

REQUEST FOR PROPOSAL: PROVISION OF LOCAL AND GLOBAL CUSTODIAN SERVICES FOR A PERIOD OF 7 YEARS

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REQUEST FOR PROPOSAL

ECIC08P-2021/22

PROVISION OF CUSTODIAN SERVICES FOR A PERIOD OF 7 YEARS

CLOSING DATE: 14 SEPTEMBER 2021

CLOSING TIME: 15H00 (SAST, OBTAINABLE FROM TELKOM BY DAILING 1026)

CONTRACT NUMBER: SLA08-2021/22

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1. Introduction

- 1.1 The Export Credit Insurance Corporation of South Africa (SOC) Ltd (ECIC)¹ is a self-sustained state-owned entity listed under Schedule 3B of the Public Finance Management Act 1 of 1999 (as amended) and established in terms of the Export Credit and Foreign Investments Insurance Act 78 of 1957 (as amended).
- 1.2 The mandate of ECIC is to facilitate and encourage South African export trade, by underwriting export credit loans and investments outside the country, to enable South African contractors to win capital goods and services contracts in countries outside South Africa. ECIC is a registered Financial Service Provider and is regulated by the Financial Sector Conduct Authority and Prudential Authority (FSP No: 30656). Currently exempted in terms of FAIS Notice 78 of 2019.
- 1.3 ECIC operates from offices at Block C7 Eco Origins Office Park, 349 Witch Hazel Avenue, Highveld Ext 79, Centurion, 0157, South Africa.
- 1.4 Bids are hereby invited for the appointment of a service provider to provide local and global custodian services for a period of seven (7) years.
- 1.5 This bid is subject to the Preferential Procurement Policy Framework Act No. 5 of 2000 and the Preferential Procurement Regulations, 2017, the General Conditions of Contract (GCC) and, if applicable, any other special conditions of contract. Where, however, the special conditions of contract conflict with the general conditions of contract, the special conditions of contract prevail.

2. Briefing session (Virtual briefing session)

- 2.1 A non-compulsory briefing session will be held virtually on 27 August 2021 at 13H00 (South African Standard Time) for a maximum of 1 hour at the following address:

https://teams.microsoft.com//meetup-join/19%3ameeting_ZmQwZjl3NDltMDgxOC00YmQ1LWl3OTgtNmY3ODI3ZjJlMTNm%40thread.v2/0?context=%7b%22Tid%22%3a%22bcc49292-184b-47c7-bb08-4467c490ca5c%22%2c%22Oid%22%3a%22b197eb60-f523-4755-b449-cb351227ae15%22%7d

3. Background

- 3.1 ECIC's liabilities drive the determination of its investment strategy and asset management activities. As an insurer, ECIC has an imperative to ensure its obligations are fulfilled whilst maintaining financial soundness. It makes use of an asset liability matching approach to determine its investment strategy set within the risk appetite and risk budget of the corporation.

¹ Further information on the ECIC can be found at www.ecic.co.za

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- 3.2 ECIC has an investment portfolio of R2.7 billion and US\$374 million invested in rand and US dollar dominated assets respectively (market value as at 31 July 2021). The corporation's operational cashflow requirements is denominated and funded from the rand investment portfolio, while the majority of the corporation's liabilities are denominated in US dollars and matched by the US dollar investment portfolio. The assets are expected to increase in the rand portfolio to R3.5 billion, while the US dollar portfolio is expected to grow to approximately \$610 million over the next 7 years.
- 3.3 The corporation is in the process of converting its integrated strategic asset allocation approach to an investment tranching approach. Such an approach will segment each currency portfolio's objectives into a working capital, reserving and excess tranche. It is expected that the strategy will be fully implemented by March 2022 with the following tranche allocations:

Table 1

Tranche	Total Reserving Tranche			Excess
	Working Capital	Reserves	Capital Requirements	
Rand Portfolio				
% Allocation	10%	-	-	90%
Underlying Asset Classes	Cash	-	-	Multi-Asset
USD Portfolio				
% Allocation	10%	20%	40%	30%
Underlying Asset Classes	Cash	Fixed Income Duration Matched	Fixed Income Duration Matched	Multi-Asset

- 3.4 The investment strategy is implemented by appointing external fund managers. All contracts are currently managed on a segregated basis with bespoke investment guidelines. ECIC is currently in the process of appointing fund managers for the new investment strategy and expects all appointments to be effective by March 2022. The following types and number of managers are expected:

Table 2

Tranche	Working Capital	Reserving	Capital Requirements	Excess
Rand Portfolio				
Number of Managers	1 Cash	-	-	2 Gov Bond 2 Flexible Income 2 Multi-Asset

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USD Portfolio		
Number of Managers	2 Fixed Income	3 Multi-Asset

- 3.5 The ECIC's internal investment unit comprises of three team members. The unit is responsible for setting and executing the investment strategy and day-to-day management and monitoring of the investment portfolio and external fund managers.
- 3.6 Fund reporting is currently conducted in-house by the corporation's investment, actuarial, risk and accounting units using instrument level data provided by its custodian, the appointed fund managers and sourced from Bloomberg.
- 3.7 The asset allocations are shown in the tables below. All instruments in the portfolio are listed.

Table 3

ZAR Portfolio					
Tranche split	Working Capital	Excess Tranches			
	10%	90%			
Portfolio split	Money Market	Multi Asset		Flexible Income	Government Bond
		Global Balanced	Global Absolute		
	100%	23%	23%	34%	20%

Table 4

USD Portfolio					
Tranche split	Total Reserving Tranche			Excess Tranches	
	48%			52%	
Portfolio split	Working Capital	Technical Provisions	Capital Requirement	Multi Asset	
	LIBID	US Treasuries short	US Treasuries long	Global Balanced Core	Global Balanced Aggressive
	18%	72%	10%	60%	40%

- 3.8 The following asset classes are allowed in the fund manager mandates:
- 3.8.1 Listed Equities (including commodity ETFs).
- 3.8.2 Listed Real Estate.
- 3.8.3 Corporate Bonds.
- 3.8.4 Securitised Debt.

