

[TICK APPLICABLE BOX]	<input type="checkbox"/> No		
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
FOR PROCUREMENT OF DOCUMENT ENQUIRIES MAY BE DIRECTED TO:		FOR BIDDING AND TECHNICAL INFORMATION ENQUIRIES MAY BE DIRECTED TO:	
DEPARTMENT	FREE STATE HEALTH	CONTACT PERSON	Me. M.S.N. JUMBA
CONTACT PERSON	S.W MALIEHE	TELEPHONE NUMBER	051 408 1797
TELEPHONE NUMBER	051 408 1816	FACSIMILE NUMBER	N/A
FACSIMILE NUMBER	N/A	E-MAIL ADDRESS	LetoaneTLR@fshealth.gov.za
E-MAIL ADDRESS	MalieheSW@fshealth.gov.za	<u>NB: Bidders may send any queries electronically to the above mentioned emails</u>	

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND SPECIAL CONDITIONS OF CONTRACT.
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

Signature Of Bidder:

Capacity Under Which This Bid Is Signed:

Date:

3

EXPLANATORY MEETING CERTIFICATE

BID NUMBER: **DOH (FS) 38/2021/2022**

Attendance list number: _____

**TERMS OF REFERENCE FOR THE APPOINTMENT OF THE TRANSACTION ADVISOR OR TEAM OF TRANSACTION ADVISORS TO PERFORM A FEASIBILITY STUDY FOR THE INTENDED PUBLIC PRIVATE PARTNERSHIP AT PARYS DISTRICT HOSPITAL IN THE FREE STATE DEPARTMENT OF HEALTH.
PERIOD: DATE OF SIGNING CONTRACT FOR THREE (03) YEARS**

Attendance of the explanatory meeting is Non - Compulsory

An official of the Department must sign this certificate at the explanatory meeting. No certificate will be signed outside the meeting. The original certificate must be included in the bid document and will not be accepted after the closing time and date of the bid.

NON – COMPULSORY EXPLANATORY MEETING DATE: 01 MARCH 2022

TIME: 09H00

VENUE: Auditorium, First Floor
Bophelo House, c/o Charlotte Maxeke Street and Harvey Road
Bloemfontein

CONTACT PERSON/S: Ms. M.S.N Jumba
Tel: (051) 408 1797 (o/h)

This is to certify that _____ in his/her capacity as
_____ of the company _____
_____ has attended the explanatory meeting on
the _____ day of _____ 2022 and is therefore familiar with
circumstances and the scope of the items to be supplied.

**SIGNATURE /DEPARTMENTAL
OFFICIAL**

RANK

**SIGNATURE OF REPRESENTATIVE
OF COMPANY**

DATE

**OFFICIAL DATE
STAMP**

*** Note: Only one certificate per company**

(4)

SPECIAL NOTICE – PHASE I AND PHASE II

This bid will be handled in terms of the two-stage bidding approach in which:

It is expected of all bidders to submit Phase I and II in a single envelope including Envelope 1 and 2 which must be clearly marked as Phase I (technical proposals) and Phase II (financial proposals). Failure to adhere to this will invalidate the bid.

A. Phase I (Envelope 1) of the bidding process will be the Technical proposal

Bidders are requested to provide the Department with a functionality/technical proposal only as requested in the RFP as per bid document, which will be evaluated on the criteria as contained in the bid document.

Bidders must score at least **70%** (70/100) on functionality to be further considered for Phase II, of which their financial proposals will be considered.

It will be expected from the shortlisted bidders to do a presentation to the Department if deemed necessary.

B. Phase II (Envelope 2) of the bidding process will be for the Financial proposals.

Bidders are requested to provide the Department with a financial proposal which must be submitted in a separate envelope on the same day as the closing date and time for Phase I.

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:

BID NO.: DOH(FS)38/2021/2022

CLOSING TIME: 11:00

CLOSING DATE: 18 MARCH 2022

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
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1. Terms of reference for the appointment of the transaction advisor or team of transaction advisors to perform a feasibility study for the intended public private partnership at parys district hospital in the f. Free State Department of Health

R.....

(See Attached Specification)

- The accompanying information must be used for the formulation of proposals.
- Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.
- PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

R.....

- PERSON AND POSITION

HOURLY RATE

DAILY RATE

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R.....

R.....

R.....

R.....

R.....

- PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

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R.....

..... days

R.....

..... days

R.....

..... days

R.....

..... days

- Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED

RATE

QUANTITY

AMOUNT

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R.....

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R.....

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R.....

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R.....

TOTAL: R.....

6

Name of Bidder:

** "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	R.....
.....	R.....
.....	R.....
.....	R.....

TOTAL: R.....

6. Period required for commencement with project after acceptance of bid
.....
7. Estimated man-days for completion of project
.....
8. Are the rates quoted firm for the full period of contract?
*YES/NO
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.
.....
.....
.....

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

Me. M.W Maliehe
Bophelo House, Bid Management,
Ground Floor, Block C-West, c/o Charlotte Maxeke Street and Harvey Road,
Bloemfontein

Tel: (051) 408 1816

Or for technical information –

(Me. M.S.N. JUMBA)

Tel: (051) 408 1797

7

PRICE ADJUSTMENTS

A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES
2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1-V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Where:

Pa	=	The new escalated price to be calculated.
(1-V)Pt	=	85% of the original bid price. Note that Pt must always be the original bid price and not an escalated price.
D1, D2..	=	Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2...etc. must add up to 100%.
R1t, R2t.....	=	Index figure obtained from new index (depends on the number of factors used).
R1o, R2o	=	Index figure at time of bidding.
VPt	=	15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

Index: CPI Dated: JAN 2022

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE



health

Department of
Health
FREE STATE PROVINCE

**TERMS OF REFERENCE FOR THE APPOINTMENT OF THE
TRANSACTION ADVISOR OR TEAM OF TRANSACTION
ADVISORS TO PERFORM A FEASIBILITY STUDY FOR THE
INTENDED PUBLIC PRIVATE PARTNERSHIP AT PARYS
DISTRICT HOSPITAL**

**PERIOD: FROM DATE OF SIGNING OF CONTRACT FOR
THREE YEARS**

**CONTACT PERSON: MS N. JUMBA
TEL: 051 408 1797
CELL: 066 302 3507
EMAIL: JumbaN@fshealth.gov.za**

1. INTRODUCTION

The Free State Department of Health has identified the need for Parys District Hospital PPP, to determine the viability of constructing and operating of new Parys District Hospital on identified site (site number) through a Public Private Partnership arrangement. This project is also in line with the Free State Department of Health strategic vision of increasing life expectancy through health system effectiveness, driving system change and ensuring sustainable quality services.

The Free State Provincial Government wishes to explore the feasibility of this project as a Public-Private Partnership (PPP) in terms of relevant National Treasury Regulations to the Public Finance Management Act, 1999 (PFMA). The proposed project will follow the National Treasury's PPP Standardization and Manual, which potential Transaction Advisors are required to be familiar with.

The Free State Provincial Government thus intends to procure the services of an experienced Transaction Advisor/s to assist it through the regulated phases of the PPP project cycle.

These terms of reference invite proposals from a Transaction Advisors representing a team of suitably qualified and experienced financial, technical and legal advisors to help the Free State Department of Health:

- **Milestone 1:** Undertake a comprehensive feasibility study for the proposed Parys District Hospital PPP (Phase1).
- **Milestone 2:** If a PPP is approved as procurement choice and the Treasury Approval 1 (TA1) received, the TAs will be required afterward to continue with the PPP process (Phase 2 and Phase 3) and provide advisory services for the appropriate procurement of the project.

