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| Bid Description | Request for Proposals for appointment of a Service Provider for provision of Investment Consulting Services |
| Bid reference | POLMED003/2022/INVESTMENT |
| Name of institution | South African Police Service Medical Scheme ('POLMED') |
| Date of advertisement | 2022-01-20 |
| Opening date for submissions | 2022-01-26 All prospective bidders are to submit their documents together with the completed forms electronically via email to procurement@polmed.co.za |
| Briefing Session Information and Bid Enquiries | A briefing session will not be held for this bid, questions and queries may be submitted to procurement@polmed.co.za and quote the Bid Ref number on or before 31 January 2022 . No bid enquiries will be dealt with post the 31 January 2022. |
| Bid submission deadline | 2022-02-03 Submissions will be closed to prospective bidders on 03 February 2022 at 12h00. All submissions submitted past this deadline will be disregarded. Bid submissions are to be submitted electronically via email to procurement@polmed.co.za OR through the tender box situated at POLMED House. |
| Obtaining bid documents | RFP documents can be obtained from the POLMED website under "Procurement" at www.polmed.co.za , alternatively these documents may be requested from procurement@polmed.co.za . Documents will only be made available from the opening date of submissions. |
| Important information | It is the prospective bidder's responsibility to obtain documents in time so as to ensure responses reach POLMED timeously. POLMED will not be held responsible for any delays in submissions. |

REQUEST FOR PROPOSALS

BID DESCRIPTION:

APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF
INVESTMENT CONSULTING SERVICES

BID NUMBER:

POLMED003/2022/INVESTMENT

CLOSING DATE:

03 FEBRUARY 2022 AT 12H00

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GLOSSARY

| Abbreviation | Description |
|---------------------------|---|
| Administrator | The Administrator of the Scheme, duly appointed by the Scheme from time to time. |
| Authorised representative | Person/ legal entity authorised by the Board of Trustees or by its delegate, the POLMED Officer of POLMED, to represent POLMED from time to time. |
| Award | Conclusion of the procurement process and final notification to this effect to the successful Bidder. |
| B-BBEE | Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) and the Codes of Good Practice issued there under by the Department of Trade and Industry. |
| Bid | A written offer on the official bid documents and in a prescribed or stipulated form in response to an invitation by POLMED for the provision of services, works or goods. |
| Bidder | Entity/joint venture/consortium responding to the Request for Bid. |
| Board of Trustees | The duly elected and appointed Board of Trustees of POLMED. |
| CMS/ Council | The Council for Medical Schemes established in terms of section 3 of the Medical Schemes Act. |
| CoGP | Codes of Good Practice. |
| Contracting Contractor | Entity/ Contracting entity with whom POLMED will conclude a formal contract and service level agreement subsequent to the final award of the contract based on this Request for Bid. |

| Abbreviation | Description |
|---------------------|---|
| DTI | Department of Trade and Industry of the Government |
| EME | Exempted Micro Enterprise in terms of the Codes of Good Practice. |
| IP | Intellectual Property. |
| Medical Schemes Act | The Medical Schemes Act, Act No 131 of 1998, and any regulations published in terms thereof. |
| Member | Any person who is enrolled as a Member of the Scheme and who is a member in terms of the Rules and shall be deemed to include the registered dependents of a Member. |
| Original bid | Original document signed in ink by the person duly authorised to commit the Bidder. Copies of original document signed in ink by the person duly authorised to commit the Bidder. |
| PO | Principal Officer. |
| POLMED | The South African Police Service Medical Scheme being a medical scheme registered under the Medical Schemes Act, 1998 (referred to as the Scheme). |
| QSE | Qualifying smart enterprise in terms of the codes of good practice. |
| RFP | Request for Proposals. |
| Rules | The registered Rules of the Scheme as defined in terms of the Medical Schemes Act. |
| SCM | Supply Chain Management. |
| ToR | Terms of Reference. |
| Trustees | The members of the Board of Trustees of the Scheme, as constituted in terms of the Rules to manage the Scheme. |

| Abbreviation | Description |
|----------------|--|
| Valid document | A document containing authentic information conforming to legally binding status and is enforceable by the executing authority on the bidding authority whether in an original, copied, reproduced, photo, faxed or in electronic format and that has bearing to transaction(s) with POLMED. Such submission must be valid at the closing date and time of submission. |
| Will be deemed | Bidder will immediately be excluded from further evaluation non-responsive. |

1. GENERAL TERMS AND CONDITIONS OF THE BID

1.1. FRAUD AND CORRUPTION

All Bidders are to take note of the implications of contravening the Prevention and Combating of Corrupt Activities Act, Act No 12 of 2004 and any other Act applicable.

