

Request for Information (RFI)

From Potential Consultants or Aervice Providers on the Benefits and Cost Effectiveness of an Umbrella Fund versus a Stand Alone Fund (CSIR Pension Fund)

RFI No. 7031/06/07/2022

Date of Issue	Monday, 13 June 2022	
Closing Date	Wednesday, 06 July 2022 <i>(Late bids will not be accepted)</i>	
Enquiries	Strategic Procurement Unit	E-mail: tender@csir.co.za
CSIR business hours	08h00 – 16h30	
Category	Professional	

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SECTION A – TECHNICAL INFORMATION

1 INTRODUCTION

The Council for Scientific and Industrial Research (CSIR) is one of the leading scientific research and technology development organisations in Africa. In partnership with national and international research and technology institutions, the CSIR undertakes directed and multidisciplinary research and technology innovation that contributes to the improvement of the quality of life of South Africans. The CSIR's main site is in Pretoria while it is represented in other provinces of South Africa through regional offices.

2 BACKGROUND

The CSIR Pension Fund (“the Fund”) is a defined contribution and standalone fund. The Fund is a separate legal entity from the employer and was established as a privately administered fund in 1994.

The Fund expenses consist mainly of Investment Consulting fees, Employee Benefits, Investment fees, other consultancy and service provider fees.

There has been a significant increase in cost in the last 12 to 36 months in Fund related expenses.

CSIR has therefore identified a need to evaluate the cost effectiveness of the Fund and to conduct, or to have conducted on its behalf, benchmarking against similar size and nature funds. A further consideration is to compare the benefits and cost effectiveness of a standalone fund to those of an umbrella fund arrangement to determine if it will be beneficial to move to an umbrella fund or remain in a standalone fund.

3 INVITATION FOR REQUEST FOR INFORMATION

The CSIR invites submission from suitably-qualified consultants or service providers on what information and data will be needed to perform a comparative study on cost effectiveness of the Fund to comparable funds and benchmark the Fund against comparable funds. The

consultants or service providers will also conduct and provide information on how a defined contribution and standalone funds compare to an umbrella funds on benefits and cost effectiveness.

4 RFI SPECIFICATIONS (OVERVIEW OF REQUIREMENTS)

Depending on the information on cost effectiveness, benefits and comparative study between the Fund and comparative (defined contribution and standalone) funds, and between defined contribution and standalone funds on the one hand and umbrella funds on the other , the CSIR would like to migrate to an umbrella fund that meets the risk appetite and long-term investment needs of its employees that contributes to the Fund.

Service providers must possess and deploy a detailed understanding of all costs associated with an umbrella fund based on the most recent available data, including all material variances between the types of pension funds. They must show costs as a percentage of member contributions, cost per member and total.

4.1 Costs must at least detail the following categories:

- Management fees
- Principle officer fees
- Trustee fees
- Administration fees
- Investment management fees
- Consultancy fees
- Professional fees
- Operating cost
- Total fund cost versus total fund revenue

In its submission, the service provider will give a summary of all benefits an umbrella fund investigated would have suggested. Information is also needed on whether the institution or custodian of the umbrella fund is in compliance with these benefits.

4.2 The following disclosures are required:

- Contribution requirements of members
- Basis and procedures of annual or ad hoc increases in expenses
- Employee benefits and associated cost
- Historical performance of the fund
- Rules of the umbrella fund, highlighting rules specific to an umbrella fund.
- Summary of the mechanics of the umbrella fund
- Breakdown of structure of the umbrella fund
- List various investing strategies for each risk profile
- Benchmark targets of the different risk profiles

The service provider will also give a detailed indication of any additional costs to be incurred should the Fund be migrated to an umbrella fund and what these costs would include.

NB: The potential consultant or service provider responding to this RFI is expected to respond with answers and explanations to the following requirements:

4.3 Profile Information

- Name of the submitting company or consultant or service provider.
- Company or consultant or service provider profile.
- List of its current offices and locations.
- List of relevant experience or resources that will be assigned to this project.

4.4 Professional Service Requirements

- Describe your ability to do an analysis and how you meet the detailed requirements as described above.
- Describe your ability to develop a business case for the solution required as described above.
- Provide a project plan of how to migrate to the umbrella fund, which shall include:
 - a. Steps required to effectively migrate to a new fund.
 - b. Additional cost to transition to an umbrella fund.
 - c. Timing of transition/migration.

4.5 Solution Requirements

If you do already have a solution to provide that can meet the high level needs as described above, name and provide details of how your solution works.

N.B.: Respond to sections 4.6. to 4.10 only if you already have an existing Umbrella Fund solution to provide.

