

## Bid Addendum

Attention	:	All Prospective Bidders
From	:	Supply Chain Management
Date	:	24 February 2023
Issue	:	Third (3 <sup>rd</sup> ) Issue
Bid Number	:	RFB 18/22
Bid Title	:	APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE A SOLUTION FOR A LOAN APPLICATION SYSTEM FOR A PERIOD UP TO 36 MONTHS.

### 1. ISSUE ADDENDA

Supply Chain Management policy states... *“When any additions, deletions or changes are made to any part of the original bid documentation, all potential vendors, which collected a bid document, must be notified of these changes. It should be noted that amendments must allow bidders enough time to adjust their offers before submitting the bid to ITHALA. Any additions, deletions or changes must be done in writing and records should be maintained in the relevant file; and Bidders must acknowledge receipt of the amendments”*

### 2. YOU ARE HEREBY ADVISED OF THE FOLLOWING OMISSION

#### Questions raised by bidders before the closing date:

- Can the initial contract be less than 36 months? If yes, in what cases, situations or scenarios would a contract period of less than 36 months be applicable? **No**
- Is there a target date in mind for phase 1 implementation (document stated late 2022/early 2023)? **Early 2023**
- What happens after the initial 36-month contract period in terms of the: a. Contract;  
b. Solution support; and  
c. Solution ownership. **This will be dependent on the success of the solution**
- Can you confirm that bidders can choose to submit their bid proposal either physically at 15th floor, Ithala reception, 303 Dr Pixley KaSeme Street, Durban, 4000 or via email (with or without the use of a transfer system such as “we transfer”) and will the bidders be notified if the Bid Evaluation process is not completed by the 17 March 2023? **Yes, the bidder can choose how they will submit the proposal as long as it's before the closing date and time**
- Is there a maximum cost threshold for the tender? **we are unable to disclose this information, but we will be using a 80/20 process**
- Part 6, section 14.6.1 details the preference point system. How is this applicable to the selection of the successful bidder? Part 6, section 14.6.1 details the preference point system. How is this applicable to the scoring or evaluation of submitted bids or proposals? **When scoring 80/20 point system will be used. 80 points for price, 20 point for specific goals.**
- Will the tender scoring include a BEE point allocation? If yes, please provide further details. Are you able to share your B-BBEE policy? **no, we will be using specific goals**
- Are you able to share your Business Ethics and Guidelines? **Please elaborate, what do you mean**
- Is there any allocation of points for including a micro or emerging BEE entity in our Bid? **No**
- Part A request information on whether the Bidder is an accredited representative in South Africa for the goods, services, and works offered? Can you clarify what you are trying to understand with this question?
- Can you provide more details on the “GENERAL CONDITIONS OF CONTRACT (GCC)” and any “ANY OTHER SPECIAL CONDITIONS OF CONTRACT” applicable to this Bid?
- Is Ithala’s banking or deposit-taking activity limited to the area of Province of KwaZulu-Natal? **No**
- Can you share information on the target customers for the solution such as age brackets, racial demographic and geographical location? **Ithala's base of operation is in KZN but not limited to it. Between the age of 18 to their retirement age**