1.2. BRIEFING SESSION

No briefing session will be held for this request for bid.

1.3. CLARIFICATIONS AND QUERIES

Telephonic requests for clarification will not be accepted. Any clarification required by a bidder regarding the meaning or interpretation of any part of the Terms of Reference or any other aspect concerning the RFP, is to be requested in writing (e-mail) from procurement@polmed.co.za . The RFP number must be mentioned in all correspondence.

1.4. SUBMISSION OF RESPONSES

Responses to the RFP document must be submitted in the following manner:

Hard Copies Submissions

The tender box is situated at the reception of the POLMED head office:

Crestway Office Park
Block A, 20 Hotel Street
Persequor Park
Lynnwood
Pretoria

For purposes of this RFP, bids submitted via facsimile will not be considered.

The two (2) envelope system will be followed. One (1) original and two (2) copies of both the technical and financial bid must be submitted in a sealed envelope/ pack. The technical and financial bids must be submitted in separate envelopes. A total of nine (9) documents must be submitted. Bidders must indicate on the cover of each document whether it is the original or a copy of the submission.

Bids should be submitted in a sealed envelope/ pack, marked with:

- RFP number: POLMED003/2022/INVESTMENT

- Closing date and time: 03 February 2022
- The name and address of the bidder.
- Indication if the envelope/ pack relates to the technical or financial response.

Electronic Bid Submissions

Electronic bids must be submitted by closing date and time to procurement@polmed.co.za in the following manner, **failure to comply to the submission format will invalidate the bid:**

- Part 1 – Administrative Documents
- Part 2 – Technical Proposal
- Part 3 – Pricing and B-BBEE Information

The reference number of the bid must be clearly indicated in the subject line.

All bids submitted to POLMED will become the property of POLMED and will as such shall not be returned to the bidder. POLMED will maintain all reasonable efforts to maintain bids in confidence. Proprietary information should be indicated as such in each bid.

1.5. LATE SUBMISSIONS

Bids received late will not be considered. A bid will be considered late if it arrived even one (1) second after 12:00PM or any time thereafter. The tender box shall be locked at exactly 12:00PM and bids arriving late will not be considered under any circumstances.

The official Telkom time (Dial 1026) will be used to verify the exact closing time.

Bids received late shall be returned unopened, where possible, to the bidder. Bidders are therefore strongly advised to ensure that bids be dispatched allowing enough time for any unforeseen events that may delay the delivery of the bid.

1.6. FORMAT OF THE TECHNICAL BID

Submissions by Bidders must be in the following format:

- A: Executive Summary.
- B: Company Profile, Capacity and Geographical Footprint
- C: Company Competency and Expertise
- D: Methodology and Approach

- E: Team Competency and Experience, including CVs and Qualifications
- F: Financial Soundness (Financial Statements)
- G: Investigation by Regulatory Bodies
- H: Client References (Contactable)

1.7. VALIDITY OF THE BID

The functional and financial bids must be valid for a period of 90 days from the closing date of this RFP.

1.8. DURATION OF APPOINTMENT

The term of the contract commencement will be agreed upon with the successful service provider. POLMED reserves the right to terminate the contract of the service provider on the basis of poor performance, giving the service provider at least three (3) months' prior notice thereof in writing.

1.9. NEGOTIATING AND CONTRACTUAL OBLIGATIONS

A bid will constitute a binding offer, but such offer will be deemed not to have been accepted, unless and until a definitive contractual agreement and other related documents are concluded between POLMED and the preferred bidder.

POLMED or its authorised representatives have the right to enter into negotiation with one (1) or more bidders regarding any terms and conditions, including price(s), of a proposed contract.

POLMED shall not be obliged to accept the lowest bid price.

POLMED reserves the right to select another Preferred Bidder in the event that negotiations with the originally selected Preferred Bidder prove unsuccessful and/or unduly delayed.

Upon final selection and notification of the Preferred Bidder, a process of final negotiations will commence. Negotiations will be used to finalise outstanding elements of the SLA in an effort to arrive at a comprehensive binding SLA that will govern the relationship between POLMED and the Successful Bidder.

Under no circumstances will negotiation with any Bidders, including with preferred Bidders, constitute an award or promise/ undertaking to award the contract or be construed as legitimate expectations by such Bidder.

1.10. BIDDER SELECTION

POLMED reserves the right to select the appropriate service provider(s) based on its requirements.

1.11. ACCESS TO INFORMATION

All Bidders will be informed of the status of their bid once the procurement process has been completed. Requests for information regarding the RFP process will be dealt with in line with the POLMED SCM Policy and other relevant applicable legislation in terms of access to information.

