



**REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF A PANEL OF ASSET MANAGEMENT SERVICES TO THE NHBR FOR A PERIOD OF THREE (03) YEARS.**

**RFP NO.: NHBR 08/2023**

**CLOSING DATE: 26 JANUARY 2024**

**TIME: 11:00am**

**VENUE NHBR HEAD OFFICE  
27 LEEUWKOP ROAD  
SUNNINGHILL  
JOHANNESBURG**

**NON-COMPULSORY BRIEFING SESSION**

**DATE: 12 DECEMBER 2023**

**TIME: 11:00am**

**VENUE NHBR HEAD OFFICE  
27 LEEUWKOP ROAD  
SUNNINGHILL  
JOHANNESBURG**

## 1. TERMS AND CONDITIONS

**This Request for Proposal (RFP) has been compiled by the NHBRC and it is made available to the Bidders on the following basis.**

**Bidders submitting a Bid in response to this RFP are deemed to do so, on the basis that they acknowledge and accept the terms and conditions set out below:**

- 1.1. The Bidder must be registered on the National Treasury's Central Supplier Database ("the CSD") and ensure that, if it is successful, it remains so registered and further ensure that the information on the CSD is up-to-date for the duration of the contract.
- 1.2. The Bidder must ensure that it is Tax Compliant at the time of submitting its bid in response to this RFP, and if it is successful, it remains Tax Compliant for the duration of the contract. In this regard, the Bidder undertakes to provide the NHBRC with a Tax Clearance Certificate issued by the South African Revenue Services ("SARS") on an annual basis, confirming that it is tax compliant.
- 1.3. The NHBRC reserves the right to amend, modify or withdraw this RFP or amend, modify or terminate any of the procedures or requirements set out herein at any time (and from time to time), without prior notice and without liability to compensate or reimburse any person.
- 1.4. If the NHBRC amends this RFP, the amendment will be sent to each Bidder in writing or publicized as the case maybe. No oral amendments by any person will be considered or acknowledged.
- 1.5. The NHBRC reserves the right to carry out site inspections or call for supporting documentation in order to confirm any information provided by a Bidder in its RFP Bid.
- 1.6. This RFP is not intended to form the basis of a decision to enter into any transaction involving the NHBRC, and does not constitute an offer or recommendation to enter into such transaction, or an intention to enter into any legal relationship with any person.
- 1.7. A Bid submitted in response to this RFP will constitute a binding offer, which will remain binding and irrevocable for a period of 90 Days from the date of submission to the NHBRC. The offer constituted by the Bid will be deemed not to have been accepted and no agreement will be deemed to be reached with any Bidder, unless and until a binding Agreement and other related transactions/documents are concluded between the NHBRC and the Preferred Bidder.
- 1.8. The distribution of this RFP outside the Republic of South Africa may be restricted or prohibited by the laws of other countries. Recipients of this RFP are advised to familiarize themselves with and comply with all such restrictions or prohibitions applicable in those jurisdictions, and neither the NHBRC, nor any of their respective directors, officers, employees, agents, representatives or advisors, accepts liability to any person for any damages arising out of or in connection with the breach of any restriction or provision outside the Republic of South Africa. Persons contemplating submitting a Bid are advised to obtain legal advice as to the possible consequences thereof in terms of the law of the jurisdictions in which they are located.
- 1.9. Recipients of this RFP document may only distribute it to other parties whom they wish to involve as part of their Bidder consortium in submitting a Bid.

- 1.10. Neither the NHBRC nor any of their respective directors, officers, employees, agents, representatives or advisors will assume any obligation for any costs or expenses incurred by any party in or associated with preparing or submitting a Bid in response to the RFP.
- 1.11. No entity may be involved, whether directly or indirectly, in more than one Bid in response to this RFP. Failure to comply with this requirement may, within the sole discretion of the NHBRC, result in disqualification of the relevant entity.
- 1.12. Any material change in the control and/or composition of any Bidder or any core member of a Bidder after submission of a Bid, shall require the prior written approval of the NHBRC, and any failure to seek such approval from the NHBRC shall result in the NHBRC being entitled, in its sole discretion, to disqualify the relevant Bidder from any further participation in the bid process. The NHBRC shall be the sole arbiter as to what constitutes a “material change in the control and/or composition of any Bidder”, and as to what constitutes a “core member of a Bidder” for purposes of such approval. Any request for such approval shall be made to the NHBRC’s Supply Chain Management (“SCM”) in writing and shall provide sufficient reasons and information to allow the NHBRC to make a decision. The NHBRC reserves the right to accept or reject any such request for approval at its sole discretion.
- 1.13. **Briefing Session: There will be a non-compulsory briefing session.** The sharing of information and clarifications of issues related to this Bid, as given by the NHBRC will form part of this Bid and responses.
- 1.14. Any requirement set out in the RFP that stipulates the form and/or content of any aspect of a Bid is stipulated for the sole benefit of the NHBRC, and save as expressly stated to the contrary, may be waived by the NHBRC in its sole discretion at any stage in the RFP process.
- 1.15. The NHBRC and its advisors shall rely on a Bid as being accurate and complete in relation to the information and proposals provided therein by the Bidders.
- 1.16. All Bids submitted to NHBRC will become the property of the NHBRC and will as such not be returned to the Bidder. The NHBRC will make all reasonable efforts to maintain proposals in confidence. Proprietary information should be identified as such in each proposal. The Bid submitted by the bidder shall be considered irregular if they show any omissions, alteration of form, additions, or conditions not called for, or irregularities of any kind.
- 1.17. The NHBRC reserves the right to accept or reject in part or completely any bid submitted, and to waive any technicalities for the best interest of the company. The NHBRC reserves the right to verify the validity of the document submitted.
- 1.18. RFP’s shall be rejected, among other reasons, where bids are received after the closing date and time as specified in the RFP.
- 1.19. Potential service provider(s) shall be disqualified and their bids not considered among other reasons, for any of the following specific reasons:
  - 1.19.1 If the SCM Mandatory Documents are not submitted and completed as per this RFP; and/or
  - 1.19.2 The Bid contains irregularities.
- 1.20. The NHBRC reserves the right to require that any bidder provide a formal presentation of its RFP at a date and time to be determined by the NHBRC. The NHBRC shall provide all instructions and clarification regarding the purpose and scope of the presentation. All expenses must be borne by the bidder.

