



RFI22/06/22

**REQUEST FOR INFORMATION FOR
THE DEVELOPMENT OF THE CREDIT
RISK RATING AND PRICING TOOL**

**RFI CLOSING DATE: FRIDAY,
24 JUNE 2022 AT 11:00 AM**

SECTION: 1

**CONDITIONS AND UNDERTAKINGS BY RESPONDENT IN RESPECT
OF THIS RFI**

CONDITIONS AND UNDERTAKINGS BY RESPONDET IN RESPECT OF THIS RFI

1. **Proprietary Information:**

Industrial Development Corporation of SA Ltd (IDC) considers this Request for Information and all related information, either written or verbal, which is provided to the respondent, to be proprietary to IDC. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information to any third party without the prior written consent of IDC.

2. **Enquiries**

All communication and attempts to solicit information of any kind relative to this request should be channeled to:

2.1 Contact person (all technical questions should be in writing)

Name: Mr Terence Manzini

Telephone Number: Office: +27 11 269 3565

Email address: terencem@idc.co.za

3. Enquiries in relation to this RFI will not be entertained after **16h00 on 15 June 2022**.

- The enquiries will be consolidated and IDC will issue one response and such response will be posted, within two days after the last day of enquiries, onto the IDC website (www.idc.co.za) under tenders i.e. next to the same RFI document.
- The IDC may respond to any enquiry in its absolute discretion and the Respondent acknowledges that it will have no claim against the IDC on the basis that its bid was disadvantaged by lack of information, or inability to resolve ambiguities.

All dates and times in this RFI are based on South African Standard Time (GMT+2). The dates and times stipulated in this RFI are subject to change at the IDC's sole discretion. Any such changes will be communicated by the IDC to service providers using the same channel used to publish this RFI. These dates and times do not create an obligation on the part of the IDC to take any action or create any right for a service provider to demand that the IDC executes a certain action on a specific date at a certain time.

4. All the documentation submitted in response to this Request for Information must be in English.

5. Respondents should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by IDC in regard to anything arising from the fact that pages are missing or duplicated.

6. **IDC's RIGHTS**

6.1 **The IDC reserves the right, at its sole discretion, to restrict any subsequent Request for Proposal (RFP) or Request for Bid (RFB) to respondents of this RFI only.** Any subsequent RFP or RFB process will be conducted on IDC's standard terms and conditions and may include the acceptance and signing of a Non-Disclosure

Agreement (NDA) by all invited respondents to protect sensitive and confidential information which the IDC may share with such respondents.

6.2 The IDC reserves the right to clarify any aspect of information provided / submitted with respondents to this RFI.

SECTION: 2

REQUEST FOR INFORMATION FUNCTIONAL DETAILS

SECTION 2: RFI FUNCTIONAL DETAILS

1. Background Information

The IDC is planning to design, develop, implement a new set of rating and pricing methodologies for both SME/MM and Project Finance portfolios (loans, equity, mezzanine finance and guarantees). The tools will be used to rate and price new credit applications as well as in the monitoring of the existing portfolio. The proposed methodologies should be IDC specific models incorporating internal data and take into account the developmental mandate of the institution. The models should be incorporated in a web based solution that can be accessed within the organisation's VPN, and easily maintained within the IDC.

Thus the IDC requests information regarding your company and your services that could potentially address this need. This information will form the basis for a Request for Proposal (RFP) or Request for Bid (RFB) which may be published at a later stage.

2. Tool requirements

The required Risk Rating and Pricing Tool must have, but not be limited to the following functional capabilities

1. The Model development process must have specific focus on DFI's, this includes data gathering, data analysis, segmentation analysis, feature selection, model development and validation for the PD, LGD and EAD;
2. The tool must have integration of an ESG scoring methodology;
3. Showcase Pricing methodologies that can be applied to the DFI portfolios on debt, equity and guarantees;
4. Showcase the maintenance and update of the solution/software;
5. Functionality of spreading tool to capture financial statements;
6. Showcase any other Rating and Pricing and Spreading tools/approaches that are relevant for a DFI; and
7. Software/solution that can be housed within the IDC servers and can be easily be maintained in-house with no license fee requirement. The solution must be in a form that it can integrate the previous data, easily used across different departments with the IDC and with enough appropriate controls put in place.

