

1.1 THE NHFC USER BASE

The proposed ERP solution and the implementation services are expected to cover the following user base of the organisation

Functions divisions of NHFC	No. ERP users
Finance	10
Treasury	5
SCM	7
HR (Includes Facilities)	15
ICT	10
Grant Facilitation	22
Credit	14
Corporate Finance	3
Strategic Planning & Monitoring	8
Strategic Partnerships & Programme Management	14
Legal	4
CoSec	3
CEO office	2
Lending	13
EWR & Audit	7
CTCHC - subsidiary of NHFC	5
Fixed Terms contractors, all in Strategic Projects & Partnerships Department	17
Current Total Number of Users	159

*Note:

1. This is the proposed headcount number as at Oct 2022.
2. This headcount number may vary from month to month due to e.g., attrition and recruitments or new placements/appointments.

Annexure

BUSINESS FUNCTIONS

The Below Functional Requirements are not exhaustive, however indicative business functions.

1. Lending

Capabilities to apply for different Lending products across the NHFC value chain (Bridging Subsidy Housing, Wholesale Lending, Rental Housing Finance, Bridging Affordable Housing, Incremental Lending amongst others.)

1.1 Product descriptions

All loans must have a facility to allow for moratoriums on repayments of capital, interest or both. These may be loaded on initiation of the loan, or as part of a restructuring at a later date.

Product Offering	Description
Bridging finance	Short term loan term from 3 months to 1 year Interest rate linked to prime Facility fees Disbursement fees Penalty interest chargeable for late payments Maximum loan amount and maximum disbursements need to be recorded Loan amount is disbursed in more than one payment, each of which has a term. Usually secured by a certificate of completion
Long term mortgages	Long term loan term from 15 to 30 years Interest rate linked to prime or JIBAR Penalty interest charged on late payments Facility fees Disbursement fees

	<p>Maximum exposure amount set</p> <p>Loan amount is disbursed in more than one payment, with the total loan having a term</p> <p>Usually secured by a first covering mortgage bond.</p>
Wholesale loans	<p>Term from 1 to 5 years</p> <p>Interest rate linked to prime or JIBAR</p> <p>Facility fees</p> <p>Disbursement fees</p> <p>Penalty interest chargeable for late payments</p> <p>Maximum loan amount and maximum disbursements need to be recorded</p> <p>Loan amount is disbursed in more than one payment, each of which has a term.</p> <p>Usually secured by a cession of debtors' book and bank account</p>
Further divisions	<p>Each of the above types can be split into the following:</p> <ul style="list-style-type: none"> • Senior debt where NHFC has first right of repayment; • Mezzanine debt where some other loan has first right for repayment;

1.2 Customer categories

The following are the current customer categories, any of whom may use any type of loan. New categories may be added from time to time.

- Social Housing: NPC;
- Social Housing: ODA;
- Rental Housing;
- Affordable Housing;
- Subsidy Housing; and
- Incremental lending.

1.3 Revenue types

Interest - This can be linked to prime or JIBAR or fixed. The system must contain proper audit trail showing the details of the employee who has made changes to the system, including changes in interest rate.

Fees - Initiation fee charged on granting on a loan as a percentage of loan range from 0% to 3% Disbursement fee charged on each payment made on a loan as a percentage of the amount paid out range from 0% to 3%.

1.3.1 Loan Application Management

The ERP solution must have the ability to enable applicants to apply for a Lending product using physical/ digital (web based) channels. The expectation is for the NHFC clients to have a frictionless application process when using any of the Physical and Digital Channels available. The system should have the capability to monitor Due Diligence process and be able to record the results of Due Diligence conducted on the application. A Preliminary Checklist should be checked from the system to ensure that all the necessary application requirements are fulfilled. Preliminary Checklists should be completed using the system which helps determine if a project is viable or not viable. Pipeline Register must then be updated, and Application file completed. The application should then progress to assessment stage. Detailed Checklist is submitted on the system, and Proposal is completed. The ERP must have the ability to produce statistical reports and dashboards showing number of applications received and number of financially viable applications, and number of applications at different milestones and also the time it took to complete each sub-process. The system must have the ability for Client Relationship Managers to prepare a Proposal for sanctioning.

