



REQUEST FOR PROPOSALS

(Tender Reference Number- 2022/23SoTAR01)

**Comprehensive Analysis of the 2022/23 State of Transformation
Annual Report**

OPENING DATE: 13 AUGUST 2024

CLOSING DATE: 27 AUGUST 2024

TIME: 18:00

LETTER OF INVITATION

To the Service Provider/ Applicant:

REQUEST FOR PROPOSALS FOR THE COMPREHENSIVE ANALYSIS OF THE STATE OF TRANSFORMATION ANNUAL REPORT

The Financial Sector Transformation Council (FSTC) is inviting all interested service provider (s) / applicant (s) to submit their detailed proposal for the comprehensive analysis of the 2022/2023 State of Transformation Annual Report.

A 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 Financial Sector Transformation Council.

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

- Letter of Invitation
- Disclaimer
- Terms of References (TOR)
 - Scope of work
 - Profile matrix
 - Methodology
 - Deliverables
 - Timelines
 - 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 comprehensively analysing the 2022/2023 State of Transformation Annual Report. The 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

The FSTC as a designate transformational body aimed at driving and measuring the transformation imperatives of the financial sector, is constituted in terms of the Financial Sector Code, gazetted under Section 9 (1) of the Broad-Based Black Empowerment Act 46 of 2013 to oversee the implementation of the provisions of the FS Code and compile a report on the state of transformation within the financial services sector on its efforts towards the desired transformation goals for the growth of the economy and the inclusivity of the broader society as empowered by Section 10 (4) of the B-BBEE Act of 2003 and further qualified by Clause 5.4.

Serving at the core of the twin pillars of the FSTC's mandate is the development of a comprehensive report that is reflective of the sector's performance against the backdrop of the prescribed FS Code targets, and this is considered annually by coalescing the B-BBEE reports data submitted by financial institutions. The State of Transformation Annual Report (SoTAR) is essential to the sector as it provides insight into the realised efforts towards reaching the pro-transformational and sustainable objectives.

The SoTAR should accurately measure the actual impact of the sector's advancement beyond the framework of the B-BBEE Scorecard¹ as well as intricately illustrate the true pace of transformation of the financial services sector towards the desired transformation goal. Moreover, the report should strategically empower the sector with the necessary guidance and assistance through the legislative framework on the critical role of Government as well as that of Trade Associations in achieving the objectives of the B-BBEE policies.

2. OBJECTIVES

The objectives of the Terms of Reference is for the appointed service provider to produce an enhanced detailed report to the FSTC regarding the State of Transformation within the financial services sector. This involves conducting a thorough analysis of purposefully sampled approach by interrogating the submitted data² of the financial sector's multi-faceted transformation initiatives as embedded in the FS Code elements and utilising the efficient methods of formulating a clearer, accurate, transparent and precise depiction of current status quo which will act as a guiding compass to reflect on the sector's intentionality towards accelerated economic and social progress as outlined in the determined elements (i.e., *Ownership; Management Control; Skills Development; Preferential Procurement, Enterprise Development and Supplier Development; Socio-economic Development and Consumer Education; Empowerment Financing and Access to Financial Services elements*).

This will be considered through the application of effective techniques in collecting, collating, organising, analysing, and visually presenting the data, to create a clearer and more accurate representation of the current pace of transformation in the financial services sector. This representation will involve a summary of the key findings and limitations to serve as a valuable guide for assessing the sector's commitment for economic and social progress.

¹ Amended FS Code: <https://fstc.org.za/DocUploads/Docup/>

² Reporting Notice 01 of 2024: https://fstc.org.za/uploads/REPORTING_NOTICE_01_OF_2024.pdf

This primary objectives of this project are as follows:

- **Data Collation:** To ensure the collected information is accurate, cleaned, pre-processed and properly structured (i.e., BEE level, sub-sectors, B-BBEE Elements Scorecards and Certificates, Sworn affidavits, and 2022/23 CEO Questionnaires), allowing for easier analysis and interpretation from various sources
- **Data Analysis:** To perform comprehensive analysis on the collected data to derive meaningful insights on both quantitative and qualitative submissions.
- **Data Visualisation:** To create clear and informative visualizations that effectively communicate the findings.
- **Interpretation of the results:** Providing meaningful explanations from the identified recurring trends/themes derived from the analysis of both quantitative and qualitative t dataset.
- **Industry report comparisons:** To provide a comparison regarding the trend of transformation, benchmarking the SoTAR findings against industry standards and reports. This will involve highlighting deviations, improvements, and areas requiring attention per the elements of the FS Code.
- **Comprehensive Summary of report:** Provide a detailed and structured report outlining the analysis and tools applied, submission statistics, key findings, insights, any limitations presented and structured appendixes.

