



correctional services

**Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA**

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DEPARTMENT OF CORRECTIONAL SERVICES FACILITIES FUND

REQUEST FOR PROPOSALS (RFP)

APPOINTMENT OF A REPUTABLE FINANCIAL INSTITUTION FOR THE INVESTMENT OF FACILITIES FUND RESERVES

BID NUMBER

DCS/FF/FI/2026/001

Issue Date: 11 September 2026

Closing Date: 02 October 2026

Closing Time: 11h00

Briefing: 21 September 2026 at 12AM, Poynton Building, 124 Dr. WF Nkomo Street,
Pretoria

BID SUBMISSION ADDRESS

Department of Correctional Services

Poynton Building

124 Dr. WF Nkomo Street

Pretoria

0001

Bid documents must be deposited in the official tender box before the closing date
and time.

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1. INVITATION TO BID

The Department of Correctional Services (DCS), through the Facilities Fund, hereby invites proposals from reputable, registered and licensed financial institutions to provide professional investment management services for the investment of Facilities Fund reserves.

The successful institution shall invest available surplus funds in appropriate investment instruments in order to maximise returns while ensuring capital preservation, liquidity, prudent risk management and compliance with all applicable legislation and investment policies.

2. BACKGROUND

The Facilities Fund is established in terms of the Correctional Services legislation to receive and administer funds generated through approved activities.

The Fund accumulates reserves which are not immediately required for operational expenditure.

To optimise the value of these reserves, the Department intends appointing a qualified financial institution capable of professionally managing these investments while ensuring:

- preservation of capital;
- adequate liquidity;
- competitive market-related returns;
- sound governance;
- prudent risk management;
- compliance with statutory investment requirements.

3. PURPOSE OF THE RFP

The purpose of this Request for Proposals is to appoint one or more reputable financial institutions to:

- Invest Facilities Fund reserves;
- Provide investment advisory services;
- Preserve capital;
- Optimise investment income;
- Provide continuous reporting;
- Ensure compliance with all applicable legislation and Treasury requirements.

4. LEGISLATIVE FRAMEWORK

The successful bidder shall comply with all applicable legislation including but not limited to:

- Constitution of the Republic of South Africa, 1996
- Public Finance Management Act, 1999 (Act 1 of 1999)
- Treasury Regulations
- Preferential Procurement Policy Framework Act
- Preferential Procurement Regulations
- Financial Sector Regulation Act
- Banks Act
- Financial Advisory and Intermediary Services Act (FAIS)
- Financial Intelligence Centre Act (FICA)
- Protection of Personal Information Act (POPIA)
- Companies Act
- National Treasury Practice Notes and Instructions
- South African Reserve Bank regulations
- Any other applicable legislation governing institutional investments.

5. SCOPE OF SERVICES

The successful financial institution shall provide comprehensive investment management services including but not limited to:

5.1 Investment Management

The institution shall:

- Receive investment instructions from DCS.
- Invest funds in approved investment instruments.
- Maximise investment returns.
- Preserve invested capital.
- Maintain sufficient liquidity.
- Ensure diversification.
- Manage investment risks.
- Ensure regulatory compliance.

5.2 Investment Advice

Provide professional advice regarding:

- Market conditions
- Interest rate outlook
- Investment timing
- Portfolio diversification
- Liquidity management
- Economic trends
- Regulatory developments

5.3 Portfolio Management

The institution shall:

- Monitor investments daily.
- Rebalance portfolios where necessary.
- Review investment performance.
- Recommend changes where market conditions warrant.
- Maintain investment records.

5.4 Reporting

Provide:

- Monthly investment reports.
- Quarterly performance reports.
- Annual investment reviews.
- Risk reports.
- Market commentary.
- Interest earnings reports.
- Capital balance confirmations.

5.5 Client Support

Provide:

- Dedicated Relationship Manager
- Investment Specialists
- Treasury Specialists
- Compliance Officers
- Customer support during business hours
- Emergency support

6. INVESTMENT OBJECTIVES

The Facilities Fund seeks investments that achieve:

- a. Capital Preservation
- b. Protect the principal amount invested.
- c. Liquidity
- d. Maintain sufficient access to funds for operational requirements.
- e. Return on Investment
- f. Generate competitive market-related returns.
- g. Risk Management

Minimise exposure to:

- credit risk
- liquidity risk
- market risk
- operational risk
- concentration risk

Compliance

Ensure investments comply with:

- Treasury requirements
- PFMA
- Investment Policy
- Applicable legislation

7. ELIGIBILITY REQUIREMENTS

Only financial institutions that satisfy all the following minimum requirements may submit proposals.

The bidder must:

- Be a registered bank in South Africa;
- Be licensed by the South African Reserve Bank;
- Be authorised under FAIS where applicable;
- Have a minimum of ten (10) years' institutional investment management experience;
- Demonstrate financial stability;
- Maintain investment-grade credit ratings;
- Possess sufficient investment management capacity;
- Demonstrate experience managing public sector investments.

8. DELIVERABLES

The successful bidder shall provide:

- Investment strategy
- Investment implementation plan
- Investment portfolio
- Monthly statements
- Quarterly reports
- Annual review
- Interest calculations
- Capital confirmations
- Compliance certificates
- Risk assessments
- Investment recommendations

9. CONTRACT PERIOD

The appointment shall be for Five (5) years

subject to:

- annual performance reviews;
- availability of funds;
- satisfactory service delivery.