1.3.2 Credit Assessment Management

The ERP solution must have the capability to perform evaluation of the application. Credit policy parameters for each product should be imbedded in the system. The system should have a link to verify current company directors, check PEP as well as credit checks. Reports be saved in the system for future reference. The client application is assessed to verify financial standing and means to deliver on the proposed value. The Proposal will be Approved/ Declined/ Referred back. The system should be able to capture outcomes and deliberations from sanctioning committees (MCIC, BCIC). The system should then produce Approved Term sheet for the client to sign and store the Signed Term Sheets. The system must then generate the Approval Letter. The ERP must have the ability to produce reports and dashboards showing number of Credit proposals approved, number of Credit proposals declined, number of in credit applications in progress, the total Value of Approvals and turn-around time.

1.3.3 Document Management

Application documentation must be produced from the system using the approved NHFC templates at any stage of the application Term Sheets, Approval Letter, Loan Agreements, Drawdown request forms, Status Change forms. The signed documents should be stored in the system.

1.3.4 Agreement Management

The system must have the ability to generate loan agreements. The client signs a loan and agrees to conditions attached. Counter signed loan facility agreement and Signed Loan Agreement Conditions precedence. The ERP must have the ability to produce reports and dashboards showing number of fully signed agreements.

1.3.5 Case Management

The client must be allowed to appeal a decision taken by NHFC and lodge an appeal. The system should re-open the application to allow for the Outcome to be revised. Revision of the decision will be conducted, and the application may be approved or remain declined. The ERP must have the ability to produce reports and dashboards showing number of application reviews and key event dates including addendums.

1.3.6 Notifications Management

The ERP must send updates on the progress of the application to the applicant. The applicant must receive notifications on progress of their application process when key specified points are reached in the workflow. The ERP must have the ability to produce reports and dashboards showing number of failed notifications, number of successful notifications and turn-around time.

1.3.7 Disbursement Management

The ERP platform should have the ability to disburse the funds into client or project accounts. The client must receive funds in accordance to agreed schedule/ milestones with the flexibility of amending the payment schedule should the client be ahead or behind schedule with construction or disbursing. Disbursements are to be finalised from the system. Payment of funds occurs in the form of Drawdowns. Drawdown request must be electronically signed, Status Change Form completely signed, and drawdowns updated in the financial system. The system should be able to block further drawdowns for projects that are in arrears, i.e. the client cannot process a drawdown request if not performing. The ERP must have the ability to produce reports and dashboards showing the Value of disbursements. The system should allow for periodic total, product totals amongst others.

1.3.8 Repayments Management

The ERP system must be able to handle all kinds of repayments into the loan facility. There should be functionality to cater for overpayments, refunds, and advanced payments. The system must show payment lines separately according to payment type for ease of identification and analysis purposes. The system should be able to generate settlement quotations, including calculation of pre-payment penalties and allow for clients to settle and close-off the loan facility earlier than the prescribed term. The system should have the capability to handle revolving credit loan type portfolios.

1.3.9 Debtors Book Management

The ERP system should have the ability to manage interest and capital moratoriums, overdues, arrears, and defaults on the loan facility including loan facility restructurings.

The ERP system should send notifications to the Credit Risk Monitoring team as soon as clients miss their payment date. The ERP must be able to produce loan ageing reports and dashboards per product offering, per facility, per client, showing age analysis by number of days past due, age analysis by funder, trends, current amounts due and roll rates etc. The dashboard should include the amounts billed together with the amounts collected per product or client at any given time in order to determine the collection rate. The reports should be available at any given or desired period e.g., daily, weekly, monthly, and quarterly. The system should flag loans that are non-performing or in distress as early as possible so that the necessary action can be taken timeously, and legal action can be avoided.

The system should have functions to make provisions for impairments and also be able to write-off non-performing loans from the loan book while stepping in and pursuing collections on them. The system should calculate interest and rates that can be linked to prime or JIBAR or fixed. Where necessary the system should allow interest to be raised on a debtors' statement but not recorded in the ledger due to default. Penalty interest on overdue amounts must also be possible. The ERP should provide a report by customer and loan type showing losses monthly and annually split into provisions, write offs and fair value adjustments to enable IFRS9 calculations. Ideally this should include take on records. The system must have proper segregation of duties between the capturer/originator and approver across all business functions performed.

