RFI 2021/22 – 02

REQUEST FOR INFORMATION:

IMPLEMENTATION, MAINTENANCE AND SUPPORT OF A SOFTWARE SOLUTION FOR ANTI MONEY LAUNDERING

CLOSING DATE: 17 SEPTEMBER 2021 AT 11H00

Issued by:
Ithala SOC Limited
15th Floor, Delta Towers
303 Dr Pixley KaSeme Street
Durban

Procurement Enquires:
Supply Chain Management Unit
Email: tmsibi@ithala.co.za
Tel: (031) 366 2579

For any complaints regarding our supply chain management abuses please contact Larissa Warren at 031 907 8610 or email Complaints@ithala.co.za alternatively you can lodge an anonymous complaint at our toll-free hotline number 0800 0048 23

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PART 1 - LETTER OF INVITATION

Ithala SOC Limited (Ithala), State Owned Company hereby invites proposals from suitably qualified service providers to implement, maintain and support a software solution to Ithala. The required specialist service provider must have the necessary proficiency, experience and capacity to demonstrate full functionality of their software solution which will assist Ithala SOC Ltd to provide Real Time Access to corroborate client's Know Your Client information through the use of an API between Ithala and the SP

Please note the publication is to request the information of your services and offerings with the intention to shortlist or select a service provider under the procedures described in this Request for Information (RFI) document or which may be extended to the shortlisted candidates.

The RFI consists of the following documents:

Part 1 – Letter of Invitation
Part 2 – Instructions
Part 3 – RFI Requirements
Part 4 – Financial Proposal
Part 5 – Evaluation Criteria

In submitting any information or documentation requested above or any other information that may be requested pursuant to this RFI, you are consenting to the processing by Ithala SOC or its stakeholders of your personal information and all other personal information contained therein, as contemplated in the Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder ("POPI Act"). Further, you declare that you have obtained all consents required by the POPI Act or any other law applicable. Thus, you hereby indemnify Ithala against any civil or criminal action, administrative fine or other penalty or loss that may arise as a result of the processing of any personal information that you submit.

PART 2 - INSTRUCTIONS

2.1 Ithala SOC Limited

ITHALA SOC Limited is a 100% subsidiary of Ithala Development Finance Corporation, which is a Development Finance institution operating under the umbrella of the Department of Economic Development, Tourism and Environmental Affairs and its sole shareholder being the Provincial Government of KwaZulu Natal (KZN). ITHALA SOC Limited operates within the confines of the KZN Ithala Limited Act, No 5 of 2013.

Ithala is a deposit taking institution, an authorized financial services provider, a registered credit provider and offers savings and loans products. As such Ithala is regarded as an accountable institution in terms of Schedule 1 to the Financial Intelligence Centre Act and must comply with all the prescribed obligations.

2.2 Contractual commitment

This RFI is not a formal enquiry but an information gathering exercise only. No commitment of any kind, contractual or otherwise shall exist.

This RFI is an information-gathering and market-testing exercise. All respondents participate herein on the basis that it is providing information voluntarily to strengthen a potentially beneficial process for all stakeholders.

Any or all information submitted by any or all respondents may be used by Ithala SOC Limited, without the necessity of acknowledging the source, and without such entity gaining any rights in respect of such a solution, including but not limited to any intellectual property rights

Any information provided pursuant to this RFI process and any subsequent processes and/or engagement is not confidential but Ithala will use the information only in the course of its process of carrying out an investigation for this commodities.

Ithala may cancel this RFI any time prior to the formal written agreement being executed.

Ithala reserves the right at its sole discretion, and at any time, to amend, deviate from, postpone, discontinue or terminate the transaction/procurement process without incurring any liability whatsoever to any other party.

2.3 Submission Format

Bidders are required to submit a comprehensively detailed bid response in accordance with the submission format specified below and each schedule must be clearly marked**.**

2.3.1 Cover Page:

The cover page must clearly indicate the RFI Number, Description and the Name of the Service Provider and should at least cover the following items

2.3.2 Item 1:

The proposal must cover the following:

- Your understanding of the requirements.
- How the proposed solution will meet Ithala's business requirements.
- Full details of the proposed solution capabilities.

2.3.3 Item 2:

Technical Proposal in line with the Technical Evaluation Criteria in Part 5 of this RFI document.

