



**REQUEST FOR PROPOSAL
FOR REVIEW AND ENHANCEMENT OF THE NHFC'S
BUSINESS CASE ON THE HSDB**

RFP: MM/07/2019

Compulsory Briefing Session: 31 July 2019 at 11h00 am

Bid closing date: 26 August 2019 at 11h00 am

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1. INTRODUCTION

The Department of Human Settlements is in the process of establishing a Human Settlements Development Bank (“HSDB”). The purpose of which is to position the HSDB as a vehicle to provide effective public and private funding, financing support to key segments of the housing market, in the face of considerable market failure, significant need and a declining fiscus.

In 2008, the National Treasury undertook a review of the mandates of South Africa’s Development Finance Institutions (DFIs) at the request of Cabinet. The review was conducted in consultation with the national departments responsible for the DFIs. To support expanded housing delivery, the Treasury Review recommended amalgamating the three-housing sector DFIs into a single institution in order to have greater impact, viability and increased scale.

The National Housing Finance Corporation SOC Ltd (NHFC) has now merged with NURCHA and RHLF (all 3 entities previous human settlements DFIs) to deliver quality financial support for the development of a sustainable and integrated human settlement in the country. The NHFC needs to strategically reposition itself as the Human Settlements DFI of choice through significantly enhancing its product offering, financial strength and building capabilities in order to make a positive developmental impact, whilst balancing the challenges of economic viability and developmental imperative. This will be achieved through the establishment of the HSDB.

2. PURPOSE

A business case and business plan for HSDB has been developed and it outlines the functions, operating model, products and services. The NHFC would like to enhance the business plan due to developments and prevailing market forces which have significant implications on the business. Key among those, is the embedding of the HSDB, as the most uniquely placed enabler of sustainable funding and financing of the development of integrated Human Settlements. The expanded mandate of Human Settlements and overall developments within the ecosystem has implications on the HSDB’s various areas like the business activities/functions, processes, channels and the operating model. All these developments call for development of transformational capabilities across all business areas.

The NHFC is seeking proposals from a business strategist to define this transition in terms of business and operating model, within the context of the changes in the environment.

3. TERM OF THE APPOINTMENT

The contract in respect of the assignment will be signed between the Service Provider and NHFC for a period of two and a half months for the completion of the exercise.

4. BACKGROUND

The NHFC was established by the National Department of Human Settlements as a development finance institution (DFI) in 1996, with the principle mandate of broadening access to affordable housing finance for the low- and middle-income households.

NHFC is a registered state-owned company. As a Schedule 3A national public entity, the NHFC adheres to the regulatory framework of the Public Finance Management Act (PFMA) of 1999.

The NHFC provides wholesale funding in the affordable housing market mainly to social housing institutions, non-banking retail intermediaries, building contractors privately owned property developers and investors. It provides loans and other forms of wholesale funding (equity and quasi equity) to certain niche businesses that operate in the affordable housing market.

Effective from 01 October 2018, the company merged with National Urban Reconstruction and Housing Agency SOC NPC (NURCHA) and Rural Housing Loan Fund SOC NPC (RHLF). The NHFC will serve as a consolidated platform for the establishment of the HSDB. The process of winding up these two entities has commenced. It is envisaged that the NHFC will continue in its existing legal format but will change its constitution documents to conform to the HSDB requirements once established.

5. SCOPE OF WORK AND TECHNICAL REQUIREMENTS

It has been some time that a business plan was codified for the HSDB. The successful service provider will be expected to do a holistic review of the business plan to develop enhancements that will enable the HSDB to adapt to new realities and outline the strategic imperatives to make the required changes.

