Eoi consists of the following documents:

- Part 1 – Invitation to Bid
- Part 2 – Letter of Invitation
- Part 3 – Instructions
- Part 4 – Eoi Requirements
- Part 5 – Financial Proposal
- Part 6 – Evaluation Criteria

In submitting any information or documentation requested above or any other information that may be requested pursuant to this EOI, you are consenting to the processing by Ithala SOC or its stakeholders of your personal information and all other personal information contained therein, as contemplated in the **Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder (“POPI Act”)**. Further, you declare that you have obtained all consents required by the POPI Act or any other law applicable. Thus, you hereby indemnify Ithala against any civil or criminal action, administrative fine or other penalty or loss that may arise as a result of the processing of any personal information that you submit.

PART 3 - INSTRUCTIONS

3.1 Ithala SOC Limited

ITHALA SOC Limited is a 100% subsidiary of Ithala Development Finance Corporation, which is a Development Finance institution operating under the umbrella of the Department of Economic Development, Tourism and Environmental Affairs and its sole shareholder being the Provincial Government of KwaZulu Natal (KZN). ITHALA SOC Limited operates within the confines of the KZN Ithala Limited Act, No 5 of 2013.

Ithala is a deposit taking institution, an authorized financial services provider, a registered credit provider and offers savings and loans products. As such Ithala is regarded as an accountable institution in terms of Schedule 1 to the Financial Intelligence Centre Act and must comply with all the prescribed obligations.

3.2 Contractual commitment

This EoI is not a formal bid but an information gathering exercise only. No commitment of any kind, contractual or otherwise is guaranteed or is being promised. But Ithala SOC (Ltd) reserves the right to consider further proposals should the information responses yield positive results for business.

This EoI is an information-gathering and market-testing exercise. All respondents participate herein on the basis that it is providing information voluntarily to strengthen a potentially beneficial process for all stakeholders.

Any or all information submitted by any or all respondents may be used by Ithala SOC Limited, without the necessity of acknowledging the source, and without such entity gaining any rights in respect of such a solution, including but not limited to any intellectual property rights

Any information provided pursuant to this EoI process and any subsequent processes and/or engagement is not confidential but Ithala will use the information only in the course of its process of carrying out an investigation for this commodities.

Ithala may cancel this EoI any time prior to the formal written agreement being executed.

Ithala reserves the right at its sole discretion, and at any time, to amend, deviate from, postpone, discontinue or terminate the transaction/procurement process without incurring any liability whatsoever to any other party.

3.3 Submission Format

Bidders are required to submit a comprehensively detailed interest response in accordance with the submission format specified below and each schedule must be clearly marked.

3.3.1 Cover Page:

The cover page must clearly indicate the RFI Number, Description and the Name of the Service Provider and should at least cover the following items.

3.3.2 Item 1:

The proposal must cover the following:

- Your understanding of the requirements.
- How the proposed solution will meet Ithala's business requirements.
- Full details of the proposed solution capabilities.

3.3.3 Item 2:

Technical Proposal in line with the Technical Evaluation Criteria in Part 6 of this Eol document.

3.3.4 Item 3:

Financial/ Price Proposal (price breakdown) in line with Part 5 of this Eol document

3.4 Submission of Proposals

The closing date for the submission of proposals is **08 December 2023 at 11h00**. Duly completed proposals must be sealed in an envelope that is endorsed with the words "**RFI 01_2022/23 EXPRESSION OF INTEREST FOR A SERVICE PROVIDER TO DESIGN, BUILD AND MAINTAIN A ROBUST EXPECTED CREDIT LOSS MODEL (ECL) COMPLIANT WITH IFRS 9 STANDARDS FOR A PERIOD OF THREE (3) YEARS**". The envelope must be handed in at the Ithala reception desk located at:

Physical address

Ithala SOC Limited
28 Somtseu Road, North Towers,
Kingsmead Office Park,
Durban,
4000

