



REQUEST FOR RESEARCH PROPOSAL

(RFP Reference Number- FSTC/RESEARCH001/22)

REQUEST FOR PROPOSAL FOR CONDUCTING RESEARCH ON THE SOCIAL AND ECONOMIC IMPACT OF THE MEASURABLE TARGETS PERTAINING TO MANAGEMENT CONTROL (FS200) AND SKILLS DEVELOPMENT (FS300) ELEMENTS ON ACHIEVING AND REALISING THE BROADER B-BBEE LEGISLATION.

CLOSING DATE: 11 July 2022

TIME: 16:00

LETTER OF INVITATION

To the Service Provider/ Applicant:

REQUEST FOR PROPOSAL FOR CONDUCTING RESEARCH ON THE SOCIAL AND ECONOMIC IMPACT OF THE MEASURABLE TARGETS PERTAINING TO MANAGEMENT CONTROL (FS200) AND SKILLS DEVELOPMENT (FS300) ELEMENTS ON ACHIEVING AND REALISING THE BROADER B-BBEE LEGISLATION.

The Financial Sector Transformation Council (FSTC) is inviting prospective service providers to submit their proposal for conducting research on “The Social and Economic Impact of the Measured Targets pertaining to Management Control and Skills Development Elements on Achieving and Realising the Broader B-BBEE Legislation” . The Request for Proposal (RFP) provides the service provider/applicant with therelevant operational, performance and requirements of the expected outcome.

The service provider/ applicant will be selected under the procedures described in this Request for Proposal (RFP) document. Your proposal could form the basis of a contract between the successful service provider/ applicant and the FSTC.

To enable you to submit a proposal, please find enclosed:

- Letter of Invitation
- Disclaimer
- Terms of References (TOR)
 - Background
 - Objectives
 - Content of Proposal
 - Profile of Service Provider
 - Deliverables of Service
 - Timelines
 - Evaluation Criteria
 - Submission of Applications

This tender fully complies with the prescribed B-BBEE Requirements and procurement policy of the organisation. The tender will remain open for acceptance of Fourteen (14) working calendar days.

**Note:* In submitting any information or documentation requested above or any other information that may be requested pursuant to this RFP, you are consenting to the processing by the FSTC, or its stakeholders of your personal information and all other personal information contained therein, as contemplated in the Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder ("POPI Act"). Further, you declare that you have obtained all consents required by the POPI Act or any other law applicable. Thus, you hereby indemnify the FSTC against any civil or criminal action, administrative fine, or other penalty or loss that may arise as a result of the processing of any personal information that you submit.

DISCLAIMER

The information contained in this Request for Proposal document (the “RFP”) or subsequently provided to the service provider/applicant, whether verbally or in documentary or any other form by or on behalf of the FSTC or any of its employees or stakeholders, is provided to the service provider or applicant in terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This request for RFP is not an offer by the Financial Sector Transformation Council (FSTC) but an invitation to receive responses from the eligible service provider(s) or applicant (s) for partnering with FSTC, in submitting their proposal to conduct research pertaining to “ The Social and Economic Impact of the Measured Targets pertaining to Management Control and Skills Development on Achieving and Realising The Broader B-BBEE Legislation”.

Interested service provider or applicant shall bear all costs incurred in connection with the preparation and submission of their RFP and for finalisation of the contract and the attachments thereof. The FSTC will in no case be responsible for payment to the service provider for these costs.

No contractual obligation whatsoever shall arise from the RFP process unless and until a formal contract is signed and executed between the FSTC and the successful service provider or applicant concerned. This RFP is being issued with no financial commitment and the FSTC reserves the right to withdraw the RFP and change or vary any part thereof or foreclose the same at any stage.

Failure to adhere to the RFP submission instructions shall result in the proposal being automatically disqualified and eliminated from further evaluation.

TERMS OF REFERENCE (TOR)

1. BACKGROUND

1.1. Financial Sector Transformation Council

The FSTC, mandated in accordance with the Financial Sector Code, gazetted under Section 9 (1) of the Broad-Based Black Empowerment Act 46 of 2013, is a non-profit organisation carrying out a significant role as a transformational body to drive and measure the holistic transformation imperatives of the financial sector. The FSTC has a shared responsibility with Government and pro-transformation bodies to assess and acknowledge the sector's contribution towards achieving economic inclusion by addressing inequality amongst ethnic groups and contributing to the aggerated transition of the financial sector and the South African economy.

In attaining its transformational responsibility and ensuring the financial sector yields worthwhile outcomes that deliberates on its B-BBEE initiatives, one of FSTC's core objectives is through conducting research. The research topic aims to assist the FSTC in identifying and understanding the historical disparities Black people in South Africa face by carrying out a thorough study on the available literature related to the Amended FS Code. In doing so, the elements of the Amended FS Code will be critically examined, providing a comprehensive analysis of the status quo on transformation and ensuring industry initiatives do not go unnoticed.