- 1.21. All costs associated with the preparation and submission of the Bid is the responsibility of the Bidder. The costs shall not be chargeable to the NHBRC by successful or unsuccessful Bidder. The costs shall not be chargeable to the NHBRC by successful or unsuccessful Bidder.
- 1.22. This document is released for the sole purpose of responding to this BID and must be considered confidential. In addition, the use, reproduction or disclosure of the requirements, specifications or other material in this BID is strictly prohibited.
- 1.23. All Bids must be formulated and submitted in accordance with the requirements of this BID.

## **2. BACKGROUND**

### **2.1 ABOUT THE NHBRC**

**2.1.1** The National Home Builders Registration Council (NHBRC) is a regulator established in terms of

section 2 of the Housing Consumers Protection Measures Act 95 of 1998 ("the Act"). Section 3 of the Act provides that the objects of the NHBRC are to:

- (a) represent the interests of housing consumers by providing warranty protection against defects in new homes;
- (b) regulate the home building industry;
- (c) provide protection to housing consumers in respect of the failure of home builders to comply with their obligations in terms of this Act;
- (d) establish and to promote ethical and technical standards in the home building industry;
- (e) improve structural quality in the interests of housing consumers and the home building industry;
- (f) promote housing consumer rights and to provide housing consumer information;
- (g) communicate with and to assist home builders to register in terms of this Act;
- (h) assist home builders, through training and inspection, to achieve and to maintain satisfactory technical standards of home building;
- (i) regulate insurers contemplated in section 23 (9) (a); and
- (j) in particular, achieve the stated objects of this section in the subsidy housing sector.

- 2.1.2** The NHBRC's primary mandate is to manage the risk of structural defects in the home building industry and in so doing, protect the consumer. A prime activity of the NHBRC is to manage its risk exposure in terms of the warranty scheme, in order to ensure that it is not unduly exposed to claims. The current risk management tools being used by the Council include the Registration of Home Builders, enrolment and inspection of homes, the Home Building Manual which incorporates designs and construction rules, and the appointment of competent persons by the Home Builder to perform certain tasks.
- 2.1.3** The NHBRC's goal is to ensure capital preservation to ensure it remains financially viable to meet claims as they arise and that no recourse to the Minister of Human Settlements for additional funds is necessary at any time in terms of section 17(3)-(5) of the Act.
- 2.1.4** The annual actuarial report is required in terms of the Housing Consumers Protection Measures Act, to value the actuarial liabilities of the NHBRC's warranty fund.
- 2.1.5** The investment strategy should be implemented with due regard to the liabilities of the NHBRC, the nature of the funds in general, Solvency Assessment and Management (SAM), and the low-risk tolerance and return requirements of Council.

## **2.2. NHBRC OFFICES**

2.2.1 The NHBRC is an organisation with a staff compliment of approximately 600 employees. The NHBRC's Head Office is located in Sunninghill, Gauteng, with nine (09) Provincial Offices and 12 Satellite Offices which are located in the following areas:

	<b>NHBRC OFFICE LOCATIONS</b>	<b>#</b>	<b>NHBRC OFFICE LOCATIONS</b>
1	Head Office, (Sunninghill)	13	Eastern Cape (East London) - Satellite
2	Gauteng (Sunninghill) – Provincial	14	Western Cape (George) - Satellite
3	Kwa-Zulu Natal(Durban) – Provincial	15	North West (Klerksdorp) - Satellite
4	Western Cape (Cape Town) – Provincial	16	Limpopo (Tzaneen) - Satellite
5	Eastern Cape (Port Elizabeth) – Provincial	17	Limpopo (Modimolle) - Satellite
6	North West (Rustenburg) – Provincial	18	Mpumalanga (Witbank) - Satellite
7	Limpopo (Polokwane) – Provincial	19	Free State (Bethlehem) – Satellite
8	Mpumalanga (Nelspruit) – Provincial	20	North West (Mahikeng) – Satellite
9	Free State (Bloemfontein) – Provincial	21	Limpopo (Thulamela) – Satellite
10	Northern Cape (Kimberley) - Provincial	22	Gauteng (Tshwane) – Satellite
11	Kwa-Zulu Natal (Newcastle) - Satellite	23	Eric Molobi Innovation Hub (Soshanguve)
12	Kwa-Zulu Natal (Richards Bay) - Satellite		