1.3.10 Customer Relations Management

The ability to manage all client communications from the system and client Meeting Management capabilities and talk to the Debtors Book management system. Reports on the following should be available: Client application aging by position in approval process (aging by days / weeks / months), Client queries aging in days and Client queries handling time.

1.3.11 Workflow Management

The system must be workflow based with proper user segregation in place and the ability to route submissions, disbursements etc to the relevant approvers with rerouting for absent people seamlessly. The system should have proper roles and authorisations defined in line with the approved delegation of authority, also the business process and business rules.

2. Finance

Over and above the typical financial reporting model, the ERP should also have the following:

2.1 Budgeting tool

The ERP system should have a budgeting model whereby all divisions of the NHFC can capture their Forecast for the remaining period in the current financial year and budgets for the next financial year per month and the annual budgets for the outer year. The ERP system should consolidate all the divisional budgets automatically and generate the budget financials for the forecast year and future years. The ERP system should have a dashboard for analysis of relevant key performance indicators important for the NHFC. Once approved should be integrated in the financial, management and procurement systems/models.

2.2 Costing for management reporting

The ERP system should have a model that is separate from the financial reporting that will accommodate allocation of costs across the divisions and another level for allocation of all costs (using different allocation basis) to products and revenue generating units. The ERP system should be able to generate income statement per product and revenue generating unit taking into account all allocated costs.

2.3 Finance Linked Individual Subsidy Programme - FLISP

2.3.1 FLISP Application Management

The ERP system must enable the origination of the grant application using a digital channel made available at the early stages of application when the applicant is still applying for a home loan at a Financial Institution such as Banks, RFIs, etc. FLISP is one of the most important initiatives of the NHFC and the National Department of Human Settlements which is targeted at the first-time homebuyers. It is one of the few programmes where the NHFC engages directly with the retail market through processing and paying housing subsidies to need South Africans.

A client can apply for a FLISP subsidy to supplement existing finance application granted by the financier and to support community savings scheme or individual savings. A client can also apply for a FLISP subsidy in order to reduce the home loan amount where 100% of the home loan was granted. Client's application is processed, reviewed and client is notified. The client is notified of progress throughout different stages of the application. Client can submit queries, enquiries, and request for changes. A client is issued with the outcome and their ID number/ name and surname recorded in the National Housing Subsidy Data Base system as a recipient of the government grant. A client can dispute an outcome of the FLISP application. Client receives payment in bond account or attorneys trust account number provided. In some instances, once approved, subsidies will be paid into the Lenders Suspense Account and Lenders will pay service providers and/or pay into the beneficiary Bond account.

2.3.1 Originate the grant application

The ERP solution must have the ability to capture a prospective client application with

all the relevant supporting documents prepared and attached. A completed application form filled via an online platform and supporting documents are to be uploaded to the system. The system must have Application checklist completed before the application is submitted for processing. The ERP must have the ability to produce reports and dashboards showing number of applications received per province (cascading to Municipal level), number of applications processed per province, number and rand value applications approved per province, number and rand value of applications disbursed per province and number and rand value of approved loans leveraged from financial institutions. Other reports required are gender of applicants which can be reported on or by the preceding variables.

2.3.3 Application Processing

The system must be seamlessly integrated with 3rd Party systems to perform real-time validation on external databases to validate ID numbers against certain criteria when Processing the Application. The system must interface with those external databases when the Application is assessed which inform the decision taken. These Qualification Criteria Checks are done with the following third-party systems:

- Home Affairs checks;
- Deeds Office checks;
- NHSDB;
- Persal checks; and
- GEPF checks/ UIF checks.

The system must be able to interpret the results returned by these external databases, the outcome therefore established, and the Application set to Approval/ Decline status. The system must have the capability for the user/supervisor to override search results returned by the external interface when the processed application yields an unfair unfavourable outcome to the client. The system must generate a grant letter or decline letter which must be signed and sent to the grant applicant systematically. The ERP must have the ability to produce reports and dashboards showing number of applications declined due to being recipients of subsidy housing products previously, number of applications declined due to misrepresentation of info, number of applications approved, Total value of approvals and Total value of home loans approved. The execution of reports must be such that they can be presented by Province. The system should also be able to track the duration of application processing in the FLISP value chain and produce a Processing Turnaround time report.