Consideration will only be given to Bidders with demonstrated professional knowledge and experience in the following subjects:

- Legal;
- South African PPP framework;
- Infrastructure Project finance;
- Contract structuring and drafting;
- Technical, relevant discipline;
- Stakeholder engagement and communications;
- Economic and Financial Analysis;
- PPP transaction structuring and implementation; and
- Preparation of the documents for and running a PPP procurement process in line with the National Treasury Regulation PPP Manual.
- Public Finance Management Act
- South African Health Care systems and facilities management

Additional areas of competence are outlined in the bid documents.

Free State Department of Health requires the services of a competent team of professionals to advise on the best way of financing, designing, constructing, operating and maintaining the envisaged new Parys District Hospital.

2. PROJECT SCOPE.

- Financing, designing, constructing, operating and maintaining the envisaged new, Parys District Hospital with full district hospital package of services.

The identified new site is a 6 hectare stand, number 869, Philip Street Parys.

- Provide movable and immovable Furniture, Fixtures and applicable medical equipment and engineering services.

3. SCOPE OF WORK

Due to the nature of the PPP projects, the scope of work provided is milestone-based and the Free State Department of Health cannot be held liable for the indicative times provided. The scope of work for the transaction advisor is:

3. 1 Milestone 1: Feasibility study

The Transaction Advisors will be required to produce a comprehensive feasibility study for the Free State Department of Health- Parys Hospital PPP using public sector comparator and PPP reference models.

The feasibility study consists of two stages. In Stage 1A, the Transaction Advisors takes the department through the need's analysis, the technical options analysis and the service delivery analysis. In Stage 1B the Transaction Advisors conduct the due diligence, a value assessment for service provision by a delivery method to be determined out of the Feasibility Study and the procurement plan.

This must enable the Free State Department of Health to determine:

- full project cycle costs
- affordability limits
- risks and their costs
- optimal value-for-money methods of delivery. Section 4 below sets out the deliverables required of the Transaction Advisors for the feasibility study.

DECISION GATE: At this stage, Free State Department of Health reserves a right to terminate the contract should (1) the feasibility study does not recommend a PPP, (2) the Project is not affordable and (3) Free State Department of Health terminates the project for operational reasons.

3.2 Milestone 2: PPP procurement

If based on the feasibility study, a PPP has not been approved Free State Department of Health reserves a right to negotiate with the TAs to solicit support for an alternative contractual arrangement if required.

If based on the feasibility study, a PPP solution is approved, and if the Free State Department of Health for operational reasons still requires a PPP, the Transaction Advisors will continue with Phase 2 and 3 and provide the necessary technical, legal and financial requirements and support for the procurement of a PPP. This will include the preparation of all required documents including the Treasury Approvals.

The scope of work is divided into these two parts. The Transaction Advisors needs to submit a single bid, in the formats prescribed in these terms of reference. (Reference to 'the transaction advisor' includes the entire advisory team, or relevant members, under the management of a single Lead Advisor who shall contract with the Free State Department of Health.

The proposed Parys PPP is milestone-based project and the bidders are encouraged to quote as such. Preferable, the TA3 and financial closure should be achieved within 36 months Bidders are encouraged to submit shorter estimated timelines, which will be viewed as favourable.

4. BACKGROUND

4.1 NEEDS

The project seeks to address the Free State Department of Health's challenges on budget constraints that have an impact on improving the quality of healthcare services, this project will look at leveraging the expertise of a Private Sector on infrastructure development, construction and management of health services. This project will also assist the readiness of the department as we move towards full implementation of NHI, the National Development Plan (NDP) 2030 envisions a health system that works for everyone and produces positive health outcomes and is accessible to all.

4.2 OBJECTIVES

The objectives for this project are to determine the viability of constructing and operating of new Parys District Hospital on identified site through a Public Private Partnership arrangement.

4.3 BACKGROUND DOCUMENTATION AND PREPARATORY WORK

To this end, the Free State Department of Health has conducted a preliminary on Parys Hospital and has a point of view regarding the required solution. The transaction advisor will have to become

familiar with all background documentation and preparatory work conducted to date by the Free State Department of Health for this project.

The department has identified challenges as outlined in the draft business case which forms part of the bid documentation package.

4.4 PROJECT BUDGET

The baseline budget earmarked for operating expenditure for the proposed project has been identified as in the 2022/2023 financial year, escalating by CPI. In addition, a capital budget for expenditure over the three years of the MTEF has been secured.

5. PPP FEASIBILITY STUDY DELIVERABLES

The transaction advisor is required to produce, in close liaison with the Free State Department of Health- Project Officer, a comprehensive feasibility study for Parys District Hospital PPP arrangement.

The feasibility study needs to clearly demonstrate affordability for the full project cycle and propose the optimal value-for-money solution for the Free State Department of Health to achieve its desired outcomes.

The feasibility study is to be conducted in compliance with National Treasury's PPP Manual, available on www.treasury.gov.za or from the PPP Unit.

The TAs should therefore clearly demonstrate in their proposal how they intend to address the Department's needs and how they intend to program the various interfaces for the timely delivery of the project outputs. In addition, the TAs must meet the following requirements either in the feasibility study or as part of the Bid Documents that will be drawn up.

The following are the tasks and activities associated with the respective feasibility study and procurement deliverables:

MILESTONE 1: FEASIBILITY STUDY

Task 1 - Feasibility study inception meeting and project plan and schedule

This task category serves to ensure that the Free State Department of Health and the Transaction Advisor fully understand how the assignment will proceed. This will involve the development of a detailed Project Inception Plan that will document the organization's scope, financial commitment, schedule and responsibility for all tasks to be accomplished within the assignment. This initial

document will also serve as a management tool for allowing all involved parties to follow the progress of the Transaction Advisor's efforts.

Activity 1.1 – Prepare and Submit A Project Plan - Within two weeks of signing the contract for the work, the Transaction Advisor shall submit and present to the Free State Department of Health a detailed Project Plan and Schedule. This plan and schedule shall present sufficient and detailed information concerning the Transaction Advisor's approach to accomplishing the assignment to allow effective planning and scheduling of all activities required to support the Transaction Advisor's efforts.

Task 2 - INITIAL DATA COLLECTION AND PROJECT STEERING MEETINGS

Through this task category, the Transaction Advisor will seek and secure all existing and available information concerning the Project. The Transaction Advisors will also become acquainted with the expected scope of the Project and the objectives of the Free State Department of Health in undertaking the proposed Project. This will be accomplished through the following activities:

Activity 2.1 - Prepare and Submit Requested Information Matrix - Prior to the kick-off meeting identified in Activity 2.2 below, the Transaction Advisors will prepare and submit to the Free State Department of Health a preliminary list of information required to successfully accomplish the assignment.

Activity 2.2 – Kick-Off Meeting and Project Steering Meetings - The Transaction Advisor shall travel to the Free State Department of Health in Bloemfontein Mangaung Metro for a kick-off meeting with the department 1) prepare the Inception Plan and Schedule; 2) gather initial Project information; and 3).

Activity 2.3 – Acquire Initial Data - The Transaction Advisor shall acquire all relevant reports and data concerning existing business case studie that were conducted by the department. The Transaction Advisor will be responsible to review the acquired documents, identify the gaps and present a new feasibility report noting the specific requirements detailed in this TOR. At a minimum, this information shall include: (Draft business case is provided as part of bid documentation).

- Reviewing and updating reports and data pertaining to current Project service area;
- Plans and physical/technical data related to the existing infrastructure and services in the Project service area;
- Any previous feasibility analyses or investigations relevant to the Project service area

- All government regulations and requirements applicable to the Project including all procurement requirements and development/PPP guidelines established by the National Treasury.

All delays in receiving the data requested shall be promptly communicated by the Lead Transaction Advisor to the Project Officer together with the associated impacts on the progress of the project.

