

THE NATIONAL CREDIT REGULATOR

JANUARY 2024

**TERMS OF REFERENCE FOR THE FOR THE APPOINTMENT OF A
SERVICE PROVIDER TO REVIEW AND ENHANCE THE
PRESCRIBED STATISTICAL RETURNS (FORMS) SUBMITTED BY
REGISTRANTS TO THE NATIONAL CREDIT REGULATOR**

RFQ NUMBER: NCR865.08.2023

DUE DATE: 26 JANUARY 2024 AT 11H00 SHARP CAT

EMAIL YOUR SUBMISSION TO: rmaleka@ncr.org.za

COPY: procurement@ncr.org.za

PART A- GENERAL TERMS OF CONDITIONS (SCM)

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 for the appointment of a service provider, to assist the NCR with the reviewing and enhancing the prescribed statistical return (form) submitted by registrants to the National Credit Regulator (NCR).

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, 2001/2022 (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 (Annexure B and B.1 that can be downloaded from NCR website - <https://www.ncr.org.za/index.php/procument/tender-standard-bidding-documents/general-terms-conditions>). **Please read this document carefully and confirm your agreement to the terms prior to submitting your proposal.**

2. 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 in a file of annexure.

3. 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 sixty (60) days from the due date for the submission of all bids.

4. Number of proposals

Each bid participant must email 1 their entire proposal, including all the documentation referred to in Section 7 below, in the format specified in that section. All submitted proposals will become the property of the NCR and will not be returned. The proposal must be signed and dated in black ink by the bidder or authorized representative of the bidder and initialled on each page.

5. Submission of proposals

- 5.1. Proposals must reach the offices of the NCR before **11:00AM on 26 January 2024**, and must be emailed to rmaleka@ncr.org.za and copy procurement@ncr.org.za

a) RFQ No: NCR865.08.23

b) TERMS OF REFERENCE FOR A SERVICE OF

c) CLOSING DATE: 26 JANUARY 2024 AT 11H00 AM,

- 5.2. Please note that this RFQ closes punctually at 11h00 on 26 January 2024. No late submissions will be considered under any circumstances.
- 5.3. **All** the documentation referred to in Section 7 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.
- 5.4. If responses are not delivered as stipulated in this Section 5.1, such responses will be considered “**late**”, and will not be considered for evaluation.
- 5.5. The NCR shall not disclose any details pertaining to the responses received, to any other participant, as this is regarded as confidential information.
- 5.6. Submissions must not contain documents relating to any RFQ other than the one referred to in this RFQ.
- 5.7. The responses to the RFQ will be opened as soon as is practical after the expiry of the time advertised for receiving them.
- 5.8. 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 Evaluation Committee. A minimum of 2 days' notice will be given to relevant participants in advance of the presentation date.

6. Timetable

Date & time	Activity
11/01/2023	Issue RFQ document
26/01/2024	Closing date
31/01/2024	Evaluations
12/02/2024	Appointment of a supplier

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.

7. Documentation to be submitted.

Document that must be Submitted	Guideline		Consequence of Non-submission
Invitation to Bid – SBD 1	Yes	Complete and sign the supplied pro forma document	Disqualification from process
Tax status SBD 1	Yes	Written confirmation that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status. Proof of Registration on the Central Supplier Database Vendor number	Disqualification from process
Declaration of Interest – SBD 4	Yes	Complete and sign the supplied pro forma document	Disqualification from process

Document that must be Submitted	Guideline		Consequence of Non-submission
Preference Point Claim Form – SBD 6.1	Yes	Non-submission will lead to a zero (0) score on Specific goals	Zero points awarded for specific goals
Registration on Central Supplier Database (CSD)	Yes	The Service Provider must be registered as a service provider on the Central Supplier Database (CSD). If not registered, to complete the registration of company prior to submitting the proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number starting with MAAA. Submit proof of registration.	Disqualification from process
Acceptance of the General Terms and Conditions	Yes	https://www.ncr.org.za/index.php/procurement/tender-standard-bidding-documents/general-terms-conditions	Disqualification from process

Bidders must score a minimum of 70% to be eligible for the Price and Specific goals evaluation.