2.3.4 Send notifications on progress

The ERP system must be able to send automated notification to the customer notifying them of application progress. FLISP application notifications must be setup such that they systematically get sent to FLISP beneficiaries and partners who submitted the application on behalf of FLISP applicants. The Notification Trigger Event should contain details such as the application reference, missing info that the client needs to supply, application outcome, etc). The ERP must have the ability to produce reports and dashboards showing number of successful notifications and number of unsuccessful

notifications.

2.3.5 Case Management

The system must have the ability to log Client query/ request, issue a Reference Number and capture updates when the Query/ request is being resolved and update status accordingly. Reference Number must be closed when the Client query or dispute is resolved, and feedback has been provided. The ERP must have the ability to generate reports and dashboards showing number of cases, queries, enquiries, complaints, or disputes logged, number of cases by status e.g., successfully closed, in progress, etc.

2.3.6 Finalise Outcome

The ERP solution must have an automated interface to register the beneficiaries in the National Housing Subsidy Database (NHSDB) System following a successful outcome at processing of the application. Once Confirmation has been sent to the client the details of subsidy recipient are recorded in NHSDB to prevent future similar benefits from government funding. The ERP must have the ability to produce reports and dashboards showing number of NHSDB-Registrations which can be represented by Province.

2.3.7 Manage Appeals

The system must have the functionality to manage appeals on declined applications. The client is given an opportunity to appeal an unfavourable outcome by lodging a dispute. The appeal will be lodged with relevant supporting documents attached. The system must be able to reopen the application and allow for further processing of the application. Dispute must be resolved from the system and feedback provided. The ERP must have the ability to produce reports and dashboards showing number of disputes/issues resolved, number of disputes raised.

2.3.8 Manage Disbursements

The ERP system must have the ability for clients to initiate a payment request when the funds are required. The Payment Requisition must be processed from the system and Payment request submitted to Finance Department for Disbursements. The ERP system must be fully integrated with the Finance and Treasury systems, Banks, and other participating Financial Institutions. The system must create an end of day batch file of all payment requisitions approved on a daily basis and send them to the bank through an automated interface. The ERP must have the ability to produce reports and dashboards showing number of payment requests made, payments audit report showing successful/ bounced payments and Total value of disbursements.

2.3.9 Document Management

Application documentation must be produced from the system using the approved NHFC templates at any stage of the application Checklist, Grant Letter, Decline Letter,

Payment requisition, Client/Application supporting documents. The signed documents should be stored in the system.

2.3.10 Customer Relations Management

The ability to manage all client communications from the system and client Meeting Management capabilities. The system must comprise of Partner On-boarding capabilities for Banks, Developers, Bond originators, and any future partners.

2.3.11 Workflow Management

The system must be workflow based with proper user segregation in place and the ability to route submissions to the relevant approvers. The system should have proper roles and authorisations defined in line with the business process and business rules.

2.4 Corporate Finance

2.4.1 Investment Proposal Management

The ERP solution must have the ability for applicants to apply for quasi-equity loan or equity investment. The prospective clients should be able to apply for a quasi-equity loan or equity investment product in order to finance housing projects and structures as this will enable sustainable delivery of affordable housing options to customers. All relevant information related to the quasi/ equity application is received from the applicant and the investment proposal is developed. The application must be completed together with supporting documents supplied uploaded to the ERP solution. Initial Financial Due Diligence is then completed where missing info/ documents are supplied by the applicant. The ERP system must have the functions to record the results of the due diligence conducted on the application.

The Appraisal stage gets completed and Contract is drawn up. Contract is finalised and an Agreement signed. Total funds authorised for disbursements are captured in the system. The ERP must have the ability to produce reports and dashboards showing number of applications submitted, number of applications assessed and reports showing Turnaround time for application.

2.4.2 Receive notifications on progress

The ERP solution must have the ability to send notifications to clients. The applicant must receive updates on the progress of application when key specified points are reached in the workflow while the Proposal status is being finalised. The ERP must have the ability to produce reports and dashboards showing number and percentage (%) of failed notifications as well as number and percentage (%) of successful notifications.

2.4.3 Partner/Client Onboarding (CRM)

The system must have client relations management capabilities where the Partner/Client details are captured and verified. Partner/Client is onboarded.