### **3. INTRODUCTION**

**3.1** The National Home Builders Registration Council is mandated by the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) to regulate the home building industry and protect housing consumers. The NHBRC ensures that it delivers on its mandate by delivering on its products and services, and the key performance indicators that are contained in the organizational scorecard.

#### **3.2 VISION**

To be the Champion of the Housing Consumers.

#### **3.3 MISSION**

To Protect the Housing Consumers and to Regulate the Homebuilding Environment.

#### **3.4 MOTTO**

Assuring Quality Homes.

#### **3.5 STRATEGY OF NHBRC**

The strategy of the NHBRC is based on the following pillars:

- To ensure that housing consumers and home builders are educated on their rights and obligations.
- To entrench a culture of compliance through fair and efficient enforcement mechanisms
- To research and introduce innovative products, methods and technologies within the homebuilding industry.
- To maintain a sustainable warranty fund.

## **4. SCOPE OF SERVICES**

### **4.1 Purpose**

- 4.1.1 To appoint panel service providers for the provision of asset management services to the NHBRC with respect to its listed domestic equity assets.
- 4.1.2 Whilst the number of service providers to be appointed will vary depending on the NHBRC's strategic asset allocation, the current intention is to appoint a panel of service providers.

### **4.2 NHBRC Investment Strategy**

- 4.2.1 The NHBRC investment strategy is driven by its liabilities. The NHBRC sees its main objective in respect of its assets to be to settle claims as when they arise. In addition, the assets provide the necessary capital for the corporation to be financially sound.
- 4.2.2 The investment strategy is split into two tranches of assets.
- 4.2.3 A warranty reserve reflecting the assets backing the provisions/reserves of the NHBRC as determined by its actuary.
- 4.2.4 An investment reserve reflecting the additional assets of the NHBRC above the warranty reserve.
- 4.2.5 The investment strategy is implemented by appointing investment managers in various asset classes.
- 4.2.6 The NHBRC sets appropriate strategic asset allocations for each tranche. The successful service providers will be responsible for managing the NHBRC's allocation to domestic listed equity

### **4.3 Scope of Works**

- 4.3.1 The assets allocated to each successful service provider is estimated to be between R150 million and R250 million. The amount and timing of allocations are subject to the NHBRC's cashflow position and the size of its liabilities.
- 4.3.2 The successful service providers will manage their allocation of NHBRC assets to a benchmark of JSE Capped Shareholder Weighted Index Total Return Index (Capped SWIX) plus 1%.
- 4.3.3 The successful service providers will be required to provide investment and accounting reports to the NHBRC and its investment consultant by the fifth (5th) working-day after each month-end. The reports should at minimum include:
  - 4.3.3.1 Detailed portfolio holdings that include all necessary fields to enable reporting to regulators.
  - 4.3.3.2 Portfolio reports detailing information that is used in preparing financial journals and additional information for interim and year-end audits.
  - 4.3.3.3 Gross and net performance returns, benchmark returns, and quarterly performance commentary and reports.
- 4.3.4 The successful service providers will enter into an asset management agreement with the NHBRC for a term of three (03) years.
- 4.3.5 Provide access to the NHBRC investment team and consultant annually for due diligence purposes.

- 4.3.6 The appointment will be subject to the bidder maintaining their 'Fit and Proper' requirements and acceptable investment performance. NHBRC reserves the right to terminate the agreement with 30 days written notice as a result of unsatisfactory performance or risk statistics, defining events, departure of key personnel, governance and ownership issues and reputational risks or any other factors including operational factors.

## **5. SERVICE PROVIDER RESPONSIBILITIES**

- 5.1 As part of the service expectation the following key elements will be required to be addressed:
- NHBRC working hours are from 8h30 to 16h30
  - The service provider must avail themselves as and when required by the NHBRC.
  - The Service provider will be expected to provide high-quality work.
  - The Service provider will be expected to deliver assigned tasks and daily duties as per the agreed time frames.
  - The service providers are required to keep the NHBRC financial information confidential

## **6. REPORTING**

- 6.1 The report format will be agreed upon between the service provider and NHBRC Finance Management.
- 6.2 The service provider shall provide monthly and quarterly reports to management
- 6.3 The successful service providers must avail themselves as and when required
- 6.4 The service providers must attend Finance Committee meetings at least once a year if requested by the NHBRC.
- 6.5 The service providers must regularly report back to the NHBRC's Investment Consultant.
- 6.6 The service providers must avail themselves annually to the NHBRC investment team and consultant for due diligence purposes

## **7. TRACK RECORD**

- 7.1 The service providers must provide their five largest asset management clients. Bidders must indicate the size of the mandate as at 30 June 2023 and the date of appointment.
- 7.2 The service providers must provide a track record of and/or more for a portfolio relevant to this RFP (domestic listed equity).
- 7.3 The service providers must provide monthly returns before the deduction of asset management fees.
- 7.4 The service providers must also indicate the benchmark of the track record.