Activity 2.4 - Identify Data Needs and Gaps - Based on the initial investigation and acquisition of Project data and information, the Transaction Advisors will identify additional data that must be developed to successfully complete the assignment. The identification of data needs and gaps will also include an indication of the assistance to be provided by the Free State Department of Health securing this additional information.

Activity 2.5 – Prepare and Submit Progress Reports – The Transaction Advisors shall prepare and submit progress reports for each quarter during the feasibility and procurement stages of this contract. Each progress report shall be delivered within 30 days of the end of each quarter. The report shall include 1) actual progress of the Project, 2) actual expenditure during the preceding quarter, 3) compliance with timelines, 4) abridged project plan or revised project plan and 5) any other information that may be reasonably requested from the Transaction Advisor.

Activity 2.6 - Review Statutory and Regulatory Requirements - The Transaction Advisor shall investigate all applicable existing and pending statutory and regulatory requirements relevant to the new Parys District Hospital services and facilities as well as any proposed means for the implementation of a possible PPP. At a minimum, this will include any laws and regulations from all applicable local, provincial, national governmental and international sources. To achieve this regulatory review, the Transaction Advisor will consult with applicable local, provincial, national and international regulatory agencies to advise them on the project and to solicit their input into the necessary Project activities.

Task 3 - THE NEEDS ANALYSIS

Through this task category, the Transaction Advisor will be required to produce a comprehensive needs analysis that defines the proposed project, demonstrates that the project aligns with the Free State Department of Health's mandate, strategic objectives and capacity. The deliverables are set out in "Section 1" under 4.1 of this TOR and will be accomplished through the following activities:

Activity 3.1 – Demonstrate that the project aligns with the Department of Health, mandate strategic objectives – Which are to increase life expectancy through health system effectiveness, driving system change and ensure sustainable quality services.

Activity 3.2 – Identify and analyze the available budget – Analyze future budgetary commitments and escalate the budget in line with the consumer price index (CPI). Furthermore, comment on the possible tariffs and potential revenue (to the Department) that can be generated by the potential PPP project.

Activity 3.3 – Demonstrate the Department's commitment and capacity – Provide information in a summarized version demonstrating that the Department can process, evaluate, negotiate, implement and manage the potential PPP project.

Activity 3.4 – Specify the project outputs – Once the department's objectives and budget have been identified, the outputs of the project need to be specified together with its commitment and capacity demonstrated.

Activity 3.5 Define the project – Provide a brief definition of the broader hospital requirements and of the Departments and what could be the potential initiative to meet such a need. The proposed scope of the project shall be summarized against the departmental strategic objectives. A list of significant departmental assets that would be used for the project (such as land and infrastructure) shall also be determined.

Task 4 – TECHNICAL OPTIONS ANALYSIS

Through this task category, the Transaction Advisor will identify and evaluate all available options to improve Parys Hospital including hospital construction options aligned with the specified project outputs and define the economic and technical risks associated with these. The deliverables are set out in "Section 2" under 4.1 of this TOR and will be accomplished through the following activities:

Activity 4.1 – List all the technical solution options for the project – Provide a list of viable technical options to meet the specified project outputs, which will present financial affordability to the end users.

Activity 4.2 – Evaluate each technical option - The Transaction Advisors will develop a matrix of all potential Project risks for the hospital construction options including, at a minimum, all technical, performance, economic and operational/maintenance risks that will exist as a result of the Project elements. The Transaction Advisor must do a comparison of the financial and economic life-cycle cost of the alternative viable technical options. In addition, the Transaction Advisor will investigate the alternatives as to who may assume project risk with the ultimate intent of defining the risks that will have to be assumed by the department in developing the Project through alternative procurement means. To the degree possible, the definition of Project risks will include the economic value of the risk in terms of the output performance of the proposed Project elements over their design life.

Activity 4.3 – Assist the department with selecting the best technical option which is also financially viable and affordable– The Transaction Advisor will use a matrix approach to select the best technical option and an alternative which are acceptable by the department. The recommended options will be carried forward to the next project stage.

Task 5 – SERVICE DELIVERY OPTION ANALYSIS

Through this task category, the Transaction Advisor will evaluate and recommend a preferred service delivery option. The deliverables are set out in “Section 3” under 4.1 of this TOR and will be accomplished through the following activities:

Activity 5.1 List all service delivery options – The Transaction Advisors must list all the viable project delivery options for providing the specified project outputs.

Activity 5.2 Evaluate each delivery option – The Transaction Advisors must evaluate all the listed project delivery options by identifying direct/indirect costs, financial impacts on the Departmental, risks, pros and cons and socioeconomic impacts.

Activity 5.3 Select the best delivery option – The Transaction Advisors must recommend the best project delivery option and conduct an in-depth value assessment in the next project stage.

Task 6 – DELIVERY MECHANISM SUMMARY AND INTERIM RECOMMENDATIONS

Through this task, the Transaction Advisor will summaries in a brief and concise report the evaluations and findings of the Feasibility Study.

Feasibility Study 1B

Task 7- PROJECT DUE DILIGENCE AND ENVIRONMENTAL AUTHORISATIONS

Through this task category, the Transaction Advisors will analyze any issues in the preferred technical solution and service delivery option that may significantly affect the proposed project. The deliverables are set out in “Section 4” under 4.1 of this TOR and will be accomplished through the following activities:

Activity 7.1 - Legal Due Diligence – The Transaction Advisors must conduct a comprehensive legal due diligence of the preferred project delivery option and ensure all foreseeable legal requirements are met for the development of the project.

Activity 7.2 - Site Establishment Due Diligence – The Free State Health has selected the **Stand number 869, Phillip Street, Parys** as the project site. The Transaction Advisors shall validate the

site ownership, compile and verify all related approvals required to utilize these sites for the specified project outputs, inclusive of the following but not limited to: EIA, Zoning, Traffic impact studies

Activity 7.3 – B-BBEE and other socioeconomic factors – The Transaction Advisors shall identify sectoral B-BBEE conditions, black enterprise strength in this sector and any factors that may constrain the achievement of the project's intended B-BBEE outputs.

Task 8 – VALUE ASSESSMENT

The Transaction Advisors shall conduct a full value assessment to enable the Department to determine which procurement option is best for the Department as per government prescripts and PPP regulations. The deliverables are set out in "Section 5" under 4.1 of this TOR.

Task 9 – Economic Valuation

The Transaction Advisors shall conduct economic valuation to enable the Department to determine which procurement option is best for the Department as per government prescripts and PPP regulations. The deliverables are set out in "Section 6" under 4.1 of this TOR.

TASK 10 – PROCUREMENT PLAN

The Transaction Advisors shall draft and submit a procurement plan, which demonstrates that the department has the necessary capacity and budget to undertake the procurement of the external options. The procurement plan must include all activities concerning all the necessary Departmental and National Treasury approvals.

TASK 11: PREPARE AND SUBMIT THE FEASIBILITY STUDY REPORT TO THE FREE STATE HEALTH

The Transaction Advisors shall prepare the Feasibility Study for public comment, solicit the National Treasury Approval 1, prepare and submit the final Feasibility Study to the Free State Health Accounting Officer. This will be accomplished through the following activities:

Activity 11.1: Prepare the feasibility study report for the department to comment – The Transaction Advisors shall meet and present the feasibility study to the Department. Furthermore, the Transaction Advisor shall submit the draft feasibility study to the department for comments.

Activity 11.2: Submission of the Feasibility Study Report – The Transaction Advisor shall present and submit the final Feasibility Study Report to the department

TASK 12 – REVISITING THE FEASIBILITY STUDY

The Transaction Advisor shall revisit and amend the submitted Feasibility Study in line with the comments made by the Department, Provincial Treasury and National Treasury. Thereafter, the Transaction Advisor must submit the amended report to the Department and National Treasury.

