



RFI 01/2022

**REQUEST FOR INFORMATION ON AN ENERGY
TRANSITION PARTNERSHIP FINANCE MODEL FOR
RENEWABLE ENERGY PROGRAMMES AND PROJECTS**

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1. INVITATION

Centlec (SOC) Ltd (hereafter Centlec) request information from entities (public, private, development finance institutions, national or regional development banks, and/or multi-lateral development funds) who have proven experience in providing finance for renewable energy projects on a financing model for Centlec on renewable energy programmes and projects, including the re-purposing of the old power station and associated buildings.

1.2 Specified Goals for Preferential Point System

Specified Goals	Points Allocation
50% Black owned	10
50% Women owned	5
50% Youth owned <35 years	5
Total Points	20

2. MINIMUM REQUIREMENTS

- 2.1 Supply unique security personal identification number (PIN) from SARS for TAX compliant status and submit original valid Tax Clearance Certificate
- 2.2 Supply municipal services (water, sanitation, rates and electricity) clearance certificate or Lease Agreement with a current Bill and rates clearances, or Current Bill of Account not owing more than 90 days. In a case where the services are paid by the Landlord, the signed lease agreement and statement of account must be submitted by the bidder.
 - 2.2.1 In an event, that the Bidder utilizes prepaid services (e.g. Water or electricity) a valid municipal clearance certificate(s) must still be provided.
- 2.3 The bidder must be registered with National Treasury Data Base of suppliers and proof thereof must be submitted.

3. RFI REVIEW AND CLARIFICATION PROCESS

This RFI is issued with the intent to obtain information that provides guidance to Centlec in implementing a Centlec-owned renewable energy programmes including, but not limited to solar farms, rooftop Photo Voltaic (PV) systems, etc to reduce greenhouse gas emissions and increase energy security, as well as to obtain information that provides guidance to Centlec on implementing a process to convert the old Power Station, associated buildings and equipment from its historical purpose into an establishment that will promote the social and economic upliftment of the Mangaung Metro Municipality communities.

To fully comprehend the information contained within a response to this RFI, Centlec may request further clarification in the form of brief verbal communication by telephone, written communication, electronic communication, or a presentation to the Centlec Evaluation Committee.

4. BACKGROUND

Centlec (SOC) Ltd is researching innovative funding and financing solutions for programmes of Centlec owned renewable energy projects and the feasibility of a Public Private Partnership (PPP) opportunity in which it gives a selected private party the right to the appropriate commercial use of the re-purposed power station, equipment and associated buildings.

Centlec is planning on implementing these projects in line with its Integrated Development Plan, Climate Change Strategy and Action Plan to achieve a Carbon Neutral City by 2050, as well as the feasibility of this PPP with regards to the Power Station Building, particularly what scale and types of market interest is available and mostly popular in the region.

With a range of constraints currently being placed on municipal revenues and budgets, along with the urgency for action on climate mitigation and energy security, alternative and innovative sources, social and economic upliftment of communities finance from external parties need to be sought to provide the upfront capital to implement these projects in a cost-effective and affordable manner.

5. RECOMMENDED REQUIREMENTS

Departures from the following recommended requirements must be fully motivated:

- 2.1 The financial solution must be affordable and provide the necessary upfront capital to implement these projects.
- 2.2 The solutions preferred are those which take cognizance of the climate mitigation benefits of the renewable energy program and the need for social and economic upliftment within communities.
- 2.3 The assessment of offered financial solutions by Centlec (SOC) Ltd will include, but not be limited to, the following considerations: affordability over the life of the investment, ease of monitoring of funds/reporting, risk allocation between parties.
- 2.4 Local and international financial institutions are invited to respond, however the finance provided must be denominated in South African Rand (ZAR) to limit Centlec's risk exposure to currency and foreign exchange fluctuations.
- 2.5 Whilst Centlec's preference will be for fixed interest rates, we will consider both fixed and variable interest rate funding.
- 2.6 To develop these Centlec-owned projects, Centlec would be willing to engage in various types of contracts, including but not limited to, Centlec developing and executing the projects and/or through a Public-Private Partnership model.

2.7 A typical PPP agreement will be formulated.

2.8 In this agreement, the private party is granted rights to finance, design, build, maintain and operate the facility established for a period likely to provide a fair return on investment.

2.9 In return, the private party will meet agreed heritage, environmental, development, operating and broad-based obligations, including the payment of a PPP fee to Centlec (SOC) Ltd. At the end of the agreement term, the facility reverts to Centlec (SOC) Ltd.

2.10 The objective of the strategy is to re-purpose the power station property owned by Centlec (SOC) Ltd, to preserve its heritage value and to maximise the property for income generation, for socio-economic development of the Mangaung Metro Municipality communities and for the purpose of education.

2.11 One of the avenues for commercialisation is through Public Private Partnership which may provide Centlec (SOC) Ltd the opportunity to achieve this goal. High-level commercialisation objectives for Centlec (SOC) Ltd include any of the following:

Revenue Generation, Optimal use of an under-performing asset, Job creation, Broad based Black Economic Empowerment, Infrastructure upgrades, Upgrade/development of a historical site, Tourism promotion and Socio-economic benefits to disadvantaged communities within the Mangaung Metro Municipality Region.

