



## **TERMS OF REFERENCE**

**REQUEST FOR PROPOSALS FOR APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR PROVISION OF PROFESSIONAL SERVICES FOR SOLAR - ALTERNATIVE ENERGY SOLUTION FOR THE NORTH WEST PROVINCE**

**BID NO: NWDC/T&IRFP001/2023**

**CLOSING DATE: 28 SEPTEMBER 2023**

**CLOSING TIME: 11H00**

**DELIVERY ADDRESS: NORTH WEST DEVELOPMENT CORPORATION – HEAD OFFICE**

**22 JAMES WATT CRESCENT**

**MAFIKENG INDUSTRIAL AREA**

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## 1. INTRODUCTION

The North West Province has identified the energy shortage as one of the biggest obstacles to economic growth. They have identified solar renewable energy as one of the solutions to this crisis resulting in the North West Province tasking North West Development Corporation (NWDC) to initiate this proposed project. The NWDC has sought to understand the magnitude of the task through the formation of a **task team** to spearhead this process.

The task team role was to develop high level concept document to determine where it will be possible to participate along the solar value chain. The task team has commissioned the NWDC to undertake a full scale feasibility study to investigate the concept of a 'low cost' solar panel-based energy solutions in North West Province.

The task team came with the following recommendation:

- Develop a broad programme for small-scale solar PV solutions to enable energy for poor and lower income households to be able to implement solar PV panel systems for households, small and micro business' energy requirements.
- Attention be directed to investigating and developing solar roll-out, installation and maintenance initiatives that are focused on the more labour intensive and longer-term nature of opportunities in the solar value chain.
- In order to ensure longer term opportunities, the question of affordability of small-scale solar PV solutions need to be addressed and a financing mechanism developed to enable energy for poor and lower income households to be able to implement solar PV panel systems for household and small and micro business energy requirements.
- As an alternative, a study to inform on such an approach would be more useful to households, small and micro businesses negatively impacted by inherent energy poverty as well as current and foreseeable national energy crisis challenges. Close co-operation and alignment with the South African Renewable Energy Masterplan (SAREM) process would be beneficial to both the North West Province as well as broader national.
- As an alternative, a study to inform on such an approach would be more useful to households, small and micro businesses negatively impacted by inherent energy poverty as well as current and foreseeable national energy crisis challenges.

The NWDC is an agency of the Provincial Government of the North West Province. It was established to plan, finance, coordinate, promote and carry out the economic development of the North West Province and its people in the fields of industry, commerce, finance, mining, tourism enterprise-related activities and other business resulting in wealth and job creation, while taking cognisance of the aims and objectives of the Reconstruction and Development Programme in South Africa. It is listed as a Schedule 3D provincial government entity in terms of the Public Finances Management Act.

## **2. OBJECTIVE**

The project entails the procurement of a private organization to assess, implement and operate the renewable energy solutions suitable to supply reliable electricity at identified North West Provincial Government buildings. This will entail investigations, feasibility studies (any other relevant electrical study), technology determination, design solution, construction procurement strategy.

The purpose of this exercise is to allow the department to appoint suitably qualified service providers who will be adjudged to be sufficiently experienced and committed organizations which meet the technical, experience requirements, socio-economic and other requirements of the Department. The Department therefore seeks responses from experienced and committed consortia and/or organizations who wish to be given an opportunity to undertake projects of this nature.

## **3. LOCATION**

The primary project site is earmarked for established at Stilfontein, within the Dr Kenneth Kaunda District. This study should look into the viability of locating the primary project in Stilfontein and satellite facilities in other district municipalities in the province. Further investigation in Stilfontein should be on other projects of a similar nature existing or planned to be developed in the same area.

## **4. DESIRED OUTCOME**

4.1 The desired outcomes of the Project are to:

- 4.1.1 Intervene in the energy crises, sustain economic stability and business continuity in the province.
- 4.1.2 Address energy poverty and minimize job loss.

## **5. SCOPE OF WORK**

The bidder will be required to carry out investigations, feasibility studies (any other relevant electrical or renewal energy study), technology determination, design solution, roll out and installation strategy, develop and implement operations and maintenance strategies.

