BRIEFING SESSION – 3 APRIL 2020
RFP071/2020: TRANSACTION ADVISORY SERVICES FOR THE CITY OF JOHANNESBURG (COJ) ALTERNATIVE WASTE TREATMENT TECHNOLOGY (AWTT) PUBLIC PRIVATE PARTNERSHIP PROJECT
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The amount of waste which is being generated in the City of Joburg continues to escalate due to significant growth, both in population as well as in the average income of the Gauteng residents.

At this point in time, **existing landfills are running out of airspace at a rapid rate** and the **development of new landfill sites is difficult** because there is **a scarcity of suitable land within the jurisdiction of the CoJ.**

- Currently Marie Louise is left with 3 months’ capacity - requires immediate intervention
- Robinson deep is left with 1 year
- Goudkoppies and Ennerdale are left with 3 years
- GDARD and DEA no more issuing permits for new landfill site

- Alternative Waste Treatment Technology Projects were initiated to ensure that the City achieves its objective of:
  - Reduction of waste to landfill
  - Generation of renewable energy
  - Creation of jobs
Consequently, the CoJ initiated a project to explore the feasibility of using alternative technologies for waste treatment to reduce the amount of waste that is disposed of at landfills.

The proposed Alternative Waste Treatment Technology (AWTT) project seeks to provide the CoJ with a mass burn waste treatment technology facility that will accept 500,000 of the 1.6 million tonnes of municipal solid waste produced in Johannesburg per annum.

There is additional potential to generate 36MW of energy through a "design-build-finance-maintain-operate transfer" or a Public Private Partnership (PPP) “The Project”.

The initial feasibility study was conducted in 2010 and there was recently in 2016 a review and update of the alternative waste treatment technologies considered by the feasibility study to reflect current technological developments and operational experience, plus any changes in the City of Johannesburg’s waste management practices.
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SCOPE OF WORK
(1) SCOPE OF WORK

The following studies have already been undertaken in recent times (and the TA will take over the work, review, identify gaps and use the work for later stages):

- Site Identification and Assessment
- Waste characterisation assessment
- Markets Appraisal for Recyclates and other Recovered Products
- Overview report of alternative waste treatment technologies
- Financial Modelling
- Residual Municipal Solid Waste Technical Options Appraisal
- Draft Request for qualification
- Draft Request for proposal
- Draft PPP agreement

These Terms of Reference invite proposals from a Transaction Advisor comprising a team of suitably qualified and experienced technical, legal and environmental experts to be appointed as a team under a lead advisor to assist the CoJ in investigating and procuring the most suitable solution for the Project. Reference to ‘the Transaction Advisor’ includes the entire advisory team, under the management of a single lead advisor who shall contract with the DBSA. The scope of work must be priced separately. **No changes to the Transaction Advisory team after Bid Submission shall be effected without approval from the DBSA.**
The scope of work is divided in two (2) Parts as follows:

The Environmental Impact Assessment (EIA) for the identified site/s
The PPP Procurement process up to financial close as per PPP guidelines.

EIA:

The scope of work for the EIA must be undertaken for the Robinson Deep site that the CoJ has determined.

The aim of the EIA is to conduct a defendable and robust EIA process, and ultimately a final, high quality Environmental Impact Report (EIR) that will be submitted to the relevant authority, with the view of obtaining an Environmental Authorisation from the relevant authority.

Conduct an EIA and public participation process for proposed Alternative Waste Treatment Technology (AWTT) Project and any associated activity that may be considered a listed activity in terms of the EIA Regulations and any other additional applicable legislative requirements.
The specialist and technical studies/reports (‘environmental’ and technical) that will be undertaken, and documents prepared as part of the EIA phase of the proposed development are inclusive of, but not limited to:

- Botanical Impact Assessment;
- Noise Impact Assessment;
- Health Risk (Animal and Human) Assessment;
- Socio and Economic Impact Assessment;
- Visual Impact Assessment;
- Air Quality Impact Assessment and impact of the proposed project on climate change;
- Geotechnical studies;
- Traffic Impact Assessment;
- Archaeological and Heritage Impact Assessment; and
- Major Hazard Installation (MHI) Risk Assessment.
The necessary monitoring, management and reporting procedures will also have to be developed (including, but not limited, to the following):

- To obtain environmental authorisation from the competent authority for the AWTT project;
- To obtain any other licenses that may be required for the AWTT project;
- A description of the tasks that will be undertaken as part of the environmental impact assessment process, including any specialist reports or specialised processes, and the methodologies of such tasks;
- An indication of the stages at which the competent authority will be consulted;
- A description of the proposed method of assessing the environmental issues and alternatives, including the option of not proceeding with the activity; and
- Particulars of the public participation process that will be conducted during the environmental impact assessment process.”

