

## Finance and Procurement Department Supply Chain Management

# Request for Bids (RFB)

APPOINTMENT OF SERVICE PROVIDER FOR THE DEVELOPMENT OF sefa's FINANCIAL MODEL FOR SUSTAINABILITY.

### Bid Information

<b>Bid Number</b>	sefa:67/FIN/2021
<b>Bid Submission Date</b>	12 November 2021 @ 11:00 am
<b>Bid Duration</b>	APPOINTMENT OF SERVICE PROVIDER FOR THE DEVELOPMENT OF sefa's FINANCIAL MODEL FOR SUSTAINABILITY.
<b>Bid Validity Period from Date of Publication</b>	120 DAYS
<b>Compulsory Site Inspection</b>	N/A
<b>Address for Bid Submission</b>	sefa Head Office Byls Bridge Office Park, Building 14, Block D, Cnr Jean Avenue and Oliventhoutbosch Highveld, Centurion
<b>Bid Contact Person</b>	Sebotse Mokgabudi on (012) 748-9725 <a href="mailto:sebotsem@sefa.org.za">sebotsem@sefa.org.za</a> / <a href="mailto:procurement@sefa.org.za">procurement@sefa.org.za</a>
<b>Evaluation Method: Points System</b>	80/20
<b>Required Bidder B-BBEE Level</b>	1-4 EME or QSE
<b>Deadline for Responding to Clarifications for this bid</b>	02 November 2021
<b>28Fraud Hotline to report any wrongful or criminal deception or coercion intended to result in financial or personal gain by any sefa employee or person involved in this bidding process</b>	0800 000 663 (For <b>anonymous</b> reporting)

## SPECIAL CONDITIONS AND REQUIREMENTS OF CONTRACT

### APPOINTMENT OF SERVICE PROVIDER FOR THE DEVELOPMENT OF **sefa**'s FINANCIAL MODEL FOR SUSTAINABILITY.

#### 1. BACKGROUND

- 1.1. Following a Cabinet decision and the State of the Nation address of 2011, the Small Enterprise Finance Agency (SOC) Limited (**sefa**), was established on 01 April 2012 in terms of section 3 (d) of the Industrial Development Corporation Act, No. 22 of 1940 (IDC Act). **sefa** is a wholly owned subsidiary of the Industrial Development Corporation (IDC) and brings together the activities of the three previous structures (Khula, samaf and the IDC small business activities).
- 1.2. **sefa** operates as a Development Finance Institution (DFI) to foster the establishment, development and growth of Small, Micro and Medium Enterprises (SMMEs) and contributes towards poverty alleviation, job creation and economic growth. **sefa** provides products and services to qualifying SMMEs as defined in the National Small Business Act of 1996, as amended in 2004, through a hybrid of wholesale and direct lending channels.
- 1.3. As a Development Finance Institution, **sefa** faces a unique challenge of maintaining a sustainable balance between maximising development returns and minimising financial losses in its investment operations. As a result, the performance of **sefa** is to a large extent dependent on its ability to take Credit and Investment Risks proactively, responsibly and managing the resultant exposure effectively in line with set corporate objectives.
- 1.4. The continued financial sustainability of **sefa** has been identified as one of the top risks of the organisation, particularly in the light of the developmental mandate which requires it to take risks beyond what a commercial financier would take. Hence, the funding model, budgeting processes and pricing of its lending activities and all other business activities needs to be carefully balanced with the costs of delivery and the costs of making its interventions sustainable.
- 1.5. **sefa** currently utilises a number of internally developed excel models in order to complete the budgeting process. There is a need to expand this model into a dynamic tool which enables the setting of financial strategy in different scenarios, as well as test the impact of new business strategies and pricing, analysis of the changes in the funding and economic environment on the financial sustainability of **sefa**.