- 5.1. Feasibility studies – The bidder will be expected to determine which households, small scale businesses (SMMEs), and government institutions are technically and financially appropriate for solar renewable energy installations. The feasibility study should be in a such a way that it will lead to implementation of the project once approved. The feasibility study should be completed within three (3) months after appointment of each the service providers.
- 5.2. Technology determination – The bidder will be expected to determine which solar system type will be best for each category of beneficiaries to this intervention.
- 5.3. Design solution – The bidder is solely responsible for developing a detailed design in full compliance with local and international standards related to electrical works and specifically Photovoltaic (PV) works (where local codes are insufficient), compliance with International Electrotechnical Commission (IEC) standards will be the minimum.

- 5.4. Construction procurement strategy – The bidder needs to draft procurement strategy in terms of relevant legislations that regulates the sector.
- 5.5. Roll out installation and maintenance Strategy – Develop a roll out and installation and maintenance strategy.
- 5.6. Skills Development Program (SMME development training and capacitation strategy) - Develop a strategy for development of SMMEs in the roll out installations and maintenance value chain. The bidder is expected to show in their proposal how the skills will be transferred to the communities/SMMEs in which the project will be implemented, leaving the communities/SMMEs with sustainable skills that are accredited and could be used in the future by the beneficiaries.
- 5.7. Project reporting and monitoring mechanisms – Develop a reporting and monitoring mechanisms for the roll out installation and maintenance of the earmarked energy solution. The bidder should develop and submit the criterion of monitoring the performance of the project as an aftercare proposition.
- 5.8. Funding and capital investment – Develop a funding model that will sustain the longer-term sustainability of this project.

## 6. KEY CONSIDERATIONS

- **Information availability:** The study is based on a number of critical assumptions, for which more technical specific detailed information would be required to be obtained as a part of a full feasibility study (including e.g., location of energy poor household communities, as this will have a significant impact on logistics planning and costs)
- **Expectation management around funding availability:** Care should be taken around the expectation management around a programme such as proposed, since financing the equipment, training and roll-out programme will require a significant investment. While initial funding may be available to conduct a pilot programme, certainty around the full funding of a programme of this nature is not guaranteed at this point. A full feasibility study will also need to investigate avenues for funding the programme in a sustainable way and could potentially include innovative mechanisms e.g., carbon credits.
- **System selection:** As part of the study 3 illustrative technical systems were used to demonstrate functionality and possible associated costs, however, none of these systems are specified to 'replace' a fully functional Eskom or Municipal connection. The volume and installation requirements were informed by an illustrative 'mix' of these systems. However, justifying system specifications for this type of roll-out in practice would need to be investigated and a decision taken regarding an acceptable 'standard' system – which would then need to be specified for procurement purposes. This decision will impact both costs (and over project budget requirements) as well as expected functionality and durability of the systems in the field. These are critical technical aspects not covered in this high-level study.
- **System maintenance / replacement strategy:** A key decision that needs to be informed are options for system maintenance, replacement, warranties, theft or weather damage, faulty installations etc. and how the Province as 'owner' of the equipment will provide future service

around this aspect. While the maintenance component provides opportunities for continued future job creation, it also implies future liabilities (including financial) on the owner of the equipment. This aspect needs to be considered in detail, as typical PV systems are designed to deliver at a specific level over a particular period (e.g., most battery systems only last 5 years, PV panels degrade and lose efficiency over e.g., 10 to 20 years). These technical aspects typically vary across different makes and models of panels, batteries and inverters and need to be taken into consideration in a full feasibility study to help with technical systems selection specification.

- **Theft considerations:** A real-world challenge with small PV systems is that these are prone to theft (or some components like batteries or inverters and cables). It would make sense to investigate what technical options are available (and costs) of 'theft or tamper' proofing systems potentially exists or can be developed for these systems.

## 7. REPORTING

- 7.1. The service providers will work closely with and report directly to the NWDC Project Manager assigned on a site basis.
- 7.2. Progress reports will be submittable on the weekly basis and reviewed monthly. As a minimum, each site will require the following reports:
  - Project plans
  - Feasibility studies
  - Grid integration
  - Structural analysis
- 7.3. All documents and copyrights, including data and databases developed during the process, will remain the intellectual property of NWDC.
- 7.4. All project artifacts, such as: designs, simulation models, application forms, drawings, operations, and training manuals shall be handed over to NWDC for all sites.
- 7.5. All resulting reports and data shall be delivered in electronic format and will be subject to a quality assurance process.
- 7.6. All drafts and final reports shall be submitted in full by the end of the project to the Project Manager. They must be edited, complete and presented in their final versions.