In addition to the above technical work, the EIA should also take into consideration any activities related to the generation and evacuation of electricity from the waste to energy plant. The Transaction Advisor is required to map out a high-level overview of the rail transportation pick-up points of the municipal waste from the respective waste generation gravity areas based on the feasibility study. A high-level technical assessment of the rail option in terms of the locality, infrastructure requirements and possible environmental impact needs to be elaborated and reported back to the DBSA.
(5) SCOPE OF WORK - PPP FINANCIAL MODEL

Review and update the feasibility study financial model and ensure all possible revenue lines captured and are realistic, to come up with updated IRR and NPV figures. Firm up on the base position that will be used by council to approve and to get approval to move to the next stages.

Ensure an economic model (similar in functionality as the financial model and as an extension to the financial model) with all the relevant economic, social, environmental costs and benefits (and their justifications) and come up with EIRR and NPV figures (these are critical in the event that the project is not financially viable).

The financial analysis and the impact of the rail transport option explored above will be separately assessed as the cost and Net Present Value impact to the project.
6) SCOPE OF WORK - PPP PROCUREMENT

The Feasibility study has been completed and the draft RFQ and RFP will be made available. The transaction advisor will assist the City to obtain the required Treasury Views and Recommendations, finalise bid documents complying with public sector procurement laws, policies and guidelines. The TA will also be required to assist the City to:

• evaluate the bids submitted in response to the procurement documents;
• negotiate with bidders and to reach commercial and financial close.

Specific requirements for the Transaction Advisor during Part 2 inter alia are:
• Finalisation of the tender documentation.
  • Review and update of the RFQ, and RFP to meet the requirements for obtaining Treasury Views and Recommendation (TVR IIA and TVR IIB) in terms of the MFMA Treasury Guidelines.
  • Preparation of PPP agreement with detailed output specifications and performance standards, a robust payment and penalty regime as well as a possible Request for Best and Final Offer (RFBAFO).
  • Finalise the preparation of a draft PPP agreement, based on the Standardised PPP Provisions. Close liaison with the CoJ and the PPP Unit of National Treasury are required during drafting.
• Assist with the preparation of necessary documentation for the CoJ in obtaining TVR IIA and IIB (RFQ and RFP) in terms of MFMA PPP guidelines, to enable the procurement process to commence.
Specific requirements for the Transaction Advisor during Part 2 inter alia are:

- Upon the issuance of Treasury Approval IIB (RFP/RFBAFO) assist the CoJ in selecting a preferred bidder and reserve preferred bidder.
- Design a suitable bid process that will ensure comparable bids.
- Prepare the necessary advertisements for bids and conduct a compulsory information session.
- Provide support to the CoJ with all the necessary bidder communication, i.e. the bidding notes and responses to clarification questions.
- Provide administrative support for the efficient and professional management of the entire procurement process as well as the quality and integrity thereof.
- The Transaction Advisor should also provide assistance with the design and support with the management and functioning of a well-controlled document and data room.
- Provide support for the CoJ in conducting a structured and fair engagement process with the bidders and assisting the CoJ with a diligent system for the receipt of the bids and management of the bidding process and documentation.
- Assist the CoJ in the evaluation of proposals and identification of the preferred and reserve bidders.
- The Transaction Advisor is to allow separately for costing of the Best and Final Offer (BAFO) process. If no BAFO stages are pursued, the Transaction Advisor’s remuneration will be adjusted accordingly.
Specific requirements for the Transaction Advisor during Part 2 inter alia are:

- **Assist the CoJ to obtain TVR IIB** demonstrating that the bids of the bidders selected by and proposed as preferred and reserve bidder the CoJ, **demonstrate value for money, risk transfer and affordability.**
- The **results of the bidding process and evaluation of the bids** must be **presented in a single Value-for-money Report** (with relevant annexure) that demonstrates how value-for-money will be achieved with the preferred bidder.
- The report must **clearly motivate and indicate the rankings of the bidders** based on the various evaluation criteria and the basis of selection of the preferred and reserved bidders. It must also **indicate the proposed risk allocations and changes to the risk profile** as contained in the bids.
- The **Value-for-money Report** must be in a **suitable format and of suitable standard** to enable the CoJ **to submit to National Treasury to obtain TVR IIB** in terms of **MFMA PPP guidelines.**
- Upon issuance of TVR IIB, assist the CoJ in bringing the negotiations on the Project to contractual and financial close in line with and in terms of the procurement plan.
- The Transaction Advisor must assist the CoJ in final negotiations with the preferred bidder.
- The Transaction Advisor must ensure incorporation of all agreements reached into financial, commercial and legal documentation, and must assist with the drafting of all attendant correspondence.
Specific requirements for the Transaction Advisor during Part 2 inter alia are:

- Assist the CoJ in **developing and drafting the Contract Management Plan and Manual**, reflecting the PPP Agreement as negotiated.