## 2. Bid Submission Requirements

2.1. Bids must be submitted in a **sealed envelope and marked** as follows:

### **ATTENTION: sefa SUPPLY CHAIN MANAGEMENT**

Description of the Bid

Bid Number

Name of the Bidder

## 2.2. General Bid requirements

- a. Bid documents **must** be initialled on every page.
- b. The number of sealed envelopes/files must compose of one (1) **ORIGINAL** and one (1) electronic PDF **copy** of the original bid proposal document on a CD or flash drive.
- c. Submissions of the Bid responses **MUST** be made by depositing the Bid proposal into the Tender Box situated at **sefa** Head Office at the physical address below on or before the closing date as stated on page 1 of this Request for Bid document under Bid Information.
- d. The bidder will bear all expenses associated with the preparation and submission of this bid.

## 2.3. sefa Physical Address

11 Byls Bridge Office Park, Building 14, Block D  
Cnr Jean Avenue and Oliventhoutbosch  
Highveld, **Centurion**  
0157

For more information, please visit the **sefa** website: [www.sefa.org.za](http://www.sefa.org.za)

## 2.4. Bid Responses

### 2.4.1. Bid Format

2.4.2. Bidders shall submit their bid response in accordance with the requirements as outlined in the Bid Response Template provided in Appendix 1.

2.4.3. Each Section must be clearly marked, and the documents must be bound.

2.4.4. The RFB comprises a number of sections and the bidder's proposal must include all the required information and documentation as outlined in this RFB.

#### 2.4.5. General Conditions of Contract

2.4.5.1. Completion of all Standard Bidding Documents (SBD by hand, attached in **Annexures A**, and adhering to all other requirements as outlined on each form. The following SBD and other forms must be duly completed and signed, and returned as part of the Bid Proposal:

- a. **SBD 1:** Invitation to Bid.
- b. **SBD 4:** Declaration of Interest.
- c. **SBD 6.1:** Preference Points Claim Form.
- d. **SBD 8:** Declaration of Bidder's Past Supply Chain Management Practices.
- e. **SBD 7:** Not required. Refer to Item 7: Service Level Agreement.
- f. **SBD 9:** Certificate of Independent Bid Determination.
- g. **GCC:** General Conditions of Contract (Initial each page)
- h. **SCC:** Special Conditions of Contract
- i. Original and valid **Tax Clearance Certificate(s)** (TCC) or *PIN* issued by SARS.
- j. In bids where Consortium, Joint Ventures, and Sub-Contractors are involved; it is required that each party must submit separate proof of Tax Clearance Certificate(s) or *PIN* issued by SARS
- k. Submission of a certified copy of a **valid B-BBEE certificate** issued through a SANAS Accredited Agency, except for Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs). These enterprises need to submit B-BBEE **sworn affidavits** as per the requirements of the Department of Trade and Industry (DTI) for qualifying enterprises except those who fall under the Construction Sector Charter Council (CSCC). Other sworn affidavits will not be accepted. The DTI and CSCC affidavit templates are available under **Annexure B**.
- l. National Treasury **Central Supplier Database (CSD) registration** (attached proof of registration).
- m. Submission of bidder **Companies & Intellectual Property Commission (CIPC) registration documents**, listing all Directors or Shareholders and certified copies of the Identify Documents (ID) of Directors or Shareholders.

2.4.5.2. The successful bidder and its staff shall comply with all the laws of the Republic of South Africa and as it relates to this bid.

2.4.5.3. The bidder staff must be South African citizens and **sefa** reserves the right to validate

citizenship.

#### 2.4.5.4. **Pre-Target Requirements**

- a. The Pre-Qualification criteria set is according to the Standard for Implementation of Regulation 8(4) of the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations 2017 and **sefa**'s developmental impact plan to provide support to targeted groups (black-owned, youth, women, disability, rural priority province; and township).
- b. In line with the above commitment, preference will be given to bidders complying with the following:
  - i. Bidders having a stipulated minimum B-BBEE status level contribution from level **1 to level 4** EME or QSE
  - ii. Targeted groups that are black-owned, women and youth.