3. METHODOLOGY

Taking into account the 2022/23 State Of Transformation Annual Report theme “Trends, progress and contribution of the financial sector towards South Africa’s socio-economic imperatives” the methodology for the considers a hybrid approach, focusing on the quantitative and qualitative analysis of the sector’s efforts towards meeting the prescribed FS Code targets.

The structure of the methodology will be as follows:

Quantitative Section:

EMEs (annual turnover is <R10m) and QSFIs (annual turnover is > R10m but<R50m)

For Exempted Micro Enterprises (EMEs) and Qualifying Small Financial Institutions (QSFIs), the service provider should consider conducting a graphical analysis of the submissions and presenting the results through interactive dashboards. These dashboards will feature visual representations, such as charts and graphs, to illustrate trends, distributions, and comparisons within the data provided by these entities. This approach will allow for a clear and comprehensive understanding of the performance and impact of EMEs and QSFIs, facilitating easier analysis and decision-making.

Generic Entities (annual turnover is >R50m):

For generic entities, where the Financial Sector Code (FSC) scorecard elements have measurable target, the quantitative analysis technique will use targets associated with each element to meticulously assess the performance of each sub-sector by analysing the following:

- i) **The Aggregated Sub-sector Level Performance:** Based on the FS Code B-BBEE Generic Scorecard, a comparison will be derived by measuring the sub-

sector's performance across its respective elements for the 2022/23 measurement period utilising the weighted average method. This approach will further take into consideration entity ranking to recognise the transformational progress of sub-sectors based on the Top industry players.

- ii) **The B-BBEE Scorecard Element Analysis:** Incorporating a year-on-year comparison based on the 2020/21, 2021/22, and 2022/23 measurement periods, this section will provide an overall trend analysis of the sub-sectors' performance before unpacking each sub-category per B-BBEE element for the current reporting period (i.e., 2022/23)

Qualitative Section:

The qualitative analysis technique will consider three (3) approaches.

- i) *The first approach-* The questionnaires distributed to the various reporting entities evaluating their progress and challenges encountered in implementing the respective B-BBEE Scorecard elements of the Amended Financial Services Code; as well as FSTC's Trade Associations and other Constituencies in relation to the financial services sector transformation and their role.
- ii) *The second approach* will take into consideration the reports of established rating agencies to determine the top entities per sub-sector. Based on this, these entities will be given an opportunity to showcase their initiatives that are beyond the B-BBEE Scorecard.
- iii) The third approach is highlighting the initiatives beyond the scorecard from the submitted Powerpoint presentations from reporting entities.

When addressing the qualitative section, the analysis must consider the economic conditions within South Africa's financial sector and any other macroeconomic factors that may have influenced the outcomes during the period under review.

4. SCOPE OF WORK

The scope of work includes the following but not limited to:

- Drafting of the SoTAR findings in accordance with an enhanced determined structure as proposed by the appointed service provider with a particular focus on the specific sub-sectors within the financial service sector;
- Data capturing and collating the B-BBEE Scorecard and reporting template;
- Analysis of the 2022/2023 data submissions;
- Graphics and tabulated illustrations to be included in the report for the:
 - EMEs and QSFIs
 - The Aggregated Sub-sector Level Performance;
 - The B-BBEE Scorecard Element Analysis;
- Dashboards for the qualitative analysis;

- Technically sound recommendations to accelerate transformation;
- Ensuring the consistency in the analysis, interpretation of data and presentation;
- Provide and discuss bi-weekly progress report in each realised stage as per the project plan as well as the SLA;
- Ensure well written, proofread, and accurate results interpretation;
- Overseeing the quality of the work produced prior to submission to the FSTC.

5. REQUIRED PROFILE OF THE SERVICE PROVIDER

- Ph.D. Candidate/s with extensive experience in the research, analysis, and comparison of data and report writing;
- A service provider/applicant with in-depth understanding of the Financial Sector Code and the applicable empowering provisions of the B-BBEE policy;
- Proven understanding of the B-BBEE Scorecard and its indicators towards measuring the performance of the sector;
- In-depth understanding of the SANAS approved verification framework;
- A service provider with appropriate B-BBEE credentials as prescribed by the FSTC, with a proven track-record in research, analysis, and report writing; or
- The capacity to translate large complex datasets into actionable insights and deliver high quality findings.
- Proven knowledge, experience and access to the requisite statistical analysis software, BI tools or standalone predictive analytic tools;
- Strong writing and analytical skills essential;
- Project team with requisite skills and competencies as outlined above;
- Should be able to travel to meetings as and when necessary, have access to requisite technology that will allow for virtual meetings.

