



REQUEST FOR PROPOSALS

FOR

The provision of professional services for the development of an investment policy management framework for the Technology Innovation Agency (TIA), including certain specified Transaction Advisory services

RFP NUMBER: TIA 007/2009

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Response Deadline: 22 January 2010

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1. Background

The Technology Innovation Agency (TIA) is a new public entity reporting to the Department of Science & Technology and was established in terms of the TIA Act of 2008. It is tasked with stimulating and intensifying technological innovation in order to improve economic growth and the quality of life of all South Africans by developing and exploiting technological innovations. The TIA aims to deliver on its mandate by developing and exploiting South African technological innovations, throughout the innovation life cycle.

The Technology Innovation Agency (TIA) is a schedule 3A public entity, in terms of the Public Finance Management Act, 1999. The Agency is set up as a public entity with the aim to enhance the country's capacity to translate a greater proportion of local research and development into commercial technology products and services.

The ultimate goal of the TIA is to use South Africa's science and technology base to develop new industries, create sustainable jobs and help diversify the economy away from commodity exports towards knowledge based industries equipped to address modern global challenges. At the outset the enactment of the TIA involves the integration of these existing entities linked with the Department of Science and Technology:

- LIFE/lab (www.lifelab.co.za)
- Cape Biotech (www.capebiotech.co.za)
- PlantBio (www.plantbio.org.za)
- Innovation Fund (www.innovationfund.ac.za)
- AMTS (www.amts.co.za)
- Tshumisano Trust (www.tshumisano.co.za)
- BioPad (www.biopad.org.za)

The migration of the above entities will require the development of an optimal financial product suite and operating model. This is a critical component of the integration plan for TIA and will enable it to achieve its mandate of stimulating and intensifying technological innovation. These seven entities have been functioning individually for years and a concerted effort is required to rationalise and integrate the various product offerings in order to ensure that the combined entity maximises the learnings across the group. A reputable professional services company/consortium is therefore required in assisting the TIA with the services below.

The TIA will have a significant investment allocation of about R1 billion per annum and a combined national and regional staff complement of about 400 professionals. The goal of the TIA is to bridge the Innovation Chasm, the gap that exists between the results of basic scientific and technological research and the positive economic outcomes that could potentially accrue to the nation due to this research.

2. Objectives of Study

2.1 As a new organisation which is involved in integrating seven previously independent entities and other DST innovation programs, the TIA is currently involved in finalising its operating structure, processes and systems. As part of the post-merger integration process the TIA is assessing its current product portfolio. Assessment activities are meant to ensure:

- Appropriate ramp-up of the TIA's offering to meet the demands of the market;
- Efficiencies are achieved in the operation of the newly combined entity;
- Maximisation of the development impact . alignment with the national priorities, economic development imperatives and the national 10 Year Innovation Plan; and
- Compliance with the relevant legislation and regulations, especially National Treasury regulations

3. Expected Outcomes

3.1 Given the current situation, TIA requires the services of a consulting organisation or consortium for the provision of the following services/outputs:

- A clear definition of the current environment in which the TIA operates, including the needs of its prospective customers and stakeholders;
- The set of financial products and services which the TIA should offer in order to maximise its outreach; and
- The development of the organisational model through which the proposed services and outputs can be most efficiently delivered.

In order to ensure a collaborative approach between the consulting organisation and the TIA, it is envisaged that the project will be approached in a staged manner. Furthermore each major deliverable identified above will require a systematic review and validation by the TIA.

4. Deliverables

- 4.1 The Consultants will be expected to conclude the initial definition of baseline stage within six weeks of embarking on the assignment and to host a workshop to review the findings. The goal of the workshop is to ensure appropriate input from the TIA senior team, prior to the launch of the implementation planning phase. A draft report on the initial findings will be required at this juncture.
- 4.2 A final workshop will be expected at the conclusion of the implementation planning phase, to ensure full understanding of the process and findings by the TIA senior team. A final report will be required at this stage.
- 4.3 The consultants maybe required to present their findings and proposed implementation plan to other key stakeholders, including the Board of the TIA and the Department of Science & Technology.
- 4.4 The consultants may also be required to provide certain Transaction Advisory services during the engagement as the TIA has already initiated a process of restructuring some its investment portfolio
- 4.5 In the case where some of the proposed instruments require a Public Private Partnership approach, the consultants are expected to have the capacity to manage the initial process for the TIA

5. Deadlines

- 5.1 TIA intends to initiate the project in February 2010 and it is intended that all aspects of the project should be complete by the end of June 2010.