2.4.4 Negotiate Terms and finalise

The client must be given the opportunity to negotiate the terms of the contract prior to approval/ decline. The terms of the contract are reviewed and negotiated. The ERP system must allow for the review of terms and the Contract then finalised with all Conditions met. The system must track Turnaround time.

Legal Agreement Management – The system must be able to generate Loan Agreement/Subscription/Shareholders, send to client and agreement signed stored in the system. Partner will be onboarded following the signing of the loan agreement and Total funds authorised for disbursements must be captured.

2.4.5 Contract Management (Equity Management/ Equity Partnerships)

The system must provide the capability to manage the contract between the client and NHFC until end of term.

2.4.6 Disbursement Management

The ERP system should have the ability to process client payments. Clients should be able to receive Disbursements as per anticipated projections on the agreement with NHFC. The client must receive disbursements as per agreement. Disbursements are paid out in line with the agreed terms. The system must have the ability to report on Total funds authorised for disbursements, disbursements paid, disbursements remaining.

2.4.7 Loan/Investment Performance Monitoring

As per agreement, the client will report on performance as per guidelines provided by NHFC. Investment performance is in accordance with projections. Management accounts of the partner. Conditions for investment horizon timelines have matured.

2.4.8 Loan Debtors & Investment Processing

The ERP solution must have Debtors and Investment management functionality. It should produce age analysis reports showing days past due on the Loans.

2.4.9 Deal exit

The client must be afforded the opportunity to buy back equity in an event that NHFC intends to divest. Investment is sold and agreement signed. Investment will reach maturity and Investment performance may not in accordance with projections. Sale is finalised and an Agreement is signed. The ERP must have the ability to produce reports and dashboards showing number of number and percentage (%) of Unsuccessful investments as well as number and percentage (%) of Successful investments.

2.4.10 Case Management

The ERP system must have the ability to log Client query/ request, issue a Reference Number and capture updates when the Query/ request is being resolved and update status accordingly. Reference Number must be closed when the Client query or dispute is resolved, and feedback has been provided. The ERP must have the ability to produce reports and dashboards showing number of cases, queries, enquiries, complaints, or disputes logged, number of cases by status e.g., successfully closed, in progress, etc. The reports should be available on a periodical basis as per the user selection.

2.4.11 Document Management

Application documentation must be produced from the system using the approved NHFC templates at any stage of the application Term Sheets, Approval Letter, Loan Agreements, Drawdown request forms, Status Change forms. The signed documents should be stored in the system.

2.5 Strategic Partnerships

2.5.1 Grant and Voucher Management

The ERP solution must have capabilities to receive grant to fund – receiving grants, allocating them to programmes/ projects and authorising payments (qualifying beneficiaries are provided with a site which is resourced in terms of basic infrastructure – voucher is broken down to correspond to work delivered).

2.5.2 Inspect to Pay

Quality control processes to verify delivery of agreed work before payment is authorised.

2.5.3 Request to Manage Programmes

The Strategic partnerships stream also focuses on the requests by clients to manage programmes being delivered by suppliers (development, capacity improvements) and thus act as an intermediary between customer and supplier (implementing agent – earn fees).

2.6 Programme Management

2.6.1 Fund Management

The ERP system must consist of a Fund Management (FM) solution to manage funds placed with NHFC by Clients for disbursements to service providers for the construction projects. The client enters into an agreement with NHFC for the management of funds, where in some instances the NHFC plays a Project Implementation Agent (PIA) role where the construction project is left entirely with NHFC.

2.6.2 Budget

The FMS should be able to load multiple copies of a Project. A project can have two (2) modes:

- **Budget setup mode** – Entire Project should be loaded here, when satisfied the data to be copied to the Live Mode. This data mode will then be converted to live on the approval of an Administrator. This data mode will not be made available or interfaced with either the Financial and Supply Chain systems or the web portal.
- **Live mode** – All transactions performed here. Project can be copied to a budget file, so additional budgeting can be done. A copy of the Live Mode can be made and then the Live Mode entries can be edited due to a change in the subsidy/fund amount per unit. This can occur at any time when the amount budgeted for a unit can be changed. In this case, all costs on the Live mode must be changed, and be applicable as of that specific date.