Late or incomplete proposals will not be accepted or considered, and any proposal delivered to any address other than the address mentioned above will not be accepted. **It is the responsibility of each prospective bidder to arrive early to submit a bid as they will be required to follow building security protocols of registration. Ithala will not be responsible for bidders who arrive late and claim that they were held at security for registration, which will not be accepted as a reason for late arrival or late submission.**

E-mailed proposals will also be accepted (tenders_Ltd@ithala.co.za) However; proposers are requested to make one submission only, either a hard copy or emailed copy. **It is the responsibility of each bidder when submitting by email to submit early and files can be submitted as parts to cater for the capacity of the email. A "we transfer" link is acceptable or any other form of electronic submission, provided the information email is sent before the closing time and date.**

3.5 Queries and clarifications

Any additional information required which is not clarified in the specifications must be addressed in writing to (tenders_Ltd@ithala.co.za). Additional information may be provided at Ithala's discretion, who reserves the right to provide the same information to all other interested parties, should this enhance the submission.

Ithala reserves the right to request meetings with proposers to clarify responses or seek additional information to refine assessments.

Ithala reserves the right to conduct supplier due diligence prior to shortlisting or any time during this process and this may include site visits and requests for additional information.

3.6 Automatic Disqualification

If ever it is found that the bidder or person(s) acting on behalf of the bidder has, in the EoI or during the whole process of evaluation, selection, etc.:

- Misrepresented or altered material information in whatever way or manner;
- Promised, offered or made gifts, benefits to any Ithala employee;
- Canvassed, lobbied in order to gain unfair advantage;
- Committed fraudulent acts; and
- Acted dishonestly and/or in bad faith.

Such bidder and/or person(s) will automatically be disqualified from further participation in this process. Any attempts by the bidders to canvas any member of Ithala's personnel directly or indirectly for support may result in disqualification of their bid/proposal.

3.7 Proposal costs

All costs and expenses incurred by the bidder relating to their participation in, and preparation of this proposal process shall be borne by the bidder exclusively.

3.8 Validity period

The proposals should remain valid for at least 120 days after the closing date.

3.9 Important dates

Release of EoI	20 November 2023
Last day to request for clarifications	27 November 2023
Closing date for submission of proposals	08 December 2023 @11:00

Ithala reserves the right to amend any date specified above. Any changes will be communicated to the interested parties.

PART 4 - EOI REQUIREMENTS

4.1 INTRODUCTION

Ithala SOC Limited (Ithala) is a wholly owned subsidiary of Ithala Development Finance Corporation (Ithala DFC), which in turn is owned by the KZN Provincial Government. The Public Finance Management Act promotes economy, efficiency, effectiveness, and transparency in the use of state resources. Consequently, a key duty, amongst others, of the Accounting Authorities in terms of PFMA is to establish and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, cost-effective, and competitive.

Ithala SOC is a seasoned licensed financial services and registered credit provider that offers several secured credit products within the KZN retail market since 1958. The main scope of credit products all within the ambit of secured lending and include mortgage loans, instalment sale for vehicle and taxi finance and pension-backed loans. The current credit portfolio is sized short of R2.4 billion.

4.2 PROPOSED SCOPE OF WORK

4.2.1 ECL Model design and Build

- a) Build a Robust ECL Model Compliant with IFRS 9 Standards:
 - Develop a mathematical framework for the ECL model.
 - Incorporate IFRS 9 requirements, including impairment stages, probability of default, loss given default, and exposure at default, significant increase in credit risk and Forward looking Information
 - Build an Expected Credit Loss model as specified by IFRS 9.
 - Develop a summarised output that is user friendly and shows credit portfolio segmentation.
- b) Analysis of Portfolio Segmentation:
 - Analyse the loan portfolio to determine the most appropriate segmentation criteria.
 - Segregate loans into appropriate categories based on credit risk characteristics.
 - Select the best-fit model for each portfolio segment considering historical data and predictive power.
- c) IFRS 9 Compliance:
 - Ensure full compliance with IFRS 9 standards throughout the model development process.
 - Monitor and adapt the model as necessary to remain compliant with any updates or changes to IFRS 9.
- d) Implementation and Training:
 - Implement the ECL model into the organization's existing systems and infrastructure. Ensure that the data inputs are being run through the model correctly and supplying valid outputs.
 - Provide comprehensive training to relevant personnel for model usage and maintenance.
 - Develop user-friendly interfaces and reports for effective ECL estimation and monitoring.
- e) Additional Test Runs:
 - Conduct rigorous testing and validation of the ECL model.