## **8. TECHNICAL DATA TO BE SUBMITTED BY BIDDER**

### **8.1 General Information**

8.1.1 The NHBRC requires the services of interested and competent organisations or companies that are experienced in the provision of asset management services. The service provider is expected to provide proof of expertise as required in 8.2 below

### **8.2 Requisites of the Service Providers:**

8.2.1 Provide the total assets under management as at 30 June 2023 and for the three prior years.

8.2.2 Provide the total assets under management in domestic listed equity mandates as at 30 June 2023 and for the three prior years.

8.2.3 Provide the following information in respect to the company's history:

8.2.3.1 Date company was incepted.

8.2.3.2 Date company was operative.

8.2.3.3 Date assets were first managed.

8.2.3.4 Date assets in the asset class that you are bidding for were first managed.

8.2.4 List all owners of the company and the respective shareholding percentages. If listed, provide the main shareholders.

8.2.5 List all investment professionals that participate in equity ownership and percentage.

8.2.6 List and describe all related/affiliated companies, joint ventures, and or other entities (stakeholders) that contribute in some way to the company's investment and operational management, including any deals currently in the works and any planned deals:

8.2.7 Nature of the relationships that exist with all stakeholders.

8.2.8 Control and influence of the above stakeholders in relation to the operational and investment activities.

8.2.9 Potential conflicts between the stakeholders and how they are managed.

8.2.10 Provide the following in relation to the Board of Directors:

8.2.10.1 Biographies and CVs of key executive and non-executives as well as their overall investment experience and their length of tenure with the company.

8.2.10.2 Length of time the key executives and non-executives have been with the entity.

8.2.10.3 Provide a company organogram of your business, detailing the total staff complement in different roles/positions.

8.2.11 Provide the following in relation to the company's executive management:

8.2.11.1 Biographies and CVs of key executives as well as their overall investment experience and their length of tenure with the company.

8.2.11.2 List the roles and responsibilities of key executives per department, division and or company and length of time the key executives have worked together.

KEY EXECUTIVES						
Name	Responsibility	Gender	Race	Years with the company	Years in industry	Academic qualifications

**NB: Please provide certified qualifications not older than three (03) months.**

8.3 Provide the following in relation to the company’s Investment professionals, list the key investment professionals in the format below

Key Investment Professionals						
Name	Responsibility	Gender	Race	Years with the company	Years in industry	Academic qualifications

**NB: Please provide certified qualifications not older than three (03) months.**

8.4 In addition, please provide the following:

Highlight the demographic composition of the key decision makers amongst investment professionals managing equivalent strategies. Higher points will be allocated to those with diversity within investment professionals (diverse = percentage of females and previously disadvantaged individuals of total investment professionals).

- Provide an organogram of the team structure showing investment professionals indicating roles and responsibilities.
- Biographies and CVs of key investment professionals (portfolio managers, analysts, etc.) as well as their overall investment experience and their length of tenure with the company. Please indicate in this list which individual(s) will be assigned to the NHBRC.
- Please describe any changes in key investment personnel and senior staff over the past five years at firm and strategy level.
- Over the past five years has your company or any other key individual been involved in any settlement claim or litigation or other legal proceedings, investigations, mediation or arbitration processes, or disciplinary actions relating to your investment or business activities? If so, provide a brief explanation and indicate the current status.
- Indicate whether the senior investment team’s compensation/incentives is related to the strategy’s investment performance and how.
- Provide a breakdown of your client concentration:

- Indicate the number of, and asset size, of clients by strategy.
- Indicate percentage of Assets Under Management( AUM) of the Top 5 clients per proposed strategy.

**8.5 Please complete the following table of Assets Under Management.**

Year to	Total AUM	AUM Gained	AUM Lost
30 June 2019			
30 June 2020			
30 June 2021			
30 June 2022			
30 June 2023			

**8.6 Please indicate the total clients and amounts of assets gained or lost for the periods listed below.**

Year to	Total Number of Clients	Clients Gained	Clients Lost
30 June 2019			
30 June 2020			
30 June 2021			
30 June 2022			
30 June 2023			

8.7 Important information required from the service providers, the required information should attached to the proposal.

Company Profile	Service Providers Submission	Comply Yes/No	Comment /Optional
<p><b>1. Business risk management and compliance</b></p>	<p>1. Outline your risk management approach. Describe how risk is managed within your company; include your approach to legal, operational, reputational and business risks.</p> <p>2. List all professionals and committees, their roles and responsibilities, who are responsible for implementing the operational risk management framework.</p> <p>3. Describe how the company manages conflicts of interest.</p> <p>4. Provide a detailed summary of your company's compliance process.</p> <p>4. List the executives and service providers responsible for compliance.</p> <p>5. Describe the company's personal Account Trading policy, if any, and provide the main requirements and or constraints.</p> <p>6. Describe the systems in place to ensure that portfolio managers are within the client mandates.</p> <p>7. Describe your internal processes around the fair and equitable treatment of clients (fair dealing) as well as your staff personal trades rules.</p> <p>8. State that your company can provide accurate, valid and complete asset and transaction statements within 5 business days following month-end. Provide samples of client reports</p> <p><b>Please attach as Annexure</b></p>		