Therefore, to reflect on ways the financial sector and its key stakeholders can commit to making a social difference in the economy, this study will focus on obtaining a deeper understanding of the actual impact Management Control and Skills Development elements have on society.

1.2. Management Control Element

Management Control element is aimed at addressing Black management participation and decision-making within the measured entities in the financial services sector. This is achieved by measuring the proportion of Black people and Black female in management positions who have authority on the direction of the business as well as its day-to-day operations. In assessing the element, a scorecard approach is

considered whereby the different aspects of Management Control are weighted according to the specific indicators including, exercisable voting rights of Black and Black female board members as a percentage of all board members; executive Black directors and Black female directors as a percentage of all executive directors; as well as Black and Black female representation at executive, senior, middle and junior management level.

Against this background, to evaluate the sector's performance based on this element, measured entities submitted B-BBEE reports in line with FS000, clause 8.5 of the FS Code for the 2018/19 and 2019/20 measurement periods. The collated data revealed that sub-sectors displayed modest improvement in achieving its determined targets, depicting heightening representation of Black people in senior, middle and junior management levels. However, in spite of the sub-sectors efforts, there still exists a gap in reaching set targets due to the challenges encountered. These heterogenous challenges varied from low attrition rates at middle management level and above, affecting opportunities for black people into senior roles; premature exiting of Black people in certain sub-sectors before they are promoted; to poor retention of Black people at middle management level; and a lack of technical skills and effective mentorship programmes.

Since developing suitable interventions and structures within an organisation is important to advocate representation of Black people and Black female at different managerial levels, the prospective service provider/applicant should indicate how these initiatives will promote racial equity in terms of their professional progress from junior management to middle management to senior management. Additionally, the service provider/applicant should address the challenges measured entities experience while promoting Black people representation in management levels.

1.3. Skills Development Element

Aligned with Management Control is Skills Development, which plays a crucial role in addressing the social implications Black South Africans experience today. The Skills Development element aims to ensure that measured entities expand the knowledge and competency of Black people in the labour force through skillful training and development initiatives in order to improve their employability, productivity and the social economic position of South Africa.

In doing so, since the inception of the B-BBEE scorecard, Skills Development element has formed part of one of the priority elements of the B-BBEE Scorecard, in which 40% of the targets set out must be achieved for measured entities to obtain a proper BEE level. In accordance with this, measured entities' skill spend and performance is measured at various development levels related to higher education bursaries for Black people; learnerships and internships for Black employees; absorption of Black

employees at the end of their learnership programmes and accredited training provided for unemployed Black people in specific training programmes, with notable reference of the inclusion of Black people with disabilities.

Pertaining to the above-mentioned, in assessing the performance of this element in accordance with the determined methodology, the collated data submitted for the 2018/19 and 2019/20 measurement periods revealed that although certain sub-sectors displayed progress in their performance, overall the financial sector was unable to achieve the Skills Development target, encountering challenges stemming back to the deep inequalities in the South African educational system due to race and demographics. This has further contributed to the widening gap of pay disparities for Black people, Black female and Black people with disabilities in the labour force making it challenging for the sector to address the unemployment rate in South Africa while alleviating Black people from poverty.

Taking this into account, the prospective service provider/applicant should indicate how these measures have fared on implementation that incorporate progressive training and development, addressing the challenges Black people, Black females and Black people with disabilities encounter in the labour force. Additionally, the service provider/applicant should address the challenges measured entities experience while initiating skill spend on Black people, including recommendations on how the sector can effectively implement strategies that yield transformational results.

2. OBJECTIVES

In enhancing synergy within the sector, the primary objective of this research is to critically investigate the actual social impact of Management Control and Skills Development. Moreover, the comprehensive research will assist in gaining an understanding as to what the financial services sector is executing for Management Control in ensuring that Black people are recognised and occupying different management levels as well as determining if the Skills Development spend on Black people guarantees progress in their employment structure (organogram) by promoting economic inclusivity, diversity, and equal opportunity in the labour force.

As Management Control and Skills Development are an integral part of achieving transformation, in undertaking this research, a number of scenarios have to be considered to respond to the realities of society inclusive of:

1. Are the intentions and measurable targets in the Management Control and Skills Development scorecards directly empowering Black people and the broader B-BBEE policy?

2. Moreover, is the financial sector making a difference in ensuring Black people are upskilled and simultaneously progressing in the labour force?
3. Ultimately, are Management Control and Skills Development elements parallelly aligned with the social economic impact of Black people in South Africa?