- Perform sensitivity analysis to assess the impact of different economic scenarios on ECL estimates.
 - Validate the model's performance against historical data and external benchmarks.
- f) Model Documentation:
- Prepare detailed documentation covering all aspects of the ECL model, including:
 - o Model development methodology and assumptions.
 - o Key drivers used in the model, including data sources.
 - o The process for ECL calculation and monitoring.
 - o Model limitations and areas of uncertainty.
 - o Model governance and controls.
 - o Compliance with IFRS 9 requirements.
 - Maintain an up-to-date model documentation repository for audit and regulatory purposes
- g) Timeline and Milestones:
- Define a project timeline with specific milestones for each phase, including analysis, development, testing, implementation, training, and documentation.
- h) Project Team:
- Identify and assign roles and responsibilities for the project team, including data analysts, model developers and trainers.
 - The team must have been part of successful build and implementation of same at any other financial institution/s.
- i) Risk Assessment:
- Identify potential risks associated with the project and develop a risk mitigation plan.

4.2.2 Bi-annual model checks and back-testing

- a) Requirement:
- Twice yearly assessment of model component sensitivities and trends (LGD, PD, SICR, FLI).
 - Update the FLI model and macro-economic outlook.
 - Incorporate additional macro-economic inputs post the forecast review.
 - Assess the appropriateness of a post model adjustment or overlays in place.
 - Assess requirement for interim recalibrations.
- b) Input
- Provision of complete, accurate and tested data from the more recent data cohorts.
 - Understanding of ECL changes month-on-month (MOM) since previous recalibration
- c) Activities
- Deploy and mobilize project team.
 - Facilitate kick off sessions with management as well as the Credit Risk and Finance teams.
 - Reconstruct recalibration data to incorporate new data.
 - Parallel ECL run to determine and explain variance to existing ECL calculation.
- d) Output
- Reporting suite of model trends, sensitivities and proposed changes.

- Delivery workshop detailing process, findings and results.

4.2.3 Annual Recalibration and Enhancement

a) Requirement

- Update the IFRS9 model suite at least annually. Models include: PD, EAD, LGD SICR and FLI.
- Update the EIR model, notably behavioural run-downs & interest income calculation.
- Reassess segmentations & Product Splits.
- Enhance in line with best market practice as this evolves.

b) Input

- Understanding and buy-in from key stakeholders.
- Understand any changes in the current product environment of Ithala – including your product types, terms and conditions.
- Provision of complete, accurate and tested data from the more recent data cohorts.
- Review and agreement of proposed changes through management structures.

c) Activities

- Deploy and mobilize project team.
- Facilitate kick off sessions with management as well as the Credit Risk and Finance teams.
- Reconstruction of model suite to incorporate new data.
- Propose and build in agreed methodology enhancements.
- 2 Parallel ECL runs to determine and explain variance to existing ECL calculation.

d) Output

- Updated version of the Excel ECL tool with revised parameters.
- Documented methodology and result changes.
- Delivery workshop detailing process, findings and results.