6. Submission Process and Date

6.1 The Proposal should be delivered or posted to the address specified in two (2) original hard copies. One of these should be a technical proposal whilst the other should be a financial proposal. The technical proposal should be inserted in a separate envelope, clearly marked **%Technical Proposal+** and the financial proposal should be placed in its own separate envelope clearly marked **%Financial Proposal+**. All envelopes should be properly sealed and clearly marked as indicated below:

- **Name of project**

- **Inquiry Number**

6.2 The deadline for submission of Proposals is 16h00 on 22 January 2010.

7. Financial Arrangement

7.1 Bidders are solely responsible for their own costs in preparing the Proposal.

7.2 Payments for all services covered by the Request for Proposals shall be made on receipt of appropriate invoices, the satisfactory completion of work signed off by the TIA, and adherence to the TIA's Financial Policies and Procedures.

7.3 Invoices will be paid on a monthly basis and no upfront payments will be made.

8. Confidentiality

8.1 Proposals submitted will not be revealed to any other bidders and will be treated as contractually binding. The TIA reserves the right to seek clarification or verification of any information in the Proposals.

8.2 The successful bidder will be expected to sign a Non-Disclosure Agreement before a contract is awarded.

9. Ownership of Proposals

- 9.1 All Proposals, including supporting documents, submitted to the TIA become the property of the TIA.

10. Modification of Terms

- 10.1 The TIA reserves the right to add, modify or omit certain portions of the Proposal's scope at any time at its sole discretion. This includes the right to cancel this Request for Proposal at any time prior to entering into a contract with the successful bidder.

11. Proposal Format

- 11.1 Bidders are requested to address the issues and requirements in Appendix A to ensure that each Proposal receives full consideration.

12. Evaluation of Proposals and Award Criteria

- 12.1 Proposals which are submitted per the criteria set out above will be reviewed on the following criteria
- 12.2 **Finance** (grant, seed, development, equity-based, venture capital) . Specific and tangible expertise of the project team in the relevant areas of finance
- 12.3 **Technological innovation** . A clear understanding of the technical innovation value chain and experience in the conversion of basic research to commercialisation in the high technology space.
- 12.4 **National developmental objectives** . Deep knowledge of South Africa's national developmental objectives and the role of innovation in catering for sustainable growth
- 12.5 **Public sector experience** . A demonstrable understanding of the public sector regulatory framework and a track record of delivering sustainable value within state-owned public entities
- 12.6 **Financial Product content** . a demonstration of a clear understanding of the optimal product suite and organisational model for the TIA

- 12.7 **Methodology** . the set of processes to be utilised in ensuring effective collaboration and delivery of the optimal content noted above
- 12.8 **BEE status** . qualifying entities must demonstrate a minimum Level 4 (four) BEE status. Importantly, a significant proportion of the Team members must be drawn from the ranks of the PDI
- 12.9 **Industrial Policy Framework** . a demonstrable understanding and experience of the industrial policy development space
- 12.10 **International Experience** . in any or most of the critical fields of finance, economics, business strategy and technological innovation is a requirement

13. **Special Consideration**

- 13.1 It is the intention of the TIA to select the firm or consortium which has team members with hands-on experience in the delivery of technology innovation, business strategy and management, economic development and finance. Therefore we will pay particular attention to the breadth and depth of the experience of project team members in the particular areas identified in section twelve (12).
- 13.2 Furthermore it is an expectation of the TIA that the nominated project team members will play a significant and meaningful role in both the conceptualisation and delivery of the project. Therefore all submissions should not only identify the specific team members who will be part of the project, but also an accurate indication of the time allocation of these team members. Once the winning bidder is selected, no change to the project team or the time allocation of team members can be made without the explicit approval of the TIA.
- 13.3 As the TIA is a knowledge organisation, with a diverse skills base, it is expected that some its senior executives will actively participate in the conceptualisation and implementation phases of this project. The TIA will expect that there will be a demonstrable skills transfer; and failure to comply will result in penalties

Appendix A

FORMAT OF PROPOSAL

Bidders should address all the issues and requirements in the sequence in which they appear:

1. General Information

- a) One page letter of introduction identifying the bidder and signed by the person (s) authorised to bind the organisation to statements made in the proposal.
- b) Title Page listing the RFP Number, Organisation's Name, Postal Address, Physical Address, Telephone No., Fax No., Mobile No., E-mail Address and Full Names of two Contact Persons.
- c) Profile of the Consultancy Firm or consortium.
- d) Description of qualifications and experience of all key staff that will carry out the assignment.
- e) Proposed methodology to deliver the required project outputs.
- f) Full Contact Details of any third-parties involved in the proposal.
- g) Description of role or element of proposal to be fulfilled by any third-party.
- h) Confirmation of acceptance by the bidder and any third parties of the conditions of proposal.