2.3.4 Item 3:

Financial/ Price Proposal in line with Part 4 of this RFI document

2.4 Submission of Proposals

The closing date for the submission of proposals is 17 September 2021 at 11h00. Duly completed proposals must be sealed in an envelope that is endorsed with the words "**RFI 2021/22 – 02 Request For Information: Implementation, Maintenance And Support of a software solution for Anti Money Laundering".** The envelope must be handed in at the Ithala reception desk located at:

Physical address
Ithala SOC Limited
15th Floor, 303 Pixley KaSeme Street
Durban
4001

Late or incomplete proposals will not be accepted or considered and any proposal delivered to any address other than the address mentioned above will not be accepted. E-mailed proposals will also be accepted (quotes_Ltd@ithala.co.za).

2.5 Queries and clarifications

Any additional information required which is not clarified in the specifications must be addressed in writing to (quotes_Ltd@ithala.co.za). Additional information may be provided at Ithala's discretion, who reserves the right to provide the same information to all other interested parties, should this enhance the submission.

Ithala reserves the right to request meetings with Bidders to clarify responses or seek additional information to refine assessments.

Ithala reserves the right to conduct supplier due diligence prior to shortlisting or any time during this process and this may include site visits and requests for additional information.

2.6 Automatic Disqualification

If ever it is found that the bidder or person(s) acting on behalf of the bidder has, in the RFI or during the whole process of evaluation, selection, etc.:

- Misrepresented or altered material information in whatever way or manner;
- Promised, offered or made gifts, benefits to any Ithala employee;
- Canvassed, lobbied in order to gain unfair advantage;
- Committed fraudulent acts; and
- Acted dishonestly and/or in bad faith.

Such bidder and/or person(s) may automatically be disqualified from further participation in this process. Any attempts by the bidders to directly or indirectly canvas any member of Ithala's personnel for support may result in disqualification of their bid/proposal.

2.7 Proposal costs

All costs and expenses incurred by the bidder relating to their participation in, and preparation of this proposal process shall be borne by the bidder exclusively.

2.8 Validity period

The proposals should remain valid for at least 90 days after the closing date.

2.9 Important dates

Release of RFI	01 September 2021
Last day to request for clarifications	10 September 2021
Closing date for submission of proposals	17 September 2021 @ 11:00 am

Ithala reserves the right to amend any date specified above. Any changes will be communicated to the interested parties.

PART 3 - RFI REQUIREMENTS

PROPOSED SOLUTION.

3.1 INTRODUCTION

Ithala Soc Limited (Ithala) is a wholly owned subsidiary of Ithala Development Finance Corporation (Ithala DFC), which in turn is owned by the KZN Provincial Government.

Ithala is a deposit taking institution, an authorized financial services provider, a registered credit provider and offers savings and loans products. As such Ithala is regarded as an accountable institution in terms of Schedule 1 to the Financial Intelligence Centre Act and must comply with all the prescribed obligations.

3.2 BACKGROUND

I. The Financial Intelligence Centre Amendment Act 1 of 2017 (the Amendment Act) was gazetted on 2 May 2017. As per the Financial Intelligence Centre, the key objective of the Amendment Act is to improve the protection of the integrity of South Africa's financial system and strengthen its ability to prevent and punish financial crimes such as money laundering, illicit capital flows, tax evasion, corruption, bribery and financing of terrorism.

II. The Amendment Act introduces a number of new approaches, namely:

- A full range of customer due diligence requirements focusing on understanding and knowing your customer, as opposed to following the rules based approach advocated in the FIC Act No.38 of 2001 (the FIC Act)

III. Certain sections of the Amendment Act require changes to current regulations and exemptions, such as:

- Customer due diligence measures and
- Record keeping requirements

IV. Ithala must identify all proposed clients before a relationship can be established with a client so that Ithala can put in place the necessary controls to mitigate the possible risk associated with this client.

V. Ithala is required in terms of Sections 20A, 21, 21A, 21B, 21C, 21D, 21E, 21F, 21G & 21H of the FIC Amendment Act 2017 to comply with the said regulatory obligations.

VI. This also includes the FIC GN7 which recommends that an accountable institution use the services of a Third Party to corroborate the proposed and existing client's info against the client's "Electronic Footprint".