While the NHFC has a Business Plan in place, the Management team consider it timely for a critical review of the Business Plan

The scope of work for the Consultant will include but not be limited to:

- a) Review the vision and mission based on HSDB's mandate;
- b) Undertake stakeholder mapping and analysis;

- c) Undertake a review of the external operating environment of the NHFC focusing on the legislative environment, the market participants in housing and their role (including competitors);
- d) Undertake a situation analysis of HSDB operations to date;
- e) Through a consultative process and application of an appropriate tool of analysis, identify focus areas and develop strategic objectives and key result areas for the same;
- f) review the product mix and relevance of the products for the market and recommend the enhancement of the portfolio mix of products whether with respect to structure, pricing, product distribution etc;
- g) Review the institutional capacity, organisational set-up, financial and administrative systems against the HSDB's mandate and the identified strategic objectives and key result areas; and make recommendations, if any;
- h) Propose a strategy for achieving the strategic objectives and key results;
- i) Develop a Results and Resources Framework for the plan period;
- j) Finalise the Strategic plan and the Implementation Roadmap.
- k) Develop the HSDB Corporate value proposition within the Human Settlements network.

6. DELIVERABLES

- A five-year strategic plan including results and resources framework;
- Report on the process including stakeholder consultations and workshops

7. EXPERTISE AND SKILLS REQUIRED

The key criteria to be considered for a suitably qualified and experienced business analyst or service provider:

- a) At least 5 years' business strategist experience ideally in the financial sector, whether state and/or private sector.
- b) A proven track record of having performed similar engagements; In-depth knowledge and experience of working with enterprise architecture
- c) Have developed customised solutions for a client
- d) Good understanding and adoption of project management methodologies; and
- e) Good communication and report writing skills.

NB: Proposals should be able to not only provide what is mentioned above but also indicate areas of importance pertinent to the process. Experience in developing a portfolio of digital offerings will be an additional advantage.

8. COMPULSORY DOCUMENTS REQUIRED

- a) Bidders are required to submit a copy tax clearance certificate (TCC) and their unique personal identification number (pin) issued by SARS to enable the NHFC to view the bidders tax status.

- b) The firm must be registered on the National Treasury supplier database at the time of submitting the proposal. Copy of Central Supplier Database Report must be submitted.
- c) Bidders must submit proof of Company Registration
- d) Certified Copy B-BBEE Certificate/ Sworn Affidavit
- e) Submission of the following Signed and Completed Standard Bid Documents (SBD) Forms:
 - SBD 1: Invitation to Bid
 - Pricing Schedule (Detailed Price Breakdown on bidder's company letterhead and signed by authorised person)
 - SBD 4: Declaration of Interest
 - SBD 6.1 Preference Points Claim Form in terms of preferential procurement
 - SBD 7.2 Contract Form – Rendering of Services
 - SBD 8: Declaration of Bidder's Past SCM Practices
 - SBD 9: Certificate of Independent Bid Determination
 - General Conditions of Contract (GCC)

All forms, annexures, addendums and specifications shall be signed and completed and returned with the RFP Document as a whole.

9. EVALUATION CRITERIA

The proposal will be evaluated in terms of the Preferential Procurement Policy Framework Regulations of 2017. Evaluation of the bid will be conducted in 3 (three) phases as follows:

Phase 1: Eligibility / Pre-Qualification criteria

Bidders will be evaluated according to pre-qualification requirements which include the submission of mandatory information or documentation as stated in section 7 of this document. Bidders that fail to meet the pre-qualification requirements of the bid will not be considered further for evaluation.

Phase 2: Technical/functional evaluation

Category	Criteria	Sub-category	Points
1.	Experience and Expertise of Key Personnel		30
	<ul style="list-style-type: none"> • Experience of the bidding company's project team members in this scope of engagement dealing with projects within the financial sector, (5 or more signed reference letters to be submitted from Companies where similar service has been conducted by members of the team). 	15	