2.6.3 Web Portal

A web portal is to be designed to capture the work done by an Approved Person (AP). The AP will log in and all entries for the AP/ Company will be pre-populated to this interface screen. The AP will be able to sort and filter and select the entries from this budget as to the work completed. The ability to claim a lesser amount (percentage %) can also be entered as a claim for the line item. Once the claim is correct the AP can submit the claim, and as such the claim will be updated in the FM system for NHFC Approval and Payment.

2.6.4 Systems Integration

It is important for the system to integrate with Financial and Supply Chain system and other systems in the organisation including NHFC Treasury systems. This will enable reconciliations to occur between the 2 systems, such that the Fund, fees, and the interest can balance equally between the systems. The budgeting according to the current manual Business Financial Management (BFM) costing model will also be done on Financial and Supply Chain system.

The interface will consist of the below:

- Receive Fund balances from FINANCIAL system;
- Send Payment request to FINANCIAL system;
- Receive confirmation of Payment from FINANCIAL system;
- Send Fees amount that is Invoiced to FINANCIAL system;
- Send Request to FINANCIAL and Loan Management system for Drawdown and
- Request Interest Balance on Fund in High Yield Account from FINANCIAL system.

2.6.5 Processing of claims/ Invoice

A claim is a list of costs on a project that must be paid by NHFC to a Company for work done. A claim can be received from an AP in 2 ways:

- Online by an AP on the FMS Claim Web Page; or
- On Paper by an AP, and an NHFC Person can re-capture the Claim directly into the system.

Costs on a Project:

Costs on a project can be of the below forms:

1. Fixed Staff costs – this can be fixed per period or fixed per Unit. Note that there would be multiple Fixed Staff cost entries;
2. Variable Staff Costs, this can be loaded as a monthly cost;
3. Operating Costs;
4. Fees;
5. Professional Team/ Resource. This can be linked to a phase, a unit or group of units or any activity;
6. Work -Any form of work can be loaded as an activity, with an associated cost; and
7. Materials - Materials can be loaded as an activity, with an associated expense.

Notes:

- An Invoice can have multiple Payments; and
- A User can enter Start of period and End of period, enter Cost per period, or cost per month and system to show total for period.

2.6.6 NHFC Fees

Fees are received for a service completed by NHFC. NHFC will create an invoice automatically based on the contract with the Funder. The Funder will authorise the payment (external process) and NHFC will receive payment.

Fees can be:

- Fixed per building/ Unit /Payment effected on Payment of a Milestone; and
- A Percentage (%) of Funds (calculated on Tranche transferred) Payment effected on Transfer.

Fees will be paid from Fund to NHFC Company/ Account (specify Account). The system should ensure that fees cannot be double charged, i.e. it is either on Fund transfer or on Milestone completed. The system will calculate the fees based on the User capturing the fees and producing an Invoice, by either completion (part or full) of a Milestone, or on receipt of Funds.

2.6.7 Beneficiaries

Each being built is allocated to a beneficiary by the HSS system. The HSS system has a beneficiary's export file that links beneficiaries to Stand numbers. The FM System should be able to import beneficiaries from an excel file, and populate the FM system, and this should be editable by an Administrator. There should be a seamless integration with other systems like HSS.

2.6.8 Capturing and Loading the company

This refers to capturing or loading any company and related data. This can be any company such as NHFC or any of its sub-companies, a funder, a developer or contractor or sub-contractor, or any company or creditor that does any work related to a project. All the company data that is mandatory must be captured in the system. The system should allow new companies to be added, and company data to be updated. A company can also have different roles on different projects, so can be captured multiple times, each with a different role and with a different bank account number. A bank account number can only be changed by a system Super User.

A company can also be involved in multiple projects and as a result have multiple loan accounts, and as such each loan account can be linked to either the same company with a different role or a different bank account. The maximum bridge finance facility and amount will be dependent on the project and related Loan account. The system should also have a save button for data captured on the screen to be committed to the database, and saving should also be done by the system on exiting the screen, or on the User pressing any button to navigate to another place in the system, such as on the new or update buttons. The system should also have a search functionality to view a list of all companies in a table format, and this table should be dynamically updated / filtered upon the User typing in characters in the company search field.

2.6.9 Capturing / Loading a Fund

As noted in the process when a new project is approved, the first action that occurs is a Fund is provided to NHFC for the Project. As such all the details pertaining to the Fund must be captured. Information such as the project (name) related to the Fund, the amount of the Fund, when it is received and for what the Fund is to be utilised for.