14. What percentage of the target customers will potentially have access to a smartphone?
15. Will the loan systems be available to corporate and retail customers? **Mostly Retail Customers**
16. Are you able to provide a detailed and potentially a graphic view of your technology landscape with a supporting write-up? Are you able to provide a copy of your technology strategy, enterprise architecture, data management approach? **This information will be provided to the successful bidder**
17. Do you have a preferred cloud / cloud hosting partner? **Currently on a project to implement Microsoft Azure, so this would be the preferred Cloud Solution.**
18. Can the solution be deployed on the cloud? **This is dependent on whether your solution is enabled for cloud deployment**
19. Is there mandatory requirement for the solution to be deployed in your or a partner or yours or a governmental data centre? **No**
20. How many loan applications do you expect per hour and per day? **circa 40 per day**
21. What was the highest number of loan applications ever received in a day (manual/paper based and through automated channels)? **circa 80**
22. Section 1.2 indicates the potential need for a transaction model. Can you provide more information on this requirement or model? Is a transaction-based model a key requirement / evaluation point of the evaluation process? **There is no reference to Transaction Based Model. Section 1.2 refers to the Loan Origination Process**
23. Are Bidders allowed to provide different technology and solution options with the cost and other associated implications? **Yes, you can provide as an attachment. But you must complete on the document information which solution you want your tender to be evaluated on**
24. Can you provide a copy of the standard terms and conditions mentioned in section 2.1? **This information will be provided to the successful bidder**
25. Section 3.1 refers to additional information required. How will these requests be communicated? **Though email**
26. Section 4.2 refers to a confidentiality agreement. Can you share the agreement? **This information will be provided to the successful bidder**
27. Are the conditions listed in section 5.4 negotiable or open for discussion? **Conditions of tender are not negotiable, only conditions of contract**
28. Section 14.7.1 requires the bidder to provide Reference Letters /Completion certificates. How many letters do you require? **Refer to the functionality criteria**
29. Can you clarify / explain what you mean by Completion certificates. **Proof that your previous project was completed**
30. Section 14.7.1 requires the bidder to provide 'CV'. Is this for staff? Can you clarify what you require and the extent (CV's for all expected staff, copies of certificates and degrees and memberships, etc.?) **for resources to be allocated to this tender**
31. Do you have a preferred enterprise architecture and/or solution architecture framework? **No**
32. Does your organisation prefer waterfall or agile based project implementations? **Waterfall but agile or hybrid of both will be fine**
33. Do you have a preferred agile methodology, if applicable? **No**
34. Section 14.7.2 requires Bidders client information. How many clients would you prefer information on? **More than two**
35. Section 14.7.2 requires Bidders client information. Are there specific sectors for client references that you value? **Not specific but advantageous to our operational environment**
36. Section 14.7.2 requires Bidders client information. We are sometimes prohibited from sharing the value of projects. Can the value be left out or will we be penalised in such cases? **Value not an issue**
37. Section 14.9.1 mentions a project budget. Can you share any budget constraints or guidance on your budget for the project? **Unable to share**
38. Are you able to share a copy of the business strategy mentioned in section 1.1? **This information will be provided to the successful bidder**
39. Can you provide details on the products (Home Loan, Rural Home Loan, Pension Backed Loan; Cash Advances (pawn transaction) and Vehicle Asset and Finance facility (VAF and Taxi Finance) of secured loan facility offered? **attached**
40. What types of security or collateral is accepted? **Mortgage Bond, Pension Fund, Investments within Ithala**
41. Does the system need to register, store and track collateral on a loan? **Proposal on alternatives will be accepted**
42. Does the system need to integrate to other systems (internal to Ithala) or external (such as the deeds office) to track collateral or security? **Yes**

