

ZIMBABWE STOCK EXCHANGE LIMITED



Zimbabwe Stock Exchange Limited

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Harare, Zimbabwe

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REQUEST FOR PROPOSAL (RFP) FOR APPOINTMENT OF RISK MANAGEMENT ADVISOR

The Zimbabwe Stock Exchange Limited (“ZSE”) is inviting suitably qualified and reputable Zimbabwean registered companies to participate and bid for the Risk Advisory Consultancy. Those interested should complete the bidding application and submit to the ZSE.

THE INFORMATION PROVIDED BY THE BIDDERS IN RESPONSE TO THIS TENDER DOCUMENT WILL BECOME THE PROPERTY OF ZSE AND WILL NOT BE RETURNED. ZSE RESERVES THE RIGHT TO AMEND, RESCIND OR REISSUE THIS TENDER DOCUMENT AND ALL AMENDMENTS WILL BE ADVISED TO THE BIDDERS AND SUCH AMENDMENTS WILL BE BINDING ON THEM.

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1. IMPORTANT BID DETAILS

| | | | | | | | |
|--------------|--------------------------------|--|--|-----------|-----------|------------|----------------|
| S. No | RFP: 2021/RM/01 | | | | | | |
| 1 | Project Name | ZSE Group Risk Management Services | | | | | |
| 2 | Name of Purchaser | Zimbabwe Stock Exchange | | | | | |
| 3 | Publishing of tender documents | ZSE Web Portal | | | | | |
| 4 | S. No | Particulars | Dates | | | | Remarks |
| | | | DD | MM | YY | Hrs | |
| | 1 | Publishing date | 23 | 04 | 21 | 08:00 | |
| | 2 | Seek clarification start date | 23 | 04 | 21 | | |
| | 3 | Seek clarification end date | 30 | 04 | 21 | | |
| | 4 | Pre Bid Meeting | NO | | | | |
| | 5 | Bid submission start date | 30 | 04 | 21 | | |
| | 6 | Bid submission end date | 14 | 05 | 21 | 17:00 | |
| | 7 | Technical Bid Opening | 18 | 05 | 21 | | |
| | 8 | Making presentation | The date, time and venue for making presentation would be intimated later to the eligible bidders. | | | | |
| 9 | Financial Bid Opening | The date, time and venue for opening financial bids would be intimated to technically qualified bidders. | | | | | |

| | | |
|----|------------------------|--|
| 10 | E- Proposal Submission | Email: ceo@zse.co.zw Bids not submitted through email shall be summarily rejected. No communication in this regard shall be entertained |
| 11 | Currency (Deposit) | 50 United States Dollars, payable in ZWL at interbank rate on the day of payment. (Proof of payment to be submitted with completed application) |
| 12 | Contact Person | Obert Ngwenya |
| | Contact details | Phone:263 242 886 830 - 5 Email: ongwenya@zse.co.zw |

Note:

1. ZSE reserves the right to change dates without assigning any reasons thereof. Intimation of the same shall be notified on ZSE's website
2. If a holiday is declared on the dates mentioned above, the proposals shall be received/ opened on the next working day at the same time specified above and at the same venue unless communicated otherwise.
3. No bids will be accepted after the closing date.

2. About ZSE

The Zimbabwe Stock Exchange Limited ('ZSE') is a licensed securities exchange in terms of the Securities and Exchange Act (24:25). Its core mandate is to facilitate long term capital raising through listing of securities as well as offering secondary market securities trading and issuer regulation services. Dating back to 1894, the ZSE has evolved to be one of the longest established capital raising platforms in Africa.

3. Purpose of this RFP

The Zimbabwe Stock Exchange is increasing its products and services including:

- Another Exchange based in Victoria Falls called Victoria Falls Stock Exchange which has its own depository
- A retail application called ZSE Direct
- New products such as Exchange Traded Funds and Real Estate Investment Trust
- A training academy, and
- Receivables Exchange.