1.12. BIDDER ENQUIRIES

All technical and Supply Chain-related enquiries must be sent in writing to procurement@polmed.co.za. The RFP number must be mentioned in all correspondence.

1.13. REASONS FOR REJECTION

POLMED shall reject a bid for the award of a contract if the recommended Bidder is suspected of fraud or improper conduct or has committed a proven corrupt or fraudulent act in competing for the particular contract.

POLMED may disregard the bid of any Bidder if that Bidder, or any of its directors:

- Have abused the Supply Chain Management (SCM) system of POLMED.
- Are suspected of or have committed proven fraud or any other improper conduct in relation to such system.
- Have failed to perform on any previous contract.
- In case of collusive tendering by the Bidders or any anti-competitive conduct as determined in terms of the Competition Act, 89 of 1998.
- In case a Bidder, a member of the Bidder, has interest (directly or indirectly) in any other Bidder.

1.14. CANCELLATION OF PROCUREMENT PROCESS

POLMED reserves the right to amend, modify or withdraw this RFP or amend, modify or terminate any of the procedures or requirements set out herein at any time and from time to time, without prior notice and without liability to compensate or reimburse any person.

1.15. ADMINISTRATIVE REQUIREMENTS

Bids submitted by potential service providers must include at least the following mandatory documentation/ information:

- Company registration and shareholding information to support the B-BBEE contribution certificate.
- Valid, original tax clearance certificate or equivalent.
- B-BBEE status level of contribution certification or sworn affidavit.
- Three (3) years audited or independently reviewed annual financial statements
- Declaration of interest.
- Declaration of bidder's past SCM practices.
- Investigation by regulatory bodies.
- Proof of registration with the Financial Sector Conduct Authority (FSCA)
- Proof of minimum 5 years consecutive experience in managing the investment strategy of a large medical scheme
- Signature by a duly authorized representative of the bidder and all pages of the bid initialled for correctness.

1.16. COMPANY REGISTRATION AND SHAREHOLDING INFORMATION

The Bidder must be a South African entity and must submit its company registration details and documentation. Bids submitted without a company registration document **will** be deemed to be non-responsive.

1.17. VALID, ORIGINAL TAX CLEARANCE CERTIFICATE

A valid SARS Tax Clearance Certificate must accompany the bid and must be valid at the date of closing of the RFP. In case of a consortium/ joint venture, a valid SARS Tax Clearance Certificate for each consortium/ joint venture member must be submitted.

The following options will be regarded as a valid tax clearance certificate:

- A valid original tax clearance pin certificate printed directly by SARS; or

- A valid tax clearance certificate mailed to the relevant party to the bid and thus printed by the party to the bid and which is accompanied by a PIN through which POLMED may confirm the validity of the certificate on the closing date of the bid. Failing to provide a PIN will lead to the verification being done at a later stage which would require that the party to the bid's tax compliance status be measured after the closing date and must be in order on date of measurement.
- Where no valid tax clearance exists for any party noted above, a letter from SARS needs to be provided for that party, indicating that satisfactory arrangements have been made with SARS to meet the party's tax obligations.

Bids submitted without a valid original tax clearance certificate or proof of arrangements made with SARS for each party to the bid **will** be deemed to be non-responsive.

1.18. B-BBEE STATUS LEVEL

The proof pertaining to the bidder's level contributor status or sworn affidavit should be provided. Information is available at www.dti.gov.za.

Failure to provide the B-BBEE Certification will lead to the bid being regarded as non-responsive.

1.19. DECLARATION OF INTEREST

The bidder must complete and return the "Declaration of Interest" on behalf of all parties to the bid.

The bidder must fully declare all co-administration or sub-contracting arrangements/ agreements/ financial interest between the organisation and other entities, including POLMED and its service providers.

Irrespective of the "Declaration of Interest" form, the bidder must submit a full declaration of relationships between the bidder and other service providers in the healthcare industry (including POLMED). If no such relationships exist, the bidder must indicate this in their submission in terms of this requirement.

Bids submitted without a completed and signed Declaration of Interest **will be** deemed to be non-responsive.

1.20. DECLARATION OF BIDDER'S PAST SCM PRACTICES

The bidder must complete and return the "Declaration of bidder's past Supply Chain Management practices" on behalf of all parties to the bid.

Bids submitted without a completed and signed “Declaration of bidder’s past Supply Chain Management practices” form **may** be deemed to be non-responsive.

1.21. INVESTIGATIONS BY REGULATORY BODIES

The bidder is to confirm that it is not being investigated by any regulatory bodies irrespective of the nature of the investigation. If it is being investigated, the respective details are to be supplied as part of this submission.