- The **final terms of the Contracts**, each as negotiated with the preferred bidder, must be submitted by the CoJ, along with the Contract Management Plan to National Treasury for TVR III in terms of MFMA PPP guidelines. The Transaction Advisor is responsible for **compiling the necessary submissions** for the CoJ to obtain this approval.

- Prepare the **contingent liability report** for the CoJ.

- Assist the CoJ to **obtain TVR III**.

- Assist the CoJ with the process of **signing of the PPP agreement and achieving financial closure**; and

- Prepare **project close out report and case study report**.
(10) SCOPE OF WORK - DELIVERABLES

Stage 1: Compilation of reports from the Feasibility Study
Stage 2: Obtain TVRIIA and Prepare Request for Qualification
Stage 3: Prepare Request for Proposal
Stage 4: Choose the Preferred Bidder
Stage 5: Value for Money report and TVR IIB
Stage 6: PPP Agreement Negotiation and PPP Agreement Management Plan
Stage 7: Obtain TVR III
Stage 8: PPP Agreement Signature, Financial Close, Close-out Report, Case Study.
First Stage: Functional Criteria

1. Only those Bidders which score [75] points or higher (out of a possible 100) during the functional evaluation will be evaluated during the second stage of the Bid. Bidders are required to submit supporting documentation evidencing their compliance with each requirement, where applicable.

2. The Functional Criteria that will be used to test the capability of Bidders are as follows:
SUPPLY CHAIN MANAGEMENT
Following the President’s announcement on the 23rd of March 2020, on the escalation of measures to combat the COVID-19 epidemic, the DBSA has taken a decision to extend the tender closing date for this tender. This will be formally communicated with the bidders through appropriate mediums.

NB: It is the bidders responsibility to continue to visit our website and to stay updated on any changes and alterations for this tender including responses to queries.
TENDER SUBMISSION PROCESS: EITHER METHOD CAN BE USED TO SUBMIT THE TENDER.

1. ELECTRONIC SUBMISSIONS

- Bidders that wish to submit a tender response must send an email to TENDERS@DBSA.ORG indicating their participation.
- This must be done three (3) working days before the briefing meeting
- Bidders will thereafter receive a OneDrive Link to upload their tender documents electronically.

2. HARDCOPIES OF TENDERS ARE TO BE SUBMITTED TO: Development Bank of Southern Africa 
Welcome Centre 1258 Lever Road Midrand

Bidders are to provide one (1) original and one (1) hard copy and one (1) electronic (PDF) copy of the Bid. If the Bidders are submitting more than one (1) proposal with regard to the functions explained in the cover page and Part D of this RFP, then these should be submitted as separate submissions and indicated on the cover page of the Bid. Each Bid shall be submitted with one (1) original and one (1) hard copy and one (1) electronic copy as indicated above.
**TENDER PRE-QUALIFIERS**

<table>
<thead>
<tr>
<th>Responsiveness Criteria</th>
<th>Pre-Qualifying criteria</th>
<th>Applicable to this Tender (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Adherence to submitting Tender as a two-envelope tender – Functionality submission separate from price submission</td>
<td>Pre-Qualifier</td>
<td>Y</td>
</tr>
<tr>
<td>2. In terms of the DBSA Transformation Imperative Targets, the DBSA will consider companies that are EME’s and QSE’s with a minimum B-BBEE status of Level 2 who will contribute to meaningful B-BBEE initiatives as part of the tender process</td>
<td>Pre-Qualifier</td>
<td>Y</td>
</tr>
<tr>
<td>3. The successful Tenderer, if not itself an EME or QSE with a minimum B-BBEE status level 2, as per Section 4(1)(a) and (b) of the PPR 2017, must subcontract a minimum of 30% of the value of the contract to the following category referred to in Section 4(1)(c) of the PPR 2017: (i) an EME or QSE which is at least 51% owned by black people</td>
<td>Pre-Qualifier</td>
<td>Y</td>
</tr>
</tbody>
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SCM GUIDELINES - REASONS FOR DISQUALIFICATION:

- DBSA reserves the right to disqualify any bidders who do not comply with one or more of the following bid requirements, and such disqualification may take place without prior notice to the offending bidder:
  - Bidders who submit incomplete information and documentation as per the requirements of this RFP.
  - Bidders who submit information that is factually untrue or inaccurate, for example memberships that do not exist, BBBEE credentials, experience, etc.;
  - Bidders who do not meet the cut-off mark for the functional evaluation on the proposal as stipulated in this RFP.
  - Bidders who have been blacklisted as per the National Treasury database.
  - Bidders who do not comply with the special conditions or any other condition.
TENDER TECHNICAL AND GENERAL QUERIES

Queries pertaining to this tender must be directed to:-

DBSA Supply Chain Management Unit

Email: vusik4@dbsa.org

No questions will be answered telephonically.
THANK YOU