<p><b>2. Business Operations</b></p>	<ol style="list-style-type: none"> <li>1. Please supply an organogram of the portfolio administration division, including each person's Roles and Responsibilities, their backup staff as well as their experience (CV) and qualifications. Please indicate the professionals who sign off the portfolio value to clients and service providers.</li> <li>2. Describe all or any aspect of your administrative office, unit pricing, custody and other back-office operations which are housed internally and or outsourced.</li> <li>3. Describe the systems used for administration specifying whether they are developed in-house or are standard industry products used.</li> <li>4. Please provide a flowchart showing the operational process of purchasing and or selling a security from analysis to settlement showing who at your company performs each activity, approves each step and reviews the step for accuracy, completeness, and compliance.</li> <li>5. Describe the company's plan regarding the backup of computer files and systems.</li> <li>6. List all key professionals who are responsible for the process. (roles and responsibilities). Please also indicate the transformation status of the key professionals.</li> <li>7. Describe the separation of duties between the dealing and investment process.</li> <li>8. Do you have a policy regarding brokerage allocation and policy dictating the conflicts of interest in your dealing process? (If yes, please provide a summary of the policy).</li> </ol> <p style="text-align: center;"><b><i>Please attach as Annexure</i></b></p>		
<p><b>3. Investment philosophy and process</b></p>	<ol style="list-style-type: none"> <li>1. Describe the company's investment philosophy.</li> <li>2. What market anomaly or inefficiency is the company attempting to capture?</li> <li>3. Can this philosophy be implemented by the company's activities? Please provide evidence to support this philosophy. Please be concise in your response.</li> <li>4. Why does your company believe this philosophy will be successful in the future? Provide any evidence or research that supports this belief.</li> <li>5. Has the philosophy changed, been enhanced or evolved over time? Please provide evidence of how the philosophy has changed, been enhanced or evolved.</li> </ol>		

	<p>6. Provide the name and title of the most senior employee entrusted with your research activities.</p> <p>Describe members of the Investment Committee</p> <p>7. Group, their functions, and experience. Can you also indicate their transformation status?</p> <p style="text-align: center;"><b><i>Please attach as Annexure</i></b></p>		
	<p>8. Who has the voting rights and who has the casting vote on behalf of the fund? Can you also indicate their transformation status?</p> <p>9. What is your firm's definition of risk with respect to this mandate? If more than one, specify each with its percentage of importance.</p> <p>10. Indicate how you measure risk (i.e., Standard Deviation, Beta, Quality) in choosing individual securities and structuring portfolios.</p> <p style="text-align: center;"><b><i>Please attach as Annexure</i></b></p>		

<p><b>4. Investment Team Responsible for the Mandate</b></p>	<ol style="list-style-type: none"> <li>1. Describe the structure of the investment team responsible for this mandate. Can you also indicate their transformation status (diversity profile)?</li> <li>2. Indicate where the team is located and the policy on 'work from home/office'.</li> <li>3. Provide a diagram of the structure with indication of the key decision-makers.</li> <li>4. If not already provided, please provide CVs of all investment professionals who work directly on the mandate indicating their overall investment experience and their length of tenure with the company.</li> <li>5. Indicate recruitments and replacements into this team in the last five years.</li> <li>6. Use a diagram to help explain the mandate's investment process including references to the market inefficiencies the mandate aims to exploit.</li> <li>7. If not already described above, for interest-bearing bids, provide a detailed description of your credit process.</li> <li>8 Describe the competitive advantage that underlies this strategy.  Describe any changes to strategy made in the last five years.</li> </ol> <ol style="list-style-type: none"> <li>1. Use a diagram to help explain the portfolio construction process including how you will approach achieving the agreed upon benchmark.</li> <li>2. Describe your approach to the use of derivatives in the mandate.</li> <li>3. Describe any capacity constraints the mandate may face.</li> </ol> <p><b><i>Please attach as Annexure</i></b></p>		
<p><b>5 Integration Environmental, Social and Governance considerations.</b></p>	<ol style="list-style-type: none"> <li>1. Describe how the investment professionals integrate Environmental, Social and Governance (ESG) into the mandate's investment decision making.</li> <li>2. Provide all information on ESG research and its role in the investment process.</li> <li>3. Provide a list of individuals, their qualifications and relevant experience responsible for ESG</li> </ol>		

	<p>research. Indicate if these resources are part of the investment team.</p> <p><b>4.</b> Provide a list of additional resources outside the investment team with specific ESG related responsibilities or incentives? If yes, please provide brief details.</p> <p><b>5.</b> Does the consideration of responsible investment practices form any part of investment managers' goals/incentives/remuneration? If yes, please provide a brief explanation.</p> <p><b><i>Please attach as Annexure</i></b></p>		
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- The following is what is required to be submitted by the service provider.
- Please provide positive written contactable references from clients with similar investment mandates.