#### 2.4.6. **Price Proposal**

- a. Bidders are required to complete and sign their pricing proposals.

**NB:** Failure to complete and submit a pricing proposal, will lead to disqualification of the bid.

#### 2.5. **Late Bids**

Bids submitted at the stated bid address, after the closing date & time, shall not be considered under any circumstances.

#### 2.6. **Counter Conditions**

The bidder's attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by the bidder shall render the bid invalid.

#### 2.7. **Bid Distribution**

- 2.7.1. The distribution of this RFB outside the Republic of South Africa may be restricted or prohibited by the laws of other countries. Recipients of this RFB are advised to familiarise themselves with and comply with all such restrictions or prohibitions applicable in those jurisdictions, and neither **sefa**, nor any of their respective directors, officers, employees, agents, representatives or advisors, accepts liability to any person or company for any damages arising out of or in connection with the breach of any restriction or provision outside the Republic of South Africa. Persons contemplating submitting a Bid are advised to obtain legal advice as to the possible consequences thereof in terms of the law of the jurisdictions in which they are located.

2.7.2. Recipients of this RFB document may only distribute it to other parties whom they wish to involve as part of their bidder consortium in submitting a bid.

## 2.8. Presentations

**sefa** reserves the right to require that any bidder provides a formal presentation of its bid proposal, at a date and time to be determined by **sefa**. All instructions and clarification regarding the Purpose and Scope of the presentation/demonstration shall be provided by **sefa**. The bidder shall bear all expenses associated with the preparation of such presentations/demonstrations.

## 2.9. Evaluation Process

Bids shall be evaluated in terms of the process outlined below.

### 2.9.1. Stage 1: Initial Screening Process & Pre-Target Requirements

During this stage, bid responses will be reviewed for purposes of assessing compliance with the RFB requirements, including the General Conditions of Contract as outlined in this RFB, stated Special Conditions of Contract; and pre-target requirements.

### 2.9.2. Stage 2: Mandatory Requirements

Bids will be evaluated on Mandatory as outlined in **Annexure C**.

**NB:** Failure to comply with the requirements in Stage 2 shall lead to disqualification of the bid proposal.

### 2.9.3. Stage 3: Functional Evaluation and Scoring

- a All bids will be evaluated independently by the evaluation panel members in terms of the defined evaluation criteria for functionality out of 100 points.
- b All bids that score less than **70 out of 100 points** on technical functionality shall not be considered further and shall be regarded as having submitted a non-responsive bid; and shall be disqualified.
- d Bids will be evaluated on Functionality as outlined in **Annexure D**.

**NB:** Failure to comply with the requirements in Stage 3 shall lead to disqualification of the bid proposal.

### 2.9.4. Stage 4: Evaluation of Proposal on Applicable Points System

2.9.4.1. In terms of Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and the amended regulations, responsive bids will be adjudicated by the State on the applicable point system.

2.9.4.2. In terms of the **80/20 points system**, points are awarded to bidders based on:

**The bid price (maximum 80 points)**

The following formula will be used to calculate the points for price:

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

$P_s$  = Points scored for the comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

2.9.4.3. The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

2.9.4.4. Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by a SANAS accredited verification agency will be considered for preference points.

2.9.4.5. **sefa** may before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

2.9.4.6. The points scored will be rounded off to the nearest 2 decimals.

- 2.9.4.7. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE.
- 2.9.4.8. However, when functionality is part of the evaluation process and two or more bidders have scored equal points including equal preference points for B-BBEE, the contract will be awarded to the bidder scoring the highest for functionality.
- 2.9.4.9. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 2.9.4.10. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- 2.9.4.11. **sefa** reserves the right to enter into negotiations with the preferred bidder.