1.22. SIGNATORY BY DULY AUTHORISED REPRESENTATIVE

Bidders must provide proof that the individual signing the bid documents are duly authorised to sign the bid, i.e., a resolution of directors, etc. should be provided.








1.23. FINANCIAL SOUNDNESS

All bidders must submit audited financial statements financial statements.

Bids submitted without the required proof of financial soundness for the contracting entity **will** be deemed to be non-responsive.

1.24. EVALUATION PROCESS

Evaluation of the responses from the Bidders will be done in a phased approach as per the below criteria:

| Stage 1 | Stage 2 | Stage 3 | Award |
|--|--|--|--|
| <p>ADMINISTRATIVE COMPLIANCE</p>  <p>RETURNABLE DOCUMENTS</p>  | <p>TECHNICAL EVALUATION</p>  <p>80% MINIMUM THRESHOLD</p>  | <p>PRICE & B-BBEE EVALUATION</p> <div style="border: 1px solid blue; border-radius: 10px; padding: 5px; width: fit-content; margin: 10px auto;"> <p>Price = 80 B-BBEE = 20</p> </div> <p>WEIGHTED SCORING / 100</p>  | <p>FINAL AWARD</p> <p>Post tender negotiation (if applicable) requesting best & final offer.</p>  <p>Negotiation of final terms & conditions of contract.</p>  |

GATE 1 – ADMINISTRATIVE DOCUMENTS AND COMPLIANCE

2. ADMINISTRATIVE COMPLIANCE

Refer to the checklist for a summary of the compulsory documentation and information. All bid documents must be completed and signed by the duly authorised representative of the Bidder. All pages of the bid documents must be initialled by an authorised director of the company. During this phase Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The Bidder's bid will be disqualified for non-submission of any of the documents.

STANDARD BID DOCUMENTS

i) INVITATION TO BID

| YOU ARE HEREBY INVITED TO RESPOND TO A BID OF POLMED | | | | | |
|--|--|---------------------|------------------|---------------------|-------|
| BID NUMBER | POLMED003/2022/INVESTMENT | CLOSING DATE | 03 February 2022 | CLOSING TIME | 12:00 |
| DESCRIPTION | Request for Proposals for appointment of a service provider for the provision of Investment Consulting services to POLMED. | | | | |
| VALIDITY | 90 Days | | | | |
| The successful Bidder will be required to fill in and sign a written Formal Contract and SLA. | | | | | |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT: | | | | | |
| Crestway Office Park Block A, 20 Hotel Street Persequor Park Lynnwood Pretoria | | | | | |
| No posted OR faxed Bids will be accepted Bidders should ensure that bids are delivered before the closing date and time to the correct physical address. Submission of late bids will not be accepted. Bids can be delivered and deposited into the tender box between 08:00 and 16:30, Mondays to Fridays prior to the closing date and between 08:00 and 11:00 on the closing date. All bids must be submitted on the official bid forms (not to be re-typed). | | | | | |
| TECHNICAL AND SUPPLY CHAIN ENQUIRIES MAY BE DIRECTED VIA EMAIL TO | | | | | |
| E-MAIL ADDRESS | procurement@polmed.co.za | | | | |

| SUPPLIER INFORMATION | | | |
|---|---|--|--------|
| NAME OF BIDDER | | | |
| POSTAL ADDRESS | | | |
| STREET ADDRESS | | | |
| TELEPHONE NUMBER | CODE | | NUMBER |
| CELLPHONE NUMBER | | | |
| FACSIMILE NUMBER | CODE | | NUMBER |
| E-MAIL ADDRESS | | | |
| COMPANY REGISTRATION NUMBER | | | |
| INCOME TAX REFERENCE NUMBER | | | |
| COMPANY PAYE NUMBER | | | |
| COMPANY UIF NUMBER | | | |
| VAT REGISTRATION NUMBER | | | |
| TAX CLEARANCE CERTIFICATE/ TAX COMPLIANCE SYSTEM PIN SUBMITTED | TICK APPLICABLE BOX <input type="checkbox"/> Yes <input type="checkbox"/> No <i>PROOF MUST BE SUBMITTED</i> | | |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ B-BBEE STATUS LEVEL SWORN AFFIDAVIT | TICK APPLICABLE BOX <input type="checkbox"/> Yes <input type="checkbox"/> No <i>A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED</i> | | |

| POLMED DOMICILLIUM | |
|--|---|
| POLMED chooses the following as its domicilium citandi et executandi for all purposes of and in connection with the final contract: Crestway Office Park, Block A, 20 Hotel Street, Persequor Park, Lynnwood, Pretoria | |
| DECLARATION | |
| I/ We have examined the information provided in your bid documents and offer to undertake the work prescribed in accordance with the requirements as set out in the bid document. The prices quoted in this bid are valid for the stipulated period. We confirm that this bid will remain binding upon us and may be accepted by you at any time before the expiry date. | |
| Signature of the bidder | |
| Position | |
| Date | |
| Duly authorised to commit the Bidder | TICK APPLICABLE BOX <input type="checkbox"/> Yes <input type="checkbox"/> No <i>PROOF MUST BE SUBMITTED</i> |

ii) TAX COMPLIANCE REQUIREMENTS

It is a condition of this bid that the taxes of the successful Bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Services (SARS) to meet the Bidder's tax obligations.