3. CONTENT OF PROPOSAL

The proposals should contain the following information:

- a) A cover letter, briefly describing the purpose of the proposed project, duration, place of performance, budget and budget justification, names, and contact details of the primary contact person who would be able to respond to inquiries regarding the request.
- b) The body of the proposal should at least contain the following sections/elements:
 - I. Executive Summary – (1 page or less) including a statement of introduction, aims, and objectives, a summary of suggested methodologies, and work programme
 - II. Background, Understanding, and Interpretation of the Project.
 - III. Implementation Methods – Proposed project design, data collection methods, analysis, and references of where research work/ study has been undertaken.
 - IV. The composition of the team you propose to provide- A description of the roles and responsibilities of individuals who will work on the project, . Interested service providers need to indicate who their project leader will be and the project leader should be the same throughout the project life cycle. In the case of consortia, the organisations concerned should clearly specify their roles
 - V. B-BBEE Scorecard and Certificate or Sworn Affidavit.
 - VI. A list of references of previous and current projects concluded relevant to the research topic at hand.
 - VII. Declaration of interest statement confirming that the service provider has examined and accepted without reservation or restriction the entire contents of the Request for Proposals, that they agree to abide by the highest ethical standards and, in particular, declare that they do not have any potential conflict of interest in connection with the proposal and/or the organisation. Furthermore, should a conflict of interest arise in particular as a result of economic interests, political or national affinities, family, internal affiliates to the organisation, or any other relevant

connection or shared interest, the FSTC should be informed without delay.

4. REQUIRED PROFILE OF THE SERVICE PROVIDER

- A service provider with appropriate B-BBEE credentials, with proven experience in research, or
- A Masters Graduate or PhD. Candidate with extensive demonstrated research experience in the economic sector of our economy.
- In-depth understanding of the Financial Sector Code and the applicable empowering provisions of the B-BBEE policy;
- Have publications related to economic empowerment research to demonstrate their advanced report writing, research and analytical skills
- Demonstrate an in-depth understanding of the Amended Financial Services Code and B-BBEE Policies.
- An understanding of employment equity and skills development legislation.
- An understanding of labour force diversity and employment equity dynamics.
- Proven knowledge, experience and access to the requisite statistical analysis software, BI tools or standalone predictive analytic tools;
- Have proven ability and experience in creating research reports including drafting the findings report and presentation.
- Have strong analytical, oral, and written communication skills.
- Be able to travel to meetings as and when necessary or have access to requisite technology that will allow for virtual meetings.

5. SERVICES TO BE DELIVERED

The successful service provider or applicant will be required to table the research study in accordance with the determined scope and timeframe which will be entailed in the Service Level Agreement (SLA).

6. TIMELINES

This research topic will be accorded 4 months.

7. EVALUATION CRITERIA

The following points will be considered for the evaluation of the proposal/s:

- Technical expertise and extensive understanding of assignment:

- Are the details of the methodology sufficiently well-defined to allow meaningful judgement?
- Does the proposal offer noteworthy contributions to the project?
- Assessment of the presented framework towards undertaking this project:
 - Does the proposal clearly outline the aims of the project?
 - Can the service provider/applicant adequately contextualise the framework of the proposed project?
 - Has the service provider/applicant adequately presented evidence on knowledge and application of the requisite tools?
- Demonstrated expertise of service provider/applicant and capacity to deliver;
- BEE Status – Contributor level and/ or Management Control;
- Pricing.

8. APPLICATIONS

Interested service provider (s) / applicant (s) should submit their CV(s) technical and financial proposal including methodologies, report template, a work plan, B-BBEE credentials (Scorecard, Certificate or/ Sworn affidavit), declaration of interest, and an estimated budget with expected gross consultancy fee and logistical expenses, CV(s) of the consultant(s) to carry out the tasks.

- The Declaration of interest must confirm that the service provider/ applicant has examined and accepts without reserve or restriction all the contents of the Request for Proposals. The interested service provider/applicant must agree to abide by the highest ethical standards and, should the successful service provider or applicant have a direct or indirect interest in any business dealings with the FSTC, employees and, directors of the FSTC or any direct or indirect interest in any company or entity which is affiliated with the FSTC, the service provider/ applicant must declare such interest as soon as they become aware of it.
- Furthermore, should a conflict of interest arise in particular as a result of economic interests, political or national affinities, internal affiliates to the organisation, and/ or any affiliation towards any of the external constituencies that form part of the FSTC, the successful service provider/ applicant must declare such.
- To give effect to section 45 of POPIA and in compliance with principles of sound, transparent and accountable governance, the appointed service provider/ applicant shall be required to declare their interest in writing and direct it to the COO of the FSTC at metjam@fstc.org.za

9.1. How to contact us

All enquiries must be directed by e-mail to the following focal person/s:

Name: Avhasei Khomunala

Email address: avhaseik@fstc.org.za

Contact details: (011) 838 6966

All proposals should be electronically submitted through the Dropbox link <https://www.dropbox.com/request/BvSQHZdPT0mMOs3A9NzL> with the folder name: FSTC/RESEARCH001/22 (name of Service provider/Applicant).

9.2. Deadline for submission of application: 11 July 2022, at 16:00

Only the successful candidates will be contacted.