### 3. Post Award Conditions

- 3.1. Services will be rendered during working hours from Mondays to Fridays unless otherwise stated in the Scope of Work / Terms of Reference.
- 3.2. Equipment and/or productivity tools brought onto or used on site must comply with the Occupational Health & Safety Act and any regulations promulgated in terms of this Act.
- 3.3. The bidder shall be liable for insuring his/her staff members against any injury or death.
- 3.4. The successful bidder shall submit a monthly statement of all outstanding payments, credit notes issued, and payments made. Such statements shall also contain the order number, the details of the date of the transaction, the invoice number, remittance number, and credit note details.
- 3.5. **sefa** shall not be held responsible in any way for any damages, losses, theft of equipment or any valuables of the successful bidder, or injury of his/her employees whilst on-site or in the execution of their duties.
- 3.6. All procurement related to this service, as outlined in this RFB, shall be conducted by **sefa's** Supply Chain Management department only.

### 4. Staff Requirements

- 4.1. The successful bidder must ensure the following:
  - a. That the staff working under this contract are in good health.
  - b. That they are adequately trained prior to commencement of the contract.
  - c. That replacement staff is available should the need arise. The bidder is obligated to inform **sefa** of any removal and replacement and the replacement of staff can only be done with the formal approval of **sefa**.

- d. Staff must be dressed appropriately and where required; staff uniform must be in good condition.
- e. The bidder's staff must be South African citizens and **sefa** reserves the right to validate citizenship.

## 5. Resource Requirements

The successful bidder must provide the following equipment, if required by the bidder's staff, in the execution of their duties:

- Laptop or similar device.
- Internet connectivity.
- Transportation and/or vehicle (if required) to deliver the service outlined in this bid.
- Cellphone and/or landline.

## 6. Service Level Agreement

- 6.1. The successful bidder will be required to enter into a Service Level Agreement with **sefa**.
- 6.2. A performance measurement process will form an integral part of the Service Level Agreement to be signed after the successful bidder has been appointed.

## 7. Supplier Due Diligence

- 7.1. **sefa** reserves the right to conduct bidder due diligence to short-listed bidders prior to final award or at any time during the contract period. This may include site visits if applicable.

## 8. Bid Cancellation

In the case of the cancellation of this RFB, **sefa** shall endeavour to inform all bidders, through the same medium used for the communication of the RFB

## 9. Material Changes

- 9.1. Any material changes in the control and/or composition of any bidder or any core member of a bidder after submission of a Bid shall require the prior written approval of **sefa**, and any failure to seek such approval from **sefa** shall result in **sefa** being entitled, in its sole discretion, to exclude the relevant bidder from any further participation in the bid process or to cancel

the engagement. This shall be interpreted to include post-appointment and subcontracting of work arising out of this bid to complete certain work.

- 9.2. **sefa** shall be the sole arbiter as to what constitutes a "material change in the control and/or composition of any bidder", and as to what constitutes a "core member of a bidder" for purposes of such approval. Any request for such approval shall be made to **sefa's** Supply Chain Management in writing and shall provide sufficient reasons and information to allow **sefa** to make such a decision. **sefa** reserves the right to accept or reject any such request for approval.

## 10. Communication

- 10.1. **sefa** may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary. Such communications will be done via the Supply Chain officials listed as the contact persons for this bid process.
- 10.2. All communication (enquiries/clarifications) relating to this bid shall take place between the bidder and the Supply Chain Management officials listed as the contact persons for this bid process. Such communication shall be done in writing only.
- 10.3. Communication between the closing date and the award of the bid, between the bidder and other **sefa** officials or persons acting in an advisory capacity for the State, in respect of this bid, is prohibited.

## 11. Contact Details

### 11.1. Main Contact

**Name** : Sebotse Mokgabudi

**Tel** : (012) 748-9725

**Email** : [sebotsem@sefa.org.za](mailto:sebotsem@sefa.org.za)/[procurement@sefa.org.za](mailto:procurement@sefa.org.za)

### 11.2. Alternative Contact

**Name** : **Mpho Thagwana**

**Tel** : (012) 748 9668

**Email** : [mphot@sefa.org.za](mailto:mphot@sefa.org.za) /[procurement@sefa.org.za](mailto:procurement@sefa.org.za)

**NB:** Communication outside this platform is **strictly prohibited** and should bidders be found to be in contact with any of **sefa's** staff members on matters relating to this bid, such bidders shall automatically be disqualified from this bid process.

