

**Tender Number: T13/06/20**

**Tender description: Request for Proposals for the Supply, Implementation, Support and Maintenance of a Treasury Management System.**

**Question and Answers**

No.	Question	Type	Answer
1	<p><b>Page 23- Reference to 5.2.1.2- Market Money and Fixed Income "Credit Derivatives (All Universe)"</b></p> <p>Kindly clarify the types of Credit Derivatives you have or will have activity in and the expected volumes in terms of number of trades per month?</p>	Technical	<p>1. Credit spread products including forwards options</p> <p>2. Credit default products / SWAPS:</p> <ul style="list-style-type: none"><li>- Index SWAPS</li><li>- Counterparty SWAPS</li></ul> <p>Bidders also need to refer to Section 4.1 [ Current or Future Usage]</p> <p>Volumes cannot be informed at this stage.</p>
2	<p><b>Page 24- Reference to 5.2.1.4 Equity</b></p> <p>Kindly clarify the expected volumes, in terms of number of trades per month, of equity derivatives (options and warrants)?</p>	Technical	<p>The expected volumes are infrequent as this can be high volumes when we are active.</p>
3	<p><b>Page 27- 5.2.4 Training up to 30 users</b></p> <p>Should the license price also be considered for 35 users?</p>	Commercial	<p>Yes the system is envisaged to be used by 35 users.</p>

4	Which SAP modules/components would the Treasury system have to support?	Technical	SAP Financial Management (FM) module.
5	How does the IDC manage financial payment instructions? Is there a connection to SWIFT? Must the treasury system directly interact with SWIFT, or would this be achieved indirectly via SAP's payment engine?	Technical	It is currently through SAP and should support other payment systems applicable i.e. SWIFT.
6	<p>Are there any BA reporting requirements or an objective to populate an external data warehousing environment?</p> <p>We refer to the SARB Banks Act Regulatory Reports (BA Reports) where the SARB require banks to report data on daily or monthly basis depending on the report type. Examples of these BA Reports are the BA-200 series that provides an executive summary and overview of reporting banks' exposure to credit risk.</p> <p><del>We are aware that the IDC does not fall under the regular</del></p>	Technical	The BA reporting requirement is not a requirement for the TMS that we buying at this stage.
7	What is a current source of the IDC's market data? Would the Treasury system receive reference data and pricing feeds from a source like Reuters or Bloomberg?	Technical	Currently Reuters, but it needs to be able to accommodate other market data systems.

8	Regarding the requirement for a system availability objective of 99.9%. Does this value indicate that a total downtime of 8.77 hours per year (43.83 minutes per month, or 1.44 minutes per day) is expected? Does this requirement only refer to availability during operational system hours? Is there an allowance for system downtime relating to maintenance windows and other similar causes?	Technical	The system must be available 99.9% during working hours and downtime for system upgrades and maintenance should only be considered after hours or over weekends by arrangements.
9	The legal entity (counterparty) maintenance occurs directly within the Treasury system, or will this information be managed externally and then have to be transmitted electronically to Treasury?	Technical	Yes, it is maintained within the treasury system.
10	Are there any other external system integration requirements not identified in the RFP?	Technical	No, however the IDC is busy implementing an Asset and Liability Management (ALM) system which is the Ambit FOCUS which includes normal file transfers between this system and the TMS system we are now procuring.
11	Custody - Is it possible for the IDC to provide a brief description/process of the custody functionality requirement.	Technical	The custodian function is outsourced, however all the administrative functions must be performed by the TMS solution e.g. internal confirmation notices and interest notices should be transmitted via the TMS system.
12	Custody - On page 16 of the RFP Request, it is shows the Custodian Function of the IDC's treasury. Does the IDC act as a custodian for other entities and should the Treasury Management System (TMS) provide the custody functionality or does this function engage with other custodians?	Technical	Refer item 11 above.