2. Schedule of Costs

2.1 All costs must be quoted in South African Rand (ZAR). The schedule should utilise the following format:

- a) Profile of the Consultancy Firm or consortium
- b) The total cost of the proposal (best and final offer)
- c) Details of any other expenses which have not been included in the proposal.
- d) Confirmation that the proposal remains valid for 60 days after the closing date for receipt of proposals

Appendix B

ADDITIONAL INFORMATION & GENERAL TERMS AND CONDITIONS

1. Enquiries & Responses

All communication and attempts to solicit information of any kind relative to this RFP should be channelled to the Contact Person named in the RFP.

All Enquiries regarding this proposal shall be submitted in writing to Sipho.hlaethwa@tia.org.za with “**TIA Investment Policy Management Framework**” as the subject.

2. Verification of Documents

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

3. Submission of RFPs

The proposal should be submitted at:

**Sorrento Suite, iL Villagio no 2
5 de Havilland-South
Persequor Park
Meiring Naude Road
Lynnwood
Pretoria
0087
Tel: (012) 349-1991/1962/1920**

It is the responsibility of the prospective supplier to ensure that the proposal is deposited at the above address before **16h00 on 22 January 2010**.

Two copies of each proposal must be submitted, including the original. In the event of a contradiction between the submitted copies, the original shall take precedence. Telegraphic, telefax and e-mail proposals will not be accepted.

If a courier service company is being used for delivery of the proposal document, the RFP description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered to the correct recipient, as mentioned above.

4. General Terms and Conditions

The Respondent is responsible for all costs incurred in the preparation and submission of the proposal. A copy/s of any affiliations, memberships and/or accreditations that support your submission must be included in the proposal.

Kindly note that TIA is entitled to:

- 9.1 Amend any RFP conditions, validity period, specifications, or extend the closing date and/or time of RFPs before the closing date. All Respondents, to whom the RFP documents have been issued, will be advised in writing of such amendments in good time;
- 9.2 Verify any information contained in a proposal;
- 9.3 Not to appoint any bidder;
- 9.4 Vary, alter, and/or amend the terms of this RFP, at any time prior to the finalisation of its adjudication hereof;
- 9.5 An omission to disclose material information, a factual inaccuracy, and/or a misrepresentation of fact may result in the disqualification of a proposal, or cancellation of any subsequent contract.
- 9.6 TIA reserves the right not to accept the lowest proposal or any proposal in part or in whole. TIA normally awards the contract to the Bidder who proves to be fully capable of handling the contract and whose Proposal is technically acceptable and/or financially advantageous to TIA. Appointment as a successful contractor shall be subject to the parties agreeing to mutually acceptable contractual terms and conditions. In the event of the parties failing to reach such agreement within 30 days from the appointment date, TIA shall be entitled to appoint the contractor who was rated second, and so on.
- 9.7 TIA also reserves the right to award this RFP as a whole or in part without furnishing reasons.
- 9.8 TIA also reserves the right to cancel or withdraw from this RFP as a whole or in part without furnishing reasons and without attracting any liability.
- 9.9 The Bidder hereby offers to render all of the services described in the attached documents (if any) to TIA on the terms and conditions and in accordance with the specifications stipulated in this RFP documents (and which shall be taken as part of, and incorporated into, this proposal at the prices inserted therein).

9.10 This proposal and its acceptance shall be subject to the terms and conditions contained in this RFP document.

9.11 The Respondent shall prepare for a possible presentation should TIA require such and the Respondent shall be notified thereof no later than 4 (four) days before the actual presentation date.

5. Project Programme

The Project Programme, as currently envisaged, incorporates the following key dates:

DATE	ACTIVITY
20 December 2009	Call for proposals
5 January 2010 10H00 . 12H00	Compulsory Briefing Sessions at the TIA Offices
22 January 2010	Closing date for proposals
<u>22 . 25 January 2010</u>	Short listing
<u>28 . 29 January 2010</u>	Presentation of proposals
<u>5 February 2010</u>	Announcement of winning company