## 12. SCOPE OF WORK / TERMS OF REFERENCE

The Scope of Work / Term of Reference is attached as Annexure E.

## 13 ANNEXURES

Annexure A	:	Standard Bidding Documents: SBD1 to SBD9 Forms
Annexure B	:	Sworn Affidavit Templates for EMEs and QSEs
Annexure C	:	Mandatory Requirements
Annexure D	:	Functionality Evaluation Criteria
Annexure E	:	Scope of Work / Terms of Reference
Annexure F	:	Pricing Proposal
Appendix 1	:	Bid Proposal Template

**ANNEXURE A**

**Standard Bidding Documents: SBD1 to SBD9 Forms**

Document Name	Template
<b>SBD 1</b>	 SBD 1.pdf
<b>SBD 6.1</b>	 SBD 6 1 2017.pdf
<b>SBD 4</b>	 SCM-Bid documents SBD 4.pc
<b>SBD 8</b>	 SCM-Bid documents SBD 8.pc
<b>SBD 7</b>	Not applicable
<b>SBD 9</b>	 SCM-Bid documents SBD 9.pc
<b>GCC</b>	 GCC

Sworn Affidavits for EMEs and QSEs

Department of Trade and Industry (DTI) Templates



DTI Sworn Affidavit  
EME Gen.pdf



New Affidavit-EME-  
Amended ICT.pdf



DTI Sworn Affidavit  
QSE.pdf

Also available from the DTI:

[https://www.thedti.gov.za/economic\\_empowerment/docs/Affidavit-QSE-Gen.pdf](https://www.thedti.gov.za/economic_empowerment/docs/Affidavit-QSE-Gen.pdf)

[https://www.thedti.gov.za/economic\\_empowerment/docs/Affidavit-EME-Gen.pdf](https://www.thedti.gov.za/economic_empowerment/docs/Affidavit-EME-Gen.pdf)

**MANDATORY REQUIREMENTS:**

NO	MANDATORY REQUIREMENT	COMPLY/NOT COMPLY
1	A detailed comprehensive company profile with the following: <ul style="list-style-type: none"> <li>i. Management Structure/Company Organogram;</li> <li>ii. Ownership &amp; years of service of the company; and</li> <li>iii. Services offered by the company.</li> <li>iv. CVs of personnel to be assigned.</li> </ul>	

**NB:** The bidder must comply with all mandatory requirements to qualify for stage three i.e., Functionality Stage. Failure to comply with the requirements in Stage 2 (Mandatory Requirements) will lead to disqualification of the proposal.

**ANNEXURE D**

**FUNCTIONAL EVALUATION CRITERIA**

**FUNCTIONAL REQUIREMENTS:**

The below scoring scale shall be used to evaluate technical proposals:

<b>Score</b>	<b>Definition</b>
0	Non-responsive
1	Does not meet the requirements
2	Partially meet the requirements
3	Fully meets the requirements
4	Exceeds the requirements
5	Significantly exceeds the requirements

<b>NO</b>	<b>Technical Criteria</b>	<b>Applicable Scores</b>	<b>Weighting</b>
1.	<p><b>EXPERIENCE</b></p> <p>The bidder's company profile must demonstrate experience in:</p> <ul style="list-style-type: none"> <li>- Financial and economic modelling;</li> <li>- Development of pricing models; and</li> <li>- Financial budgeting and forecasting</li> </ul> <p>for financial institutions in the last three (03) years.</p> <p>NB: contactable reference letter in the client's letterhead in the last three years must be attached and failure to do so will forfeit points.</p>	<ul style="list-style-type: none"> <li>i. Less than 1 year experience in financial modelling and pricing model development and implementation and financial budgeting and forecasting = 1</li> <li>ii. 1-2 years' experience in financial modelling and pricing model development and implementation and financial budgeting and forecasting = 2</li> <li>iii. 3 years' experience in financial modelling and pricing model development and implementation and financial budgeting and forecasting = 3</li> <li>iv. 4-5 years financial modelling and pricing model development and implementation and financial budgeting and forecasting = 4</li> </ul>	35%