13	Regulatory Reporting - Must the TMS provide BOP reporting functionality or must the TMS provide the necessary data to another system in IDC which will perform the BOP reporting?	Technical	No, no regulatory report is required from the TMS system.
14	<b>Migration:</b> <ul style="list-style-type: none"> <li>▪ What is the IDC's current TMS?</li> <li>▪ What is the migration requirements of the IDC?</li> <li>▪ What is the current volumes of the different instruments traded by the IDC and what is the amount of open trades currently?</li> </ul>	Technical	<ul style="list-style-type: none"> <li>- IDC's current TMS system is a Quantum and is web-based.</li> <li>- Full migration of what currently exists in the TMS to the new TMS system</li> <li>- Approximately 200 transaction per month across the money market and forex instruments. The number of current open trades is approximately 200.</li> </ul>
15	How is the score for BEE calculated? What are the allocated points based on the BEE Contribution Level status?	Commercial	BEE score is calculated using the BEE status Level of Contributor reflected on the verified BEE certificate or a QSE/ EME Sworn Affidavit. Points are allocated as per regulation 6 of the current PPPFA Regulations where if the 80/20 Preferential points system is applied then 80 points is allocated for the lowest price and 20 points is for BEE. e.g. A level 1 entity would score the entire 20 points, a level 2 would score 18 points etc.

16	Please provide an indication in terms of and when the evaluation process will be concluded?	Commercial	Evaluation is scheduled to take place to happen in the month of July 2020
17	Is it possible for you to provide a 'soft' copy of the RFP document so that we can access/complete the various forms/tables? It would be much appreciated.	Commercial	Unfortunately we do not make the word version of our Bid Document to be available, however All respondents are required to either manually fill in or type in the information on the PDF document. Furthermore should the respondent require more space than provided in the form, the respondent must prepare a document in substantially the same format as the specified form and must be clearly cross-referenced and returned with all the returnable schedules.
18	<p><b>5.2.1.3: Capital Market</b></p> <p>The proposed Treasury Management solution should have the ability to perform;</p> <ul style="list-style-type: none"> <li>• Full range of SA BONDS (gilts) (Includes fixed &amp; Variable coupon bonds, new e.g. Inflation linked Bond)</li> </ul> <p>Please mention all the bonds under this category?</p>	Technical	Full range of JSE traded Bonds.

	<p><b>5.2.1.7 Liquidity</b></p> <p>The proposed Treasury Systems should have the ability to perform:</p> <ul style="list-style-type: none"> <li>• Import data from SAP</li> <li>• Cash flow forecast</li> </ul> <p>19 The requirement looks more like an Asset Liability Management Solution requirement. Please confirm. If yes, will you require other regulatory compliances such as LCR and NSFR?</p>	Technical	No, it's a Treasury requirement and no regulatory compliance such as LCR and NSFR is required.
	<p><b>General</b></p> <p>20 Apart from SAP, please mention other systems in the environment such as Lending, existing Treasury, etc.?</p>	Technical	No, the only system utilized here is SAP and the current TMS system which is currently on tender. The IDC is also currently implementing an ALM system called Ambit FOCUS.
	<p><b>5.1.2 Connection to External Market Databases</b></p> <p>The solution should be able to connect with external market databases, and be able to import into the database.</p> <p>21 Please mention all the rate taking or dealing platforms, where the interfacing is required. Also mention settlement platforms. Further, please provide us the list of all the pending interfacing platforms required ?</p>	Technical	Refer item 7 above for the data bases from which information must be imported from. All dealing platforms should take place in the TMS system we are buying now. As for payments/ settlements this should be done through the SAP system.

22	<p><b>Foreign Exchange Deal Cycle</b></p> <p>How are outright Foreign Exchange transactions (Spot, Swaps, Forward) captured? Is the deal cycle similar to Interbank?</p>	Technical	<p>No, the IDC is not a bank hence deal cycles similar to interbank is not applicable. The normal forex deals should be facilitated through the TMS systems we currently buying.</p>
23	<p><b>Financial Covenants</b></p> <p>How are outright Foreign Exchange transactions (Spot, Swaps, Forward) captured? Is the deal cycle similar to Interbank?</p>	Technical	<p>Refer item 22 above.</p>
24	<p><b>Financial Covenants</b></p> <p>Do you wish to compute the Financial Covenants or you need a provision to capture the details?</p>	Technical	<p>No, we need both to capture and compute.</p>
25	<p><b>9. Undertakings by the Bidder</b></p> <p>Heading of the section Says "Undertakings by the bidder", However, Most of the Points mentioned in this section are for Bidders information purpose only. Please confirm that no undertaking is required to be submitted.</p>	Commercial	<p>The undertakings by the bidder is not for information purposes only, and should be accepted as part of IDC 's acceptance of bid conditions by bidders as covered under Annexure 1 of the bid document.</p>

