



THE NATIONAL CREDIT REGULATOR

AUGUST 2015

**TERMS OF REFERENCE (TOR) FOR A
SERVICE PROVIDER TO CONDUCT REVIEW
OF THE STATISTICS SUBMITTED BY CREDIT
PROVIDERS AND ECONOMIC REVIEW &
COMMENTARY TO THE NATIONAL CREDIT
REGULATOR (NCR)**

RFQ NUMBER: NCR310/08/2015

**DUE DATE: 14 SEPTEMBER 2015 @
11H00**

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 of a Service provider to assist the NCR in the terms of reference in section **two** of this document.

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, 2001 (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 1.4 below and Annexure B.1). Please read this document carefully prior to submitting your proposal.

1.1 The Proposal Format

- **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 Annexure.

- **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).

- **Number of proposals**

Each bid participant must provide **Three (3) hard copies (AND 1 CD)** of their entire proposal, including all the documentation referred to in 1.4 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.**

1.2 Submission of proposals

1.2.1 Proposals must reach the offices of the NCR before 11:00 on **14 SEPTEMBER 2015**, and must be enclosed in a sealed envelope which must have clearly inscribed on the outside:

(a) RFQ No: 310/08/2015

(b) TERMS OF REFERENCE (TOR) FOR A SERVICE PROVIDER TO CONDUCT REVIEW OF THE STATISTICS SUBMITTED BY CREDIT PROVIDERS AND ECONOMIC REVIEW & COMMENTARY TO THE NATIONAL CREDIT REGULATOR (NCR)

(c) Closing date: 11h00, 14 SEPTEMBER 2015

1.2.2 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).

1.2.3 Please note that this RFQ closes punctually at 11h00 on **14 SEPTEMBER 2015**. No late submissions will be considered under any circumstances.

- 1.2.4 **All** the documentation referred to in Section 1.4 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.
- 1.2.5 If responses are not delivered as stipulated in this Section 1.3, such responses will be considered “**late**”, and will not be considered for evaluation.
- 1.2.6 The NCR shall not disclose any details pertaining to the responses received, to any other participant, as this is regarded as confidential information.
- 1.2.7 Envelopes must not contain documents relating to any RFP other than the one referred to in this RFP.
- 1.2.8 The responses to the RFP will be opened as soon as is practical after the expiry of the time advertised for receiving them.
- 1.2.9 Only the participants that are short-listed after the evaluation process will be informed of the results of the submission adjudication process.
- 1.2.10 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.

1.3 Timetable

Date & time	Activity
21/08/2015	Issue RFP Tender document
26/08/2015	Briefing session - compulsory
14/09/2015	Closing date @ 11h00
15/09/2015	Evaluations
18/09/2015	Presentations by shortlisted bidders
12/09/2015	Adjudication Committee meeting
28/09/2015	Appointment of a supplier
15/10/2015	Contract finalisation

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.

1.4 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 . Ten) must be 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.

Part 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 fulfill 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.

Part Two – Pricing Proposal

Please see Annexure A . SBD 3.3 (Pricing Schedule . Firm Prices). **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. 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.

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.

Part Three – General Conditions and Procedures of the NCR

See Annexure B. Bid participants must indicate clearly that they have read this document, and have no objections to being bound by its contents. 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.

Part Four – Contract Form: Rendering of Services

See Annexure C - 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.

Part Five – Tax Clearance Certificate

See Annexure D - Please complete form SBD 2. **DO NOT RETYPE THESE FORMS**. They must be completed on the original and signed, all in black ink. Failure to submit a valid, original tax clearance certificate issued by SARS will result in a proposal being rejected.

Please note that the Tax Clearance Certificate submitted must be valid for at least one month after the closing date of the tender.

Part Six – Preference Points Claim Form

See 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.

Part Seven – Declaration of Interest

See 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.

Part Eight – Declaration of past Supply Chain Management Practices

See 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.

Part Nine – Non-Disclosure Agreement

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

Part Ten—Certificate of Independent Bid Determination

See 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.

Please note that a BBEE certificate must also be attached to the bid documents. None submission will result in zero scoring in this competitive bidding process.

1.5 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.

The evaluation will be based on:

Phase 1: Mandatory Requirements	
Phase 2: Functionality Evaluation	100 – minimum 70 points
Phase 3: Presentations	100 - minimum 70 points
Phase 3: Preferential Point System	Points
Price	82
B-BBEE status of contribution	20
Total	100

1.6 Description

- Proposals should make clear the relevant **skills, experience and capacity** of the participant, in respect of this particular TOR
- 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

1.7 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.

1.8 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.

1.9 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 .

1.10 State Security Agency verification

Please note that the appointment of the preferred service provider is dependent on a positive security clearance outcome from SSA - should a negative clearance be received, the NCR reserves the right to withdraw from the contract.