		v. Above 5 years financial modelling and pricing model development and implementation and financial budgeting and forecasting = 5	
2.	<p><b>BIDDERS TEAM MEMBERS EXPERIENCE</b></p> <p>Bidders proposed personnel that will be allocated for the project must have 3 years' experience in financial modelling and pricing model development, review and implementation.</p> <p>Experts in data collection: At least 2 members of the team should have (each) professional experience of minimum 2 years in data collection and data analysis techniques. Evidence (to be provided together with the tender):</p> <p>The project lead has above 5 years' experience in financial modelling and pricing model development, review and implementation.</p> <p>NB: CVs of personnel to be assigned must be submitted on the closing date of the RFB.</p>	<p>Personnel Experience:</p> <p>i. Less than 1 year experience for the proposed personnel in financial modelling and pricing model development and no experience in data collection and analysis from at least two members = 1</p> <p>ii. 1-2 years' experience for the proposed personnel in financial modelling and pricing model development, and data collection and analysis includes one member = 2</p> <p>iii. 3 years' experience in financial modelling and pricing model development for the proposed personnel and experience in data collection and analysis from at least two members clearly highlighted. Lead Project manager has 5 years' experience = 3</p> <p>iv. 4-5 years for the proposed personnel in financial modelling and pricing model development, experience in data collection and analysis from at least two members clearly highlighted. Lead Project manager has 5 years' experience = 4</p> <p>vi. Above 5 years for the proposed personnel in financial modelling and pricing model development and experience in data collection and analysis from at least two members clearly highlighted. Lead Project manager has 5 years' experience = 5</p>	35%
3.	<p><b>Methodology and Project Plan</b></p> <p>The overall approach that will be followed to execute each task of the contract, How the work will be sequenced over time and what the deliverables will be;</p>	<p>i. Proposed implementation project plan submitted and do not correlate with the required scope of works = 1</p> <p>ii. The proposed implementation project plan submitted with task dependencies = 2</p>	30%

	Proposed timeframes and reporting to the Steering Committee in a timely manner.	iii. The proposed implementation project plan correlate with the scope of work. All-important activities are indicated in the activity schedule and their timing and sequence is appropriate and consistent with project objectives = 3	
	<b>TOTAL FUNCTIONALITY</b>		<b>100</b>

## 1. SCOPE OF WORK

**sefa** requires the services of a dedicated and experienced financial and economic modelling service provider to effectively develop a dynamic tool or model based on best practice modelling standards which can be used to model the financial sustainability of the **sefa** group under various scenarios, as well as determine pricing for various existing and future products.

The continued financial sustainability of **sefa** has been identified as one of the top risks of the organisation, particularly in the light of the developmental mandate which requires it to take risks beyond what a commercial financier would take. Hence, the funding model, budgeting processes and pricing of its lending activities and all other business activities needs to be carefully balanced with the costs of delivery and the costs of making its interventions sustainable.

**sefa** currently utilises a number of internally developed excel models in order to complete the budgeting process. There is a need to expand this model into a dynamic tool which enables the setting of financial strategy in different scenarios, as well as test the impact of new business strategies and pricing, analysis of the changes in the funding and economic environment on the financial sustainability of **sefa**.

In October 2013, **sefa** approved a pricing model for its direct lending products. This model enables the organisation to determine the interest rates charged on its financing facilities in such a manner that it:

- I. Covers as a minimum the estimated cost of capital employed and to be employed in future to continue to finance and operate as well as to sustain unexpected losses;
- II. Compensates the organisation for the credit risk that it is taking; and
- III. Rewards targeted development impact achieved through the financing by way of a rebate on the interest rate charged.