26	<p>Note: If a bidder is a Consortium, Joint Venture or Prime Contractor with Subcontractor(s), the documents listed above must be submitted for each Consortium/ JV member or Prime Contractor and Subcontractor(s).</p> <p>As per mentioned clause, documents from 12.3.1 to 12.3.12 shall be submitted by both Consortium partners. In our Consortium, Prime bidder is a local entity and Partner is based out of foreign country. Hence, documents such as B-BBEE verification certificate, CIPC company registration and registration with Central Supplier Database (CSD) are not required. Request you to consider the same.</p>	Commercial	<p>Whilst not all of the documents listed in 12.3.1 to 12.3.12 may be required from foreign companies, however minimum requirements such as registering in the CSD is compulsory for all companies that want to do business with the state including foreign companies. Annexure 2: Tax compliance requirements must be completed as well.</p>
27	<p>7. The IDC reserves the right to consider the guidelines on consultancy rates as set out in the National Treasury Instruction 01 of 2013/2014: Cost Containment Measures which took effect from 01 January 2014, where relevant. The bidder must indicate if their proposed rates are in line with the provisions of the referenced National Treasury Instruction: Cost Containment Measures</p> <p>This RFP involves supply and Implementation of Treasury application. Hence, confirmation on the consultancy rates is not applicable. Please confirm?</p>	Commercial	<p>This provision is only applicable where relevant.</p>
28	<p>Treasury Management System (Corporate Software License Cost for up to 35 users at the IDC on an annual basis)</p> <p>We do provide perpetual license. Is bidder expected to quote License cost on annual basis only. Kindly confirm?</p>	Commercial	<p>Bidders are required to quote as per the prescribed Cost Model in order to allow IDC to be able to do a fair comparison of prices. However if your software licensing cost proposal is based on a perpetual fee model then clearly indicate it as such and complete the IDC cost model accordingly. Any software maintenance and support fees must be clearly articulated in the pricing proposal.</p>

	CERTIFICATE OF INDEPENDENT BID DETERMINATION		
29	Shall be submitted by both?	Commercial	Yes, If a bidder is a Consortium, Joint Venture or Prime Contractor with Subcontractor(s), this Certificate shall be completed and submitted for each Consortium/ JV member or Prime Contractor and Subcontractor(s).
30	<b>Project Cost</b> Project Cost is a Confidential Information and can not be shared by the references that we shall provide as we have signed a contract with these customers that states that the project cost can not be shared with any third party Please consider this exception?	Commercial	The IDC understands the confidentiality that is referred to here, however the exact cost is not what is required in terms of IDC's tender document. The tender document requires an indication of whether the cost was greater than R1 million or less than R 1 million in order for IDC to understand the nature from a cost perspective without getting exact cost for such projects.
31	Annexure 10: Local Content Declaration (If Relevant) This RFP involves supply and Implementation of Treasury application software. Hence, Local content Declaration is not applicable. Please confirm?	Commercial	Annexure 10: Local Content Declaration is not relevant to this tender and as such it can be submitted as N/A. The requirement for local content is part of our standard bidding documents and is only required IF RELEVANT, which in this case, is not.
32	General Section 2 is not mentioned in the RFP. Please confirm?	Commercial	This tender does not have a section 2, which normally deals with minimum BEE levels as a tender requirement. This was not applicable under this tender, hence section 2 is not included in this tender and no response is required from any bidder in this regard.
33	Kindly confirm the methods of submission for the RFPs (i.e. is the only option of submission electronic or documents can be submitted physically?)	Commercial	Bids may only be submitted electronically in line with the instructions on submission of bids as described under part four of the IDC's tender document. No physical documents can be delivered to the IDC during this time in view of the COVID 19 lockdown provisions applicable to the IDC. Therefore no Bidder will be accepted unless the bid follows the bid control document.

	<p><b>With regard to Requirement 5.1.2:</b> <i>“The solution should be able to connect with external market databases, and be able to import into the database”.</i></p> <p>34 <i>How many such external market databases are required to be connected with for data import, and can they be listed please?</i></p>	Technical	Refer item 7 above.
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