This has changed the risk profile of the organisation. ZSE is looking for a consultant to help manage this risk profile

4. Scope of work

| Area | Scope of work | Frequency of Review |
|--|--|-------------------------------------|
| Recommend a Risk Management Framework for the Group | Recommend roles and responsibilities for risk management | Yearly or as and when required |
| | Presentation of the overall Group risk to assist the Board in accessing the levels of risk that the organisation is prepared to take in achieving its strategic objectives | Yearly or as and when required |
| | Establish key risk indicators | Quarterly or as and when required |
| Risk assessments and development of a risk register template, scenario analysis template, reporting template and dashboards | Develop a risk register template | Yearly or as and when required |
| | Assess the risk in the organisation | Quarterly or as and when required |
| | Develop a scenario analysis template | Yearly or as and when required |
| | Develop a reporting template | Yearly or as and when required |
| | Develop a dashboard for risk management | Yearly or as and when required |
| Development of training materials on the risk assessment process and procedures | Develop training materials on risk assessment and procedures | Yearly or as and when required |
| | Train the trainer on these materials | Bi-annually or as and when required |
| Development of a consolidated risk register | Develop a consolidated register for the organisation | Quarterly or as and when required |

| | | |
|--|---|--------------------------------|
| Development of Standard Operating Procedures and Manuals to mitigate risks identified | Develop procedure manuals for in conjunction with the various departments and SBU's | Yearly or as and when required |
|--|---|--------------------------------|

- 4.1. In addition to scope of work of Advisor indicated above, ZSE may assign such other work related to Risk Management Advisor as considered necessary from time to time.
- 4.2. Reports/analysis/information shall be submitted as mentioned under Scope of Work as per the prescribed frequency.

5. Period of Assignment:

Assignment shall be initially awarded for a period of **3 years** and will be extendable annually up to a maximum period of **2 years** subject to satisfactory yearly review during the entire period of engagement.

6. Qualification Criteria:

| Qualification criteria | Supporting Compliance Document |
|--|---|
| The applicant shall be a duly registered company in Zimbabwe | <ul style="list-style-type: none"> • Certificate of incorporation • Memorandum and Articles of Association • CR 5 – Registered Office Address • CR6 – List of Directors and Secretaries |
| The company should be in the business of Risk Management Advisory services with particular emphasis in finance and capital markets | <ul style="list-style-type: none"> • Company Profile • Trade References |
| The Bidder should have experience of providing similar completed consultancy services to Banks, Financial Institutions and Designated Non-Financial Businesses | <ul style="list-style-type: none"> • Trade References • Company Profile • Certificate of completion of prior work |

| | |
|---|---|
| The Company should be compliant with all relevant laws and regulations | <ul style="list-style-type: none"> • Current ZIMRA tax clearance certificate • Certificate signed by Authorised signatory |
| Project Manager or key personal assigned to interact with the ZSE should have experience in Risk Management Frameworks, finance, capital markets and relevant legislation | <ul style="list-style-type: none"> • Management team profiles/Working party profiles • ISO Certification or similar qualification |

7. Evaluation Criteria and Method of Evaluation:

- a. The tender methodology adopted is “Two Bid System” i.e., Technical Bid and Financial Bid.
- b. Evaluation criteria proposed to be adopted will be Quality cum Cost Based System (QCBS) where Technical Bid Score will get a weightage of 70% and Financial Bid Score a weightage of 30%.

Technical Bid

- a. Screening of bidders shall be carried out as per eligibility conditions mentioned in this document and based on verification of testimonials submitted. ZSE reserves the right to change or relax the eligibility criteria to ensure inclusivity.
- b. Bidders will be evaluated for short listing *inter alia* based on their past experience of handling similar type of project and presentation / proposal to the selection committee whose decision will be final.
- c. **The detailed allocation of technical parameters is as follows:-**

| S. No | Evaluation Parameters | Maximum Marks (Weightage) |
|-------|-----------------------|---------------------------|
|-------|-----------------------|---------------------------|

| | | |
|----------|--|------------|
| 1 | Knowledge and experience in carrying out similar assignments <ul style="list-style-type: none"> - Capital Market experience (including services related to valuations of primary market and secondary market exposure) - Experience in valuation of structured products, providing information, data, and various markets reports - Derivatives market experience (including services related to hedging strategy, pricing and valuations of derivatives) | 30 |
| | Experience of 3 years | 10 |
| | Experience of 4 years | 20 |
| | Experience of 5 years | 30 |
| 2 | Previous track record of carrying out such assignments for Banks/ Financial institutions/Designated Non-Financial Businesses | 40 |
| | One such institutions | 10 |
| | Two such institutions | 20 |
| | More than two such institutions | 30 |
| | If one of above institutions is a public sector institution | 5 |
| | If two or more of above institutions are public sector institutions | 10 |
| 3 | Presentation by the Bidders | 30 |
| | Demonstration of in-depth understanding of ZSE's requirements through the technical proposal supplemented by presentation | 20 |
| | Answer to the ZSE's queries during presentation | 10 |
| | Total Maximum Score | 100 |