The pricing model is considered to be a key component in the financial sustainability of **sefa**. However, the current pricing model does not cover all of the businesses and products

of the **sefa** group as a whole.

The adopted pricing model therefore needs to be adapted for those products where **sefa** provides financial support to financial intermediaries, who in turn provides access to finance to small, medium and micro enterprises (SMMEs). A most critical consideration in these facilities is that of the final cost of finance to the end beneficiaries, SMMEs which in substance is the target market of **sefa**.

The pricing model should also address:

- I. **sefa's** contribution to the financial sustainability of financial intermediaries.
- II. The weighting between **sefa's** pricing of its different products to strike a balance between its financial sustainability and developmental mandate.
- III. The impact of subsidies or donor funds on product pricing.

### **1.1 The service provider will be expected to:**

- 1.1.1 Develop the financial model, including developing of the pricing model for additional products and enhance the current pricing model
- 1.1.2 Run various scenarios through the financial model under the guidance of the Chief Financial Officer;
- 1.1.3 Make recommendations with regards to the possible automation and maintenance of the financial model;
- 1.1.4 Use the modelling results in setting parameters within which the on-going financial sustainability of **sefa** can be tested and monitored;
- 1.1.5 Include an interpretation and application of public finance and the economic landscape in order to align the financial sustainability thinking with that of the fiscus providing the capital to **sefa** through the Department of Small Business Development;
- 1.1.6 Include the ability to draw reports from the model
- 1.1.7 Include the ability to be able to isolate products and specific revenue streams/divisions for reporting purposes.
- 1.1.8 Ensure that the developed financial model complies with published IFRS requirements and
- 1.1.9 Ensure that a consolidated budget (ie including all subsidiaries of the **sefa** group) is able to be extracted from the model showing Budgeted statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement
- 1.1.10 Capacitate experienced staff within **sefa** to maintain, re-calibrate and expand the model by providing a model manual, training on the use of the model as well as a defined level of continued support post development.
- 1.1.11 The final calibratable model provided to **sefa** will be owned by **sefa**.

1.2 The project has two distinct but integrated deliverables which need to be developed and tested ahead of presentation to the **sefa** Board by 31 March 2021, which includes:

1.2.1 The re-development of the financial sustainability model; and

1.2.2 The simultaneous development of a pricing model for on-lending to intermediaries which is expected to determine the price at which:

1.2.3 The end beneficiaries should borrow funds from financial intermediaries;

1.2.4 Financial intermediaries should borrow funds to be financially sustainable and support **sefa's** development mandate;

1.2.5 **sefa** needs to price their loan products to achieve a balance between financial sustainability and its development mandate.

1.3 As such, service provider will be expected to use the existing **sefa** financial/budgeting and pricing models (if it is assessed to be feasible to do so) to develop an enhanced financial model and set a pricing model for the lending to intermediaries and the hurdle rate for fund investments which takes into account the financial sustainability of **sefa** as well as the ultimate cost of funding for the ultimate beneficiaries, being the SMMEs.

1.4 It is envisaged that the activities and related deliverables may be broadly outlined as follows:

NO	ACTIVITIES	EXPECTED DELIVERABLES
1.4.1	Planning of the assignment in conjunction with the <b>sefa</b> CFO and representatives from the relevant <b>sefa</b> businesses, as well as the Board	Finalised work plan and programme Planned deadline: 31 March 2021
1.4.2	Understanding and analysis of <b>sefa's</b> organisational processes, products and other variable operating expenses and revenue streams. (The AS-IS processes have been documented in detail)	None
1.4.3	Assessment of the current model and make recommendations as to whether the current model can be modified to meet <b>sefa's</b> updated specifications or if a new model will be required	Assessment report with recommendations on the model options.
1.4.4	Review of the current financial models and outcomes and make recommendations there-of on innovative options, as enabled by legislative provisions, that the <b>sefa</b> may adopt in order to improve their financial sustainability thereby applying the same for sustainable,	Model functionality updated to enable financial scenarios required. Innovative options reported and explained in the form of reports and presentations.