Bidders are required to submit their Unique Personal Identification Number (PIN) issued by SARS to enable POLMED to view the Bidders profile and tax status.

Application for tax compliance status (TCS) or PIN may also be made via e-filing. In order to use this provision, tax payers will need to register with SARS e-filing through the website www.sars.co.za.

Bidders may also submit a printed Tax Clearance Certificate or Tax Clearance Status.

In bids where consortia/ joint ventures/ sub-contractors are involved, each party must submit a separate Tax Clearance Certificate or proof of Tax Clearance Status/ PIN.

iii) DECLARATION OF INTEREST

Any legal person, including persons employed by POLMED, or persons having a kinship with persons employed by POLMED, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by POLMED, or to persons connected with or related to them, it is required that the Bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where:

- the Bidder is employed by POLMED; and/or
- the Bidder is a management Board of Trustees member; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

| | | |
|--|---------------------------------|--------------------------------|
| 1. Are you or any person connected with the Bidder, employed by POLMED? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |
| 2. Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by POLMED and who may be involved with the evaluation and or adjudication of this bid? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |

| | | |
|---|--|---------------------------------------|
| 3. Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by POLMED who may be involved with the evaluation and or adjudication of this bid? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |
| 4. Do you or any of the directors/ trustees/ shareholders/ members of the company have any interest in any other related companies whether or not they are bidding for this contract? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |

| | |
|--|--|
| DECLARATION | |
| I, the undersigned (name).....,..... certify that the information furnished above is correct. I accept that POLMED may reject the bid or act against me should this declaration prove to be false. | |
| Name of Bidder | |
| Signature | |
| Position | |
| Date | |

(iv) DECLARATION OF INTEREST

This declaration will be used by institutions to ensure that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

The bid of any Bidder may be disregarded if that Bidder, or any of its directors have:

- a. abused POLMED's supply chain management system.

- b. committed fraud or any other improper conduct in relation to such system; or
- c. failed to perform on any previous contract.

In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

| | | |
|--|-------------------------------------|------------------------------------|
| 1. Is the Bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the audi alteram partem rule was applied). | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |
| 2. Is the Bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? To access the Register, enter the National Treasury's website, www.treasury.gov.za click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number 012-3265445. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |

| | | |
|---|--|---------------------------------------|
| 3. Was the Bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five (5) years? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |
| 4. Was any contract between the Bidder and any organ of state or private entity terminated during the past five (5) years on account of failure to perform on or comply with the contract? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If so, provide particulars: | | |
| | | |
| | | |

| DECLARATION | |
|---|--|
| <p>I, the undersigned (name)..... certify that the information furnished above is correct. I accept that POLMED may reject the bid or act against me should this declaration prove to be false.</p> | |
| Name of Bidder | |
| Signature | |
| Position | |
| Date | |

iv) SUB-CONTRACTING

Will any portion of the contract be sub-contracted?

(Tick applicable box)

| | | | |
|-----|--|----|--|
| YES | | NO | |
|-----|--|----|--|

If yes, indicate:

- I. What percentage of the contract will be sub-contracted:
.....%
- II. The name of the sub-contractor(s)
.....
- III. The B-BBEE status level of the sub-contractor(s)
.....

The Service Provider may use subcontractors in connection with the work performed under this Agreement. When using subcontractors, however, if not listed in the proposal at the time of selection, the Service Provider must obtain prior written approval from POLMED. In using subcontractors, the Service Provider is responsible for all their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Main Contractor. All requirements set forth as part of the bid will be applicable to all subcontractors and their employees to the same extent as if the Main Contractor and its employees had performed the services.

3. TERMS OF REFERENCE – INVESTMENT CONSULTING SERVICES

3.1. Purpose of the RFP

- 3.1.1.** POLMED wishes to appoint a service provider to provide investment consulting services for a contract period of five (5) years, renewable for two (2) years.
- 3.1.2.** The appointed investment consultants, will be required to be independent from the investment managers, will, inter *alia*.
- 3.1.3.** Help determine and continually monitor investment policy.
- 3.1.4.** Advise on the appointment of Investment Managers.
- 3.1.5.** Oversee the fund Managers to ensure that mandates are being delivered.
- 3.1.6.** Ensure compliance with the Medical Schemes Act; and
- 3.1.7.** Ensure compliance and reporting.