4.6 Requirements for existing Umbrella Fund solution

- How many companies, members and in which industries are covered under the Umbrella Fund?
- Please provide details of your organization's experience and track record with regards to Umbrella Funds in South Africa.
- Please provide details of three (3) existing clients we can contact for reference check and to understand business impact as a result of your product implementation and support.

4.7 Technical Skills

Please provide details of:

- Skills in resourcing strategy.
- Resource capabilities in South Africa, Gauteng.
- Resource types and experience CSIR requires to migrate and support a migration to an Umbrella Fund.

4.8 Support Options

Please provide:

- CSIR's resource requirements to provide administrative support on a monthly basis.
- Details of your approach to client knowledge transfer and how you would approach the training and upskilling of CSIR's employees if required.

4.9 Methods and Maturity

Please provide:

- Details of your company's existing client management/relationship process and how your organization deals with escalation matters, change requests and reporting etc.
- Your company's approach and methodology for prioritizing feature enhancements requested by CSIR.

4.10 Pricing and Commercial

Please provide details of:

- Your company's pricing model for the various funds.
- Costing for proposed transition phase.

All information is to be submitted in a format specified in this enquiry (as applicable). However, service providers or consultants are welcome to submit additional or alternative information over and above the originally specified format (e.g. other capabilities that you may be deem to be relevant).

SECTION B – TERMS AND CONDITIONS

5 PROCEDURE FOR SUBMISSION OF PROPOSALS

- 5.1 All proposals must be submitted electronically to tender@csir.co.za
- 5.2 Respondents must use the RFI number as the subject reference number when submitting their bids.
- 5.3 The e-mail and file sizes should not exceed a total of 25MB per e-mail.
- 5.4 The naming/labeling syntax of files or documents must be short and simple
- 5.5 All documents submitted electronically via e-mail must be clear and visible.
- 5.6 The subject of the email must clearly reference the responding company's name and RFI number – (E.g., Dell- RFI No. 0000/12/06/2020 email 1 of 2)

6 RFI PROGRAMME

The RFI program, as currently envisaged, incorporates the following key dates:

- Issue of RFI documents: Monday, 13 June 2022
- Last date for submission queries: Monday, 27 June 2022
- Closing / submission date: Wednesday, 06 July 2022

Respondents to this RFI may be invited to come do a presentation on their capabilities.

7 DEADLINE FOR SUBMISSION

The responses to the Request for Information shall be submitted at the address mentioned above no later than the closing date of **Wednesday, 06 July 2022** by 16h30.

8 ENQUIRIES AND CONTACT WITH THE CSIR

Any enquiry regarding this RFI shall be submitted in writing to CSIR at tender@csir.co.za with **“RFI No 7031/06/07/2022- Request for Information (RFI) from potential consultants or service providers on establishing and developing a scientific database”** as the subject.

9 MEDIUM OF COMMUNICATION

All documentation submitted in response to this Request for Information must be in English.

10 COST OF REQUEST FOR INFORMATION

Service providers are expected to fully acquaint themselves with the conditions, requirements and specifications of this RFI before submitting responses. Each service provider assumes all risks for resource commitment and expenses, direct or indirect, of RFI preparation and participation throughout the RFI process. The CSIR is not responsible directly or indirectly for any costs incurred by service providers.

11 CORRECTNESS OF RESPONSES

11.1 The service provider must confirm satisfaction with the correctness and validity of their RFI.

12 ADDITIONAL TERMS AND CONDITIONS

12.1 Service providers shall not assume that information and/or documents supplied to the CSIR, at any time prior to this request, are still available to the CSIR, and shall consequently not make any reference to such information and/or document in its response to this request.

12.2 Copies of any affiliations, memberships and/or accreditations that support your submission must be included in the response.

13 CSIR RESERVES THE RIGHT TO:

13.1 Extend the closing date;

13.2 Verify any information contained in a response;

13.3 Request documentary proof regarding any tendering issue; and

13.4 Cancel or withdraw this RFI as a whole or in part.

14 DISCLAIMER

This RFI is a request for information only and not an offer document; answers to it must not be construed as acceptance of an offer or imply the existence of a contract between the parties. By submission of its RFI response, service providers shall be deemed to have satisfied CSIR RFI No: 7031/06/07/2022

themselves with and to have accepted all Terms & Conditions of this RFI. The CSIR makes no representation, warranty, assurance, guarantee or endorsements to service provider concerning the RFI, whether with regard to its accuracy, completeness or otherwise and the CSIR shall have no liability towards the service provider or any other party in connection therewith.