	effective and efficient resource mobilization.	
1.4.5	Develop the functionality to be able to produce consolidated budgets (ie including all subsidiaries of the <b>sefa</b> group) to be extracted from the model	Output from model showing Budgeted statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement
1.4.6	Demonstrate the reporting capabilities of the model. (Must be able to isolate products and specific revenue streams/divisions for reporting purposes)	Output from model showing various report examples.
1.4.7	Run scenarios to inform pricing model for lending products to intermediaries	Report and presentation with scenario outcomes and recommendations for consultation with key stakeholders
1.4.8	Refine and finalise modelling scenarios based on consultations with key stakeholders	Final report reflecting scenario outcomes and recommendations for Board approval
1.4.9	Developing the implementation plan with specific timelines to achieve short, medium, and long-term outlook financial feasibility and sustainability goals.	Project plan must demonstrate a sequence of planned outputs (Milestones) and proposed timeframes

## 2. Service Level Agreement (SLA)

The successful bidder will be required to enter into a Service Level Agreement with **sefa**. A performance measurement process will form an integral part of the Service Level Agreement to be signed after the successful bidder has been appointed.

## 3. Bid Proposal Format

All bidders must return their proposals categorised and indexed under the following sections:

### Section 1: Legislative Requirements

The bidder must supply the required documentation as outlined in this Request for the Bid document.

### Section 2: Mandatory and Functionality Requirements

The bidder must provide the information set out on mandatory and functionality requirements stated in the bid document.

### Section 3: Experience & References

The bidder must attach a copy of the company's profile, clearly outlining the number of years in cleaning service with a clear indication of experience in the industry. The bidder must complete Table (a) Annexure D outlining the experience and previous and current reference.

Reference letters, as outline in the evaluation criteria, must be submitted as part of this Section.

### Section 3: Pricing Proposal

The bidder must submit a pricing proposal as outlined in Annexure F.

### Section 4: Additional Information

Any additional information pertinent to the proposal can be attached under this Section.

## 4. Bid Proposal Template

- A template has been developed to assist both the bidder and the evaluation committee and is outlined in Appendix 1.
- An electronic editable copy of the Bid Proposal Template will be available on the **sefa** website: <http://www.sefa.org.za/publications/tenders>

## APPENDIX 1

**COVER PAGE**

**APPOINTMENT OF SERVICE PROVIDER FOR THE DEVELOPMENT OF sefa's FINANCIAL MODEL FOR SUSTAINABILITY.**

Bid Number	
Company name	
Contact Person	
Telephone Number	
e-mail address	

## **SECTION 1: LEGISLATIVE REQUIREMENTS**

Attach all required documentation behind this Section.

## SECTION 2: MANDATORY & FUNCTIONALITY REQUIREMENTS

### SECTION 3: PRICING PROPOSALS (REFER TO ANNEXURE F)

#### Pricing Schedule

1. Please indicate your total bid price here: R.....  
(VAT Incl.).
2. **NOTES: All prices must be VAT Inclusive and must be quoted in South African Rand (ZAR).**
3. Are the rates quoted firm for the full period of the contract? Yes/No.
4. All additional costs associated with the bidder's offer must be clearly specified and included in the Total Bid Price.

**Detailed pricing must be provided and include line-item specifications in the following groupings:**

Description	Amount (Excl. VAT)	VAT	Amount (Incl. VAT)
Quoted Price excluding Disbursements			
Disbursements			
Quoted Price including Disbursements			

## **SECTION 5: ADDITIONAL INFORMATION**

Any additional information that is considered pertinent to the proposal can be attached under this Section.