4.1 COMPONENTS OF THE FEASIBILITY STUDY

In line with National Treasury's PPP Manual, Module 4: PPP Feasibility Study, the feasibility study must include the following:

Introduction

- Covering letter from the accounting officer/authority requesting TA: I
- Introduction
- Project background
- Approach and methodology to the feasibility study

Section 1

Submission requirements: Needs analysis

- Institution's strategic objectives
- Budget
- Institutional analysis
- Output specifications
- Scope of the project

Section 2

Submission requirements: Technical solution options analysis

- Technical options considered
- Evaluation and assessment of each technical option
- Summary of evaluation and assessment of all technical options considered
- Recommendation of a preferred technical option

Section 3

Submission requirements: Service delivery options analysis

- Delivery options considered
- Evaluation and assessment of each delivery option
- Summary of evaluation and assessment of all delivery options considered
- Recommendation of a preferred delivery option(s)

Section 4

Submission requirements: Project due diligence

- Legal aspects
 - Use rights
 - Regulatory matters
- Site enablement
- Socio-economic and B-BBEE
- Accuracy of measurements and recordings in feasibility study.
- Items such as:
 - Identify any operating, financial or other contractual commitments which are binding on the Client and advise on options for dealing with them within the framework of a proposed transaction structure;
 - Assess any contingent liabilities, including tax and environmental as will need to be addressed in formulating a structure for private sector participation (in coordination with the Client and other consultants);
 - Review legal aspects of existing labor arrangements in the context of the proposed structure;
 - Review existing Client contractual arrangements to ensure compatibility with proposed arrangement;
 - Assist the Client in the development and presentation of recommendations for private sector participation in Project;
 - Make any other relevant recommendations relating to the Project; and
 - Analyze and make recommendations on the initial concept for the Project and the risk allocation in draft Project Agreements, based on relevant precedents, and suggest and assist in making modifications as necessary following discussions with other members of the transaction team must also be catered for in the legal due diligence.

Section 5

Submission requirements: Value assessment

- **PSC model**
 - Technical definition of project
 - Discussion on costs (direct and indirect) and assumptions made on cost estimates
 - Discussion on revenue (if relevant) and assumptions made on revenue estimates
 - B-BBEE targets
 - Discussion on all model assumptions made in the construction of the model, including inflation rate, discount rate, depreciation, budgets and MTEF
 - Summary of results from the base PSC model: NPV

- **PPP reference**

- Technical definition of project
- Discussion on costs (direct and indirect) and assumptions made on cost estimates
- Discussion on revenue (if relevant) and assumptions made on revenue estimates
- Discussion on proposed PPP type
- B-BBEE targets
- Proposed PPP project structure and sources of funding
- Payment mechanism
- Discussion on all model assumptions made in the construction of the model, including inflation rate, discount rate, depreciation, tax and VAT
- Summary of results from the PPP-reference model: NPV

- **Risk assessment**

- Comprehensive risk matrix for all project risks
- Summary of the institution's retained and transferable risks
- The NPV of all risks (retained and transferable) to be added onto the base PSC model
- The NPV of all retained risks to be added onto the PPP reference model

- **Risk-adjusted PSC model**

- Summary of results: NPV

- **Risk-adjusted PPP-reference**

- Summary of results: NPV, key indicators
- Sensitivity analyses
- Statement of affordability
- Statement of value for money
- Recommended procurement choice

- **Information verification**

- Summary of documents attached in Annexure 1 to verify information found in the feasibility study report

Section 6

Submission requirements: Economic valuation

- Introduction and evaluation approach
- Assumptions
- Valuation results

Section 7

Submission requirement: Procurement plan

Annexures:

Annexure 1: Statements for information verification and sign-off from the Transaction Advisor to the project.

Annexure 2: Letter of concurrence from CFO of the institution and/or provincial treasury

Annexure 3: PSC model

Annexure 4: PPP reference model

Annexure 5: Risk assessment and comprehensive risk matrix

Annexure 6: Document list (list of all documents related to the project, where they are kept, and who is responsible for ensuring that they are updated)

Annexures 7, 8, 9, etc.: Attach as annexures all other documents that have informed the feasibility study and that are of decision-making relevance to the project

N.B. Pricing must take into consideration all aspects of the work required per heading mentioned above in addition to the special requirements highlighted in the objective

4.2 PRESENTATION OF THE FEASIBILITY STUDY

The feasibility study, comprising all the above deliverables, must be compiled in a single report in Word format (with relevant annexures) and delivered as both electronic and hard copy documents. All financial models must be in Excel format and must clearly set out all assumptions made, sensitivity analyses carried out, and model outputs. The financial models must be sufficiently adaptable for use by others at later stages. The feasibility study must be presented with a thorough executive summary and must be accompanied by a PowerPoint presentation that encapsulates all the key features of the study. The executive summary and PowerPoint presentation must be compiled in such a manner that they can be used by the Free State Department of Health management for decision-making purposes.

4.3 SUBMISSION REQUIREMENTS FOR THE FEASIBILITY STUDY REPORT AND REQUEST FOR TREASURY APPROVAL: I

If the Free State Department of Health decides to pursue a PPP solution for the proposed Parys Hospital PPP, the feasibility study must be of a standard that will be accepted by the National Treasury for the purposes of the Free State Department of Health obtaining Treasury Approval: I (TA:I) in terms of Treasury Regulation 16 to the PFMA. The transaction advisor is therefore advised to be fully familiar with the requirements of the PPP Unit as set out in Module 4: PPP Feasibility Study of National Treasury's PPP Manual.

5. PPP PROCUREMENT DELIVERABLES (if applicable)

If the Free State Department of Health decides on a PPP procurement solution, the transaction advisor is required to work with the Free State Department of Health to manage the procurement process for securing contracts with a private party. All this needs to be in accordance with the systems and standards set out for PPPs in Treasury Regulation 16 and using National Treasury's PPP Manual and Standardized PPP Provisions.

The transaction advisor will then have to deliver the following:

5.1 Treasury Approval: IIA and administration of the bidding process

The Transaction Advisors must prepare a complete set of procurement documents, complying with public sector procurement law, policies and guidelines, and in accordance with the tendering systems of the Free State Department of Health. The documentation must be consistent with the results of the feasibility study and enable the Free State Department of Health to obtain Treasury Approval II: A (TA:IIA) in terms of Treasury Regulation 16.

The Transaction Advisors must also give the Free State Health all the necessary drafting, bidder communication and administrative support necessary for the entire procurement process to be conducted.

5.1.1 Pre-qualification

The transaction advisor must design and administer a pre-qualification (request for qualification (RFQ)) process with the intention of:

- ensuring that the Free State Department of Health's exact interest is communicated clearly to the market
- determining the extent and nature of interest in the private sector
- pre-qualifying a competitive number of competent consortia in an equitable and transparent way.

The desired result is that every pre-qualified bidder is capable of providing the facilities and services required by the Department of Health. The Transaction Advisor must prepare all the necessary RFQ documentation, including advertising material; set up and administer the process by which the Department of Health can pre-qualify the parties; and help the Department of Health evaluate and pre-qualify bidders.

5.1.2 Payment mechanism

The Transaction Advisors must develop a rigorous payment mechanism that captures the elements of risk transfer established in the feasibility study.

5.1.3 Bid evaluation criteria, bid process design and B-BBEE requirements

The Transaction Advisors must: set up a bid evaluation system and criteria; design a suitable bid process that will ensure comparable bids; devise effective systems for communicating with bidders; inspire market confidence and incorporate all B-BBEE requirements for the project. If appropriate, a system that allows for variant bids may be designed. This must include an evaluation manual.