43. Are these applications facilitated by a Ithala staff member? **Both internal and external facilitators**
44. Would the Ithala staff member require system access? **Yes**
45. How many branches does Ithala have? **40**
46. How many branch staff requires system access? **4 x 40**
47. Are there any mandates required for LOS users on what they allowed or not allowed to access? **Yes**
48. What network and data capabilities generally exist at branches? **LAN and SD WAN**
49. How many loan originators are expected to use the system? **External Originators will work through a switch. about 80 internal users**
50. What percentage of the total loan applications are initiated from loan originators? **about 80%**
51. How many loan applications are expected to be initiated from loan originators? **Circa 9000 annually**
52. Can loan originators use their own systems? **Yes**
53. Will the system be required to integrate with the loan originator systems? **Yes**
54. What payment methods are used for Disbursements? **EFT or Cash**
55. What is the split/usage of the different Disbursements methods? **95% is EFT**
56. Does Ithala have a preferred or ranked set of Disbursements methods? **No**
57. What system was used for processing of personal loans? **95% Lotus Note**
58. Can you provide more details on the number, type and characteristics of the personal loan products which could be offered? **Currently not active, its return maybe mean revised characteristics**
59. Can you share the affordability process for personal loans and other loan products? **To be provided post tender process**
60. Can you provide details or requirements on the decision engine required? **To be provided post tender process**
61. How do you define credit risk across the three primary categories of loans? **Product dependent**
62. Can you share details and the criteria on when a loan would be automatically approved and when manual approval is required? **To be provided post tender process**
63. Can you share the loan product universe (existing and pipeline?) **To be provided post tender process**
64. What is the maximum number of systems where integration would be required? **For now it is about 8. Could change in future**
65. Can credit bureau interface be to just one bureau? **No**
66. Will Ithala bear the costs for interfacing to external providers such as credit bureaus or must this be included in the transaction cost? **Yes**
67. Is there a need to verify the identity of loan applicants against trusted sources such as banks, home affairs, etc? **Yes**
68. Can you share more details on the AML/KYC interface requirements? **We use a Client Sanction Screening System for this**
69. Will clients be allowed to initiate loan applications via a website, mobile application and other self-service channels? **Yes**
70. What types of electronic communication (email, sms, automated call, push message, statements) would you require other than what has been listed in this question? **No other electronic interface**
71. Will any documents be sent to the borrower that must be password protected? **Yes**
72. Do you have a call centre to assist loan applicants? **Yes**
73. What types of management reports are required ? Any idea on how many reports will be required? **Will be defined on appointment**
74. Can the reports be generated in the loan system or must they be from your existing reporting tools? How do you differentiate management reports from analytics? **Standard Reports will come off the system implemented. Analytics will be derived off a Data Warehouse**
75. What analytics capabilities do you require? **Will be defined on appointment.**
76. Do you have a specific tool for analytics versus reporting? **Qlickview/QlikSense**
77. How mature is your analytics team, environment and or capability? **On a measure of 1 to 10, around 7.**
78. How many analytics users do you expect? **Deployment of our own Warehouse Tool is only anticipated to be completed in April 2023. For now it is a managed service.**
79. Can you provide a list of reports per authority (FIC, SARB, PA)? **Will be provided on appointment**
80. Is the FSCA, NCR or other regulators, authorities or government departments is scope for external reporting? **Yes**
81. Is there a loan application form currently used which you can share? **Attached**

82. Can you share the data fields required if a form is not available? **See above**

83. Can you share more details or documents which detail the following processes: a. Loan application

b. Loan assessment

c. Disbursement

d. Loan servicing

e. Loan communication

f. Loan closure

g. Other loan related processes

**To be provided post tender process**

84. Is there a product implementation roadmap for the loan system or business which you can share? **This information will be provided to the successful bidder**

85. If new products are introduced such as Vehicle Finance, will additional budget be available to onboard new origination points such as dealerships? **Yes**

86. Can you provide a number of maximum loan origination users (branch users and third parties such as dealerships or home loan originators)? **about 80**

87. Can you provide a number of maximum loan origination system points (branches and third parties systems from dealerships or home loan originators)? **About 6 third party system points and about 40 branches**

88. Will the process for loan applications differ for clients walking into the branch vs. external loan originators and in what manner will they differ? **This information will be provided to the successful bidder**

89. Will there be any data migration requirements to facilitate moving data from an older system to the new system? **No**

90. What is the older system and how is the data currently stored? **Lotus Notes using Data Forms**

91. Will pre-qualification and credit checks be done manually or automated with rules in the system? **Automated**

92. Where should documents be stored - is there an existing platform or should the LOS system provide and document management system? **There is no document storage, needs to be part of the LOS**

93. Does the system have to cater for in Duplum? The in duplum rule has been part of South African law for more than 100 years – translated, in duplum means 'double the amount'. This common law rule provides that interest on a debt will cease to run where the total amount of arrear interest has accrued to an amount equal to the outstanding principal indebtedness. **No. This will come off the Core Banking System**

94. What are the number of branches, their locations and the anticipated number of end users? **about 40 Branches and about 4 users per branch. Branches are spread across KZN**

95. What are the anticipated volumes for home loans? **over 11000**

96. Automated Credit Bureau interface > Which bureaus are you registered with and do you have an existing credit scorecard? **All the Credit bureaus and yes to credit scorecard**

97. We note that an email submission is permissible. Will electronics signatures be acceptable? **Yes**

**NB:** Cover quoting sometimes referred to as “shadow quoting” or “bid rigging” is an offense, which represents both corruption and acquisition of fraud. It undermines the fair determination of a supplier, corruptly eliminating free and open competition. Therefore, it is not allowed.