

T22/08/20

Tender description Request For Proposal To Provide Advisory Services To The IDC On The Optimisation Of IDC's Balance Sheet And Funding Model Considering Changes In The Internal And External Operating Environment

Question and Answers Version 1

No.	Question	Type	Answer
1	With respect to the scope item: "advise on and participate in stakeholder management, enhanced messaging and facilitation of engagements with IDC's key stakeholders" • Please provide a list of the expected stakeholders that we may be required to assist the IDC with during the 6 month project.	Technical	Stakeholders will include selected staff members tasked with implementation of the proposed solutions. The executive management team, board and shareholder will each need orientation. The IDC lenders may need a facilitated session as well.
2	With respect to the deliverable "Bespoke prototype or interventions to optimise returns on the portfolio and or the integration of the ongoing portfolio management assignment underway" • Please can the IDC provide a summary of the assets and liabilities that comprise the portfolio or portfolios under review with sufficient detail to understand the nature, drivers and potential risks associated for scoping purposes.	Technical	The IDC can only share the AFS as at March 2019, which will provide details of assets and liabilities of the IDC. The AFS are available on the IDC website.
3	With respect to the deliverable: "Strategy on how to leverage IDC assets to create stable cash flows and sustainable balance sheet" • Please provide a breakdown of the IDC's assets by nature	Technical	In relation to the question above (re AFS) the cashflows referred to are for all financial assets which the IDC has. (i.e. debt, equity and guarantee instruments).
4	Please provide additional detail regarding the scope of the 'ongoing portfolio management assignment underway'.	Technical	Refer to tender T07/02/20: Request for proposal for the development and implementaion of an enhanced operating model to support the Portfolio Management Strategy. This can be found on the IDC website www.idc.co.za under the tenders tab.

5	<p>A number of items in the purpose section and the deliverables section of the RFP refer to the asset (investment) side of IDC's business, for example "Strategy on how to leverage IDC assets to create stable cash flows and sustainable balance sheet".</p> <p>However the detailed scope of services, specifically refer to the funding side of the IDC balance sheet (with the exception of hedging / risk management). Kindly clarify to which extent investment strategy (debt vs equity and type, sectors, risk rating, etc) will be part of this engagement?</p>	Technical	<p>There is an expectation that the successful bidder will have to harmonise existing investment sectorial strategy. Consideration regarding the risk rating relating to IDC's ability to optimally fund its balance sheet (including unconventional options) must also be factored in. Internal work exists and needs to be calibrated and optimised to achieve the intended deliverable.</p>
6	<p>Can you provide us with the Long Term Sustainability Plan (LTSP) document to us prior to RFP response? In order to appropriately respond, if the engagement only covers the funding side for the BS, we need to understand what is the current strategy and shareholder direction on the investment side of the balance sheet.</p>	Technical	<p>The LTSP is part of the approved Corporate Plan refer to (Annexure A - IDC Corporate Plan). Work is currently on going on the investment side of the balance sheet, the scope of work is reference in tender T07/02/20: Request for proposal for the development and implementaion of an enhanced operating model to support the Portfolio Management Strategy. This can be found on the IDC website www.idc.co.za under the tenders tab.</p>
7	<p>Has a funding model been developed that is in line with the LTSP? Can we obtain this funding model for review? If not, can you please provide highlights / summary?</p>	Technical	<p>No funding model has been developed that is in line with the LTSP. Please refer to Annexure B for the IDC Funding Model diagram for context.</p>
8	<p>Several months ago, the IDC released an RFP related to an enhanced operating model and portfolio management activities. Has that project been started? If the current RFP includes the investment side of the balance sheet, we would like to understand to which extent the operating model/ portfolio management engagement has been completed and how this engagement should fit into the wider IDC process enhancements?</p>	Technical	<p>That project is in progress and the successful bidder will be required to consider it in the proposed solution.</p>
9	<p>One of the required information is the provision of references, please confirm the shape and form, specifically addressing the below concerns:</p> <ol style="list-style-type: none"> Can they be in no names basis? Can we include internal staff as we do provide services for internal teams? 	Technical	<p>Anonymous clients can be submitted but should the bidder progress further in the process those references will have to be contacted under NDA conditions. Contactable references independent to your institution is a requirement.</p>
10	<p>If a service provider provides services to the IDC already and this request is for advisory services, please confirm if being short listed will exclude us from bidding for other work, such as funding, etc.</p>	Technical	<p>No, as long as bidders have sufficient capacity.</p>

