



REQUEST FOR QUOTATIONS (RFQ)

Description of Services/Goods: Revision and Enhancement of Business Case of the NHFC and run financial projections through a Financial Model

Request date: 08 July 2022

Closing date: 21 July 2022 (No late submissions will be considered)

Closing time: 11:00am

Compulsory Requirements

The following copies must be attached when returning the RFQ:

1. Copy of a valid B-BBEE Certificate/ Sworn Affidavit (Non disqualifying item but Non - submission will render the bidder as non-compliant for B-BBEE points).
2. Latest and valid SARS TCS Pin
3. Submission of the following Signed and Completed Standard Bid Documents (SBD) Forms which are attached to this request:
 - SBD 4: Bidder's Disclosure
 - SBD 6.1 Preference Points Claim Form in terms of preferential procurement
4. All quotes must be prepared according to the Scope of Work/Key Deliverables

The assessment of the submission will be based on the above-mentioned documentation.

Exclusion of required items may cause a disqualification.

Enquiries and quotations regarding the RFQ must be directed to the below persons in writing only:

SCM Enquiries

SCM Official: Anda Mazibuko

Email: Quotations01@nhfc.co.za

SPECIFICATIONS

Revision and Enhancement of Business Case of the NHFC and run financial projections through a Financial Model

1. Introduction

The National Housing Finance Corporation Soc Ltd was established in 1996 by the Department of Human Settlements (NDoHS) as a Development Finance Institution with the principal mandate of broadening and deepening access to affordable housing finance for the low–middle income South African Households. The NHFC is a Schedule 3A entity according to the Public Finance Management Act, 1999.

The Department of Human Settlements is in the process of establishing a Human Settlements Development Bank (“HSDB”). The purpose of which is to position the HSDB as a vehicle to provide effective public and private funding, financing support to key segments of the housing market, in the face of considerable market challenges, significant need and a challenged fiscus.

The NHFC remains largely a wholesale funder providing funding in the affordable housing market through a network of clients that include social housing institutions, large scale property developers and investors, non-banking retail intermediaries. In addition, it facilitates implementation of a programme on behalf of the Department of Human Settlements which is focused on providing a subsidy for first time homebuyers, known as the Finance Linked Individual Subsidy Programme.

2. Background of the RFQ

With the growth identified of becoming the HSDB, NHFC requires a financial model that will show how it will sustainably grow from its current delivery model of roughly 20,000 housing opportunities per annum to an estimated 200,000 decent homes per annum by the NHFC and other participants in the market (either independently or in partnership with the NHFC). This model will be critical in enabling informed strategic decision making and performance management of the organisation

from now until the HSDB is fully achieving its goals. The NHFC wishes to engage the services of an independent third party to assist in providing financial results in updating the business case. This may be later be used to build a new integrated model.

3. Purpose

The purpose of this Request for Quotation (RFQ) is to solicit quotations from potential service providers for the Revision and Enhancement of Business Case of the NHFC and run financial projections through a Financial Model.

4. Scope of work

4.1 Key deliverables

Assist with running results of a financial model which is integrated with respect to NHFC's key product lines (being senior debt, subordinated debt, preference share instruments and equity investments) reflecting their historical growth, interest margins or internal rate of returns (where applicable), and operational costs (if costs are allocated at product level), profitability to allow for an understanding and analysis of performance at product, divisional and company level. Historical data must be analysed for at least 5 years. The model should also cater for blended products.

Analysing and interpreting this historical performance and using it as a basis to develop well-constructed and thought-through financial projections for the entity. Projections should be developed at product level, divisional and company level.

The model should allow for "what-if" scenarios to show for example, the inputs required to achieve a certain performance target. Flexibility around scenarios will be critical to assist with decision making.

A key input will be the loan book or equity portfolio which will be provided at granular level with expected draw-downs, loan repayment profiles, dividend flows, interest rate charged on the various loans etc.

The model would then be expanded to 10 years, allowing the evaluation with updating and enhancing our business case in line with our updated strategy and provide guidance for the next steps including the revamp or create a financial model to fully meet future HSDB needs.

4.2 Output

A fully integrated financial model that as an instrument, will be able to develop projections and roll-out strategies that will enable informed decision making. These projections should also permit scenario planning and sensitivity analysis. Produce an income statement, balance sheet and cash flow statement with at least 5 years of historical data and 10 years of forecast data.

A dashboard that summaries the main key results of the inputs and showing the differences across different scenarios.