Category	Criteria	Sub-category	Points
	<ul style="list-style-type: none"> Minimum of 5 years' experience. In-depth knowledge and experience in development of business models and target operating models especially within the financial services sector. (Detailed CV's, qualification and copies of certificates must be submitted) 	15	
2.	Approach and Methodology		55
	<ul style="list-style-type: none"> Understanding of terms of reference & brief 	10	
	<ul style="list-style-type: none"> Demonstrated understanding of the NHFC 	5	
	<ul style="list-style-type: none"> Quality of strategic methodology and approach 	20	
	<ul style="list-style-type: none"> Applicability of strategic methodology and approach 	20	
3.	Value Proposition and Skills Transfer		15
	What sets the service provider apart from other services providers	10	
	<ul style="list-style-type: none"> Skills transfer plan 	5	
	TOTAL		100

Phase 3: B-BBEE and Price evaluation

The proposal will be evaluated in terms of the Preferential Procurement Policy Framework Regulations of 2017. Bidders who score a minimum of 70 points will be further evaluated in terms of Price and Preference points (B-BBEE status level of contributor). As per the table below, price is evaluated over 80 points and preference points over 20:

Price Assessment	80 Points
TOTAL	80
Preferential Elements	20 Points
B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

10. COMMERCIAL OBLIGATIONS

This section of the document outlines the general commercial process and obligations of the service provider.

9.1 Contracting

A contract will be concluded between NHFC and the successful service provider which will incorporate the following:

- The letter of acceptance to the successful bidder
- The original tender documents;
- The proposal of the successful service provider, and
- Terms and conditions as stipulated above and general contract terms and conditions.

9.2 Material Rights

The product of this project will be confidential information, and will be the property of the NHFC and no disclosure of information to other parties will be made without prior written approval of the NHFC.

9.3 Rules of Bidding

- The NHFC reserves the right to amend or cancel this RFP at any time, at its sole discretion;
- The NHFC is not bound to accept any of the proposals submitted, and reserves the right to call for best and final offers from the short-listed bidders before final selection;
- The NHFC reserves the right to call for interviews with short-listed bidders before final selection;
- The NHFC reserves the right to negotiate price and other aspects of the contract with the preferred bidder;
- The NHFC reserves the right not to accept the lowest scoring bid (if applicable) or any bid in part or whole. The NHFC would award a contract to a bidder who proves to be fully capable of handling the contract and whose bid is functionally acceptable and/or financially advantageous to the NHFC.
- An eligible Bidder, if requested, must be prepared to present evidence of experience, ability, service facilities, and financial standing necessary to satisfactorily meet the requirements set forth or implied in this proposal;
- The NHFC reserves the right to request all relevant information, agreements and other documents to verify information supplied in the bid process. The bidder hereby gives consent to the NHFC to conduct background checks on the bidding entity and any of its directors / partners / trustees / shareholders /members/employees. The NHFC reserves the right to consider the

information arising from such background check as part of the tender evaluation process.

- NHFC reserves the right to award a contract in part, to reject any and all quotations in whole or in part, to waive technical defects, irregularities and omissions, at its sole discretion;
- The successful bidder (s) may be required to sign a Service Level Agreement (SLA), in terms of which the service provider's performance will be measured and managed.
- Late submissions will not be considered.

i. Submission Address

Proposal, endorsed with **RFP: MM/07/2019** must be hand delivered to:

NHFC Tender Box
The Isle of Houghton
Old Trafford 3, 1st Floor
11 Boundary Road
Houghton
Johannesburg

Attention: Ms Pumza Nsukwini

ii. Copies

Three hard copies and a soft copy (CD/USB) must be submitted in a sealed envelope, appropriately addressed.

iii. Submission Date

The Proposal (technical and financial) must reach the NHFC **by 26 August 2019 at 11h00am.**

iv. Proposal Cost

The cost of compiling a Proposal is and remains the prospective service provider's own cost and will not be paid for by NHFC.

v. Contacts

The contact person for information pertaining to the RFP proposal is Ms. Pumza Nsukwini, telephone numbers 011-644 9800 fax number 011 484 0204 and e-mail pumzan@nhfc.co.za.