10. EVALUATION PROCESS

The evaluation shall be undertaken in three phases.

Phase 1

Administrative Compliance

- Bidders must submit all mandatory documents.
- Failure to do so may result in disqualification.

Phase 2

Functionality

Minimum threshold:

75 points

- Only bidders achieving 75 points or more shall proceed.

Phase 3

Price and Preference

- Evaluation shall be conducted in accordance with the Preferential Procurement Regulations.

11. FUNCTIONALITY EVALUATION

Criterion	Weight
Company Experience	20
Institutional Investment Experience	20
Qualifications and Experience of Investment Team	15
Investment Methodology	15
Risk Management Framework	10
Reporting Systems	10
Client References	10
Total	100

Company Experience (20)

- 10–15 years = 10
- 16–20 years = 15
- Above 20 years = 20

Institutional Investment Experience (20)

Experience managing institutional funds exceeding:

- R100 million
- R500 million
- R1 billion
- Higher scores awarded accordingly.

Key Personnel (15)

- Relationship Manager
- Investment Manager
- Treasury Specialist
- Risk Specialist
- Compliance Officer
- Professional registrations and qualifications will be evaluated.

Investment Methodology (15)

- Evaluation includes:
- Investment philosophy
- Asset allocation
- Liquidity strategy
- Interest optimisation
- Portfolio monitoring

Risk Management (10)

Assessment includes:

- Credit risk
- Operational risk
- Market risk
- Liquidity risk
- Governance framework

Reporting (10)

- Monthly reports
- Quarterly reviews
- Online access
- Investment dashboards
- Performance analytics

References (10)

- Minimum three contactable references from institutional clients.

12. PRICE AND PREFERENCE

Evaluation shall be conducted using the applicable Preferential Procurement framework prescribed by National Treasury at the time of evaluation.

The Department reserves the right to negotiate investment-related pricing structures where appropriate and lawful.

13. SPECIAL CONDITIONS

The successful bidder shall:

- Maintain confidentiality.
- Protect DCS information.
- Comply with POPIA.
- Maintain professional indemnity insurance.
- Disclose conflicts of interest.
- Maintain required licences throughout the contract.
- Immediately report any regulatory investigations.
- Notify DCS of material changes affecting financial stability.

14. REPORTING REQUIREMENTS

The successful bidder shall submit:

- Monthly Portfolio Report
- Quarterly Investment Report
- Annual Performance Report
- Compliance Report
- Risk Report
- Interest Earnings Report
- Investment Market Outlook

15. SERVICE LEVEL AGREEMENT (SLA)

The successful bidder shall enter into an SLA with DCS covering:

- Governance
- Roles and responsibilities
- Escalation procedures
- Meetings
- Performance reviews

Service Standards

- Investment instructions processed within agreed timelines.
- Statements issued monthly.
- Quarterly review meetings.
- Annual strategic review.
- Response to enquiries within one business day.

Key Performance Indicators

- Capital preservation
- Investment return
- Liquidity management
- Compliance
- Reporting accuracy
- Client service

Performance Reviews

- Quarterly reviews
- Annual contract evaluation
- Corrective action plans where necessary

16. GENERAL CONDITIONS

The Department reserves the right to:

- Accept or reject any proposal;
- Appoint one or multiple financial institutions;
- Negotiate terms where permitted by law;
- Cancel the procurement process;
- Verify information submitted;
- Conduct due diligence investigations.

17. MANDATORY RETURNABLE DOCUMENTS

Bidders shall submit:

- Completed Bid Forms
- Company Registration Documents
- Valid Banking Licence
- Proof of SARB Registration
- FAIS Licence (where applicable)
- Tax Compliance Status
- CSD Registration Report
- Financial Statements (last three years)
- BBBEE Certificate or Sworn Affidavit (where applicable)
- Proof of Professional Indemnity Insurance
- Organisational Structure
- Investment Team CVs
- Three Contactable References
- Investment Methodology
- Risk Management Framework
- Reporting Samples
- Conflict of Interest Declaration
- POPIA Compliance Declaration
- Signed SBD Forms

18. BID ENQUIRIES

Technical Enquiries

Department of Correctional Services

Facilities Fund

Email: Ntsako.khosa@dcs.gov.za / felicia.nthangeni@dcs.gov.za

Telephone: (012) 305 8091 / (012) 307 2722

19. BID VALIDITY

Bids shall remain valid for 120 calendar days from the closing date.

20. CLOSING DATE

Closing Date: 02 October 2026

Time: 11h00

Submission Address:

Department of Correctional Services

Poynton Building

124 Dr. WF Nkomo Street

Pretoria

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ANNEXURES (to accompany the RFP)

- Annexure A: Pricing Schedule
- Annexure B: Declaration of Interest (SBD 4)
- Annexure C: Bidder's Past Supply Chain Practices (SBD 8)
- Annexure D: Certificate of Independent Bid Determination (SBD 9)
- Annexure E: Technical Proposal Template
- Annexure F: Investment Methodology Template
- Annexure G: Risk Management Framework Template
- Annexure H: Reference Form
- Annexure I: Draft Service Level Agreement
- Annexure J: General Conditions of Contract (GCC)