3.2. BACKGROUND ON POLMED

- 3.2.1.** The South African Police Service Medical Scheme (POLMED) was formed to cater for the Medical Scheme needs of members of the South African Police Service (SAPS) appointed under the South African Police Act, Act No. 68 of 1995. The Scheme is a non-profit restricted medical scheme registered in terms of the Medical Schemes Act, Act No. 131 of 1998 and its rules are registered with the Council for Medical Schemes in terms of the said Act.
- 3.2.2.** The duties and responsibilities of the Board of Trustees are regulated by the Rules of the Scheme and the Medical Schemes Act, 131 of 1998, as amended. The Board of Trustees has a number of Board Committees that are designed to allow every Trustee to play a role in governance of the Scheme. These Committees have their own Chairpersons and meet on a frequent basis to deal with issues that are relevant to them and issues that have been delegated to them by the Board. Trustees have the responsibility of looking after the Scheme's funds on behalf of members.

3.2.3. In terms of POLMED's Rules, the Scheme offers two options, namely, a Comprehensive Plan and a Core Plan.

3.2.4. The Scheme delivers its services to its members through duly appointed service providers which includes:

- a) Administration services: Medscheme (Pty) Ltd
- b) Managed care services: Medscheme (Pty) Ltd and Preferred Provider Negotiators (Pty) Ltd
- c) Emergency medical services: ER 24
- d) External auditors: PWC
- e) Internal auditors: PKF Advisory Services

3.2.5. The Scheme currently has approximately 174 000 members and 502 000 beneficiaries.

3.3. OBJECTIVES AND MINIMUM SERVICE LEVEL REQUIREMENTS

The objectives to be achieved and minimum service level requirements to which the investment consultants will have to adhere include, but are not limited, to the following:

3.3.1. Investment Strategy and Policy Review

To advise on the implementation of the agreed upon investment policy of the Scheme in order to maximise return and member benefits.

3.3.2. Monthly Fund Management

3.3.2.1. Compliance Management

- a) To ensure that each investment manager complies with their mandate, through daily, weekly and monthly monitoring.
- b) To ensure that any breach of compliance is acted on according to an agreed process.
- c) To monitor compliance at an aggregate fund level.
- d) To monitor compliance and ensure timely warning of any potential breach.
- e) To ensure compliance with the Medical Schemes Act.

3.3.2.2. Monthly Reporting

- a) To provide detailed monthly interim performance reports by the fifth (5th) working day of the month, containing information relevant to the performance of the fund and to each Investment Manager.
- b) To provide detailed monthly final reports one (1) day after the final financial accounts are received, containing information relevant to the performance of the fund and of each investment manager.
- c) To provide detailed monthly reports one (1) day after the final financial accounts are received on the fees charged by each investment manager and each Custodian per fund.
- d) Attend and present the monthly performance reports at the monthly FinCom (management meeting).

3.3.2.3. Cash Flow Request Management

To ensure that cash flow requests are dealt with efficiently and effectively through interfacing with the investment managers and that the required cash is provided to the Treasury Manager on the date required.

3.3.2.4. Rebalancing of the Portfolio

To rebalance the portfolio in accordance with the appropriate policy and based on relevant factors such as market timing and the relationship between the actual asset allocation and long-term strategic asset allocation.

To liaise with the investment managers to ensure a smooth process of funds transfer.

3.3.2.5. Ad Hoc Request Management

To respond to all *ad hoc* requests from POLMED within 24 (Twenty-Four) hours. Any deviation has to be approved by POLMED.

3.3.2.6. Service Provider Relationship Management

The Service Provider will be expected to manage the following relationships:

- a) Central Securities Depository Participant (CSDP), including liaising with the Custodian on issues relating to custody services, investment

administration, and Corporate Actions, and monitoring the management of Cash balances.

- b) Fund Accountant, ensuring the accuracy and relevance of investment accounting reports.
- c) Investment Managers, ensuring that they operate effectively and cost efficiently within their mandate; manage the movement of cash; and monitor and measure the use of derivatives by the investment managers.
- d) Monitor all the Service Providers to ensure consistent performance in line with the agreed Service Level Agreements with POLMED. In addition, the Investment Consultant will monitor any changes in the Service Providers that are significant from the time of signing the initial Service Level Agreements. This will include, but not be restricted to, monitoring changes in ownership, management, investment personnel, business policies, etc.