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- 3.8.5 Inflation Linked Bonds.
- 3.8.6 Emerging Market Bonds.
- 3.8.7 Government Bonds.
- 3.8.8 US and non-US Sovereign, Sovereign Guaranteed, Regional, Parastatal and State Agency.
- 3.8.9 Money Market Instruments.
- 3.9 The use of derivatives is allowed for use in pooled and segregated fund manager mandates. No derivative instruments or strategies are implemented directly by the corporation. To ensure appropriate investment diversification and consideration of market dynamics, derivatives can be used to allocate funds effectively across different regions, currencies, asset classes and durations. The principles by which the corporation authorise the use of derivatives in managing the corporation's assets in relation to its liabilities, includes the following:
 - 3.9.1 Currency hedging: to mitigate or eliminate the impact of multiple currency exposures
 - 3.9.2 Interest rate hedging: to mitigate or eliminate the impact of different duration profiles
 - 3.9.3 Protection: to hedge against potential losses from political, market or credit events
 - 3.9.4 Efficient transition of assets: to efficiently transfer assets, mitigating or eliminating the risk of not being invested in the market.
- 3.10 The estimated annual transaction volumes in ECIC's investment portfolios are shown in the table below:

Table 5

Asset Class	Number of Transactions (per year)
Local Equity buys/sells (Rand denominated)	2 000
Local Bonds buys/sells (Rand denominated)	200
Local Money Market buys/sells (Rand denominated)	600
Global Equity buys/sells (USD denominated)	1 000
Global Bonds buys/sells (USD denominated)	1 000

- 3.11 ECIC is a subscriber to Bloomberg. The corporation does not have any additional licensing agreements with data vendors.

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4. Scope of services required by ECIC

- 4.1 ECIC seeks to appoint, for a period of seven (7) years, a suitable Custodian Bank that will provide custodian services for the safekeeping of its assets managed by institutional fund managers. The appointment will be subject to an annual review for continued service. The firm should be adequately resourced and experienced to provide custodian services for both local and offshore investments (i.e. global custody services). The funds are managed by both local and offshore fund managers through segregated mandates. The firm should have existing sub-custodian or global custodian arrangements in place to fulfil global custody services in jurisdictions where the main custodian has no licence to do so. The bidder must ensure that any agreement with any sub-custodian(s) or global custodian are subject to the same conditions and requirements listed in this document.
- 4.2 The scope of services intend to give a realistic view of ECIC's current operating environment but may be subject to change. It should be read in conjunction with the background paragraph 3 above, which sets out the structure, asset classes and regions which ECIC invests in.
- 4.3 The appointed bidder will be required to provide core global custody services:
- 4.3.1 **Safekeeping** - the custodian will be responsible for safekeeping of assets and provide at least the safekeeping services described below:
- 4.3.1.1 Safe custody, physical security and hold for the account of ECIC all securities held or controlled by the custodian.
- 4.3.1.2 Appropriate segregation of assets and segregation of accounts.
- 4.3.1.3 Assure all positions are adequately maintained for accounting purposes, including daily reconciliations as well as proper maintenance of accounting and inventory records.
- 4.3.1.4 Efficient and timely transfer of information to and from ECIC and its fund managers via SWIFT (Society for Worldwide Interbank Financial Telecommunication) and email.
- 4.3.1.5 Not assign, pledge, encumber or dispose of any investment assets except in acting under the direction of ECIC or it's duly authorised fund managers.
- 4.3.1.6 Not subject securities to any charge, security, interest, lien or claim of any kind in favour of the custodian.

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- 4.3.1.7 Beneficial ownership of the securities will be freely transferrable without payment of money or value other than for safe custody or administration.
- 4.3.2 **Settlement** - the custodian will be responsible for settlement of transactions and provide at least the settlement services described below:
 - 4.3.2.1 Designate a settlement staff member responsible for servicing ECIC's account.
 - 4.3.2.2 Share information around settlement processes, periods and cut-off times pertaining to different types of transactions and asset classes with ECIC.
 - 4.3.2.3 Prompt and timely settlement of transactions and affirming trades executed by ECIC and its fund managers, within the respective markets in accordance with market practices.
 - 4.3.2.4 Settle securities in a location and manner satisfactory to the ECIC, with adequate controls and disaster preparedness plan.
 - 4.3.2.5 Share timely information with ECIC and its fund managers on issues in related markets that could hinder timely trade settlement.
 - 4.3.2.6 On-line trade affirmation capabilities with clearing agents and trade notification for securities settled/not settled at clearing agent.
 - 4.3.2.7 Monitor tax withholding claims and assist with tax refunds.
 - 4.3.2.8 Notify ECIC and its fund managers of any failed settlements as soon as possible but not later than the next business day.
 - 4.3.2.9 Release and deliver securities only upon receipt of authorised instructions from ECIC or the appointed fund manager, through SWIFT or other pre agreed methods.
 - 4.3.2.10 Upon sale of securities, deliver to the purchaser thereof against receiving payment (or for exchange or conversion to any plan of merger, consolidation, recapitalisation, reorganisation or readjustment of securities pursuant to provisions for conversion contained in such securities unless otherwise directed by authorised instructions) the new securities and cash, if any.