A Fund can also be received in multiple tranches, and as such there can be multiple amounts received at different dates to make up the total Fund. The system should update the tranche number and amount as each amount is paid to NHFC per Fund, although this tranche number can be updated by a User.

A user should be able to update the Fund as a new tranche gets paid to NHFC. The functionality for the system to get an update from the FINANCIAL AND SUPPLY CHAIN SYSTEMS can also be developed. The following buttons should be available for this Fund capture functionality: New, Update, Save, Delete (Admin Only), View and Print. The View button should provide a table to show the tranches of a Fund (Monies received from a Funder).

2.6.10 Capturing / Loading a Project

This would refer to building a project and all its sub tasks and work as well as budgeted costs to each of the activities. The system should allow a User to build a project. This means that the User should be able to capture the projects over archiving administration and financial data to the project such as the Project Name, maximum project value, Project budget, maximum Units, Funder, etc.

The User should then also be able to build the project in line with its activities such as the phases of the project, with its sub milestones, and its dependent tasks and administrative work in a tree structure. Project data capturing should include information on the Service Level Agreement in terms of project size, subsidy amount, project duration, contract value, programme/project managers detail, client details, project scope, etc. As an example, the project could consist of 2 phases of 100 houses and 100 apartments, each would have multiple and different milestones such as foundation, wall plates, and roof for houses and possibly foundation, walls, slab1, walls, and roof for apartments; each would also have a number of work tasks such as electrical, plumbing, etc. and professional tasks like engineers inspection, NHBRC certificate etc.

The system should therefore allow the User to build the project flexibly and as per the project building schedule. The system should also allow for other types of tasks to be added into the schedule for example Materials, trucks, etc. It must have drop down arrows and search functions. Project information to be grouped into project phases as per PLCM. The system should also be able to link a company to an activity. This will allow a company/ creditor to be paid for the activity completed (or in part). For each Activity where a payment must be made the system should check for a document to be uploaded. As an example, a wall plate activity 100% completed should require a certificate to be attached before a payment for the wall plate is made.

The system should also track the percentage for each activity, such that any activity completed partially could also be paid as a percentage. An example is where 30% of the bricks is delivered for the activity 'Bricks' a payment for 30% of the budget against the total brick budget should be allowed. These partial payments will require a secondary authorisation. Each Task should also have a time allocated to it. This would be the budgeted time for the activity.

Since projects like any businesses operate of fixed and variable costs, the projects' ability to finish within the budget and schedule is paramount. The means even if the project is within budget the longer it takes beyond the original schedule the more it erodes profit. Ability to manage and report on this relationship is part of project management. The system should also have an ability to generate projected performance such that deviation from plan is identified timely and resolved before more damage is done.

2.6.11 Capturing / Loading Beneficiaries

This would refer to a User capturing beneficiaries of housing units, or a system import and update of beneficiaries. All details related to Beneficiaries must be input to the system. The system should accommodate the following buttons: New, Update, Add, Delete (Admin), Save, View and Print. The View button should bring up a screen table where the list of beneficiaries can be viewed and edited. The Print button should allow a print of this list, per page specified.

2.6.12 Capturing Payments

This would pertain to actual payments that need to be made on a project. The payment process would start from an invoice being received. Each line items that needs to be paid will be captured for payment on this system. The User will select from the Payments menu the project and activity as per the invoice, as this should already be in the system, and further capture the company to be paid and the amount.

Once the amount is captured the User should be able to see the list of payments to be made and post this for verification to a Super User for authorisation. Upon Authorisation a batch of payments should be printed for payment (in the manual case) or posted to Financial and Supply Chain system for payment.

The Finance department would make payments as per the batch of payments received from the FM module, (either manually or via the system), and a confirmation of payment should be sent back to the FM module to confirm that the invoice has been paid. The FM system will then change the payment status to Paid. The balances on the project, and phases and activities as has been budgeted against each item will be updated in the FM module.

2.6.13 Creditors

The ERP Fund Management module must provide for the payment of creditor. The creditors must be linked to the project so that each creditor's report can reflect payments made against specific project and project budgets. The creditor's details must be captured in full reflecting all the key details, like banking details, vat number, etc.