4.2.1 Products

These are the products provided by the NHFC:

Product	Description
Social Housing Loan	This is subsidised rental housing made available by social housing institutions which are registered with the Social Housing Authority (SHRA). Rentals are at below market rates due to the grants and subsidies provided as initial project funding by various spheres of government via SHRA. The NHFC typically, provides 30% to 35% of the project funding as secured debt funding with the balance provided by SHRA and the provinces

Product	Description
Private Rental	Working with investors, developers and housing development agencies and funds, we seek to leverage private-sector and development funding to create affordable housing. We achieve this through the provision of equity and quasi equity capital.
Affordable housing – Established Developers	Long-term funding to develop or refurbish affordable privately-owned rental accommodation.
Affordable housing – Emerging Developers	Development finance to developers providing affordable housing (majority of sales price to end-users for housing units below R850k per unit) to fund development of internal bulk services, the purchase of serviced and the development of top structures for both freehold and sectional title housing opportunities for end-user ownership
Subsidy housing	Development finance product that offers short-term revolving facility. The term is typically taken out over a period of around 60 days to bridge contractor's cash flows between the service provider and pending payment by the respective employer
Incremental	Building a new house, extending existing house, connecting to services including
Programme and Fund Management Programs	Provision of programme and fund management programs to human settlements clients for enhancement of service delivery capacity.
Equity and Quasi equity	To stimulate the investment by the private sector and other co-investors in projects (such as multi-lateral agencies), the NHFC provides risk capital to select projects that are aligned with our mandate. This would be in the form of equity and quasi-equity capital such as ordinary share capital, junior debt, preference share capital and mezzanine debt which will typically, take first losses in projects. This allows other, more risk averse investors, to provide senior debt to projects to scale delivery of housing in the affordable market
New products	As the HSDB develop

4.2.2 Financial performance indicators

These are some of the indicators that are deemed useful to the NHFC:

- Interest yield / net interest margin
- Credit loss ratio
- Cost to income ratio
- Internal rate of return
- Return on equity
- Weighted average cost of capital

Other indicators: While the indicators above are currently considered to be important, the NHFC is willing to look at other indicators which may be considered appropriate.

The NHFC requires the quote on the following item(s) indicated in the below table:

No	Items Description	Delivery Location	Expected Delivery Date
	Running about 5 different scenarios through a financial model Provision of a Dashboard that summaries the results and important information	Remote	10 working days upon acceptance by the successful supplier

4.3 Lockdown Operations Provisions

Kindly note that due to the Lockdown Regulations, NHFC will be operating remotely, therefore service providers should make required provision of virtual meetings.

5 EVALUATION CRITERIA

Price and Preference Evaluation

Bidders will be evaluated in terms of Price and Preference points (B-BBEE status level of contributor). As per the table below, price is evaluated over 80 points and preference points over 20:

B-BBEE Status Level Of Contributor	Number of Points
	Bids up to R50 million
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-Compliant contributor	0

Special Conditions:

- Quotations must be submitted in the bidder's company letterhead.
- Price(s) quoted must be valid for at least 30 days from the date of your offer and be according to the RFQ document.
- Price(s) quoted must be firm and inclusive of VAT (If VAT registered) and inclusive of all cost
- No pre-payments are allowed, awarded bidder will be paid within 30 days after receipt of invoice.
- Quotation submitted should be based on Scope of Work/Key Deliverables. Failure to adhere to scope of will render your quotation non-responsive.

- Supplier to indicate excepted delivery of service/goods as indicated in Scope of Work/Key Deliverables.
- Supplier will be evaluated on performance based on delivery of Scope of Work/Key Deliverables
- The quotation must be submitted via email to Quotations01@nhfc.co.za

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state?

YES/NO

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

YES/NO

2.3.1 If so, furnish particulars:

.....

.....

3 DECLARATION

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

3.1 I have read and I understand the contents of this disclosure;

- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

Signature

.....

Date

.....

Position

.....

Name of bidder

SBD 6.1

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL
PROCUREMENT REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

- a) The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 preference point system shall be applicable; or

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	10
Total points for Price and B-BBEE must not exceed	100

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price PROPOSALS, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in

accordance with specifications as set out in the tender documents.

(g) **“prices”** includes all applicable taxes less all unconditional discounts;

(h) **“proof of B-BBEE status level of contributor”** means:

- 1) B-BBEE Status level certificate issued by an authorized body or person;
- 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
- 3) Any other requirement prescribed in terms of the B-BBEE Act;

(i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20	or	90/10
$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	or	$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

- 5.1 B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

B-BBEE Status Level of Contributor: . = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

6. SUB-CONTRACTING

6.1 Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

YES		NO	
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6.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%?
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(***Tick applicable box***)

YES		NO	
-----	--	----	--

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at least 51% owned by:

EME	QSE
√	√

Black people

Black people who are youth

Black people who are women

Black people with disabilities

Black people living in rural or underdeveloped areas or townships

Cooperative owned by black people
Black people who are military veterans

OR

Any EME
Any QSE

7. DECLARATION WITH REGARD TO COMPANY/FIRM

7.1 Name of company/firm:.....

7.2 VAT registration number:.....

7.3 Company registration number:.....

7.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

7.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....
.....
.....
.....
.....

7.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

7.7 Total number of years the company/firm has been in business:.....

7.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such

cancellation;

- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

- 1.
- 2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:
ADDRESS
.....
.....