3.4. Quarterly Investment Committee Meeting Reporting and Management

The Service Provider will be expected to submit Quarterly Reports relating to the below:

- a) Report on performance of the fund and each investment manager in the agreed format at least ten (10) days before the quarterly investment meeting.
- b) Report on risk in the agreed format at least ten (10) days before the quarterly investment meeting. The report should contain asset allocation for the fund at the start and end of the reporting quarter and agreed metrics for the fund, asset class and investment manager. These metrics will be developed in the Investment Policy Statement.
- c) Report on cost in the agreed format at least ten (10) days before the quarterly investment meeting.
- d) Report on any compliance breach in the agreed format at least ten (10) days before the quarterly investment meeting.

3.5. Agenda Management

The Service provider must be able to assist with the agenda of the meeting in consultation with the Chairman of the Investment Committee and to ensure that any relevant reading material is provided to committee members at least ten (10) days before the quarterly investment meeting.

3.6. Quarterly and Annual Return submissions to Council for Medical Schemes (CMS)

3.6.1. The Service Provider should confirm compliance to relevant investment guidelines as stipulated by CMS

The Service Provider should capture the investment information on the return within the required deadline in accordance with the applicable Circulars and Guidelines and capture/upload all supporting documentation

3.7. Project Management

The Service Provider must as part of project management, manage projects as they arise, using best practice strategic planning and project management skills and methodologies. Such projects may include, but are not limited to, the following:

- Moving assets between investment managers when POLMED investment strategy changes.
- Managing assets during a change of investment managers; and
- Managing assets and the process when there are large cash flows into, out of, or within the composite portfolio.

3.8. Due Diligence

To conduct annual reviews of existing Fund Managers that are managing funds on behalf of the Scheme as well as identify and assess new opportunities that could benefit the Scheme. A report must be furnished to the Scheme.

3.9. Periodic Asset Management

To monitor asset management in general on an ongoing basis.

3.10. Training and Skills Transfer

- a) To identify skills to be transferred to staff at the Scheme and to develop and implement a skills transfer strategy.
- b) To conduct training of the Board and Board Committee members from time to time.

- c) These requirements may be expanded on and will be agreed with the investment consultants at POLMED's sole discretion.

3.11. COMPETENCY AND EXPERTISE REQUIRED

Bidders shall be expected to clearly demonstrate and elaborate on their capabilities on the following areas in their bids and to give relevant examples:

- a) Provide a detailed proposal outlining how you would address the objectives and minimum service levels specified by POLMED above. This proposal should clearly describe the necessary processes, procedures, and measures that you would implement to ensure that you achieve the required outputs.
- b) Provide detailed descriptions of what information monthly, quarterly and annual reports will contain and the format in which it will be presented to POLMED.
- c) Present your approaches to project management and skills transfer.
- d) Provide a list of your employees, key individuals that will be assigned to this account, including the client relationship manager assigned to POLMED and their level of experience to achieve the Scheme's objectives. Copies of CVs and qualifications of the key staff members involved should be provided.
- e) Demonstrate your ability to protect the confidential nature, integrity and assignment of data.
- f) Provide details on the value of managed assets with which you have worked historically.
- g) General Administration with specific reference to:
 - Interface management.
 - Disaster management.
 - Documentation storage.
 - Fraud prevention plans.
 - Service(s) to be subcontracted and to whom.

GATE 2: TECHNICAL EVALUATION

4. EVALUATION PROCESS

Bids will be evaluated on functionally as per the evaluation criteria and weights in the table shown below.

| No | Criteria | Weight Allocated |
|----------|---|------------------|
| 1 | ORGANISATION INVESTMENT STRATEGY AND POLICY REVIEW | |
| 1.1 | Bid proposal to outline processes, procedures, and measures that you would implement to ensure that you achieve the required outputs and investment targets. | 7 |
| 2 | MONTHLY FUND MANAGEMENT | |
| 2.1 | <i>Compliance Management</i> Bid proposal to provide details on approach to be deployed in ensuring compliance with Investment Managers, monitor aggregate fund level, any potential breach and compliance to MSA. | 5 |
| 2.2 | <i>Monthly Reporting</i> Provide detailed descriptions of what information monthly, quarterly and annual reports will contain and the format in which it will be presented to POLMED | 5 |
| 2.3 | <i>Cash Flow Request Management</i> Bid proposal to outline process of cash flow requests and the management thereof | 3 |
| 2.4 | <i>Rebalancing of the Portfolio</i> Process to be deployed in management of the investment portfolio. | 3 |
| 3 | PROJECT MANAGEMENT AND SKILLS TRANSFER | |
| 3.1 | Provide the project management framework and methodologies to be used | 4 |
| 3.2 | Outline the framework and criteria of due diligence for annual reviews of fund managers | 5 |
| 3.3 | Demonstrate ability to manage liquidity in conjunction with the scheme | 3 |
| 3.4 | Demonstrate a clear understating of the Medical Scheme Act, Annexures and Council of Medical Schemes circulars with regards to asset allocation and reporting. | 5 |