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- 4.3.2.11 Debit the appropriate ECIC cash account in connection with the purchase of securities. Credit the appropriate account of ECIC in connection with the sale, maturity, redemption, income and coupons or disposition of securities. These include all incomes and other receivables relating to securities that are entitled to ECIC.
 - 4.3.2.12 All settlements should be provided and reported on a trade settlement basis.
 - 4.3.2.13 Agree to pay sale fail compensation for all failed securities that did not settle under the normal settlement procedures, provided: a) The security was in the custodian's possession; b) The trading counterparty was not responsible for the failure to settle.
- 4.3.3 **Cash management** - The successful custodian will be responsible for cash management for ECIC and provide at least the cash management services described below:
 - 4.3.3.1 Designate a cash staff member to be responsible for servicing ECIC's account.
 - 4.3.3.2 Reconcile daily cash balances for all accounts and provide accurate balances to support ECIC's and its fund manager's investment activity. The report must be provided to ECIC on the next business day through an online portal.
 - 4.3.3.3 Provide automated daily cash sweeps, by accounts, as directed by ECIC.
 - 4.3.3.4 Offer short term investment options on US dollar, Euro and ZAR currency balances.
 - 4.3.3.5 Access to daily cash management reports as requested by ECIC.
- 4.3.4 **Corporate actions and income processing** - the custodian will be responsible for corporate actions and income processing and provide at least the services described below:
 - 4.3.4.1 Corporate event notifications and comprehensive details of the issue including rates, entitlements and the action required. These communications shall be sent through SWIFT, facsimile or online portal within twenty-four hours of the event occurrence.

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- 4.3.4.2 Collect and process income and to the extent possible, provisionally credit income on contractual payment date in respective currencies.
 - 4.3.4.3 File all documents and take steps necessary to ensure that all monies due to ECIC from litigation are collected and ECIC interests are protected, upon the settlement of any class action litigation matter in which ECIC has an interest. Timely forward notices regarding any litigation matter which may require action on the part of the ECIC.
 - 4.3.4.4 Provide monthly reports of all class actions, claims filed, and settlements received through a secure internet-based reporting system.
- 4.3.5 **Onboarding ECIC** - the custodian must demonstrate its commitment and capability in the transitioning phase of onboarding ECIC as a new client in the following ways:
 - 4.3.5.1 Facilitate a smooth transition for all assets by a competent conversion team to coordinate the planning and execution of the transition. **The migration needs to be concluded by 30 April 2022.**
 - 4.3.5.2 Present a plan and schedule of transition from the current to the new custodian. The plan must include the timing of each phase and the proposed involvement of ECIC, the current custodian and all externally appointed fund managers.
 - 4.3.5.3 Perform all procedures necessary to transfer data, securities and records from the current to the new custodian. Reconcile custody positions to the prior custodian's records, research all reconciling items, and correct all position discrepancies.
 - 4.3.5.4 On the day of the conversion oversee transfer of securities and cash and over subsequent days ensure all securities are received and accounted for properly.
 - 4.3.5.5 Ensure that all interfaces, including but not limited to those of ECIC, Bloomberg and its fund managers, are ready and adequately tested prior to conversion.
 - 4.3.5.6 Ensure conversion process, including the reconciliation, is completed within 60 days of contract signing.

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5. Bid/contract conditions

- 5.1 ECIC will enter into an agreement with the successful bidder which will detail the terms of engagement. The appointment will be subject to an annual review for continued service.

6. Due diligence / site inspection

- 6.1 At the ECIC's discretion, a due diligence and/or site inspection may be conducted on the identified bidder (*the due diligence site visit may take place remotely*). ECIC will visit the identified bidders' premises with the objective of verifying information as contained in their bid documents.
- 6.2 Where applicable, the ECIC will issue criteria for the due diligence review or site inspection beforehand to the applicable bidder(s). Should it be discovered during a due diligence visit or site inspection that the information submitted by the identified bidder is inconsistent with what is on their current premises of business, ECIC reserves the right to disqualify such bidder.
- 6.3 ECIC may identify another bidder using the next highest points obtained in the evaluation phase as stipulated in paragraph 7.1.4, taking into consideration the process followed under paragraphs 6.1 and 6.2.

7. Bid evaluation

- 7.1 The proposals will be evaluated in phases as highlighted below and detailed in paragraphs 8 to 11 of this document:

7.1.1 Phase One: Compliance

Compliance with administrative requirements stated in the Standard Bidding Documents as listed in paragraph 11. In this evaluation phase, all bidders that fail to provide the required information and documentation may be disqualified from further evaluation.

7.1.2 Phase Two: Functional evaluation (desktop evaluation)

In this evaluation phase, bidders are expected to obtain a minimum of 80 out of 100 points to proceed to the next evaluation stage of the evaluation. Failure to obtain the prescribed minimum points will automatically disqualify the bid offer from proceeding to the next evaluation phase.

7.1.3 Phase Three: Proof of concept evaluation (demonstration)

In this evaluation phase, bidders are expected to obtain a minimum of 80 out of 100 points to proceed to the next evaluation stage of the evaluation. Failure to obtain the prescribed minimum points will automatically disqualify the bid offer from proceeding to the next evaluation phase.

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7.1.4 Phase Four: Preference point system

The 80/20 preference point system shall be applicable to this phase, where 80 points represent maximum obtainable points for the lowest acceptable price and 20 points represents maximum obtainable points for the B-BBEE level status. Points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table as listed in the bid documentation (refer to paragraph 10).

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8. Evaluation Phase Two: Functional

8.1 The proposal submitted by the bidder will be evaluated by the ECIC based on the following criteria and be rated as the factor score over 5 multiplied by the applicable points:

Factor scores: 0=Poor, 1=Below average, 2=Average, 3=Good, 4=Very Good, 5=Excellent

Table 6

EVALUATION CRITERIA	DESCRIPTION	FURTHER DETAIL	SUB		POINTS
			FACTOR	POINTS	
1. Firm experience and capacity	1.1. Provide the value of assets under custody. Provide the value of assets serviced/supported under the sub-custodian or global custodian arrangement / alliance.	1.1.1. Bidder has R1 trillion or less assets under custody.	2	10	10
		1.1.2. Bidder has more than R1 trillion in assets under custody.	3		
		1.1.3. Bidder has more than R1 trillion in assets under custody. Also the bidder service / support at least USD1 billion in assets under the sub-custodian or global custodian arrangement / alliance.	4		
		1.1.4. Bidder has more than R5 trillion in assets under custody. Also the bidder service / support at least USD5 billion assets under the sub-custodian or global custodian arrangement / alliance.	5		