TERMS OF REFERENCE (TOR) FOR A SERVICE PROVIDER TO CONDUCT REVIEW OF THE STATISTICS SUBMITTED BY CREDIT PROVIDERS AND ECONOMIC REVIEW & COMMENTARY TO THE NATIONAL CREDIT REGULATOR (NCR)

1. Background

The National Credit Regulator (NCR) has been publishing the Consumer Credit Market Report (CCMR) based on submissions done by a variety of credit providers (CP) since December 2007. The required information is submitted through the statutory Form 39 returns in terms of section 64 (1) and (2) of National Credit Act regulations which states that: (1) a credit provider whose annual disbursement exceeds R15 million must complete and submit the statistical return Form 39 to the National Credit Regulator in respect of the quarters and by the due date set out in Table 1 below. (2) All other credit providers must complete and submit the statistical returns in Form 39 to the NCR by the 15 of February each year for the period 1 January to 31 December. The time lines for credit provider submissions are set out in the table below:

Table 1

Quarters	Reporting period	Due date for the Statutory reporting
Quarter 1	1 January . 31 March	15 May
Quarter 2	1 April . 30 June	15 August
Quarter 3	1 July . 30 September	15 November
Quarter 4	1 October . 31 December	15 February

Credit providers make their submissions of relevant Form 39 to the NCR using a variety of methods. These methods include e-mailed copies of excel files, scanned PDF files, faxes and paper hard copies. The Compliance department is responsible for receipt of all Form 39 submissions and basic compliance. Statistics department is the end user of the data and is entrusted with the analysis of the data as outlined in section 64.

There are about 4,600 credit providers that are registered with the NCR, these credit providers are categorised by size using their principal debt as depicted in Table 2 below. The sample of credit providers that constitute the CCMR publication represents about 95% of the consumer credit market.

Table 2

Quarters	Principal Debt
Category 1	Greater than R15 billion
Category 2	Between R5 billion and R15 billion
Category 3	Between R1 billion and R5 billion
Category 4	Between R100 million and R1 billion
Category 5	Between R5 million and R100 million
Category 6	Between R1 million and R5 million
Category 7	Less than R1 million

2. Purpose

The purpose of this proposal is to appoint a professional service provider that will assist the statistics department with the following services:

Part I: Data review

- To check for reasonability, validity and correctness of data supplied by CPQ.
- Identify data inconsistencies and outliers for follow up and correction by the statistics team.
- Undertake peer review comparison for entities in similar industries.
- Advise the NCR on any pertinent data issues or omissions relating to CPQ data.
- Provide the NCR with the international benchmark of the statistics with equivalents.
- Provide sound advice on the methodology to expand the current sample size of entities.
- Produce report detailing the findings with necessary recommendations.

Part II: Economic Review and Commentary

- Provide the NCR with relevant quarterly economic analysis and commentary to the statistical publication CCMR.
- Provide the NCR with relevant economic data released by a variety of institutions.
- Provide the NCR with relevant financial results of and analysis relating to the institutions with a bearing on consumer credit.

3. Scope of work

3.1 Part I: Scope for data review

The NCR requires the services of a suitably qualified and experienced service provider to conduct a review and assessment of the credit provider statistics. The review should focus especially on the reasonability and correctness of data relating to flow and stock data reported by the CPs. The review would incorporate data currently being published in the CCMR and any data analysed with a view of being incorporating in publications sample. This would mainly be credit providers classified in categories 5 to categories 7 in the Table 2.

To this effect the service provider is required to:

- Review the reasonability and correctness of all the flow data including but not limited to: application, credit granted, provincial data, income categories and purpose of credit where applicable.
- Review the reasonability and correctness of all the stock data including but not limited to: outstanding balances, accounts held, accounts written off, repossessions; provisions, credit types patterns and industry patterns.
- Provide an opinion on significant items that require follow up and correction prior to the publication of the CCMR.
- Advise the NCR on best practice standards relating to data, analytical methods and any emergent trends observed from the data.
- Submit a report to the NCR prior to the publication with a recommendation of whether the publication may proceed or not based on the review conducted.
- Review the draft reports that are intended for publication including the web data and CCMR.

Please note that the data to be reviewed would have been submitted to the NCR and collated by the time of review. Service provider will not be expected to travel or contact credit provider for data verification purposes.

3.1.1. Deliverables

The service provider is required to deliver the following:

- At least one meeting per quarter with the Statistics team to highlight the key findings from the review. This is must to be done prior to the submission of the final report.
- A working file that highlights all the findings of the review.
- Final report on the review with the recommendations as stated in the scope above.