6. INFORMATION REQUIRED

All respondents to this RFI are requested to provide a report with the following information:

5.1 Provide sufficient detail of the types of finance available, by completing the table below for each mechanism or instrument offered (qualitative and quantitative responses are suitable):

Criteria	Instrument/ Mechanism 1	Instrument/ Mechanism 2	Instrument/ Mechanism 3
Description			
Source			
If Applicable, Interest Rates			
If Applicable, expected changes to interest rates			
Type of Financial Instrument			
Cost of Financial Instrument			
Investment Ratio			
Discount Rate			

Typical investment / Repayment horizons offered			
Description of repayment options			
Any significant risks identified by the financial institution that need to be mitigated			
What Centlec needs to provide to access this finance			
Any credit guarantee/security/insurance required			
Additional benefits of financial mechanism			
Any impact indicators that would need to be monitored and/or proven			
Any other relevant information to be communicated			

6.2 Detail how these types of finance will be appropriate for meeting the needs of Centlec (SOC) Ltd, as outlined above.

6.3 Outline the timeline, process and requirements for engaging further on and accessing these finance options.

6.4 Provide a list of the additional value added services, including but not limited to opportunities for direct community benefits and/or participation, or support that will be made available to Centlec (SOC) Ltd if one or more of your finance solutions were to be utilised, especially if support is provided for project preparation.

6.5 Provide a company profile, track record of providing similar financial mechanisms, and expertise available. In addition to providing the information requested above, Appendix A (found at the end of this document) must also be completed.

7. ADMINISTRATION INFORMATION

This Request for Information (RFI) is not a request for proposal, request for quotation, offer or invitation for bid, nor does its issuance restrict Centlec (SOC) Ltd in its eventual implementation activities. This is an RFI only, and all information received will be used for planning purposes only.

8. CONFIDENTIALITY

All parties (Centlec (SOC) Ltd and the bidder) shall keep all information obtained by them in the context of this RFI confidential and shall not divulge it without the written approval of the other party. All submissions will be evaluated in compliance with internal Centlec (SOC) Ltd supply chain process, as well as guiding principles and regulations that govern transactions with municipal entities.

9. EVALUATION CRITERIA

All information submitted will be evaluated in accordance with the criteria set out in the policy of Supply Chain Management of the Entity.

The most suitable candidate will then be selected. Please take note that CENTLEC (SOC) Ltd is not bound to select any of the firm's submitting information. CENTLEC (SOC) Ltd furthermore reserves the right to select more than one bidder.

Furthermore, financial management competence is the principal selection criteria, CENTLEC (SOC) Ltd will evaluate the financial criteria first and will only look at the BBBEE level of contribution if it is satisfied with the said evaluation. As a result of this, CENTLEC (SOC) Ltd does not bind itself in **any way** to select any firm.

The relative **financial competency** of the criteria is as follows:

No.	Criteria	Description	Points
1.	Track record and experience	Has the candidate provided and completed a service or project with similar scope successfully in the last ten (10) years? A maximum of Three (3) signed reference letters of confirmation are required. Weight is: Two (2) projects = 10 points Three (3) projects = 20 points	20
2.	Locality Facilities in SA.	Does the candidate, have an international business address? = 5 points Does the candidate, have a South African business address? = 10 points	10
3.	Technical Capability	Does the candidate supply a resource profile? Professional Financial Advisors registered with the Financial Council.	30

No.	Criteria	Description	Points
		i. A registered professional financial advisor with 1 (one) to five (5) years' experience in similar scope financing = 15 points ii. A registered professional financial advisor(s) with five (5) to ten (10) years' experience similar scope financing = 30 points	
4.	Methodology and Approach	The candidate should demonstrate the approach and methodology to be used in rendering the service. The information(s) should include but not be limited to the following: Return on investment and life cycle costing on all viable options. i. Demonstrate all viable finance options. A minimum of two (2) suitable options = 15 points ii. Demonstrate all viable finance options. A minimum of three (3) or more suitable options = 20 points	20
5.	Funding model (Financial Plan)	CENTLEC (SOC) Ltd as an entity of MMM provides the prospective bidder with the areas where the funding will be invested. Candidate with full project funding i.e., self-sourced funding or grant = 20 points Candidate with a percentage of funding where CENTLEC (SOC) Ltd will provide a percentage of funding = 10 points	20
	Total Points		100

Table 2: Evaluation Criteria

Item 1: Minimum points = 10

Item 2: Minimum points = 5

Item 3: Minimum points = 15

Item 4: Minimum points = 15

Item 5: Minimum points = 10

A candidate who gets 55 points on technical evaluation will qualify to progress to the next stage.

9.2 POINTS AWARDED FOR PRICE

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

80/20

$$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) 0$$

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

9.3 POINTS AWARDED FOR SPECIFIC GOALS

In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table below as may be supported by proof/ documentation stated in the conditions of this tender:

Specified Goals for Preferential Point System

Specified Goals	Points Allocation
50% Black owned	10
50% Women owned	5
50% Youth owned <35 years	5
Total Points	20

Table 3: Specified Goals

10. CONTACT INFORMATION

9.1 For any further technical information regarding the document contents please contact Mr. LC Bango at 051 409 2232 or e-mail: lourence.bango@centlec.co.za. Such queries must be done in writing, the email address provided might serves this purpose, but a hard copy needs to posted as well for the record. The answer to one question shall also be sent to all the other prospective bidders that have bought the bid documents.

9.2 For Supply Chain Related questions, Please contact Mme. Palesa Makhele at 051 412 2753 or at Palesa.Makhele@centlec.co.za

11. Appendix A

Renewable Energy Program and Centlec (SOC) Ltd Asset Re-purpose Finance RFI – Response Template

1. General Information		
1.1	Firm Name:	
1.2	Public Address:	
1.3	City:	
1.4	Primary Business	
1.5	Contact Name:	
1.6	Title:	
1.7	Phone Number:	
1.8	Email address:	
1.9	Willingness to make a presentation to Centlec (SOC) Ltd if requested: Yes / No	
1.10	We hereby agree that the content of this submission can be shared between Centlec (SOC) Ltd Departments: Yes / No	