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EVALUATION CRITERIA	DESCRIPTION	FURTHER DETAIL	SUB		POINTS
			FACTOR	POINTS	
2. Client Services	2.1. Provide a brief description of the organisational capability and arrangement / alliance with the sub-custodian or global custodian in delivering custody services. Indicate how long the arrangement / alliance with sub-custodian agreement or global custodian have been in place.	2.1.1. Bidder did not provide indication of its organisational capability and its arrangement / alliance with sub-custodian or global custodian in delivering custody services.	0	10	20
		2.1.2. Bidder did provide indication of its organisational capability and its arrangement / alliance with sub-custodian or global custodian in delivering custody services. To score a factor 5 the bidder must provide detailed information, such as team structure, and the sub-custodian or global custodian agreements / alliance must be in place for at least 3 years.	1-5		
	2.2. Outline the firm's strategic and continued commitment to custody services. Give a history of the custodial business and competitive advantages. Provide a brief description of the client servicing and integration with sub-custodian / global custodian to provide access to global custody network.	2.2.1. Bidder did not provide a brief description of the client servicing and integration with sub-custodian / global custodian.	0	10	
		2.2.2. Bidder did provide an outline of strategic and continued commitment to custody services. Including a history of the custodial business. To score a factor 5 the bidder must provide a brief description of the client servicing and integration with sub-custodian / global custodian. Bidder	1-5		

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EVALUATION CRITERIA	DESCRIPTION	FURTHER DETAIL	SUB		POINTS
			FACTOR	POINTS	
		also provided details on competitive advantages.			
3. Core Global Custody Services	3.1.Describe the firm's safekeeping process and services including how positions are maintained, recorded and reported.	3.1.1.Bidder did not describe its safekeeping process and services.	0	15	40
		3.1.2.Bidder did describe its safekeeping process and services including how positions are maintained, recorded and reported.	1-5		
	3.2.Describe the firm's contractual settlement policy. Describe what information and assistance will be available to ECIC in understanding settlement process, periods and cut-off times. Describe ongoing support to be provided to ECIC.	3.2.1.Bidder did not describe the firm's contractual settlement policy.	0	15	
		3.2.2.Bidder did describe the firm's contractual settlement policy.	1		
		3.2.3.Bidder also described what information and assistance will be available to ECIC in understanding settlement process, periods and cut-off times.	2-4		
		3.2.4.Bidder also described ongoing support to be provided to ECIC.	5		
	3.3.Describe the firm's cash-management process in the context required by ECIC. Describe your daylight and overnight overdraft policies, reporting, alerts and collateral requirements.	3.3.1.Bidder did not describe the firm's cash-management process.	0	10	
		3.3.2.Bidder did describe the firm's cash-management process at a sufficiently detailed level.	1-5		

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EVALUATION CRITERIA	DESCRIPTION	FURTHER DETAIL	SUB		POINTS
			FACTOR	POINTS	
4. Technology	4.1.Describe the firm's client access system(s), covering the following areas: design, inquiry features, reporting, flexibility and if it includes access to the sub-custodian / global custodian's system / data.	4.1.1. Bidder did not describe the firm's client access system.	0	5	10
		4.1.2. Bidder did describe the firm's client access system, however the functionality is limited and/or it does not include access to sub-custodian / global custodian system / data.	1-2		
		4.1.3. The firm's client access system has vast functionalities and include access to the sub-custodian / global custodian system / data.	3-5		
	4.2.Describe the firm's systems used for custody services. For example is it an integrated system where the same platform is used for custody reporting, accounting and other value-added services. Describe how the sub-custodian / global custodian systems are integrated. Describe if the firm has customised trade capture processes/capability to external systems (such as Bloomberg, Reuters).	4.2.1. Bidder did not describe the firm's systems.	0	5	
		4.2.2. Bidder did describe the firm's systems but did not describe the integration to sub-custodian / global custodian and / or it did not cover trade capture capability in relation to external systems.	1-2		
		4.2.3. Bidder also described how sub-custodian / global custodian systems are integrated. To score a factor 5 the bidder needs to describe its utilisation of customised trade capturing processes to external systems.	3-5		

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EVALUATION CRITERIA	DESCRIPTION	FURTHER DETAIL	SUB		POINTS
			FACTOR	POINTS	
5. Implementation project	5.1.Describe the overall transition project methodology and approach proposed for project implementation, to migrate ECIC from its current custodian. This should at least cover the conversion team, acceptance testing procedures and an estimated timeline of the project and the necessary milestones. The migration needs to be concluded by 30 April 2022.	5.1.1.Bidder did not describe the firm's approach to migrate ECIC from its current custodian.	0	10	10
		5.1.2.Bidder did describe the firm's approach to migrate ECIC from its current custodian. However, the transition methodology or project plan was not comprehensive.	1-3		
		5.1.3.The bidder's methodology and project plan to migrate ECIC from its current custodian is comprehensive and includes an estimated timeline and the necessary project milestones.	4-5		
6. Risk management	6.1.Describe the firm's risk management approach / framework ensuring a continued focus on the safekeeping of data. Also make reference to indemnity insurance that is in place and disaster recovery plans.	6.1.1.Bidder did not describe the firm's risk management approach or framework.	0	10	10
		6.1.2.The described risk management approach or framework was not comprehensive.	1-3		
		6.1.3.The risk management approach or framework was described in detail, covering the related control environment, indemnity insurance and disaster recovery plans.	4-5		
TOTAL				100	100

- 8.2 Bidders who achieve minimum points of 80 out of 100 will be invited for presentation of their proposed solution to ECIC. The presentation will be on **29 September 2021** and/or **30 September 2021** for bidders that have passed the functional evaluation. Dates and times will be communicated to the bidders who have passed functionality during the week ending **17 September 2021**. Presentations may be handled remotely.