6. SERVICES TO BE DELIVERED

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

7. TIMELINES

The determined timeline for completion of the project is 03 months.

8. APPLICATION OUTLINE

Interested service provider (s) / applicant (s) should submit their report, taking into consideration structure:

#	Outline	Max Page/s
1.	Cover letter: The cover letter should introduce the service provider/applicants, providing a brief overview of the project team experience and qualifications relevant to the project, highlighting why the team is particularly well-suited for this project. It should also include the B-BBEE credentials and a summary of the proposal, the estimated budget and timeline.	1

2.	Executive Summary: The executive summary should provide a concise overview of the proposal, summarising the key elements of the service provider/applicant's approach and methodology, clearly conveying how the proposed solution aligns with the project's objectives outlined in the RFP and why it is the best fit for achieving the desired objectives.	1
3.	Approach and Methodology: In this section, describe your project approach in detail, explaining the rationale behind the chosen methodologies. Outline the specific methods you will employ, such as data collection techniques, analysis strategies, visualisations, and tools that will be used throughout the project. Justify why these are appropriate to address the project objectives.	5
4.	Project team: Provide brief bios for project team members, emphasising their relevant experience, skills, and expertise that make them suitable for the project. This should include previous work considered that aligns with the project requirements Describe the overall organisational capacity to deliver the project based on the project team members selected to undertake this project.	2
5.	Project Timeline and Work Plan: This section should provide a clear roadmap for how the project will be executed on time and within scope. Making use of a table, break down the project into phases, specifying key milestones, deliverables, and the tasks required to achieve them in accordance with the project timeline.	2
6.	Budget and Cost Breakdown: Present a detailed budget that includes all anticipated costs associated with the project for each phase. This should be inclusive of VAT.	1
7.	<p>Declaration of interest: 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.</p> <p>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.</p> <p>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.</p>	½
8.	Annexures: This should include the B B-BBEE credentials (Scorecard, Certificate or/ Sworn affidavit), CV's of project team members to carry out the tasks, references, and list of projects considered. If there are any further additional information, kindly provide here.	N/A

***Interested applicant(s) will be requested to present their proposal in-person at the FSTC ***

9. EVALUATION CRITERIA

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

No	Evaluation Criteria applicable to service provider and applicant	Weighting out of 100
1.	Technical expertise and extensive understanding of assignment: <ul style="list-style-type: none"> - Does the service provider/applicant have a proven track record in data analytics and visualization? - Have they successfully completed projects similar in scope and complexity? - Does the Service provider/applicant have access to utilise tools and technologies for data analysis, collation, and visualization (i.e., Power BI, Tableau, or similar software)? - Are they capable of handling both structured and unstructured data? - Can they handle the volume and variety of data of the Financial Services sector? 	25
2.	Assessment of the presented framework towards undertaking this project: <ul style="list-style-type: none"> - Does the proposal effectively articulate the objectives of the project? - Can the service provider/applicant adequately contextualise the framework of the proposed project? - Has the service provider/applicant effectively demonstrated their understanding and utilisation of the necessary tools? 	20
3.	Presentation of the results <ul style="list-style-type: none"> - Are the visualisations able to generate clear, intuitive, and informative representations that successfully communicate the main findings? - Do they have experience with various visualization tools and techniques for large datasets? - Can they customize visualizations to match FSTC's requirements? 	20
4.	Project team: <ul style="list-style-type: none"> - Does the service provider/applicant demonstrate expertise and capacity to deliver; 	10
5.	Project Timeline and Budget	10
6.	BEE Status- Contributor level and/ or Management Control	15

9.1 How to contact us

All enquiries must be directed to the following focal person.

Name: Avhasei Khomunala

Email address: avhaseik@fstc.org.za

Contact details: 087 062 5950

9.2. Submissions

All proposals should be electronically submitted through a zip folder to avhaseik@fstc.org.za with the subject line named: FSTC 2022/23 RFP – (name of the Service provider/ Applicant)

Deadline for submission of application: **18H00 TUESDAY, 27 AUGUST 2024**

Only the successful candidates will be contacted.