| No | Criteria | Weight Allocated |
|-----------|--|------------------|
| 4. | ASSET MANAGEMENT | |
| 4.1 | Provide details on the value of managed assets with which you have worked historically. | 3 |
| 4.2 | Demonstrate your ability to protect the confidential nature, integrity, and assignment of data | 2 |
| 5 | TEAM'S RESOURCES AND EXPERTISE | |
| 5.1 | Key individuals that will be assigned to this account, including the client relationship manager assigned to POLMED and their level of experience to achieve the Scheme's objectives. Copies of CVs, qualifications, and relevant certifications, like CFA of the key staff members involved should be provided. | 45 |
| 6 | Experience with managing the investment strategy of large medical schemes | 10 |
| | TOTAL | 100 |

4.1. Technical Evaluation Minimum Threshold

4.1.1. Service Providers will be required to meet a minimum of threshold of 80% on technical evaluation to proceed to Gate 3, i.e., Price and B-BBBEE Evaluation.

GATE 3: PRICING AND B-BBEE EVALUATION

5. PRICING SCHEDULE

| YOU ARE HEREBY INVITED TO RESPOND TO A BID OF POLMED | |
|---|--|
| BID NUMBER | POLMED003/2022/INVESTMENT |
| DESCRIPTION | Request for Proposals for appointment of a service provider for Investment Consulting Services |
| VALIDITY | 90 DAYS |

| Item | Description of service | Monthly fee | Period (months) | Price in RSA Currency (Inclusive of VAT) |
|---------------------------------|---|--------------------|------------------------|---|
| 1 | Review of Investment Strategy and other Consultation Services | | 60 | |
| 2 | Monthly Fund Management | | 60 | |
| 3 | Service Provider Relationship Management | | 60 | |
| 4 | Statutory and performance Reporting | | 60 | |
| 5 | Project Management | | 60 | |
| 6 | Training and development of POLMED identified employees including skills transfer | | 60 | |
| TOTAL COST EXCLUDING VAT | | | R..... | |

| | | | |
|----------------------------|---|------------------------------------|------------------------------------|
| | | (Total inclusive of all costs) | |
| VAT @ 15% | | | |
| TOTAL INCLUDING VAT | | | |
| 2. | Persons who will be involved in the project and hourly rates applicable | | |
| | Title of resource | Resource level of Seniority | Hourly Rate in RSA Currency |
| | | | |
| | | | |
| | | | |

| Item | Description | Price in RSA Currency (Inclusive of VAT) | | |
|-------------|---|---|-----------------|---------------|
| 5 | Travel expenses (specify, for example, rate/km and total km, class of air travel, etc.) Only actual costs incurred are recoverable. Proof of the expenses incurred must accompany certified invoices. | | | |
| | Description of expense | Rate | Quantity | Amount |
| | | | | |
| | | | | |
| | | | | |
| | Total Inclusive of VAT | | | |

6. B-BBEE STATUS

The proof pertaining to the bidder's level contributor status in terms of the B- BBEE Act and the Codes of Good Practice, issued by the dti 11 October 2013, as amended, will be evaluated. Information is available at www.dti.gov.za.

The bidder will be allowed to score up to a maximum of 20 points depending on the bidder's level contributor status as per the POLMED B-BBEE Contributor level scorecard.

The following table will be used to allocate points for B-BBEE where the 80/20 for all open tender requests.

| B-BBEE Status Level Contributor | Points allocated for B-BBEE Level Contributor |
|--|--|
| 1 | 10 |
| 2 | 8 |
| 3 | 6 |
| 4 | 4 |
| 5 | 2 |
| 6 | 2 |
| 7 | 0 |
| 8 | 0 |
| Non-Compliant | 0 |

The remaining ten (10) will be allocated for B-BBEE bonus points as follows:

| | |
|--|----------|
| An EME or QSE which is at least 51% black owned | 5 Points |
| An EME or QSE which is at least 31% black owned by women | 5 Points |

3. ADJUDICATION OF THE BID

The scores received for functionality, price and B-BBEE will be added together to obtain a final score for the Bidder. The Tender Evaluation Committee will make its recommendation to the Tender Adjudication Committee on the final score received by each Bidder.

POLMED reserves the right to award the contract to one (1) or more service provider or not to award the contract at all.