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9. Evaluation Phase Three: Proof of concept (Demonstration)

9.1 The proof of concept presented by the bidder will be evaluated by ECIC based on the following criteria and be rated as follows:

Factor scores: 0=Poor, 1=Below average, 2=Average, 3=Good, 4=Very Good, 5=Excellent

Table 7

EVALUATION CRITERIA	EVALUATION DETAIL	FACTOR	POINTS
1. Demonstrate the bidder's organisational capability to provide custody services. Demonstrate that the arrangement / alliance with the sub-custodian or global custodian is well established in delivering global custody services to existing clients.	1.1. The demonstration depicts shortcomings in the bidder's capacity and / or the arrangement / alliance with the sub-custodian or global custodian is not well established.	0-3	35
	1.2. The demonstration depicts the bidder is well capacitated and the arrangement / alliance with the sub-custodian or global custodian is well established.	4-5	
2. Outline the bidder's safekeeping and cash management processes and the systems used for these custody services.	2.1. The demonstrated processes does not fully meet ECIC's expectations and / or the systems used or the lack of a system pose a risk.	0-3	35
	2.2. The demonstrated processes and systems fully meet ECIC's expectations.	4-5	
3. Outline the proposed transition project plan and approach to migrate ECIC from its current custodian.	3.1. The project plan is lacking certain necessary elements to migrate ECIC's assets.	0-3	10
	3.2. Comprehensive project plan presented with key milestones identified.	4-5	

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EVALUATION CRITERIA	EVALUATION DETAIL	FACTOR	POINTS
4. Quality of the demonstration / presentation.	4.1. Overall quality of the presentation and presenters.	0-5	10
5. Satisfactory response to questions.	5.1. Response to questions demonstrate deep understanding of the scope of services required.	0-5	10
TOTAL			100

- 9.2 Bidders are expected to obtain a minimum of 80 out of 100 points to proceed to the next evaluation stage of the evaluation. Failure to obtain the prescribed minimum points will automatically disqualify the bid offer from proceeding to the next evaluation phase.
- 9.3 In view of the Covid-19 during lockdown, the regulations will be adhered depending on each level in performing POC evaluation. To flatten the curve, the corporation will decide on the best way to conduct the due diligence/proof of concept and communicate with bidders who have achieved the minimum required points for functionality. It is anticipated that, the Proof of Concept will be conducted online using Microsoft Teams.

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10. Evaluation Phase Four: Preference point system

- 10.1 The formula below will be used to calculate the preference procurement points for price if the 80/20 basis applies.

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid or offer under consideration

P_{min} = Comparative price of lowest acceptable bid

- 10.2 Depending on the bidder's level of broad-based black empowerment contribution, a maximum of 20 points may be allocated to a bidder. The points scored by a bidder for broad-based black economic empowerment contribution will be added to the preference procurement points allocated for price.
- 10.3 The table below reflects the number of points to be allocated to a bidder based on broad-based black economic empowerment contribution:

Table 8

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

- 10.4 The B-BBEE points will be awarded as per the rating certificate, the points for joint ventures (JV) or consortiums will be awarded based on the certificate of the JV or the consortium.

11. Standard bidding documents

- 11.1 The following compulsory additional information is required. Failure to complete and supply any of these documents may lead to disqualification from this bid:

Table 9

Invitation to bid	SBD 1
Declaration of Interest	SBD 4

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Preference Points Claim Form for Preferential Procurement Regulations 2017 (including a valid B-BBEE Status Level Verification Certificate) Should a bidder not complete and sign the SBD6.1, the bidder will be allocated 0.00 points for B-BBEE.	SBD 6.1
Declaration: Abuse of Supply Chain Management Systems	SBD 8
Certificate of Independent Bid Determination	SBD 9

12. Instructions to respondents

12.1 Correspondence

- 12.1.1 No telephonic or any other form of communication with any other ECIC member of staff other than the named individual below, relating to this RFP will be permitted. All enquiries must be in writing only.
- 12.1.2 All questions relating to the contents of the tender (conditions, rules, terms of reference etc.) must be forwarded in writing via email to procurement@ecic.co.za by not later than 31 August 2021. Questions received after this date will not be entertained.
- 12.1.3 All questions must reference specific paragraph numbers, where applicable.
- 12.1.4 All enquiries (received on or before the closing date for enquiries) will be consolidated and ECIC will publish one response document on the ECIC website (www.ecic.co.za) within three working days after the date in indicated in paragraph 12.1.2.
- 12.1.5 No requests for information shall be made to any other person or place and in particular not to the existing provider of this service.

12.2 Submission of the proposals

- 12.2.1 Bid documents must be clearly marked for ease of reference.
- 12.2.2 In view of the applicable Regulations issued in terms of the Disaster Management Act. 2002 (Act No 57 of 2002) (generally known as Covid-19 Regulations) and to comply with the Covid-19 Regulations, particularly on movement and social distancing, bid documents must be submitted on PDF format on/or before the closing date and time to the following email address:

procurement@ecic.co.za

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- 12.2.3 The following email submission procedures or protocols must be adhered to ensure safe and secure submission of the tender documents and supporting documents:
- 1.1.1.1 The tender document, including the supporting or returnable documents should be submitted via email in PDF format.
 - 1.1.1.2 If the PDF tender document, including the supporting or returnable documents is less than 20 Megabytes (MB), it should be submitted as one document. If the electronic bid document is more than 20MB, the electronic tender document should be split in order to adhere to the 20MB email capacity.
 - 1.1.1.3 Bidders are also encouraged to submit a USB detailing their tender proposals.
- 12.2.4 Only if bidders are experiencing challenges with emailing documents, tenders can be delivered at the ECIC Offices on/or before the closing date and time at Block C7 Eco Origins Office Park, 349 Witch Hazel Avenue, Highveld Ext 79, Centurion, 0157, South Africa.
- 12.2.5 **Notwithstanding the method of submission, any bid received after the closing date and time will not be accepted.**
- 12.2.6 All bids and all subsequent information received from respondents will not be returned. The proposals should be addressed to the Head of Procurement of ECIC.