Note: The Rating and Pricing tool must be compatible with those developed for other financial institutions or DFI.

3. Required Information

In view of the above requirements the IDC hereby requests information from the market on available Risk rating and Pricing Tools that could address the above functional requirements. Respondents should therefore propose what tool functionality is available from their offered solution and how this would meet or address the IDC's listed requirements. Respondents may also provide any other additional functionality that their system can provide in-line with the objectives of this RFI.

Respondents are also required to indicate the following:

1. Is the tool commercially available or will a bespoke solution have to be developed to meet the listed functional requirements?
2. Respondents should therefore propose what tool functionality is available and how this would meet or address the IDC's listed requirements.
3. Respondents must also provide any other additional functionality that their tool / solution can provide in-line with the objective of this RFI.
4. Indicate whether the proposed tool / solution can be customized to meet client specific requirements.
5. Any other relevant information may be submitted.

4. Submission of Information

- 4.1 RFI responses must be submitted in electronic format only and must be e-mailed to the dedicated e-mail address as provided herein.
- 4.2 RFI responses should be in generally acceptable / standard electronic file format/s (i.e. Microsoft suite of products or pdf) to enable access thereto by the IDC for purposes of evaluating responses received. Where documents are presented in a format which cannot be accessed by the IDC through generally acceptable formats, such bid response will be disqualified. The closing date for the submission of RFI is **24 June 2022** not later than **11:00 PM**. No late RFI will be considered. RFI must only be sent to tenders@idc.co.za. RFI's sent to any other email address other than the one specified herein will be disqualified and will not be considered for evaluation. It is the bidder's responsibility to ensure that the bid is sent to the correct email address and that this is received by the IDC before the closing date and time in IDC's dedicated tender e-mail inbox / address (tenders@idc.co.za).
- 4.3 Bidders are advised to submit / send its RFI responses at least 15 minutes before the 17 : 00pm deadline to avoid any Information Technology (IT) network congestions or technical challenges in this regard which may result in bid responses being received late. IDC's e-mail servers are configured to receive e-mails with sizes up to 50MB.
- 4.4 The IDC will not be held responsible for any of the following :
 - 4.4.1 Responses sent to the incorrect email address ;
 - 4.4.2 Responses being inaccessible due to non-standard electronic file formats being utilized to submit responses by bidders ;
 - 4.4.3 Any security breaches and unlawful interception of tender / bid responses by third parties outside the IDC's IT network domain ;
 - 4.4.4 Responses received late due to any IT network related congestions and/or technical challenges ; and
 - 4.4.5 Responses with file size limits greater than IDC's e-mail receipt capacity of 50MB.
- 4.5 Only responses received via the specified email address will be considered.
- 4.6 Where a complete (Inclusive of all Schedules) bid response is not received by the IDC in its electronic email tender box (tenders@idc.co.za) by the closing date and time, such a response will be regarded as incomplete and late. Such late and / or

incomplete bid will be disqualified. It is the IDC's policy not to consider late responses for tender evaluation.

- 4.7 Amended responses may be sent to the electronic tender box (tenders@idc.co.za) marked "Amendment to bid" and should be received by the IDC before the closing date and time of the RFI.

5. Preparation of Bid Response

- 5.1 All the documentation submitted in response to this RFI must be in English.
- 5.2 The bidder is responsible for all the costs that it shall incur related to the preparation and submission of the bid document.
- 5.3 Responses submitted by bidders which are or are comprised of companies must be signed by a person or persons duly authorised thereto by a resolution of the applicable Board of Directors, a copy of which Resolution, duly certified, must be submitted with the bid.
- 5.4 The bidder should check the numbers of the pages of its bid to satisfy itself that none are missing or duplicated. No liability will be accepted by IDC in regard to anything arising from the fact that pages of a bid are missing or duplicated.
- 5.5 Bidder's tax affairs with SARS must be in order (tax compliant status) and bidders must provide written confirmation to this effect as part of their tender response.

6. RESPONSE FORMAT

Service Providers shall submit their responses in accordance with the response format specified below (each schedule must be clearly marked):

- 6.1 Cover Page: (the cover page must clearly indicate the RFI reference number, RFI description and the company's name);
- 6.2 Schedule 1: Tool Overview; and
- 6.3 Schedule 2: Response to Section 2 of this document.