11	Pricing: please confirm where we can find the National Treasury Instruction 01 of 2013/2014: Cost Containment Measures , perhaps the link?	Commercial	The Practice note can be found on the National Treasury website, www.treasury.gov.za . The link is: http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/Practice-Notes.aspx
12	When does IDC envisage that it will call the shortlisted Bidders for a presentation?	Commercial	Shortlisted bidders will be invited for presentations once the phase 2 paper evaluations is concluded.
13	Does the IDC also require input into the existing credit function?	Technical	No
14	Will the IDC accept milestone based fees instead of hourly fees. Would this be acceptable to the IDC?	Technical	No, bidders must provide costs using the costing model issued in the RFP.
15	Would IDC please clarify what is envisaged will be contained in Annexure 8: BEE Commitment for Bidders that are already Level 1 Contributors?	Commercial	As indicated in annexure 8 "Bidders must indicate the extent to which their ownership, management control, employment equity, preferential procurement and enterprise development will be maintained or improved over the contract period in the event that they are successful in this bid process."
16	If we are appointed as Advisors, would this preclude us from executing on the advice given, for example, hedging market volatility or selling of shares?	Technical	No
17	Is it possible to obtain an extension of the submission deadline by at least one week in order to submit a response to this RFP?	Technical	Extension is granted, the closing date will be extended to 16 September 2020 at 11:00 AM
18	Are we obliged to respond to each point under the scope of work/terms of reference under Section 6?	Technical	Yes
19	Will the IDC appoint one consultant or a panel	Technical	This is NOT a panel appointment.
20	As per the guidance on page 5 of the RFP we have one enquiry: • Where do we include the Technical Evaluation Criteria checklist (Section 3, sub-section 9 of the RFP) in the submission?	Commercial	Yes, the technical evaluation criteria must be included under section 3 of the RFP.

21	Release of 31 March 2020 Annual financial statements - parts of the response to the RFP and the work required to achieve the deliverables will be linked to the latest results and in particular the value of balance sheet items, the latest debt position, the relationship between dividends and interest received and interest payable and related aspects. Further the level of impairments and any covenant issues will be visible;	Technical	Yes, the latest result will be shared with the appointed service provider.
22	We are committed to be as flexible as possible in this regard and if we are to be selected as your preferred adviser, we would like to have sight of the AFS before signing an SLA. We assume the IDC will be flexible in this regard as well to ensure the scope, process and deliverables are compatible with the latest financial position.	Technical	All the required documentation will be made available to the successful bidder.
23	Given the complexity of the RFP and the AFS issue raised in points 23 and 24 above, has the IDC considered delaying the date of this RFP until after the AFS have been released?	Technical	This request is urgent. The AFS results will be available in due course.
24	Please can the IDC provide further detail in relation to the Long-Term Sustainability Plan, in addition to information available in the public domain.	Technical	Refer to Annexure A - IDC Corporate Plan.
25	Please advise if any potential advisers with conflicts may be precluded from this tender process, including banks and advisers who have advised on the DMTN program and on the tenders such as T17/07/20 and T07/02/20.	Technical	No, as long as bidders have sufficient capacity.
26	Regarding the scope of work we have assumed that the scope would include a review of material portfolio assets and large exposures, and by that, this would not include detailed assessments, due diligence and development of new business plans for each of these assets, notwithstanding that the scope may identify certain key issues.	Technical	The scope does include a review of material portfolio of assets and large exposures at a high level.
27	Training and skills transfer – we have assumed that this would be limited to preparing certain content based on the deliverables as opposed to designing an entire end to end investment, asset management, funding model and hedging training program.	Technical	The assumption is correct. Skills transfer of the proposed interventions / solutions.

28	We assume the scope and deliverables will not involve specific accounting, tax, legal and specialist skills such as environmental and real estate valuation aspects.	Technical	The expectation is that the successful bidder will be <i>au fait</i> with the necessary regulation frameworks. (i.e. Basel III and IFRS and tax)
29	How many people will be allocated to the project and require training relating to this project?	Technical	Between 10 and 15 (from different departments). Billing must be per training session / material and not the number of people
30	What are the feasible and practical ways of skills transfer at your organisation i.e. e-learning, workshops etc.	Technical	The IDC are open to any suggestion - internally we do workshops and e-learning as well.