13. Timeline of the bid process

- 13.1 The period of validity of the tender and the withdrawal of offers, after the closing date and time are 180 days, expiring on 13 March 2022. The project timeframes of this bid are set out below:

Table 10

STAGE	DESCRIPTION OF STAGE	ESTIMATED COMPLETION DATE (OR WORK WEEK ENDING)
1.	Advertisement of bid on Government e-tender portal / ECIC Website	20 August 2021
2.	Non-compulsory briefing session (virtual)	27 August 2021
3.	Questions relating to bid from bidder(s)	31 August 2021
4.	Bid closing	14 September 2021
5.	Compliance	17 September 2021

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STAGE	DESCRIPTION OF STAGE	ESTIMATED COMPLETION DATE (OR WORK WEEK ENDING)
6.	Functional Evaluation	17 September 2021
7.	Proof of concept (demonstration)	1 October 2021
8.	Preference Points	1 October 2021
9.	Bid Adjudication	29 October 2021
10.	Approval by National Treasury	10 December 2021
11.	Notification of the outcome to the bidders	17 December 2021

13.2 All dates and times in this bid are in South African Standard Time.

13.3 Any time or date in this bid is subject to change at the discretion of ECIC. The establishment of a time or date in this bid does not create an obligation on the part of ECIC to take any action or create any right in any way for any bidder to demand that any action be taken on the date established. The bidder accepts that, if ECIC extends the deadline for bid submission (the Closing Date) for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

14. Bid rules

14.1 Documents/information required as a condition of award

14.1.1 Proof of registration valid registration on the National Treasury Central Supplier Database (CSD).

14.1.2 All SBDs signed and completed, SBD1, SBD4, SBD6.1; SBD8 and SBD9.

14.1.3 Applicable banking or custody license for the bidder and the sub-custodian or global custodian.

14.1.4 ECIC needs to obtain approval from National Treasury for the appointment, hence the appointment will be subject to such approval.

14.2 Broad-Based Black Economic Empowerment and Socio-Economic Obligations

14.2.1 As prescribed in terms of the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000 and its Regulations, bidders are to note that ECIC will allow a "preference" to companies who provide a valid BEE Certificate or Sworn Affidavit. It is noted that international asset managers will not be able to meet the B-BBEE requirements.

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- 14.2.2 Where applicable, bidders are required to complete SBD 6.1 and submit it together with proof of their B-BBEE Status as stipulated in the bidding form in order to obtain preference points for their B-BBEE status.

14.3 B-BBEE Joint Ventures or Consortiums

- 14.3.1 Bidders who would wish to respond to this bid as a Joint Venture [JV] or consortium with B-BBEE entities, must state their intention to do so in their bid submission. Such Respondents must also submit a signed JV or consortium agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party.
- 14.3.2 If such a JV or consortium agreement is unavailable, the partners must submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by ECIC through this bid process. This written confirmation must clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to ECIC.
- 14.3.3 Bidders are to note the requirements for B-BBEE compliance of JVs or consortiums as stipulated in the bidding form in order to obtain preference points for their B-BBEE status and submit it together with proof of their B-BBEE Status.

14.4 Sub-contracting

- 14.4.1 ECIC fully endorses the South African Government's transformation and empowerment objectives and in awarding the tender or contract, preference may be given to bidders (Generics) who are willing to subcontract not less than 30% of the contract to a company which is Black Owned, Black Women Owned, Black Youth Owned, owned by Black People with Disabilities, an EMEs and QSE. EME's and QSE's are allowed to bid without subcontracting.
- 14.4.2 If contemplating subcontracting, please note that a bidder will not be awarded points for B-BBEE if it is indicated in its Proposal that such bidder intends subcontracting more than 30% (thirty percent) of the value of the contract to an entity/entity that do not qualify for at least the same points that the bidder qualifies for, unless the intended subcontractor is a company which is Black Owned, Black Women Owned, Black Youth Owned, owned by Black People with Disabilities, an EME and QSE , with the capability to execute the subcontract.
- 14.4.3 A person awarded a contract may not subcontract more than 25% (twenty five) of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned,

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unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

- 14.4.4 Respondents are required to indicate the percentage of the contract that will be sub-contracted as well as the B-BBEE status of the sub-contractor/s on the SBD6.1.

14.5 ECIC's rights

- 14.5.1 ECIC reserves the right to:

- 14.5.1.1 Amend any bid conditions, bid validity period, bid specifications, or extend the bid closing date, all before the bid closing date. Such amendments will be posted on the ECIC's website under the relevant tender information. All prospective bidders must therefore ensure that they visit the website of ECIC (www.ecic.co.za) regularly before they submit their bid response to ensure that they are kept updated on any amendments in this regard.
- 14.5.1.2 Cancel or withdraw this bid at any time, as a whole or in part without reasons and without attracting any liability.
- 14.5.1.3 Award this bid to more than one bidder.
- 14.5.1.4 Negotiate with all or some of the shortlisted bidders.
- 14.5.1.5 Not accept the lowest priced bid or award the bid to a bidder other than the highest scoring bidder.
- 14.5.1.6 Conduct site visits at bidder's offices and / or at client sites if so required.
- 14.5.1.7 Request any relevant information and/ or documents to verify or clarify information supplied in the bid response in relation, but not limited, to the structure of the bidding entity, bidder's capacity, proposed solution, proposed timelines etc.

14.6 Contract fees

- 14.6.1 Where a bidder indicates that its prices are subject to confirmation, or are in any way conditional, such pricing will not be considered.

14.7 Confidentiality

- 14.7.1 Any information relating to the submissions, through the process or otherwise shall be treated in strict confidence. In submitting a response, a Service provider agrees that it shall not be entitled to any information

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disclosed by another respondent to ECIC, which ECIC has determined to be of a confidential nature. The content and details of the evaluation of submissions will remain confidential to ECIC.