***relevant documents need to be submitted. Bids are liable to be rejected if relevant documents are not submitted.**

- d. The bidder who has met the minimum pre-qualification criteria will be called for presentation only.
- e. All bidders scoring more than 50 marks (in Technical Criteria) will be selected as the technically Qualified Bidder.
- f. The technically qualified bidders alone will be informed of the date of opening of the commercial bid for appointment as Risk Management Advisor on annual compensation basis. **The decision of ZSE will be final in this regard.**

Financial Bid Evaluation

The financial bids of technically qualified bidders alone will be opened and evaluated.

Final Selection of the Bidder

The final selection of the successful bidders from the technically qualified bidders will be done by considering both the technical and commercial bids using the following criteria and weightage:

| S. No | Criteria | Maximum Marks (Weightage) | Method of allotting marks for Combined Score |
|--------------|-----------------|----------------------------------|--|
| 1 | Financial | 30 | The bidder with the lowest quote will be awarded 30 marks and other bidders will be awarded proportionately less (e.g.) if the lowest quote is, the bidder quoting this price will get 30 marks. A bidder quoting Will get $(*/*) \times 30 = 15$ marks. |
| 02 | Technical | 70 | The bidder with the maximum technical score will be awarded 70 marks and other bidders will be awarded proportionately less marks (e.g.) if the highest technical score is 84, bidder having this will get 70 marks. Bidder having technical score of 60 will get $(60/84) \times 70 = 50$ marks |

Notes:

- 7.1. All quotes shall be in United States Dollars (payable in ZWL at interbank rate on the day of payment).
- 7.2. The bidder with highest score (combining both of above factors) becomes the highest evaluated bidder for the award of contract; the bidder with the second highest score will be ranked second and so on.
- 7.3. All marks will be rounded nearest to 2 decimal places. The bidder getting the maximum combined score out of 100 will be selected as the successful bidder. In case of a tie, preference will be given to the bidder having higher technical scoring. ZSE reserves all rights to accept or reject any or all proposals without assigning any reasons thereof.

8. Process after submission of RFPs:

- a. All bids received through mode indicated above by the designated date and time will be examined by the ZSE to determine if they meet criteria/terms and conditions mentioned in this document including its subsequent amendment(s), if any and whether RFPs are complete in all respects.
- b. On scrutiny, the bid found NOT in desired format/illegible/incomplete/not containing clear information, in view of ZSE, to permit thorough analysis or failing to fulfil the relevant requirements will be rejected from further evaluation process.
- c. ZSE reserves the right, at any time, to waive any of the requirements of this Request for bid document if it is deemed in the interest of ZSE.
- d. If deemed necessary, the ZSE may seek clarifications on any aspect of RFP from the applicant. If a written response is requested, it must be provided within 10 calendar days beyond which the response received, if any will not be considered. However, that would not entitle the applicant to change or cause any change in the substances of their RFP document already submitted. ZSE may also make enquiries to establish the past performance of the applicants in respect of similar work. All information submitted in the application or obtained subsequently will be treated as confidential.
- e. ZSE may shortlist the applicants who fulfil the eligibility criteria, have competency as per the requirement of the ZSE and are agreeing to abide by the terms and conditions of the ZSE. ZSE's judgment in this regard will be final.

9. Terms and Conditions:

a. Amendment to the bidding document

- i. At any time prior to the date of submission of Bids, the Company, for any reason, may modify the Bidding Document, by amendment.
- ii. The amendment will be posted on the ZSE website.