<p>Name of Client:</p> <p>Client Contact Details</p> <p>Contact person:</p> <p>Role in Project:</p> <p>Contact Tel No:</p> <p>Contact Cell:</p> <p>Project Start Date:</p> <p>Project Completion Date:</p> <p>Contract Amount (incl. VAT):</p> <p>Summary of services (maximum 200 words).</p> <p><b><u>Note:</u> Please attach a reference letter from the clients. (Excluding the NHBR)</b></p>
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## 9 INFORMATION ON PRICING GUIDELINES

- 9.1 Service providers are required to submit their annual fee schedule in the format prescribed below.
- 9.2 The fee due to the appointed asset manager will be paid from the portfolio (i.e. deducted from the portfolio or through a reduction in unit holding)
- 9.3 NHBRC retains the right to negotiate the contracted fee structure.
- 9.4 Please provide an asset-based fee before any allowance for VAT in the following format.

<b>Market Value of Portfolio</b>	<b>Manager Annual Fee (As percentage of market value) excluding VAT</b>
First ##### R Million	
Next ##### R Million	
Next ##### R Million (Add additional rows if needed)	

- 9.5 Service providers must confirm that this is the only fee to be charged to the NHBRC for the contract period and there are no escalations or fees based on the performance of the portfolio.

**NB: The bidder MUST take note of the following:**

- The asset-based fee must be duly signed by the bidder and/or a duly authorized individual by way of resolution which must be attached to the bid, if there is no signature on the asset-based fee the bidder will be disqualified.
- An incomplete asset-based fee will result in the bidder being disqualified, no alterations can be made subsequent to submission of the bid.

## 10. TECHNICAL AND PRICE EVALUATION CRITERIA

10.1 In accordance with the NHBRC Supply Chain Management Policy, the bid evaluation process shall be carried out in three (03) stages namely:

10.1.1 Stage 1: Compliance check of Bid Requirements;

10.1.2 Stage 2: Functional Evaluation Criteria

10.1.3 Stage 3: Price and Preference Points

### Stage 1: Compliance check of Bid Requirements

DOCUMENTS TO BE SUBMITTED		
No.	Bidders shall take note of the following bid conditions / Mandatory Submissions	Yes/No
1.	SBD1 Invitation to bid should be completed and signed	
2.	SBD 4 Bidders Disclosure Form, should be completed and signed	
3.	SBD 3.1 – Pricing Schedule (Firm Price) make sure it is completed.	
4.	SBD 6.1 Preference claim form should be completed and signed, regardless if points are claimed or not.	
5.	Bidder should submit CSD (Central Supplier Database) Report/ MAAA Number	
6.	Valid FSP license indicating the categories under which it is authorized <b>(Mandatory)</b> .	
7.	Proof of the insurance cover it holds with respect to indemnity cover, fidelity cover, and cyber risk <b>(Mandatory)</b>	

**Note: NHBRC will be using General Conditions Contract (GCC) as issued by the National Treasury and SLA for the management of the contract**

### Stage 2: Functionality in terms of the set technical evaluation criteria

Bids must fully comply with all the Mandatory Requirements for **Stage 1: Compliance check of Mandatory Requirements** in order to qualify for **Stage 2: Functional Evaluation** and those bids which failed to comply with all the requirements of Stage 1 will be invalidated or disqualified from the process.

**Paper-based Evaluation (PART 1)**

The Bidders information will be scored according to the following points systems:

The following values and formulae will be applicable when evaluating the bid

**5=Excellent 4=Very good 3= Good 2= Average 1= Poor 0= Non-compliance**

**Member score for criteria**

\_\_\_\_\_ X Weight per criteria = Total Score per criteria Highest points for criteria

Item No	Evaluation Criteria	Description	Weight (%)
1.	<b>Qualification, Experience of Senior Management</b>	<p>The service provider MUST provide in respect of its Senior Managers, their qualifications, skills, and experience in the Asset Management industry. The Senior Management team should demonstrate experience and track record in managing asset management businesses.</p> <p>CVs of the Senior Managers must highlight qualifications and areas of experience. Certified copy of Qualifications Must not be older than three (03) months</p> <p><u>Senior Manager Scoring</u></p> <ul style="list-style-type: none"> <li>• less than three years' experience and or no qualification = 0 Points</li> <li>• Three years' experience and any NQF level 7 qualification = 1 Point</li> <li>• Four years' experience and any NQF level 7, and qualification = 2 Points</li> <li>• Five years' experience and any NQF level 7 qualification = 3 Points</li> <li>• Six years' experience and any NQF level 7 qualification = 4 Points</li> <li>• Seven years' experience and NQF level 7 qualification and more = 5 Points</li> </ul>	<b>20</b>