5.1.4 Request for proposals (RFP)

The Transaction Advisor must prepare an RFP document in accordance with best industry practice and the National Treasury's PPP Manual, consistent with the results of the feasibility study.

The RFP must concisely set out:

- the output specifications of the Free State Department of Health
- requirements for compliant bids
- a risk profile as established in the feasibility study
- the payment mechanism
- BEE targets
- the bid processes
- evaluation criteria
- bidder communication systems.

5.1.5 A draft PPP agreement

The Transaction Advisors must prepare a draft PPP agreement, based on National Treasury's Standardised PPP Provisions. Close liaison with the Free State Department of Health PPP Management Unit and the PPP Unit of the relevant treasury is required during drafting ordinance with law and policy, and to the highest standards of efficiency, quality

5.1.6 Treasury Approval: IIA

The Transaction Advisors must compile all the documentation necessary for the Free State Department of Health to obtain Treasury Approval: IIA (TA:IIA) in terms of Treasury Regulation 16 to the PFMA to enable the procurement process to begin.

5.1.7 Administration of the bidding process

The Transaction Advisor is to provide all necessary administrative support to the Free State Department of Health for the efficient and professional management of the bidding process. This includes managing a data room, facilitating structured engagement between the Free State Department of Health and bidders, helping the Free State Department of Health communicate effectively with bidders, and receiving bids.

5.2 EVALUATION OF BIDS, DEMONSTRATING VALUE FOR MONEY AND TREASURY APPROVAL: IIB

5.2.1 Evaluation of bids

The authorized staff of the Free State Department of Health, helped by the transaction advisor, must evaluate bids, following guidance given in Module 5: PPP Procurement of National Treasury's PPP Manual.

A best and final offer (BAFO) process may be required. When costing this phase of work the Transaction Advisor must allow for the possibility of administering BAFO processes. If there is no BAFO process, the transaction advisor's remuneration will be adjusted accordingly.

5.2.2 The value-for-money report and Treasury Approval: IIB

Value for money must be demonstrated by comparing the net present value (NPV) of the bids received with the NPV of the PSC for [describe the project], with a suitable adjustment for the risk assumed.

The results of the bidding and evaluation of the bids must be presented in a single value-for-money report (with relevant annexures) that demonstrates clearly how value for money will be achieved with the preferred bidder. The report must clearly indicate the preferred and second-ranked bidders and provide motivations.

The value-for-money report must be in a suitable format and of a suitable standard for the Free State Health to get Treasury Approval: IIB (TA:IIB) in terms of Treasury Regulation 16 to the PFMA. The guidance is given in Module 5: PPP Procurement of National Treasury's PPP Manual should be followed.

5.3 PPP agreement negotiations, PPP agreement management plan and Treasury Approval: III

The Transaction Advisors must assist the Free State Department of Health in final negotiations with the preferred bidder. This will involve preparing suitable negotiations teams, categorising issues appropriately, developing timelines for completion, and y and integrity. planning negotiation tactics and processes for reaching an agreement. The transaction advisor must ensure that all agreements reached are incorporated into all the financial, commercial and legal documentation, and must assist with drafting the necessary and related correspondence. The final terms of the agreement, each as negotiated with the preferred bidder, must be submitted by the Free State Department of Health, along with the PPP agreement management plan for the Parys District Hospital PPP for Treasury Approval: III (TA:III) in terms of Treasury Regulation 16. The transaction advisor is responsible for compiling the necessary submissions for the Free State Department of Health to obtain this approval. (See Treasury Regulation 16.6.1(a).)

The Transaction Advisors must, in close liaison with the Free State Department of Health's- Project Officer and the team, draft a comprehensive PPP agreement management plan for the Free State Department of Health. (See Treasury Regulation 16.6.1(b).) This will be in accordance with the

provisions of the PPP agreement and following the guidance given in Module 6: Managing the PPP Agreement of National Treasury's PPP Manual.

The Transaction Advisor must ensure that a comprehensive legal due diligence of the accounting officer/authority has been completed. This will relate to legal compliance, competence and capacity to enter into the PPP agreement. (See Treasury Regulation 16.6.1(c).)

5.4 PPP agreement signature, close-out report and case study, and financial closure

The Transaction Advisor must help the Free State Department of Health with all functions related to signing the final agreement. The transaction advisor must also compile a comprehensive close-out report and case study. These must follow the formats prescribed in Module 5: PPP Procurement of National Treasury's PPP Manual and must incorporate any additional factors that may be required by the Free State Department of Health. The close-out report will be a confidential document of the Free State Department of Health, and will also be lodged with National Treasury. The case study will become a public document, made available on various government websites. Financial closure signifies that all the procurement deliverables have been successfully completed and that the transaction advisor's work is finished, if applicable.

6. Transaction advisor skill, experience, remuneration and management by the Free State Health

6.1 Necessary transaction advisor skills and experience

The transaction advisor will comprise a team, managed by a single lead advisor. The members of the team will have relevant educational qualifications, relevant skills and experience to undertake the range of tasks set out in these terms of reference. Each individual on the team must be personally available to do the work as and when required. The lead advisor will be held accountable, in terms of the transaction advisor contract, for ensuring project deliverables and for the professional conduct and integrity of the team. The skills and experience required in the transaction advisor are as follows:

- Financial analysis, with relevant PPP
- Project finance experience
- PPP procurement and structuring
- Legal, with relevant South African experience in the drafting and negotiating of PPP agreements
- Parys district hospital PPP planning management
- Parys district hospital PPP facilities management
- BBBEE expertise with relevant PPP experience
- Negotiation skills in complex projects
- Contract management Experience
- Project management Experience.

6.2 Remuneration schedule and disbursement arrangements

Remuneration of the Transaction Advisor will be payable in South African Rands on a fixed price for each of the activities and deliverables described in the sections above.

Payment will be by milestones. The procurement portion of the work may or may not transpire at the end of the feasibility study and should be costed accordingly.

Conditions that may require Free State Health to pay additional cost for the relevant services rendered will be deemed non-responsive and not priced properly. This will lead to disqualification.

6.3 Remuneration schedule

The following remuneration schedule is set for each part of the contract. Bidders should adhere to these in their proposals, within the total budget given.

Feasibility Study Stage: Milestone 1A

Deliverable	Percentage
Signing of Transaction Advisor contract as a mobilization allowance	10%
Completion of Needs Analysis	25%
Completion of Technical Options Analysis	25%
Completion of Feasibility Study Stage 1A Report	20%
Permits and Authorizations	10%
The decision of the Accounting Officer/Authority to proceed with Feasibility Study Stage 1B	10%
Total	100

Feasibility Study Stage Milestone 1B

Deliverable	Percentage
Completion of Due Diligence on Viable Options	15%
Completion of Value Assessment and Procurement Plan	40%
Completion of Feasibility Study Stage 1B report	20%
Completion of requirements, receipt of National Treasury TA:I and "in principle" decision of Accounting Officer to proceed with the procurement	25%
Total	100

PPP procurement

Deliverable	Percentage
Obtaining Treasury Approval IIA	20%
Issuing of the RFQ and Evaluation (Evaluation Report)	10%
Issuing of the RFP documents to the market and Evaluation (Evaluation Report)	10%
Obtaining National Treasury of TA:IIB	20%
Negotiations and aligning the agreed upon agreement and preparing the contract	10%
Negotiations and Obtaining National Treasury of TA:3	20%
PPP Manual, Closeout Report and the case study	10%
Total	100%

Deliverables completed per the remuneration schedule will be signed off by the project officer, after which invoices may be submitted for payment as per the remuneration schedule. The Free State Department of Health will pay within 30 days of receiving the approved invoice.