3.3 PURPOSE

The purpose of this Request for Information is to test the market for service providers to provide Real Time Access to corroborate client's Know Your Client information through the use of an API between Ithala and the SP.

3.4 SCOPE OF WORK

Ithala requires the services of a Service Provider to:

I. Corroborate Client KYC Information through Real Time Integrated Access (API) for Individuals and Entities including related parties.

II. Ensure that the corroborated information includes but not limited to the following Golden Sources (where the data is sourced from):

- Department of Home Affairs - National Identification System (HANIS) Real Time
- Local Municipality where the client resides
- South African Revenue Services (SARS)
- CIPC

III. The corroborated information must also include:

- Creditor Information for the past 3 months
- Based on the above, indicate derived source of income from a client's credit behaviour, as well as any other manner in which you are able to provide this information
- Cell Phone RICA Information
- Residential address for Individuals / Operating address for businesses
- Retail Accounts for the past 3 months
- Best Contact Information

IV. Provide the corroborated information in an Electronic Format file

V. Provide the corroborated information in the format of a secured PDF file. (Electronic Signature)

VI. Produce corroborated results (Electronic & PDF) that include:

- Reference Number - Unique reference number to be used as an identifier
- Full Name - First name, middle names and surname / Entity name
- Identity Number / Registration number - Names & ID Number compared against HANIS / Registration number for companies / close corporations
- Alternative Spelling - Alternative spellings of client name
- Aliases - Known aliases of client
- Passport - Passports/s held by listed individual
- Date of Birth - Date of birth
- Residential/Operating address – residential address for individuals and operating address for companies/close corporations
- Employer – Employer details of individuals
- Source Information - Source information to have details and date

- Results - Rated results against info provided by Ithala

VII. Ultimate Beneficial Ownership information for Juristic Entities

VIII. Finger Print and Facial Recognition Capability confirmed from DOHA

IX. Service Provider must be able to provide the results in a data file and a PDF report for each record where bulk services are required.

X. Results (Response) must be able to integrate with Ithala's Banking System. The information captured during the on-boarding process must be received in the format that Ithala's Banking System will send it to the SP through the API.

XI. Client Information to be screened against all specified Sanctions Lists.

XII. Client Information to be screened against all Political Exposed Persons / Prominent Influential Persons and Close Known Associates – Local and International

XIII. Bulk Batch Screening of Ithala SOC Limited's databases across the technology stack, where client information is available for example Off Site Sales

XIV. Ability to integrate with existing systems for Identification phase of screening

- Onscreen alerts
- Workflow notifications
- Systemised flag elimination logic
- Verification resolution during on-boarding session
- Transaction Monitoring and Alerts

XV. Cost

XVI. Technological fit

- Ability to accommodate a distributed technology environment
- Ability to close aged technology gaps

XVII. Integration with existing FIC processes and technologies

XVIII. Reporting (FIC and internal management reporting)

XIX. Implementation timeline

XX. Longevity of solution and supplier sustainability

3.5 PRICING SCHEDULE

i. Equipment cost if any, depending on the response the question raised above?

ii. Fees or rates for the proposed personnel

iii. Cost per record (estimated at 10k per month)

iv. User to advise of any other possible costing implication?

PART 4 - FINANCIAL PROPOSAL

Bidders are required to provide a detailed and comprehensive price proposals for their proposed Software Tool i.e. all costs associated with the bidder's proposal must be clearly specified and included in the Price declaration form below

Price Declaration Form

Dear Sir,

of this RFI Having read through and examined the requirements No**.** **2021/22-02**, and its related conditions, we offer to provide a Software Tool as outline in scope of work, for the following total amount:

<u>Software Tool</u>

R...(Including VAT)

In words…...(Including VAT)

- We confirm that this price covers all activities associated with the scope of work, as called for in the RFI document.
- We confirm that Ithala will incur no additional costs whatsoever, over and above this amount in connection with the delivery of the required services.
- We hereby undertake for the period during which this bid remains open for acceptance, not to divulge to any persons, other than the persons to whom the bid is submitted, any information relating to the submission of this bid or the details therein except where such is necessary for the submission of this bid.

COMPANY DETAILS

Tel No : …………………………………..…   Cell No : ………………………….……………..……

Signature: …………………………………   Date : ..……………………………………………..