## 8. FUNCTIONALITY EVALUATION

**1<sup>st</sup>Stage:** The evaluation criterion for functionality aims to assess the capability of the tenderer to execute and maintain a tender and/or contract.

(A)	(B)	(C)	(D)
Criteria	Description	Weight	Functionality Assessment
Company experience	At least two Renewable energy solar PV studies undertaken for commercial or industrial buildings in the past 10 years, including the development of pre-feasibility study (initial assessment and recommendation of applicable technology), full feasibility study & preliminary designs and a comprehensive implementation strategy. The bidder should include two reference letters)	30	<b>5 points:</b> 0-4 years <b>15 points:</b> 5-9 years <b>30 points:</b> 10 years and more.
Qualifications and experience of key personnel	The project team should comprise of members with relevant technical expertise. Each expert should have a minimum of 3 years in the respective field.  Curriculum Vitae of all personnel involved to be submitted highlighting specialization and experience that is relevant to this project.	15	<b>5 points:</b> 0 – 5 years personnel’s working experience ( <b>attach proof</b> )  <b>10 points:</b> 6 – 9 years personnel’s working experience ( <b>attach proof</b> )  <b>15 points:</b> 10 and more year’s personnel’s working experience ( <b>attach proof</b> )
Methodology	Quality of the methodology demonstrating understanding of key interfaces between different engineering disciplines, and between engineering and non-engineering disciplines and clarity on how these will be integrated / resolved. Approach showing an understanding of applicable renewable energy, engineering, safety and environmental standards and procedures.	15	<b>10 points:</b> Well defined methodology  <b>15 points:</b> Well defined methodology with clear understanding of the renewable energy, all applicable standards and procedures.
Project Duration, schedule, and project plan with clear timelines	Innovative and robust programme detailing all activities in a logical sequence, in parallel and demonstrating understanding of interdependencies between activities and deliverables and how	20	<b>5 points:</b> Unclear project duration schedule with no timelines  <b>10 points:</b> Project duration schedule with timelines

(A)	(B)	(C)	(D)
Criteria	Description	Weight	Functionality Assessment
	these roll up to milestones. Reasonable programme detailing all activities in a logical sequence and demonstrating understanding of interdependencies between activities and deliverables.		<b>20 points:</b> Detailed project duration schedule, with clear timelines and implementation plan.
Skills transfer to the North West Province	Innovative approach to skills transfer to the client team and the subcontracted entities and effectiveness thereof.	20	<b>20 points:</b> Detailed skills transfer and implementation plan  <b>10 points:</b> Skills transfer document with no details of how skills will be transferred.

**Minimum qualifying points for Functionality to advance to the next stage of evaluation, which is the Preferential Point System is 70 points.**

**2<sup>nd</sup> STAGE: PREFERENTIAL POINT SYSTEM - PRICE AND B- BBEE - 80/20 Preferential Procurement Framework of 2017:**

CRITERIA	DESCRIPTION	PRICE (Points)-	B-BBEE (Points)
<b>Fee to be charged (Price) and B-BBEE Level</b>	80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million	80	20

**TENDER REQUIREMENTS**

- The bidder is required to submit a technical proposal that will be evaluated for functionality
- Proven track record of similar projects that has been implemented
- Capacity of the organization that is capable of managing and executing the project
- Bidders must have the following personnel amongst others:
  1. Electrical Engineer/Technologist/Technician who has solar engineering works experience and registered with SAPVIA.
  2. Registered Professional Civil Structural Engineer
  3. Specialist in the field of renewal energy

**NB. Bidders should take note of the above technical (quality) evaluation criteria.**

[a] All the necessary documentation must be submitted for the Evaluation Panel to make an informed evaluation. Evaluation of the Technical (Quality) Requirements will be based on the information provided by the bidder.

[i] **Experience** - The experience annexure must be completed. Only list projects of a similar nature undertaken.

[ii] **Expertise** – The qualifications and capacity of the company/team to undertake the work must be provided for evaluation purposes.

[b] Proposals that do not meet a minimum **70 points** in total for the criteria listed above will not be considered further.

[c] A minimum total score of **70 points** must be obtained in order for the bid to proceed to the Financial Evaluation i.e., **70 points**.