6.2.2 Disbursement arrangements

All claims for travel and other legitimate disbursement expenditure must be pre-approved by the project officer. Pre-approved project expenditure on travel outside the province, related reasonable accommodation costs, expenditure on document reproduction, or any other legitimate pre-approved project disbursement expenditure will be reimbursed at cost. Payment will be made within 30 days of the Free State Department of Health receiving approved and substantiated invoices and does not form part of the remuneration schedule. Bidders are required to propose a ceiling for such disbursements. All travel must be priced into this contract and declared up from inclusive of any international experts.

6.3 Management of transaction advisor by the Free State Department of Health

The Transaction Advisors will be appointed in writing by the Accounting Officer of Free State Department of Health. A project officer has been appointed by the Accounting Officer of the Free State Department of Health to take full responsibility for managing the Transaction Advisor's work and for ensuring delivery on the project. The project officer has established a project team to engage regularly with the transaction advisor for efficiently completing the various delivery items. The project team will meet at least monthly and the Transaction Advisor will report progress at these meetings as per the signed agreement. The Project Officer will confirm that the transaction advisor has satisfactorily completed each deliverable before invoices can be submitted to the Free State Department of Health for payment

7. RULES OF BIDDING, BID SUBMISSION REQUIREMENTS AND BID EVALUATION

7.1 Rules of bidding

- 7.1.1 The transaction advisor must be a single legal entity with all other necessary expertise secured via subcontract, or under a joint venture arrangement.
- 7.1.2 The Free State Department of Health will enter into a single contract with a single firm for the delivery of the work set out in these terms of reference.
- 7.1.3 Foreign firms providing proposals must become familiar with local conditions and laws, and take them into account in preparing their proposals.
- 7.1.4 Bids must be submitted in South African Rands, on a fixed price basis.
- 7.1.5 The costs of preparing bids and of negotiating the contract will not be reimbursed.
- 7.1.6 The Free State Health is not bound to accept any of the bids submitted and reserves the right to call for best and final offers from shortlisted bidders before final selection.
- 7.1.7 The Free State Department of Health reserves the right to call interviews with short-listed bidders before final selection.
- 7.1.8 The Free State Department of Health reserves the right to negotiate a price with the preferred bidder.
- 7.1.9 Firms may ask for clarification on these terms of reference or any of its annexures up to close of business 48 hours before the deadline for the submission of bids. Any request for clarification must be submitted by email to the project officer at jumban@fshealth.gov.za. Copies of questions and answers will be emailed to all firms that register at the briefing session, without revealing the identity of the source of the questions.
- 7.1.10 The Free State Department of Health reserves the right to return late bid submissions unopened. Late submissions will be not be accepted.
- 7.1.11 Firms may not contact the Free State Health or the relevant treasury on any matter pertaining to their bid from the time when bids are submitted to the time the transaction advisor contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.

7.2 BID SUBMISSION REQUIREMENTS

Transaction advisors are required to submit their proposals in two envelopes in the following format:

7.2.1 Envelope 1: Technical and B-BBEE proposals

- Marked with the name of the transaction advisor.
- Titled 'Technical and B-BBEE proposal: Transaction advisor services to Free State Department of Health for feasibility study and possible PPP procurement for Parys District Hospital.

This envelope must contain at least the following:

7.2.1.1 A covering letter signed by the lead transaction advisor, among others:

- accepting the rules of bidding, evaluation of bids, and bid evaluation criteria set out in the terms of reference
- A covering letter signed by the Bidder (or relevant Lead Advisor: Accepting the rules of bidding, evaluation of bids, and bid evaluation criteria set out in the terms of reference;
- Bidders must make sure that they are tax compliant and attach a tax pin or CSD report.
- Information on, and motivation for the lead TA and team leaders setting out their personal information and attaching the certified copies of their qualifications.
- Suitability for this assignment; Relevant skills and experience. For each relevant experience cited, outline the precise role the lead transaction advisor played, the role of the firm, contract duration, contract outcomes, and contract value; Indicate availability to perform the work.

7.2.1.2 Information on and motivation for the lead transaction advisor, attaching his or her curriculum vitae, and setting out his or her personal, and his or her firm's:

- suitability for this assignment
- relevant skills and experience: For each relevant experience cited, outline the precise role the lead transaction advisor played, the role of the firm, contract duration, contract outcomes, and contract value
- availability to perform the work: This must be substantiated by listing the lead transaction advisor's other known professional commitments for the forthcoming two years.

7.2.1.3 Names of all proposed team members, and their firms, setting out:

- the professional role that each person will play in the assignment. This must be cross-referenced to each deliverable and to each specified technical evaluation element set out in the technical scorecard
- the suitability of each person for the proposed roles in terms of his or her relevant skills and experience
- the availability to perform the work
- one-page resumés of each person highlighting responsibilities held for experience relevant to this assignment in the last five years
- the black South African professionals on the team, clearly showing the roles they will play.

*** PLEASE NOTE THAT THE CV'S SUBMITTED IN THE PROPOSAL SHOULD BE THE PEOPLE WHO WILL WORK ON THE CONTRACT. IF A SUBSTITUTION NEEDS TO BE MADE, THE QUALIFICATION OF THE INDIVIDUAL NEEDS TO BE EQUIVALENT OR BETTER THAN THE PREDECESSOR. THIS**

SUBSTITUTION NEEDS TO BE SUBMITTED TO THE DEPARTMENT FOR APPROVAL BEFORE HE/SHE COMMENCES WITH WORK ON THIS CONTRACT. THE DEPARTMENT HAS EXPERIENCED CASES WHEREBY CV'S FOR SENIOR OFFICIALS ARE SUBMITTED AND THE WORK IS THEN CARRIED OUT BY JUNIOR STAFF RESULTING IN SUBSTANDARD LEVELS OF EXPERIENCE IN THE CONTRACT. THE FULL PROJECT TEAM SHOULD BE DECLARED UPFRONT AND PRICED ACCORDINGLY. IF IT IS FOUND THAT THE PEOPLE WHOSE CV'S ARE PRESENTED ARE NOT CONDUCTING THE WORK, THE DEPARTMENT RESERVES THE RIGHT TO IMPLEMENT THE TERMINATION OF THE CONTRACT AND THE CONTRACTOR WILL BE LIABLE FOR ALL MONETARY LOSSES AS A RESULT OF NON-COMPLIANCE TO THIS CONTRACT.

7.2.1.4 The B-BBEE proposal, cross-referenced to each element of the B-BBEE scorecard clearly setting out:

- The number and percentage of black professionals playing leading roles in the transaction advisor consortium
- The percentage of black equity in the companies making up the consortium, with a weighted average calculated on the percentage of work to be performed by each company, presented in the following format.

Column B must show the percentage of ownership by individuals who are actively involved in the management of the specific company. To verify this, the proposal must be accompanied by supporting documents.

- A credible plan for structuring effective B-BBEE for the PPP, with the necessary skill and experience in the team, substantiated by references.
- A credible plan for skills transfers within the consortium to directly benefit black professionals inexperienced in PPPs.

7.2.1.5 Project comprehension and project management plan, setting out:

- the transaction advisor's understanding of the terms of reference, and any proposals for amendments to the terms of reference that would enhance desired outcomes
- how the transaction advisor proposes to manage the set of deliverables outlined in the terms of reference
- a proposed outline work plan with a timetable for delivery
- how the transaction advisor members will be supervised
- how reporting to the project officer will take place
- any innovative ideas on how the whole assignment can best achieve its objectives.

N.B!!!!!! The technical and B-BBEE envelope must not include any price proposal.

7.2.2 Envelope 2: Price proposal

- Marked with the name of the transaction advisor.
- Titled: 'Price proposal: Transaction advisor services to Free State Department of Health for feasibility study and possible PPP procurement for Parys District Hospital.