- iii. All Bidders must ensure that such clarifications have been considered by them before submitting the bid. The ZSE will not have any responsibility in case some omission is made by any bidder.
- iv. In a case where the Bid document has already been submitted before modification of RFP by ZSE, the bidder may choose to revise their Bid.
- v. In order to allow prospective Bidders reasonable time in which to take the amendment into account in preparing their Bids, the Company, at its discretion, may extend the deadline for the submission of Bids.

b. Expenses

It must be noted that ZSE will not pay any amount, expenses, charges, fees, travelling, expenses, boarding expenses, lodging expenses, conveyance expenses, or any out of pocket expenses incurred by Bidders.

c. Terms of payment

- i. Payments shall be made quarterly in arrears on submission of invoices.
- ii. The Bidder must accept the payment terms proposed by the ZSE. The financial bid submitted by the Bidder must be in conformity with the payment terms proposed by the ZSE. Any deviation from the proposed payment terms would not be accepted. The ZSE shall have the right to withhold any payment due to the Bidder, in case of delays or defaults on the part of the Bidder. Such withholding of payment shall not amount to a default on the part of the ZSE.
- iii. ZSE will deduct VAT (for companies not registered for VAT) and any other statutory deductions, if any, while releasing the payment for services discharged by the advisor to ZSE.

10. Other Terms

- a. The bidders will be required to submit the pre-bid performa duly signed and Stamped along with the Bid document as per **Annexure A, B, C & D**.
- b. The applicable law shall be Contract Law and under which the Contract(s) shall be construed under Zimbabwean Law. The High Court shall have exclusive jurisdiction in all the matters arising in the Contract including execution of Arbitration Award.

- c. ZSE reserves the right to cancel the whole process at any point of time without stating any reason and incurring any financial obligation thereto.
- d. The bidders will be required to provide a certificate cum declaration of no conflict of interest as per Annexure E.
- e. The Bid would be valid for a period of Six months from the last date of submission of the Bid.

PRO-FORMA FOR BID (Annexures)

Annexure A

General Information of bidder:

| | | |
|----|------------------------------|---|
| 1. | Name of the Company | |
| 2. | Authorized Contact Person | |
| 3. | Correspondence Address | |
| 4. | Contact Details | Tel. No. _____ FAX No. _____ Mobile No. _____ E-mail _____ |
| 5. | Branches Address in Zimbabwe | |

Annexure B

Minimum Eligibility Criteria

| SN | Requirement | Documentary Proof | Attached (Y/N) |
|-----------|---|--------------------------|-----------------------|
| 1 | The applicant shall be a duly registered company in Zimbabwe | | |
| 2 | The company should be in the business of Risk Management Advisory services with particular emphasis in finance and capital markets | | |
| 3 | The Bidder should have experience of providing similar completed consultancy services to Banks, Financial Institutions and Designated Non-Financial Businesses | | |
| 4 | The Company should be compliant with all relevant laws and regulations | | |
| 5 | Project Manager or key personal assigned to interact with the ZSE should have experience in Risk Management Frameworks, finance, capital markets and relevant legislation | | |

Annexure C

Technical Bid

1. Firm Details

| SN | Particulars | Documentary Proof | Attached (Y/N) |
|-----------|--|--------------------------|-----------------------|
| 1 | Capital Market experience (including services related to valuations of primary market and secondary market exposure) | | |
| 2 | Experience in valuation of structured products, providing information, data, and various markets reports | | |
| 3 | Any other related information, not mentioned above, which the firm wishes to furnish | | |
| | | | |

Note: All the relevant details & documentary evidence are to be furnished. Information may be submitted in additional sheet.

2. Details of past assignments on Risk Management consultancy

| SN | Client Name | Broad Scope of Work | Date of Contract | Date of Completion (Actual/Expected) | Remarks |
|-----------|--------------------|----------------------------|-------------------------|---|----------------|
| | | | | | |
| | | | | | |
| | | | | | |

Annexure D

Financial Bid

The Financial Bid should contain the total cost for the proposed assignment excluding applicable taxes. ZSE would not be providing or reimbursing any expenditure towards accommodation, local conveyance, air fare or train fare, halting expense, lodging, boarding, other out of pocket expenses etc. in connection with carrying out the assignment.

The format for the Financial Bid is given below:

| Particulars | Cost [] |
|---|-----------------|
| Appointment as Risk Management Advisor on Annual Compensation basis | |

Signature of Authorized Signatory

(Name of the Authorized Signatory)

Designation

Name of the Organization

Seal/Stamp

Annexure E

Certificate cum declaration of no conflict of interest

It is certified that as on date no conflict of interest exists, with any other organization, department or party (ies) with respect to the nature of work this assignment we, _____, are applying for and that during the aforesaid assignment we will not undertake any assignment/work/job which may affect the interest of the Service Receiver.

Date :- _____

Place:- _____

Bidder:-

Name:-

Designation:-

Signature:-