Position: ……………………………….….   Name of bidder:……………………………………

PART 5: EVALUATION CRITERIA

5.1 Evaluation of proposals

The purpose of the RFI is to obtain a complete set of salient information pertaining to the bidding parties. The proposals will accordingly be used to evaluate whether, at Ithala's discretion, an interested party qualifies to proceed to the next stage of this process. All bidding parties will be advised in writing of Ithala's decision, which will be final. No correspondence will be entered into pertaining to the evaluation process, the decisions taken and reasons thereof.

5.2 Evaluation Criteria

The evaluation during this level is based on full compliance with the mandatory requirements and the technical requirements. The evaluation will be conducted in 2 phases, as follows:

Phase 1: Mandatory Requirements

All bid responses that do not meet all the Mandatory Technical Requirements will be disqualified, and will not be considered for further evaluation on the Other Technical Requirements. The Mandatory Technical Requirements are as follows:

#	Mandatory Requirement	Comply	Not Comply
1	Company profile		
2	Provide atleast 2 CV's of senior officials to support the experience required to carry out the task – minimum of 2 years' experience - Qualifications of the proposed experts – evidence is certified copies of the qualifications		
3	CSD Report		
4	Provide Policy relating to the handling of information (POPI).		

NB: Please submit a proposal with evidence of the mandatory requirements as stated on the table below.

Phase 2 – Other Technical Evaluation Criteria/ Presentations

The bidder's proposal should respond comprehensively to the technical evaluation criteria. The technical evaluation criteria is set out below:

ITEM	CRITERIA	POINTS	EVIDENCE
1	**Company experience** – More than five (5) relevant project completed **- [20]** – 3 - 5 relevant project completed **– [10]** – Less than 3 relevant project completed **– [00]**	**20**	Bidder must provide letter of appointments / Reference Letters / Purchase Order / Completion certificates.
2	**Company experience** – More than 5 years **– [20]** – From 3 - 5 years **– [10]** – From 0 – 2 years **- [00]**	**20**	Table listing the bidder's current or previous clients. (This table should include: Client name, contact details, start date, end date and the value of project
3	**Company Resource** – More than Five (5) years' professional experience **- [20]** – From three (3) – Five (5) years' professional experience **- [10]** – Less than three (3) years' professional experience **– [00]**	**20**	CV attached with contactable referees and Copies of qualifications must be attached ***N.B. No points will be awarded should no required certification be provided for the relevant team member***
4	**Methodology and Approach/ Bidders Proposal** – **Excellent** *(All 10 key areas listed on page 13 are addressed)* **– [40]** – **Good** *(8 - 9 key areas listed on page 13 are addressed)* **– [30]** – **Average** *(6 -7 key areas listed on page 13 are addressed)* **– [25]** – **Fair** *(3 - 5 key areas listed on page 13 are addressed)* **– [15]** – **Poor** *(less than 3 areas listed on page 13 are addressed)* **– [05]** – **No Methodology submitted** – **[00]**	**40**	The bidder's proposal should address key areas listed on page 13 below
Total		**100**	
Minimum acceptable score		**65**	
NB: bidders who score a minimum of 65 point may be required to Conduct a presentation / demonstration on request of service offerings.			

* Non-compliance = 0, Poor = 1, Fair = 2, Average = 3, Good = 4, Excellent = 5

NB: THE MINIMUM ACCEPTABLE SCORE FOR FUNCTIONALITY IS 65 POINTS

KEY AREAS TO BE ADDRESSED ON THE METHODOLOGY AND APPROACH

1. Indicate your quality controls regarding the accuracy of information to be provided.
2. Provide a sanitised example of what the report for each queried record will look like.
3. Provide an example data file that will be used where bulk services are requested.
4. Turn-around time for bulk services requests - -+ 10 000 client records.
5. Provide a complete breakdown of the cost per record (Estimate of 10 000 clients per month) for a contract period of 5 years.
6. Provide an indication of the golden sources of information (e.g. Home Affairs National Identification System; Companies and Intellectual Property Commission etc.…) as well as how often such information is updated.
7. What constitute a golden source and what is the criteria for a source to be classified as “golden”?.
8. System capability to confirm source of income.
9. Confirm if the SP is a member of a designated regulatory body for example The Professional Body of the Contact Centre Industry in South Africa.
10. Confirm what measures will be put in place to prevent unauthorised access to, interception of, or interference with any data.