Name of consortium Percentage of total Percentage of black Calculated % black member
reimbursement equity in that consortium equity in consortium accruing to that member consortium
member

This envelope must contain:

7.2.2.1 Proposed remuneration for professional fees:

- A remuneration proposal in the remuneration format outlined in 6.2.1 above, giving a professional cost per deliverable item and total for each part as indicated
- VAT must be specified as a separate total for each of the feasibility study and PPP procurement parts. While VAT will be paid pro rata for each delivery item in each part of the assignment, it should be indicated as a total sum per part for purposes of this submission.

7.2.2.2 Cash flow earmarked for each member of the consortium, indicating how black people will benefit. The fee-sharing structure must reflect the actual work, risk and responsibility assumed by each member.

7.2.2.3 An estimation of anticipated disbursement costs per part of work. This information will not be used as a criterion for the evaluation of bids, and the successful bidder will not be held to this amount.

7.2.2.4 A marked-up version of the draft transaction advisor contract (attached here as Appendix B), including the proposed remuneration set out in a draft proposed payments schedule to the contract.

7.3 BID EVALUATION CRITERIA

Bid Evaluation Criteria

The functionality of bids will be evaluated and given scores out of 100%. Bids scoring less than 70% in the technical proposal will be disqualified.

The bid which achieves the technical threshold of 70% out of 100% will be evaluated further based on price and B-BBEE and the bid which achieves the highest points on 80/20 will be recommended by the bid evaluation panel as the preferred Transaction Advisor.

ENVELOPE 1: TECHNICAL EVALUATION

The technical proposals received will be evaluated according to the following criteria and scoring system

Evaluation Criteria

CRITERIA	SCORING Guide	Weight
1. SKILLS AND EXPERIENCE OF THE LEAD TRANSACTION ADVISOR		(12)
1.1. Qualification		4
Post matric qualification in any of the relevant fields e.g. Health Care Finance, Business Management, Build Environment' Engineering, Law, or Project Management in any other relevant field accompanied by relevant experience in leading projects of similar in Health Environment.	5 = Master's Degree and above 4 = Honours Degree 3. Degree/BTech 2 = National Diploma 1 = Recognised formal qualification (NQF5)	
1.2 Experience		8
<ul style="list-style-type: none"> • Demonstrable experience in coordinating work of the entire transaction advisory • Experience in project management and leading a multidisciplinary team • Understanding of project structuring, and limited or non-recourse financing; • Track record in leading complex projects • Project structuring experience • Negotiation experience <p>Provide a list of projects confirming the skills, experience and track record included in your CV including client contact name and details.</p>	5 = >9 years 4 = 7-9 years 3 = 4-6 years 2 = 1-3 years 1 = < 1 year Only relevant experience will be considered	
2. FINANCIAL ANALYSIS & PROJECT FINANCE		(22)

CRITERIA	SCORING Guide	Weight	
2.1 Qualifications		4	
A relevant degree or equivalent in finance and/or accounting of a team leader.	5 = Master's Degree and above 4 = Honours Degree 3 = Degree/BTech 2 = National Diploma 1 = Recognised formal qualification (NQF5)		
2.2 Skills and experience		8	
Responsible for coordinating, leading and managing the output of the finance stream. Experience in the following fields: <ul style="list-style-type: none"> Investment analysis. Project and corporate finance financial planning. Financial modelling Experience in project structuring and project finance and other limited or non-recourse financing with a record of structuring a project that went into implementation. Provide a list of relevant projects in your CV. Highlight at least 6 relevant projects undertake in the past ten years.	5 = >9 years 4 = 7-9 years 3 = 4-6 years 2 = 1-3 years 1 = < 1 year Only relevant experience will be considered		
2.3 Financial Advisory FIRM experience		10	
	Points		

CRITERIA	SCORING Guide	Weight
<p>Track record of the financial Advisory team in the procurement of PPP/DBFO or similar. through project finance principles.</p> <p>Demonstrate experience in project structuring, project finance, financial modelling, packaging of the project funding requirements, financial and investment analysis, risk management, liquidity analysis</p> <p>Provide a list of projects confirming the skills, experience and track record that include:</p> <ul style="list-style-type: none"> - Specific role of the firm - Project Value - Stages in the project 	<p>5 = more than 9 years' experience plus advisory in 5 or more PPP/DBFO projects</p> <p>4 = 7-9 years' experience plus advisory experience in 3-4 PPP/DBFO projects</p> <p>3 = 4-6 years' experience plus advisory in 1-2 PPP/DBFO projects</p> <p>2 = 1-3 years' experience and no record of advisory in PPP/DBFO demonstrated</p> <p>1 = less than 1 year of experience and no relevant experience</p>	
3. TECHNICAL		(22)
3.1 Qualification/s	Points	4
<p>Post matric qualification in any of the relevant fields e.g.</p> <ul style="list-style-type: none"> - Health Care - Finance, - Business Management, - Engineering, - Law, or - Project Management <p>in any other relevant field accompanied by relevant experience in leading projects of similar in Health Environment.</p>	<p>5 = Master's Degree and above</p> <p>4 = Honours Degree</p> <p>3. Degree/BTech</p> <p>2 = National Diploma</p> <p>1 = Recognised formal qualification (NQF5)</p>	
3.2 Skills and experience	Points	8
<ul style="list-style-type: none"> - Demonstrate experience in leading multidisciplinary technical team in the execution of the health PPP project. - Understanding of technical skills required to plan and procure a health PPP or equivalent. 	<p>5 = >9 years</p> <p>4 = 7-9 years</p> <p>3 = 4-6 years</p> <p>2 = 1-3 years</p> <p>1 = < 1 year</p>	

CRITERIA	SCORING Guide	Weight
<ul style="list-style-type: none"> - Developing the output specification to be included in the options analysis. - Lead the negotiations on specific technical matters. - Understanding of the PPP or similar projects <p>Provide a list of projects confirming the skills, experience and track record in your CV;</p>	<p>Only relevant experience will be considered</p>	
3.3 Technical Advisory FIRM experience	Points	10
<p>Experience in leading and coordinating a technical team composed of different expertise.</p> <p>Track record of coordinating technical team required for the implementation of the health PPP and the facilities involved.</p> <p>Full understanding of health operations, infrastructure and integration.</p> <p>Provide a list of projects confirming the skills, experience and track record that include:</p> <ul style="list-style-type: none"> - Specific role of the firm - Project Value - Stages in the project 	<p>5 = more than 9 years' experience plus advisory in 5 or more PPP/DBFO projects</p> <p>4 = 7-9 years' experience plus advisory experience in 3-4 PPP/DBFO projects</p> <p>3 = 4-6 years' experience plus advisory in 1-2 PPP/DBFO projects</p> <p>2 = 1-3 years' experience and no record of advisory in PPP/DBFO demonstrated</p> <p>1 = less than 1 year of experience and no relevant experience</p>	
4. LEGAL		(22)
4.1 Qualification/s	Points	4
Legal Degree	<p>5 = Master's Degree and above</p> <p>4 = Post Graduate/Honours Degree/LLB (post Grad)</p> <p>3. Legal Degree</p> <p>2 = National Diploma</p> <p>1 = Recognised formal qualification (NQF5)</p>	
4.2 Skills and experience	Points	8