- **Payments on Milestones** – The system must be able to recognise units within a milestone that have been paid already to avoid duplication. **Paid milestones/units must be locked off.**
- **Receipts from Client** must reflect the amount and date received, the number of units for which it is received, the milestone for which it is received and accumulated receipts at any given time. In cases of variations/increase in subsidy quantum for remaining units, the system must be able to accommodate the new subsidy quantum.

6.6.13 Web Portal Payment Requests

This refers to any creditor or any company requesting payments on behalf of creditors. The Requestor will have a Username and Password to sign-in to a web page that can allow the requestor to capture the payment request. This request will be saved by the requestor and posted. The system will then trigger an e-mail to the NHFC person to check the payments table and make payment. An update to the Payments table should happen once a payment request has been verified, approved, successfully processed, and committed in the database of the system. The system should link all costs associated with this payment request in line with activities initiated on the portal. There should be web services that expose functions that will provide information to the web portal.

6.6.15 Construction

Project Site visits should be recorded in the system. The system must have an inspection function that takes pictures of milestones and beneficiary ID at hand-out. Capability to Record GPS co-ordinates of the project site should be available and the ability to load photos of inspections on site. Progress on each milestone should be updated online by all parties involved so that the administrator does not have to request monthly reports.

6.7 Interface to Financial and Supply Chain system

This refers to all FMS and FINANCIAL AND SUPPLY CHAIN SYSTEM interfaces.

Interfaces:

1. Receive Fund balances from Financial and Supply Chain systems;
2. Send Payment request to Financial and Supply Chain systems;
3. Receive confirmation of Payment from Financial and Supply Chain systems;
4. Send Invoice to FINANCIAL AND SUPPLY CHAIN SYSTEMS for Fees;
5. Send Request to FINANCIAL AND SUPPLY CHAIN SYSTEMS for Payment/ Disbursement; and
6. Request Interest Balance from Financial and Supply Chain systems.

6.8 Data Migration from the legacy system

The service provider is expected to purify and migrate all data and history from the existing systems to the new system before go-live.

6.9 Reporting requirements

The ERP system must be able to produce reports and dashboards that show the number of units completed per milestone and produce financial reports showing funds received from clients, payments made and the balance of funds in NHFC's bank account. The system must provide for the management of creditors/service providers and show the accumulated payments to each service provider per invoice/claim submitted. The system should also be aligned to the Business fulfilment costing model where the following main cost streams must be managed – Fixed staff cost, Variable staff cost, Overheads/Running cost and Fees/Profit due to NHFC. (Where construction of Houses forms part of the programme the actual construction milestones as should be included in the construction milestone report). Reports must be able to calculate percentages and be graphical. Users must be able to design their own reports using own field selections and customising the report according to unique requirements and flexible periods such as weekly, monthly, quarterly, and yearly reports with a From and to date, NHFC logo and Report Title.

6.9.13 THE FOLLOWING REPORTS MUST BE GENERATED:

Funder / Client Report, List of Funds Received, Summary Per NHFC Company, List of Projects, Payment Summary (Summary per Project), Track Overall Monthly Claims, Track payments per supplier/ contractor, incl. invoice numbers where applicable, Milestones/site payment recon, List of Drawdowns/ Payments Made Paid against Budget, List of Fees Due by various Clients, List of Beneficiaries, List of Receipts, Interest Report - On interest earned on funds not disbursed and various periods applicable, Company/ Creditor Summary Opening Budget, Payments total, Balance, Interest rate, InterestAccum, Company/ Creditor Detail (Statement) Opening Budget, Dates &Invoices, Dates & Payments received, total Balance, Interest rate, InterestAccum, Age Analysis, Construction milestone report - Showing unit rate, approved no of beneficiaries, approved budget, amount received from client, amount paid to date per milestone, balance available per milestone, units produced to date per milestone, no of units covered by the available funds, Executive Financial Summary - Showing Total budget for the project, funds received from client to date for the various tranches, funds paid to date for the various, Payments to Creditors - Showing amounts paid per various milestones and per invoice/claim numbers per period, Month End Reconciliation - Ability to do monthly bank reconciliations and others on the system.

NB: Respondence are encouraged to consider the NHFC's size in their responses. Where necessary Respondence are allowed to make assumptions. **Assumptions** must be indicated in the RFI response.