Item No	Evaluation Criteria	Description	Weight (%)
2.	<b>Qualifications, and Experience of Team Members</b>	<p>The service provider MUST provide in respect of the Team Members who will be responsible for managing the NHBRC mandate, their qualifications, skills, and experience in managing domestic equity portfolios. Team members should demonstrate experience and track record in managing domestic equity portfolios.</p> <p>CVs of the team members must highlight qualifications and areas of experience.</p> <p>Certified copy of Qualifications Must not be older than three (03) months.</p> <p><u>Team Members Scoring</u></p> <ul style="list-style-type: none"> <li>• No experience and or qualification = 0 Points</li> <li>• One year experience and any NQF level 7 qualification = 1 Point</li> <li>• Two years' experience and any NQF level 7 qualification = 2 Points</li> <li>• Three years' experience and any NQF level 7 qualification = 3 Points</li> <li>• Four years' experience and any NQF level 7 qualification = 4 Points</li> <li>• Five years' experience and any NQF level 7 qualification and more = 5 Points</li> </ul>	<b>10</b>

3.	<b>Client References (Track record)</b>	<p>The service provider must provide positive written contactable references where asset management business service was completed. The reference letter must be from 2018 to date. From different clients.</p> <p>The reference letters from the clients of a service provider must include:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date appointed for asset management completion</li> <li>• Company Letterhead</li> <li>• Contact person and contact telephone numbers</li> <li>• The letter must be signed by a duly authorized person and state their designation (Senior Manager)</li> </ul> <p><b>Reference letter Scoring</b></p> <ul style="list-style-type: none"> <li>• 0 Reference Letters = 0 Points</li> <li>• 1 Positive reference Letters = 1 Point</li> <li>• 2 Positive reference Letters = 2 Points</li> <li>• 3 Positive reference Letters = 3 Points</li> <li>• 4 Positive reference Letters = 4 Points</li> <li>• 5 Positive reference Letters and more = 5 Points</li> </ul> <p><b>NHBRC reserves the right to call the clients to obtain further information.</b></p>	<b>20</b>
<b>TOTAL</b>		<b>50 Points</b>	
<b>MINIMUM QUALIFYING REQUIREMENT</b>		<b>40 Points</b>	

**NB: Only bidders who score 40 points or more out of 50 points (Part 1) will qualify for Site Presentation Evaluation (Part 2)**



<p><b>3. Demonstration of investment philosophy and process (15 Points)</b></p> <ul style="list-style-type: none"> <li>a. Description of the investment philosophy and process. Provide a reference or references to academic work that supports their investment philosophy</li> <li>b. Demonstration of the investment process. Provide the screenshots of the systems used</li> <li>c. Evidence of the integration of ESG factors into the investment process. Provide a case study from your current portfolio.</li> <li>d. Provide reasons why the investment process and philosophy will deliver alpha. Provide a reference or references to academic work that supports their investment philosophy</li> </ul>	15
<p><b>4. Business Risk Management (5 Points)</b></p> <ul style="list-style-type: none"> <li>a. Present on how risks are managed company-wide. The presentation should include operational, reputational, and business risks. Provide proof of risk register.</li> <li>b. Description of how cyber-related risks are managed. Provide cyber policy and confirmation of insurance cover.</li> <li>c. Describe the escalation process within the organisation. Provide a flowchart of escalation</li> <li>d. Describe your system backup and disaster recovery process, and provide a disaster recovery policy.</li> </ul>	5
<p><b>5. Operations (5 points)</b></p> <ul style="list-style-type: none"> <li>a. Present an organogram/flowchart describing the investment administration process.</li> <li>b. Describe the key persons' roles/responsibilities in this process – Provide Job description</li> <li>c. Present the process of purchasing and selling a security showing the steps from the investment decision to execution and recording – Provide the flow chart of the process</li> <li>d. Provide a copy of the ISAE3402 report of the administrator</li> </ul>	5
<p><b>6. Performance/Track Record (5 points)</b></p> <ul style="list-style-type: none"> <li>a. Present on performance to 30 September 2023 over minimum of 1, 3 and 5 years and provide reasons for out or underperformance. Provide a copy of monthly performance of gross of fees. Include the performance benchmark in the submission.</li> </ul>	5

<p><b>Site Presentation Scoring Allocation</b></p> <ul style="list-style-type: none"> <li>• Bidder did not meet ALL the requirements listed above = 0 points</li> <li>• Bidder meets One requirement listed above = 1 Point</li> <li>• Bidder meets Two requirements listed above = 2 Points</li> <li>• Bidder meets Three requirements listed above = 3 Points</li> <li>• Bidder meets Four requirements listed above = 4 Points</li> <li>• Bidder meets ALL the requirements listed above and more = 5 points</li> </ul>	
<b>SUBTOTAL</b>	<b>50 Points</b>
<b>MINIMUM QUALIFYING REQUIREMENT</b>	<b>40 Points</b>
<b>TOTAL FOR PART 1 AND 2</b>	<b>100 Points</b>

**Bidders who score a total of 80 points or more on two stages (Paper-based and Site Presentation Evaluation ) will qualify for further evaluation which is Price and Preference points system.**

### **Stage 3: Price and Preference Points Evaluation**

Only bids that obtained a minimum qualifying score (**80 points**) for **Stage 2 (Functional Requirements)** will be evaluated further.