CRITERIA	SCORING Guide	Weight	
<p>Demonstrate experience in leading multidisciplinary legal team in the execution of the health PPP project.</p> <ul style="list-style-type: none"> - Understanding of legal requirements to plan and procure a health PPP or equivalent. - Developing and control bid documents and facilitate the signing of the agreement - Performed legal quality assurance of all bid documents and processes. - output specification to be included in the options analysis. - Lead the negotiations on specific technical matters. - Understanding of the PPP or similar projects <p>Provide a list of projects confirming the skills, experience and track record in your CV;</p>	<p>5 = 9 years and Above 4 = 7-9 years 3 = 4-6 years 2 = 1-3 years 1 = Less than 1 year</p> <p>Only relevant experience will be considered</p>		
4.3 Legal Advisory firm	Points	(10)	
<p>Relevant experience and track record of advisory service in drafting and negotiating commercial agreement.</p> <ul style="list-style-type: none"> • A verifiable track record in the procurement of the project of the similar size and complexity. • Highlight experience in the implementation of Public Private Partnership projects <p>Provide a list of projects confirming the skills, experience and track record that include:</p> <ul style="list-style-type: none"> - Specific role of the firm - Project Value - Stages in the project 	<p>5 = more than 9 years' experience plus advisory in 5 or more PPP/DBFO projects</p> <p>4 = 7-9 years' experience plus advisory experience in 3-4 PPP/DBFO projects</p> <p>3 = 4-6 years' experience plus advisory in 1-2 PPP/DBFO projects</p> <p>2 = 1-3 years' experience and no record of advisory in PPP/DBFO demonstrated</p> <p>1 = less than 1 year of experience and no relevant experience</p>		

CRITERIA	SCORING Guide	Weight
5.PROJECT TEAM STRUCTIRE		(6)
<p>The proposal must cover the following:</p> <ul style="list-style-type: none"> - Project team structure/organogram indicating respective roles of each team member per stream and applicable reporting lines - CV's with certified copies (6months) indicating qualifications, skills, experience, and their suitability for the proposed role/s. - Professional role that each person will play in the assignment and cross reference to each delivery <p>Provide background of the team member's knowledge and understanding of the subject matter with specific reference to health.</p>	<p>5 = All elements are comprehensively covered (Project Team organogram and CVs provided, skills of each team member match the requirements as well relevant skills and experience are cross referenced to the deliverables).</p> <p>4 = Elements are provided but not comprehensive enough. (Project Team organogram and CVs provided, skills of each team member match the requirements as well relevant skills and experience are not cross referenced to the deliverables).</p> <p>3 = Elements are adequately provided. (Project Team organogram and CVs provided but skills of each team member are not clear how they match the requirements as well relevant skills and experience are not cross referenced to the deliverables).</p>	

CRITERIA	SCORING Guide	Weight
	<p>2 = Elements are poorly covered (Project Team organogram incomplete and CVs provided but do not provide required information, skills of each team member do not match the requirements as well relevant skills and experience are not cross referenced to the deliverables).</p> <p>1 = Elements are not covered</p>	
6. CAPACITY TO DELIVER AND QUALITY OF PROJECT COMPREHENSION DEMONSTRATED IN PROPOSALS	Points	(8)
<p>The proposal should demonstrate:</p> <ul style="list-style-type: none"> - Understanding of the terms of reference in relation to Free State Health proposed PPP - Proposed work plan, project management approach and timelines for the project demonstrate clear understanding of the project deliverables. - Project management approach with its workplan is implementable without renegotiation and amendments. - Order of documents as prescribed in the bid document. - Adherence to provide CVs for the project team members - Copies certified within six months 	<p>5= Proposal demonstrates thorough understanding of the terms of reference in relation to the FS Health requirements and challenges related to this project with relevant innovative ideas to achieve project objectives.</p> <p>4 = Proposal demonstrates acceptable understanding of the terms of reference in relation to FS Health requirements and challenges related to this project. Proposal provides acceptable innovative ideas to achieve project objectives.</p>	

CRITERIA	SCORING Guide	Weight
	<p>3 = Proposal demonstrates poor understanding of the terms of reference in relation to FS health requirements and challenges related to this project.</p> <p>1 = Proposal provides limited understanding and limited innovative ideas to achieve project objectives.</p> <p>1= Proposal provides no evidence of understanding the project requirements</p>	
7. ORGANISATION METHODOLOGY, QUALITY OF PROPOSED WORK PLAN, PROJECT MANAGEMENT APPROACH	Points	(8)
<p>A project management approach accompanied by a clear work plan with timelines (in Excel/ Gantt chart) must be included.</p> <p>Comprehensive organisation's methodology – Relevance of the method regarding management and the implementation of the project</p> <p>Logical scheduling of activities (Do the activities follow a sensible order)</p> <p>Please attach a detailed project plan that will hold the respondent accountable and used for monitoring the progress</p>	<p>5 = A comprehensive project management approach accompanied by a clear work plan with timelines (in Excel/ Gantt chart) are included.</p> <p>4 = project management approach, accompanied by a work plan with timelines (in Excel/ Gantt chart) are included.</p> <p>3 = A limited project management approach, accompanied by a work plan with timelines (in Excel/ Gantt chart) are included.</p> <p>2 = Unclear project management approach and unclear workplan, methodology and timelines</p>	

CRITERIA	SCORING Guide	Weight
	1 = Limited or no project management approach: No clear work plan and timelines (in Excel/ Gantt chart)	
TOTAL TECHNICAL POINTS		100
MINIMUM THRESHOLD		70

ENVELOPE 2: PRICE AND B-BBEE EVALUATION

As the total budget for this assignment has been declared by the department, a total of 80 points is allocated to the price component of the bid and 20 points to B-BBEE (80/20 principle). The lowest total bid price for the terms of reference will be allocated the maximum points for price.

7.1 THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 points is allocated for price on the following basis:

7.2 80/20

$$P_s = 80 - 1 \times \frac{P_t - P_{min}}{P_t - P_{min}}$$

$$P_{min} =$$

Where

P_s = Points scored for the price of bid under consideration
 P_t = Price of a bid under consideration
 P_{min} = Price of lowest acceptable bid

The B-BBEE status level of contribution will be in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

7.5 Non-compulsory briefing session

The Free State Department of Health will hold a briefing session on the terms of reference. All potential transaction advisors are required to attend and register their interest in submitting bids. The list of attendees will be circulated to all present to encourage the formation of appropriate consortia. No party registering interest is, however, bound to submit a bid.

Date: 03 March 2022

Time: 09:00

Venue: Auditorium first floor

Bophelo House, c/o Charlotte

Maxeke Street and Harvey Road

Bloemfontein

7.6 Address and the deadline for submission of bids

Bids by transaction advisors must be submitted in a single sealed envelope, containing the two, separate, sealed envelopes required.

The envelope must be marked: 'Transaction advisor services to The Free State Department of Health for feasibility study and possible PPP procurement for Parys District Hospital. The bid must be hand delivered to: The bid box

The Free State Department of Health physical address:

Bophelo House

Cnr Charlotte Maxeke & Harvey Road

Bloemfontein

By no later than [time: 11H00 and date (18, March, 2022)]

The Free State Department of Health will record all bids received by the deadline.

Appendix A: Background and supporting documentation [insert list of available material and/or list of the attached documentation.

BID VALIDITY PERIOD

The bid will be valid for a period of 90 days.

(49)

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, at
 Washington, D. C., on the 10th day of May, 1906.
 The land described in the foregoing is situated in the
 State of California, and is more particularly described
 in the accompanying map, which is a part of the original
 records of the Department of the Interior, Bureau of Land
 Management, at Washington, D. C., and is on file in the
 office of the Surveyor General of the State of California,
 at Sacramento, California.

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:.....

2.3 Position occupied in the Company (director, trustee, shareholder², member):
.....

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:
.....

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

¹"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

²"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

LEG

2.7 Are you or any person connected with the bidder **YES / NO**
presently employed by the state?

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person
connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:

.....

.....

.....

2.7.2 If you are presently employed by the state, did you obtain **YES / NO**
the appropriate authority to undertake remunerative
work outside employment in the public sector?

2.7.2.1 If yes, did you attach proof of such authority to the bid **YES / NO**
document?

(Note: Failure to submit proof of such authority, where
applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....

.....

.....

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