14.8 Other matters

14.8.1 If the ECIC does not accept any proposal, it will declare this bid process closed and may then elect to:

14.8.1.1 Proceed on a completely different basis; and/or

14.8.1.2 Not to appoint any respondent (in the event it deems all or any of the proposals not appropriate).

14.8.2 The ECIC reserves the right to engage in any processes required to validate all claims made in the proposal.

14.8.3 The ECIC has the right to enter into negotiation with a prospective Service provider regarding any terms and conditions, including fees, of a proposed contract.

14.8.4 **Bidders** are allowed to submit joint proposals to allow different companies/entities to undertake different components of the work under one single proposal. In such event however, each bidder is required to provide a B-BBEE certificate.

14.9 Disclaimer

14.9.1 The ECIC has produced this bid in good faith. However, the ECIC, its agents and its employees and associates, do not warrant its accuracy or completeness. The ECIC will not be liable for any claim whatsoever and howsoever arising (including, without limitation, any claim in contract, negligence or otherwise) for any incorrect or misleading information contained in this bid due to any misinterpretation of this bid.

14.9.2 This bid is a request for proposals only and not an offer document; answers to it must not be construed as acceptance of an offer or imply the existence of a contract between the ECIC and the bidder.

14.10 Terms of engagement

14.10.1 The ECIC's engagement of the service provider will be documented in a contract between the ECIC and the appointed bidder.

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Annexures

Annexure A: Format for pricing proposal

1. Complete the table below, inline with the pricing assumptions below and calculate the total contract value for the core custody of the ECIC's local and offshore assets.
2. Bidders are required to submit their fee schedule in the format similar to the table below. The provided fees must be the full and total fees that will be incurred by the ECIC over the contract term. And no fee escalations will be allowed over the contract period e.g. inflation linked increases.

Contract Year	Investment Portfolios		Safekeeping		Transactions	
	Rand	US dollars	Fees (in bps)	Fees (in ZAR)	Fees (in bps)	Fees (in ZAR)
Year 1	R2.7 billion	\$370 million				
Year 2	R2.7 billion	\$410 million				
Year 3	R2.9 billion	\$440 million				
Year 4	R3.0 billion	\$490 million				
Year 5	R3.2 billion	\$520 million				
Year 6	R3.4 billion	\$570 million				
Year 7	R3.5 billion	\$610 million				
Fees not included above (please specify)						
Total Fees (excl. VAT)						
VAT @15%						
Total Fees (incl. VAT)						

3. The fees must be on the letterhead of the bidder.

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Pricing Assumptions:

1. Assume asset values in Rand and US dollars remain constant during each year.
2. Assume an exchange rate of R15 per 1 US dollar to convert US dollar contract pricing to rand. This will only be used to evaluate the bid pricing, the contract will be payable in the applicable currency of the related account.
3. Assume all Rand investment portfolio trade in the South African market in Rand and are listed. Assume all US dollar investment portfolio trade in the US market in US dollars and are listed.
4. Assume the following transaction volumes to remain constant over the contract term:
 - 4.1. 2 000 Local Equity (Rand denominated) trades per year.
 - 4.2. 200 Local Bonds (Rand denominated) trades per year.
 - 4.3. 600 Local Money Market (Rand denominated) trades per year.
 - 4.4. 1 000 Global Equity (USD denominated) trades per year.
 - 4.5. 1 000 Global Bonds (USD denominated) trades per year.
5. Assume the following account details to remain constant over the contract term:
 - 5.1. One South African Money Market account.
 - 5.2. Four South African Bond accounts.
 - 5.3. Two South African Multi-Asset Class (Equity, Government and Corporate Bonds, Listed Property and Money Market) accounts.
 - 5.4. One US dollar Cash account.
 - 5.5. Two US dollar Bond accounts.
 - 5.6. Two US dollar Multi-Asset Class (Equity, Government and Corporate Bonds, Listed Property and Money Market) accounts
 - 5.7. Assume all accounts are segregated.
 - 5.8. Assume all accounts will have an associated script and cash account.
6. Where pricing cannot be provided in the format required in this section, please provide clear descriptions and additions. A total contract value in ZAR is required nevertheless as only a single final value will be used in the price assessment phase.

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Annexure B: Protection of personal information

1. ECIC recognises that when the Bidder submits its proposal in response to this bid, it will provide personal information, which ECIC will process for the sole purpose of evaluating the Bidder's proposal. By submitting its proposal in responding to this Request for Quotations, the Bidder hereby provide its consent to the processing of its Personal Information by ECIC.
2. The following terms shall have the meaning ascribed to them:
 - 2.1. **"Personal Information"** shall bear the same meaning as ascribed to it under POPI;
 - 2.2. **"POPI"** means Protection of Personal Information Act, No. 4 of 2013;
 - 2.3. **"Responsible Party"** shall bear the same meaning as ascribed to it under POPI; and
 - 2.4. **"bid"** means this Request for Quotations.
3. ECIC as the Responsible Party undertakes to:
 - 3.1. comply with the provisions of POPI as well as all applicable legislation as amended or substituted from time to time;
 - 3.2. treat all Personal Information strictly as defined within the parameters of POPI;
 - 3.3. process Personal Information only in accordance with the consent it was obtained for, for the purpose agreed, as permitted by law;
 - 3.4. secure the integrity and confidentiality of any Personal Information in its possession or under its control by taking appropriate, reasonable technical and organisational measures to prevent loss, damage, unauthorised destruction, access, use, disclosure or any other unlawful processing of Personal Information;
 - 3.5. not transfer any Personal Information to any third party in a foreign country unless such transfer complies with the relevant provisions of POPI regarding trans-border information flows; and
 - 3.6. not retain any Personal Information for longer than is necessary for achieving the purpose in terms of bid or in fulfilment of any other lawful requirement.
4. ECIC will ensure that all reasonable measures are taken to:

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- 4.1. identify reasonably foreseeable internal and external risks to the Personal Information in its possession or under its control;
 - 4.2. establish and maintain appropriate security safeguards against the identified risks;
 - 4.3. regularly verify that the security safeguards are effectively implemented;
 - 4.4. ensure that the security safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards;
 - 4.5. provide immediate notification to the Bidder if a breach in information security or any other applicable security safeguard occurs; provide immediate notification to the Bidder where there are reasonable grounds to believe that the Personal Information has been accessed or acquired by any unauthorised person;
 - 4.6. remedy any breach of a security safeguard in the shortest reasonable time and provide the Bidder with the details of the breach and, if applicable, the reasonable measures implemented to address the security safeguard breach;
 - 4.7. provide immediate notification to the Bidder where the Bidder has, or reasonably suspects that, Personal Information has been processed outside of the purpose agreed to or consented to;
 - 4.8. provide the Bidder, upon request, with all information of any nature whatsoever relating to the processing of the Personal Information for the purpose of the bid and any applicable law; and
 - 4.9. notify the Bidder, if lawful, of receipt of any request for access to Personal Information, in its possession and relating to the Bidder.
5. The Bidder has the right to inspect the Personal Information processing operations, as well as the technical and organisational information security measures employed by the ECIC to ensure compliance with the provisions of this Annexure.

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Annexure C: Relevant Standard Bidding Documents

SBD 1

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE EXPORT CREDIT INSURANCE CORPORATION OF SOUTH AFRICA (SOC) LIMITED					
BID NUMBER:	ECIC08P-2021/22	CLOSING DATE:	14 SEPTEMBER 2021	CLOSING TIME:	15H00
DESCRIPTION	PROVISION OF LOCAL AND GLOBAL CUSTODIAN SERVICES FOR A PERIOD OF 7 YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Preferably via email: procurement@ecic.co.za					
or					
Block C7 Eco Origins Office Park 349 Witch Hazel Avenue Highveld Ext 79 Centurion 0157					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Ayanda Mdunge		CONTACT PERSON	Ayanda Mdunge	
E-MAIL ADDRESS	procurement@ecic.co.za		E-MAIL ADDRESS	procurement@ecic.co.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE LEVEL STATUS SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ No

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[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS			
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?		☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?		☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?		☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?		☐ YES ☐ NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?		☐ YES ☐ NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.			

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PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

DATE:

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SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state², or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
 - the bidder is employed by the state; and/or
 - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.
 - 2.1. Full Name of bidder or his or her representative:
 - 2.2. Identity Number:
 - 2.3. Position occupied in the Company (director, trustee, shareholder³):
 - 2.4. Company Registration Number:
 - 2.5. Tax Reference Number:
 - 2.6. VAT Registration Number:
 - 2.6.1. The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.
 - 2.7 Are you or any person connected with the bidder **YES / NO**
presently employed by the state?
 - 2.7.1 If so, furnish the following particulars:
Name of person / director / trustee / shareholder/ member:

² "State" means –

- a. any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- b. any municipality or municipal entity;
- c. provincial legislature;
- d. national Assembly or the national Council of provinces; or
- e. Parliament.

³ Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

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Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:

.....

.....

.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....

.....

.....

.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:

.....

.....

.....

.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

If so, furnish particulars.

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.....

.....

.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **YES/NO**

2.10.1 If so, furnish particulars.

.....

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

- 2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

YES/NO

- 2.11.1 If so, furnish particulars:

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

3. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Reference Number	Tax	State Employee Number / Persal Number

4. DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder
May 2011

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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 not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

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	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
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 quotations, advertised competitive bidding processes or proposals;

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- (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:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

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

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

5. BID DECLARATION

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

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

6.1 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.

7. SUB-CONTRACTING

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

(Tick applicable box)

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

7.1.1 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		

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Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

8.8 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

Terms of Reference

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
---	--

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SBD 8

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
 - a. abused the institution's supply chain management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? or Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐

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Item	Question	Yes	No
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME).....
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder
Js365bW

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SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids⁴ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging)⁵. Collusive bidding is a pe se prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

⁴ Includes price quotations, advertised competitive bids, limited bids and proposals.

⁵ Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

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Terms of Reference

SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. 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 consortium^{3, 6} will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)

⁶ 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.

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- (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. 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.
10. 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 exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js914w 2

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Annexure D: Administrative Checklist

Hereunder is a checklist to ensure that the bid document is complete in terms of administrative compliance. Please ensure that the following forms have been completed and signed and that all documents, as requested, are attached to the tender document.

ITEM	DOCUMENT REFERENCE		ACTION TO BE TAKEN	YES/ NO
1.	SBD 1	Invitation to bid	Is the form duly completed and signed?	
2.	SBD 4	Declaration of Interest (if applicable)	Is the form duly completed and signed? (if applicable)	
3.	SBD 6.1	Preference Points Claim Form for Preferential Procurement Regulations 2017 (if applicable)	Is the form duly completed, B-BBEE points claimed (if applicable) and form signed?	
4.	B-BBEE status level verification certificate or Sworn Affidavit (if applicable)		Is proof of B-BBEE Status level of contributor attached (if applicable)? Bidder must attach copy of BEE Certificate or copy of Sworn Affidavit, whichever is applicable. Bidders must ensure that, where applicable, the proof submitted is in the name of the bidder, or in instances where the bidder is a subsidiary of a holding entity, the bidder must ensure that, the name of the bidder appears on the document provided (including any supporting Annexure).	
5.	SBD 8	Declaration: Abuse of Supply Chain Management Systems	Is the form duly completed and signed?	
6.	SBD 9	Certificate of Independent Bid Determination	Is the form duly completed and signed?	
7.	Copy of CSD Report or MAAA Number (if applicable)			

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ITEM	DOCUMENT REFERENCE	ACTION TO BE TAKEN	YES/ NO
8.	Tender submission (if the bidder is submitting physical information/documents)	Two (2) printed copies (one original and one copy) submitted? (if submitting physical copies).	
		One (1) electronic copy submitted?	
9.	Copy of proposed service level agreement		
10.	Applicable banking or custody license for the bidder and the sub-custodian or global custodian		

I, the undersigned (name) certify that the information furnished on this checklist is true and correct.

Name of Bidder			
Position/Title			
Signature		Date	