The contract will be awarded in terms of Regulations 4 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and Preferential Procurement Regulations, 2022 and bids will be adjudicated in terms of a (80/20) preference point system in terms of which points are awarded to bidders on the basis of:

**80/20 Preference point system (for acquisition of services, works or goods with a Rand value not more than R 50 million) (all applicable taxes included)**

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

Where;

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

$P_t$  = Comparative price of bid or offer under consideration

$P_{min}$  = Comparative price of lowest acceptable bid or offer.

*The points scored will be rounded off to the nearest two decimal places.*

*The points will be awarded to a Bidder in accordance with the table below:*



A maximum of 20 points may be awarded to a bidder for Preference Points specified in the tender.

Preference Points	Points Allocated
Women	12
Youth	5
Disabilities	1.5
Military Veterans	1.5
<b>TOTAL</b>	<b>20 Points</b>

The following formula must be applied to calculate the number of points for preference points:

$$NEP = NOP \times \frac{EP}{100}$$

Where

*NEP = Points awarded for equity ownership Preference Points*

*NOP = The maximum number of points awarded for Preference Points*

*EP = The percentage of equity ownership*

*The points scored for price will be added to the points scored for preference points to obtain the Bidders total points scored out of 100 points.*

## 11. RFP SUBMISSION INSTRUCTIONS

- 11.1 All RFP documents must be sealed in a clearly marked envelope and deposited into the tender box at the  
**NHBRC HEAD OFFICE: 27 LEEUWKOP ROAD, SUNNINGHILL, JOHANNESBURG**

## 12. AVAILABILITY OF THE RFP DOCUMENT

- 12.1 Bid documents can be downloaded on the NHBRC Website ([www.nhbrc.org.za/current-tenders](http://www.nhbrc.org.za/current-tenders)) from  
**the 29 November 2023**
- 12.2 There will be a non- compulsory briefing session that will be held on the **12 December 2023 at 11h00am**
- 12.3 Venue for non-compulsory briefing session: NHBRC HEAD OFFICE: 27 LEEUWKOP ROAD,  
SUNNINGHILL, JOHANNESBURG

### 13. RFP CLOSING DATE

- 13.1 Bid documents should be marked for Attention: Supply Chain Manager, and deposited into the Bid **boxes at the NHBRC National Office, 27 Leeuwkop Road, Sunninghill on or before the 26 January 2024 at 11h00. No emailed or faxed bids will be accepted. The bid document should be supplied in a sealed envelope clearly marked (one (1) Original hard copy and one (1) Memory Stick/USB with scanned original documents) with the bid number and the full name of the service provider(s).**
- 13.2 **No late submissions will be accepted.**

### 14. VALIDITY PERIOD OF BIDS

- 14.1 All bids submitted by the bidders must be valid for a period of 90 days from the closing date specified above.

### 15. ENQUIRIES SHOULD BE DIRECTED TO BOTH

- 15.1 The administrative enquiries may be directed to:

**Department:** Supply Chain Management

**Contact Person:** Ms.Paballo Relela, Mr.Bernard Kekana

**E-mail address:** [Tenders@nhbrc.org.za](mailto:Tenders@nhbrc.org.za)

- 15.2 Clarifications and enquiries by bidders should be sent to [tenders@nhbrc.org.za](mailto:tenders@nhbrc.org.za). Responses will be communicated during week days, between Monday to Friday from 8:30 am to 16:30 pm

### 16. SUBMISSIONS OF PROPOSALS

- 16.1 Submission of bid **should include one (1) Original hard copy and one (1) memory stick/USB with scanned original documents of the proposal marked (Original hard copy and memory stick/USB) envelope and deposited into the tender box. NB: The Original hard copy submission in the envelope should be the same as the electronic copy.**
- 16.2 All costs and expenses incurred by the Bidder relating to the participation in, and preparation of this proposal process shall be borne by the Bidder exclusively. All documentation and manuals submitted in respect of this RFP shall be retained by NHBRC, whether or not the proposal is accepted.

## 17. **POPIA**

- 17.1 The NHBRC is committed to adhere to the Protection of Personal Information Act 4 of 2013 and the Promotion of Access to Information Act 2 of 2000. To this end the NHBRC has published its Information Manual on its website, which regulates the manner in which NHBRC processes information.
- 17.2 The NHBRC requires the information requested in bids for the purpose set out in paragraph 2.5 of the Manual. Further the Manual confirms that NHBRC processes the information requested in bids from prospective service providers and third parties at paragraph 3.4.
- 17.3 Bidders should note that the NHBRC is committed to securing all the information submitted from bidders, in terms of paragraph 6 of the Manual. (included on the NHBRC website)
- 17.4 Bidders are in turn required to comply with the tender requirements and when the information of third parties are required by NHBRC, bidders are by law required to obtain the consent of such third parties for the sharing of such third parties' information with the NHBRC. ”