## 9. SUBMISSION OF BIDS

The following compulsory documentation must be submitted with the bid documents.

### FICA REQUIREMENTS AND ADDITIONAL ADMINISTRATIVE INFORMATION REQUIRED

Authenticated copies are permissible		
No	Document	Checked (v/X)
1	Company profile and experience	
2	B-BBEE certificate (Only Accredited and Sworn Affidavits Certificates shall be accepted)	
3	Company registration (CIPC) and Company Documents	
4	Confirmation of Residential Address or Business Address	
5	Any Applicable Relevant Accreditation Certificate	
6	Valid Tax Pin	
7	Updated Central Supplier Database Report	
8	CV, ID Copies and Profile of Directors, Team Members and Supporting Staff Members for a consortium company (where applicable).	
9	Confirmation Letter of the Bank	
10	Confirmation letters from previous clients indicating success in similar projects or in line with the scope of work	
11	Signed Joint Venture/Consortium Agreement (where applicable) and registered on CSD	
12	Proposal/Methodology/ Approach	
13	Project Plan with clear timelines	
14	SBD 1- Invitation to Bids	
15	SBD 3.1 - Firm Prices: All-inclusive + VAT	
16	SBD 3.3 – Pricing Schedule (Professional Services) (where Applicable)	
17	SBD 4 – Declaration of Interest	
18	SBD 6.1 - Preference points claim form in terms of the Preferential Procurement Regulations	
19	SBD 6.2 – Declaration Certificate for Local Product and Content (where applicable)	
20	SBD 8 – Declaration of Bidders Supply Chain Practices	

21	SBD 9 - Certificate of Independence	
22	General Conditions of Contract	

**Note:**

- Tax Pin must be valid at time of tender.
- Please Tick (v) if available and (X) if not available.
- In case of a Consortium, Joint Venture or Subcontractor, the documents listed above must be submitted for each Consortium/JV member or subcontractor as well as certified copy of a relevant agreement signed by all parties.
- It must be noted that the evaluation of the proposal will be conducted in line with the scope of work indicated in this document.
- Only Accredited or SWORN AFFIDAVIT B-BBEE certificates shall be accepted.
- Non-submission of the Technical Required documents will render the proposal invalid.

**10. ENQUIRIES**

Enquiries may be directed to the following person:

Scope/Terms of Reference	Supply Chain
<b>Yvonne Mothibi</b> - 064 850 2830 Email: <a href="mailto:yvonnem@nwdc.co.za">yvonnem@nwdc.co.za</a> <b>Lovemore Makunike</b> - 082 871 4483 Email: <a href="mailto:lovemorem@nwdc.co.za">lovemorem@nwdc.co.za</a>	<b>Lebohang Matshasa</b> – 066 484 0582 Email: <a href="mailto:lebohangm@nwdc.co.za">lebohangm@nwdc.co.za</a>

**The North West Development Corporation is not compelled to accept the lowest or any other tender. Tenders should remain valid for a period of 90 days after the closing date. Tenders not meeting specifications, evaluations criteria and requirements as specified in this invitation, will be automatically disqualified.**

## 11. SUBMISSION PROCESS

(a) One (1) Original must be sealed together marked Tender Number **(NWDC/T&IRFP001/2023)** must be hand delivered or couriered and dropped in the tender box at the **NWDC Head Office, 22 James Watt Crescent, Mahikeng Industrial; Mahikeng, 2745 at 11h00.**

(b) Proposals must reach the above address on or before **28 SEPTEMBER 2023. No late submissions shall be accepted.**

(c) Proposal that are not received by the deadline will not be considered and will be returned to the proposer unopened.

(d) No Faxed Proposals shall be accepted.

(e) Emailed documents will **NOT** be accepted

(f) All costs related to this tender shall be carried by the bidder.

## 12. CONDITIONS FOR DISQUALIFICATION

The NWDC reserves the right to disqualify any bidder, who does any one or more of the following, and such disqualification may take place without prior notice to the offending bidder, however the bidder will be notified in writing of such disqualification:

- Bidders who submitted incomplete information and documentation not in accordance to the requirements of this bid document.
- Bidders who submitted information that is fraudulent, factually untrue or inaccurate information.
- Bidders who received information not available to other vendors through fraudulent means; and/or
- Bidders who do not comply with mandatory requirements as stipulated in this bid document.