

Tender Number: T17/05/18

APPOINTMENT OF ADDITIONAL PANELLISTS TO THE IDC STOCK BROKERS' PANEL TO PROM

Question and Answers Version 1

No.	Question	Type
1	With reference to the bid prequalification criteria which states that "Bidders must subcontract a minimum of 50% to an Emerging Micro Enterprise (EME) or Qualifying Small Enterprise (QSE) which is at least 51% black owned, if the Bidder is not at least 51% black owned". Is the required subcontract in relation to existing stock-broking activity or forward looking in relation to potential transactions resulting from this mandate and our ability to subcontract in those transactions?	Commercial
2	With reference to Page 15 of the scope of work, which states that the IDC would also like to promote broad based transformation and development of small and medium firms in this industry and as such will appoint firms with an annual brokerage fee income of not more than R100 million. Is the aforementioned annual R100 million brokerage fee in reference to institutional client flow only or is it R100 million across all client platforms including brokerage fees earned through retail, institutional and derivative flow?	Technical
3	Is it possible for the IDC to provide a list of their listed equity investments?	Technical
4	Does this tender requirement include listed fixed income instruments?	Technical
5	With regards to the National Treasury Instruction 01 of 2013/2014: Cost Containment Measures. How does a bidder determine whether what they charge is in line or not?	Commercial
6	On the local market share in equity trading how does the criteria work? We are just below 1 percent of total JSE equity market in terms of volume how will this equate to the 35% weighting.	Commercial

NOTE TRANSFORMATION OBJECTIVES

Answer

The required subcontracting should be in relation to potential transactions resulting from the IDC mandate and your ability to subcontract in those transactions.

The R100 million brokerage fee is in reference to local equity trading/dealings only. This will be to institutions, retail etc. However it excludes others like derivatives.

The IDC does not disclose on AFS listed stocks.

No, the requirement only includes listed equities.

The referenced Nation Treasury instruction note can be obtained from the Nation Treasury website. Please note that the said Instruction Note in this regard provides that the rates charged for consulting services rendered to the state and its entities must be billed for according to the guidelines set out by DPSA or the relevant institute/ body governing that profession where it is relevant.

It must be noted that the weighting of 35% is not for market share but for the evaluation score.
The bidder's market share will be evaluated in terms of the bidder's stockbrokerage fee income for each of the last two (2) years (2016 and 2017). The bidder must submit their audited financial statements as proof of their brokerage fee income.