8. 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 specific goals, allocated as indicated in the table below:

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

The points system is outlined for the 80/20 to address the preferential procurement as followed:

8.1. SMME's which are owned by Black people

SPECIFIC GOAL	ACHIEVEMENT LEVEL	TOTAL NUMBER OF
	81%- 100% black ownership	7

Persons historically disadvantaged on the basis of race	51% - 80% black ownership	5
	31% - 50% black ownership	3
	0 – 30% black ownership	1

8.2. SMME's which are owned by People with disability

SPECIFIC GOAL	OWNERSHIP LEVEL	POINTS
Persons historically disadvantaged on the basis of disability	50 %- 100% owned by persons living with disabilities	3
	30% - 49% owned by persons living with disabilities	2
	0 – 29% owned by persons living with disabilities	1

8.3. SMME's which are owned by Women.

SPECIFIC GOAL	ACHIEVEMENT LEVEL	POINTS
Persons historically disadvantaged on the basis of gender – Women	81% - 100% owned by women	7
	51% - 80% owned by women	5
	31% - 50% owned by women	3
	0 – 30% owned by women	1

8.4. SMME's which are Youth owned business.

SPECIFIC GOAL	OWNERSHIP LEVEL	POINTS
Persons historically disadvantaged based on age	50%- 100% owned by persons who are youth	3
	30% - 49% owned by persons who are youth	2
	0 – 29% owned by persons who are youth	1

9. Evidence for specific goals

PROOF OF EVIDENCE TO SCORE SPECIFIC GOALS POINTS			
EVIDENCE	YES	NO	ATTACH EVIDENCE (indicate a page)
Share certificate			
ID Copies stamped by the commissioner of oath			
Sworn affidavits			
BBBEE certificates			
Proof of disability			
CIPC Documents			

NB: Bidders will only score points based on the evidence submitted.

10. Reporting of fraud and corruption

The National Credit Regulator management is commitment to transparency, integrity, and accountability, as described in our Code of Conduct and business principles. Which led to the establishment of the Ethics Line. The Ethics Line seeks to provide an independent and comprehensive service through enhanced anonymity assurance and a wide range of communication channels. Bidders and members of the public are encouraged to use the following toll-free line to report any misconduct relating procurement activities amongst others.

Fraud / Anti-Corruption Hotline

**Report any incidents of wrongdoing
to the KPMG Ethics Line**

0800 20 53 17 (Toll Free)

PART B: TERMS OF REFERENCES:

TERMS OF REFERENCE (TOR)

FOR A SERVICE PROVIDER TO REVIEW AND ENHANCE THE PRESCRIBED STATISTICAL RETURNS (FORMS) SUBMITTED BY REGISTRANTS TO THE NATIONAL CREDIT REGULATOR

1. Purpose

The purpose of these terms of references (TOR) is to request the Chief Executive Officer (CEO) to approve the funding for reviewing and enhancing the prescribed statistical returns (forms) submitted by registrants to the National Credit Regulator (NCR).

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2. Background

In terms of the National Credit Act (NCA) the National Credit Regulator (NCR) is required to increase knowledge of the nature and dynamics in the consumer credit market and industry. The Regulations to the NCA imposes requirements on NCR registrants to report at specified periods using Statistical Returns. The statutory applicable statistical returns are Form 39, Form 42, Form 44 and Form 45. The NCR makes use of these returns for purposes of gathering and consolidating data and publishes some of these data in the reports on a quarterly basis. Two of the flagship statistical reports that are published by the NCR are the Credit Bureau Monitor (CBM) and Consumer Credit Market Report (CCMR).

In terms of the Regulations 72 of the NCA, Credit Life Insurers are required to submit quarterly returns to the NCR thirty days (30) after the end of the quarter set out in the Table 1 below. Form-45 has been in use since the inception of the NCA in 2006. The South African credit market is very dynamic, and this data collection tool has not kept up to date with the rapid changes that have been happening in the credit market.