3.1.2 Review timeline

Part I

The service provider will be given full access to the Credit provider data to review and complete all required task within five (5) working days in line with the publication timetable of the department. The review of the data would be done on NCR premises due to confidentiality of the information. The final report may not necessarily be done the premises, but must be submitted prior to the sitting of the Statistics Review Committee (SRC) meeting.

The service provider will additionally draft the economic commentary based on the NCR data and other market condition making a bearing report on the trends. The written commentary report should be submitted to the NCR together with the review report.

3.2. Part II: Scope for economic review and commentary

In addition to the data review, the services provider will be expected to conduct an economic review and periodic updates of the consumer credit market conditions. The review should focus on the NCR data and all external factors that may have a bearing on consumer credit in South Africa. The review would incorporate benchmarking with international peer countries with similar economic conditions to the South Africa.

The service provider would be required to further render the following services:

- Provide the NCR with analysis and economic commentary prior to the publication of quarterly the CCMR. The review would give the economic context to the CCMR data that the NCR releases for the quarter. ***The commentary produced will be NCR Intellectual property and may be published as part of the CCMR.***
- Provide the NCR with updates, analysis, reviews and were possible a commentary on the economic data that includes but not limited to retail sales, light vehicle sales, mortgage advances and forecast, consumer price inflation, income patterns, gross domestic product etc.
- Benchmark NCR data with similar institutions and market conditions internationally.

3.2.1. Deliverables

The service provider is required to deliver the following:

- Provide the NCR with relevant quarterly economic analysis and commentary to the statistical publication CCMR, the commentary may form part of the publication.
- Provide the NCR with a summary of relevant economic data released by a variety of institutions.
- Provide the NCR with relevant analysis of financial results relating to the institutions with a bearing on consumer credit.
- Provide the NCR with relevant economic analysis as may be requested.

3.2.2. Term

The term for the review for credit provider statistics is being sought is for the following quarters (as per Table 3 below):

Table 3

Reporting period	Quarter under review	Review period
01 July 2015 . 30 September 2015	2015 Quarter 3	December 2015
01 October 2015 . 31 December 2015	2015 Quarter 4	March 2016
01 January 2016 . March 2016	2016 Quarter 1	June 2016
01 April 2016 . 30 June 2016	2016 Quarter 2	September 2016
01 July 2016 . 30 September 2016	2016 Quarter 3	December 2016
01 October 2016 . 31 December 2016	2016 Quarter 4	March 2017
01 January 2017 . March 2017	2017 Quarter 1	June 2017

4 Functionality

Functionality for this bid will be evaluated in terms of the criterion in the table below:

Description	Weights
<p>Relevant skills, and experience</p> <p>Proposals should make clear the <u>relevant skills, and experience</u> of the participant, in respect of this particular TOR</p> <ul style="list-style-type: none"> • The experience of the company in undertaking similar work or projects <ul style="list-style-type: none"> ○ Review and assessment of the credit provider statistics ○ Economic analysis and commentary to the statistical publication • The relevant skills level of the entire project team; • Ability and experience at operating at a strategic level; 	40
<p>Proposed approach</p> <p>Proposals must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR.</p> <p>It is proposed that the methodological approach should amongst other things include the following:</p> <ul style="list-style-type: none"> • Project Execution Plan or framework • Ability to develop a clear and measurable project plan when appointed to undertake the project; <p>Ability to meet deadlines as stipulated on the timeframes and due dates.</p>	30
<p>References</p> <p>The bidders are required to provide three contactable references in relation to similar work performed during the past 12 months. (Name, company and direct numbers are required).</p>	10

Description	Weights
<p>Proposals should clearly indicate whether or not bid participants have the internal capacity to meet the requirements of the TOR. This will include but not limited:</p> <ul style="list-style-type: none"> • Resources and personnel to be dedicated to the project; • Office and administrative capacity to carry on the work of this magnitude • Project team leader; • The percentage of the work if any that will be outsourced to third parties; • Project team professional resumes (maximum 2 pages) • Capability statement 	20

Bidders are required to score a minimum of 70% points on functionality to qualify to be evaluated in the next level (BBBEE and price). Bidders who do not score the minimum of 70% points on functionality will be disqualified and not be evaluated on price and BBBEE.

5. Additional information:

The service provider is required to provide the NCR will the following information:

- Brief company profile, as relevant to the above mentioned terms of reference and experience in the relevant areas.
- Certification of all team members, highlighting experience relevant to this exercise. Confirmation that the proposed team members will in fact be available to undertake this exercise at the appropriate time and meet the necessary deadlines.
- A proposal including methodology
- Contact details of at least three (3) references from amongst recent clients with whom similar work has been conducted in the past 6 Months.
- Certificate of incorporation / legal status and financial proposal.