4.2.4 Delivery and Maintenance of an ECL Forecasting Tool

a) Requirement

- Expand organisation-defined output dashboard reporting to enable better understanding of M-O-M ECL movements.
- Provide support over the budgeting cycle forecasts to enable 12-to 36-month ECL outputs taking into account flexible adjustment of macro-economic outlook.
- Annual and/or bi-annual review/refinement.

b) Input

- Understanding annual budgeting cycle to obtain insights from key stakeholders.
- Understand any changes in the current product environment.
- Additional new business forecast template splitting by product and risk/score band.

c) Activities

- Deploy and mobilize project team.
- Facilitate kick off sessions with management as well as the Risk and Finance teams.
- Reconstruction of dashboard to incorporate new data.
- Initial monthly runs to determine and explain variance to existing ECL calculation. Moving to Bi-annual as more stability and accuracy achieved.

d) Output

- Updated version of the Excel ECL dashboard with revised parameters.
- Documented methodology and result changes.
- Delivery workshop detailing enhancements and user adjustments.

4.2.5 Further Ad-hoc support relating to ECL and EIR models including Knowledge Transfer

a) Requirement

- Ongoing support to the finance, credit risk and impairment modelling teams.
- Ability to call on additional assistance as required at a fixed hourly rate. This will include but not limited to ECL calculation on investment instruments.
- Envisaged areas: External audit assistance, Knowledge transfer / training.
- Bespoke analytical and modelling tasks.

b) Input

- Methodology and model documentation.
- Availability to pick up with the external auditors as required.
- Results of bi-annual and recalibration work-streams.
- Understanding of the modelling and analytical tools and landscape.
- Management guidance on possible improvement areas / required fine-tuning.
- Additional audit modelling requirements as agreed.

c) Activities

- Support and assistance to the staff responsible for the impairment calculation.
- Submitting model documentation to you for review, comment and approval before sharing this with the relevant Ithala teams and auditors.
- Structured joint review of bi-annual review and recalibration.
- Scheduling of training / knowledge sessions with you as required, ranging from your impairment SMEs, Credit & finance teams, Exco and board.

d) Output

- Ongoing support to the impairment modelling team – structured as agreed with management.
- Deliverables would include analysis on the basis of audit queries and market trends. This would be documented and then provided to and debated with the auditors.
- Training sessions / documentation and working examples.

4.3 QUALIFYING CRITERIA

4.3.1 Technical Expertise:

- The bidder must demonstrate prior technical experience in building and delivering an Expected Credit Loss model (ECL) per International Financial Reporting Standards (IFRS) 9 requirements.
- Sector-Specific Experience: The bidder should have experience in the banking sector, particularly with secured retail products such as Home Loans (HL), Vehicle and Asset Finance (VAF), and Taxi Loans.
- Adherence to Reporting Timelines: The bidder must commit to work within Ithala's year-end and other applicable reporting timelines. A project plan of timelines to build the model, perform on-

going recalibration in line with bi-annual and annual reporting taking into account Ithala intellectual property (IP) should accompany the submission.

- Governance: The bidder must align to the terms of Ithala's governance structure.
- The bidder must possess accredited and necessary skillsets in mathematical, statistical, actuarial and/or quantitative fields.
- Methodology: The methodology employed must align with IFRS 9 "ECL" and "Impairment modelling" best practice standards, taking into account Probability of Default (PD), Loss Given Default (LGD), Significant Increase in Credit Risk (SICR), and Forward-Looking Information (FLI).

4.3.2 Proven Track record:

- The bidder must present comparable outcomes from at least three other retail secured financial service providers which must include successful implementations of the Expected Credit Loss model at those financial service providers.
- The bidder is to provide a minimum of three reference letters from financial service providers referred above, where similar work was performed, with references not older than three years.

4.3.3 Project team:

- Project Team Composition: the team must consist of at least one dedicated/key resource who would be responsible for the model build proper (with at least an actuarial degree/qualification); a team leader (minimum should be a CA(SA), plus two assistants.
- Project Team Experience: all team members must have a minimum of 5 to 10 years of experience in the requisite field including those, at a junior/senior management level.
- Regulatory Knowledge: Familiarity with regulations such as the National Credit Act (NCA), Basel II/III, Banks Act and IFRS 9.