Table 1

Quarters	Reporting period
Quarter 1	1 January – 31 March
Quarter 2	1 April – 30 June
Quarter 3	1 July – 30 September

Quarter 4	1 October – 31 December
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The NCR commissioned a study in 2022 that was undertaken by an Actuarial Firm to review the cost of Credit Life Insurance (CLI) within the Republic of South Africa. Part of the recommendations that emanated from the study was for the NCR to revamp and enhance the current data collection tool, Form 45. The implementation of the said recommendations requires an in-depth knowledge and experience of short-term insurance, long-term insurance and insurance market products generally. The Service Provider undertaking the task must have the capacity and requisite skill to incorporate the said recommendations and other necessary changes to enhance the Form 45 Statutory Return. The study and recommendations will be made available as an addendum to this TOR.

The NCR is embarking on a process to review and enhance Form-45 data collection tools to make it more relevant to the current market conditions, and to meet the requirements of both the internal and external stakeholders. The services of a suitably qualified service provider with a depth of knowledge and experience of insurance market, reviews and formulation of data collection tools would be best done by an external Service Provider on behalf of the NCR.

3. Project Objectives

The objective of this proposal is to appoint a professional and suitably qualified Service Provider (SP) that will assist the NCR and Statistics and Research department with the following services:

- The review and enhancement of the current prescribed Form-45 that is used by Credit Life Insurers to submit data on a quarterly basis to the NCR. The prescribed Return has been in use since the inception of “the Act”.
- Consult relevant stakeholders and advise the NCR on any emergent trends observed in the market that may have a bearing to the proposed returns.
- Review, overhaul and enhance the current prescribed Return to yield the information that is relevant in line with NCR mandate and Government requirements.
- Provide definition of each line item in the form in consultation with the Credit Life Insurance Industry. In explaining line items, consider the fact that credit insurance industry is constantly evolving.
- Implement recommendations of the credit life insurance study (conducted 2022) that specifically mention changes to form 45. The study and recommendations will be made available.
- Benchmark through desktop research or alternative viable means on the Credit Life Insurance synoptic data collection tools with locally and internationally institutions. Provide the NCR with the advice on best practice standards relating to data collection tools.

4. Scope of work

The NCR requires the services of a suitably qualified and experienced service provider to revamp and enhance statistical return relating to credit insurers as stated in the TOR's project objectives. The current return should form the basis of the review taking account the market dynamics, NCR mandate and government requirements. Factors that may have a bearing on the consumer credit market in South Africa should be considered. To this effect the service provider is required to:

- Engage relevant credit life insurers with a view of getting their input relating to any possible omissions in the current return and adjust the tool as may be necessary.
- Engage relevant stakeholders including relevant government departments to establish data requirements that they may have from the NCR in line with the NCA mandate.
- Overhaul and enhance the statistical return (form 45) to yield more dynamic and relevant information in line with current market conditions. Registrants' segmentation must be considered and built into the tool where this may have desired effect.
- Benchmark through desktop research or alternative viable means on the Credit Life Insurance synoptic data collection tools with locally and internationally institutions. Provide the NCR with the advice on best practice standards relating to data collection tools.
- Provide definition of each line item in the revamped Form 45 in consultation with the Credit Life Insurance Industry. In explaining line items, consider the fact that credit insurance industry is constantly evolving.
- Implement recommendations of the credit life insurance study (conducted 2022) that specifically mention changes to form 45. The study and recommendations will be made available.
- Produce a final report detailing the findings with necessary recommendations that include enhanced form relating to Credit life Insurers.

5. Deliverables

The service provider is required to deliver the following:

Report of the review and recommendations together with the following enhanced form:

- a) Form 45 Quarterly return.

6. Project Term

The project must be completed within a period of six (6) months from the date of appointment.

7. Functionality

Bids will be evaluated strictly according to the technical bid evaluation criteria stipulated in the table below:

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

Description	Weight	Bidder Self-Score and page number/s	NCR score
Experience	40		
<ul style="list-style-type: none"> Bidders must show and indicate that they have designed or reviewed data collection tools for government, public entities, or private sector – clientele. Bidders must outline their knowledge and experience of short- and long-term insurance and insurance market. Evidence from entities must include the name of the company in a letter head document, the year of review in the past 5 years from the date of this RFQ and confirmation letter of the success of the review. <p>Points allocation:</p> <ul style="list-style-type: none"> ➤ Review/design done for over 3 entities with over 3 confirmation letters indicating successful review within the past 5 years = 5 ➤ Review/design done for 3 entities with 3 confirmation letters indicating successful review within the past 5 years = 4 ➤ Review/design done for 2 entities with 2 confirmation letters indicating successful review within the past 5 years = 3 ➤ Review/design done for 1 entity with 1 confirmation letter indicating successful review within the past 5 years = 2 ➤ No review/design done within the past 5 years = 1 			
References	10		
<ul style="list-style-type: none"> The bidder must provide written references and their contact details for similar services provided in the last 5 years including the period when the service was rendered. Please note that appointment letters are not relevant. 			

<ul style="list-style-type: none"> Reference letters for similar services rendered in relation to data Form design/review, with contact details including contact telephone, email address and the position of the responsible person. <p>Points allocation:</p> <ul style="list-style-type: none"> ➤ More than 3 reference letters relevant to the TOR and with the required information= 5 ➤ 3 reference letters relevant to the TOR and with the required information = 4 ➤ 2 reference letters relevant to the TOR and with the required information = 3 ➤ 1 reference letter relevant to the TOR and with the required information = 2 ➤ No relevant reference letters to the TOR = 1 			
Internal Capacity	30		
<p>The proposal should clearly indicate whether bid participants have the internal capacity to meet the requirements of the TOR. The bidder must give an indication of the proposed team, preference to multi skilled team with long-term insurance, short-term Insurance, insurance market product. Experience in financial, statistical or economic analysis.</p> <ul style="list-style-type: none"> Submit a brief CV of each team member. Team Leader must have 5 years' experience in leading of similar projects. Team members must have 3 years' experience in data collection or review of data collection forms in the government, public entitles or private sector. Team members must have a minimum of 3 years in insurance field, analytical work in financial, statistical or economic analysis. <p>Points allocation:</p> <ul style="list-style-type: none"> ➤ Team leader has more than 5 years' relevant experience, team members have more than 3 years relevant experience = 5. ➤ Team leader has 5 years' experience, team members have 3 years in relevant experience =4. 			

<ul style="list-style-type: none"> ➤ Team leader has 4 years' experience, team members have 2 years relevant experience = 3. ➤ Team leader has 3 years' experience, team members have 1 year's relevant experience = 2. ➤ Team leader has less than 3 years' experience, team members have less than 1 year's relevant experience = 1. 			
Methodology	20		
<ul style="list-style-type: none"> • Bidders must indicate their understanding of the NCR scope of work, timelines, and output for this project. • Proposal must contain the details of the project plan to be adopted to deliver the service in accordance with the TOR. Included in the plan should also be the following: <ul style="list-style-type: none"> ➤ Personnel allocated to the project. ➤ Project plan. ➤ Work to be outsourced to third parties, if any. <p>Points allocation:</p> <p>The bidder clearly illustrated the need that the project is meant to address, the solutions envisaged, the changes expected as a direct consequence of the delivered project outputs. Also indicated a detailed brief description of the project, its goals and objectives, timelines, key milestones, potential risks, and problems, items and/ resources needed to complete a project:</p> <p>= 5.</p> <ul style="list-style-type: none"> ➤ The bidder outlined a detailed brief description of the project, its goals and objectives, timelines, key milestones, potential risks, and problems, items and/ resources needed to complete a project successfully: = 4 ➤ The bidder outlined only timelines and key milestones needed to complete a project successfully: = 3. ➤ The bidder proposed project plan is not aligned to the scope of work. No explanation on how project objectives will be addressed: = 2. ➤ Unacceptable proposed project plan, does not meet set criteria: = 1. 			
TOTAL SCORE	100		

Bidders must score a minimum of 70% to be eligible for the Price and Specific goals evaluation.

Additional Information

The service provider is required to provide the NCR with 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.
- Contact details of references from amongst recent clients with whom similar work has been done as set out in the TOR.
- Certificate of incorporation / legal status and financial proposal.
- Certified copy of the BBBEE certificate or Affidavit.