PART 5 – FINANCIAL PROPOSAL

Bidders are required to provide a detailed and comprehensive price proposals for their proposal i.e. all costs associated with the bidder’s proposal must be clearly specified and included in the Price declaration form below

Price Declaration Form

Dear Sir,

of this RFI Having read through and examined the requirements No. **01 - 2023/24**, and its related conditions, we offer to provide the services as outline in scope of work, for the following total amount:

Tool

R.....(Including VAT)

In words.....(Including VAT)

- We confirm that this price covers all activities associated with the scope of work, as called for in the RFI document.
- We confirm that lthala will incur no additional costs whatsoever, over and above this amount in connection with the delivery of the required services.
- We hereby undertake for the period during which this bid remains open for acceptance, not to divulge to any persons, other than the persons to whom the bid is submitted, any information relating to the submission of this bid or the details therein except where such is necessary for the submission of this bid.

COMPANY DETAILS

Tel No :

Cell No :

Signature:

Date :

Position:

Name of bidder:.....

PART 6: EVALUATION CRITERIA

6.1 Evaluation of proposals

The purpose of the EoI is to obtain a complete set of salient information pertaining to the bidding parties. The proposals will accordingly be used to evaluate whether, at Ithala's discretion, an interested party qualifies to proceed to the next stage of this process. All bidding parties will be advised in writing of Ithala's decision, which will be final. No correspondence will be entered into pertaining to the evaluation process, the decisions taken and reasons thereof.

6.2 Evaluation Criteria

The evaluation will be based on full compliance with the mandatory requirements. The evaluation will be conducted, as follows:

Phase 1: Mandatory Requirements

All bid responses that do not meet all the Mandatory Technical Requirements will be disqualified, and will not be considered for further evaluation on the Other Technical Requirements. The Mandatory Technical Requirements are as follows:

#	Mandatory Requirement	Comply	Not Comply
1	Company registration documentation as proof of business ownership		
2	Provide proof of business physical address (utility bill or lease agreement)		
3	Minimum of 3 reference letters from retail secured financial service providers with a credit portfolio valued at a minimum of R 2 bn. which must include successful implementations of the Expected Credit Loss model at those financial service providers.		
4	Curriculum Vitae of dedicated resources assigned to project must reflect: a) A qualified CA(SA) who must possess at a minimum 5 to 10 years' experience at a senior management level on credit related projects performed by the financial services division, across valuations, modelling and working with number of clients in their adoption of the IFRS 9 standard which includes IFRS9 modelling and impairment validation. Experience in Credit Risk Provisioning, Basel Capital modelling, Bank Stress Testing, Credit Risk Pricing and Fair Value adjustments is also essential. This individual will serve as team leader and have oversight of the project. b) Model Build: minimum tertiary qualification in mathematical, actuarial, or quantitative fields. Must possess at a minimum 5 to 10 years at a junior or middle management level which must		

	include the successful development and ongoing maintenance of impairment models for retail financial services providers, covering retail, corporate and developmental finance lending. The scope of these engagements in the past 4 years should cover all IFRS 9 model components, as well as interest revenue and financial forecasting.		
5	The bidder is required to submit a submission format specified on pages 7 – 8 and each schedule must be clearly marked (Items 1, item 2, and item 3) .		

NB: Please submit a proposal with evidence of the mandatory requirements as stated on the table above.

6.3 Acceptance

Upon acceptance of the Interest, the proposer will be subjected to registration on Central Supplier’s Database as a vendor doing business with the state, should they not be registered.

The bidders will be required to complete and sign the Integrity declaration forms that will be provided by Ithala upon acceptance into the panel.

Ithala SOC reserves the right to accept or not accept the interest proposed

Upon acceptance of the proposal the bidder will be expected to sign a Service Level Agreement between itself and Ithala SOC