cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

MISA
MUNICIPAL INFRASTRUCTURE SUPPORT AGENT

Reference No: ESD/01/05/2024
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REQUEST FOR QUOTES (RFQ) SUITABLE SERVICE PROVIDERS TO UNDERTAKE AN ASSESSMENT OF THE DESIGN AND FINANCING REQUIREMENTS OF A SPECIAL PURPOSE VEHICLE (SPV) FOR THE PROGRAMME MANAGEMENT ANDIMPLEMENTATION OF THE EASTERN SEABOARD DEVELOPMENT (ESD)

1. INTRODUCTION AND BACKGROUND

The Eastern Seaboard Development (ESD) Region was declared a region in June 2022 (in terms of Section 19 of the Spatial Planning and Land Use Management Act, 2013) by the Presidency in an attempt to highlight and prioritise the relative lack of investment and thus socio-economic development in the region. Despite huge public investment over the years and the existence of several natural endowments, very little infrastructure investment at scale has been undertaken which has left the region largely underdeveloped. The ambitious vision for the region is aimed to largely focus on taking advantage of the Region's endowments and natural and cultural resources, to transform the region through robust, sustainable, innovative and inclusive spatial development interventions.

As a result, the Region has been identified as a strategic area by the three spheres of government as a key strategic investment node (IPCC; NSDP, 2030), and covers an area spanning the southern coastline of the KwaZulu-Natal (KZN) and northern part of the Eastern Cape (EC) Provinces and spans across four (4) Districts (Alfred Nzo, OR Tambo, Harry Gwala and Ugu) and its seventeen (17) Local Municipalities. Subsequent to the declaration of the region, a Regional Spatial Development Framework (RSDF), was developed to articulate a spatial vision for the region, underpinned by development objectives and spatial proposals.

The Department of Co-operative Governance and Traditional Affairs has appointed the Municipal Infrastructure Support Agent (MISA) to facilitate the conceptualisation, planning and co-ordination of the Eastern Seaboard Development. This phase of the programme activities has been completed which includes the development of the Regional Spatial Development Framework and most recently the finalisation of the Regional Master Infrastructure Plan. The ESD has now progressed to a stage which requires an enhanced level of programme management for implementation over the next 5 years (2025-2030),

The Eastern Seaboard's implementation phase requires an independent entity with dedicated programme management capacity to undertake the coordinate all public and private sector stakeholders, identify funding mechanisms, secure capital and partnerships, and support project implementation as per the Regional Master Infrastructure Investment Plan, and ongoing consultation with COGTA, MISA, SALGA, EC and KZN provinces and the district and local municipalities within the Eastern Seaboard Development region.

MISA is requesting suitable service providers to submit proposals for the assessment of the design parameters of a Special Purpose Vehicle (SPV) suitable for the implementation phase of the Eastern Seaboard Development, with an infrastructure project pipeline of an estimated R60 billion.

2. SCOPE OF WORK

2.1. An assessment of various types of SPV models operating within both the public and private sector infrastructure planning and programme management capacity, with a focus on infrastructure finance, resource mobilisation and investment at a scale, to inform proposals for model suitable for the accelerated implementation of the Eastern Seaboard Development.

2.2.The assessment of the existing ESD institutional arrangements in place that will require a review based on the due diligence undertaken to present the most feasible option suitable for the scale of the Eastern Seaboard Development including the financial modelling for establishment and management for a proposed SPV entity.

2.3. The proposed SPV mandate is to manage and co-ordinate all public and private sector stakeholders involved in the ESD, identify funding mechanisms, secure capital and partnerships, and assess the feasibility of projects for implementation identified in the Regional Master Infrastructure Investment Plan and the Integrated Transport Plan, in consultation with COGTA, MISA, SALGA, EC and KZN province, district and local municipalities and traditional leadership within the Eastern Seaboard region.

2.4. The response from suitable service providers must primarily be guided by Eastern Seaboard Regional Development Framework (RSDF), the Regional Master Infrastructure Investment Plan and Integrated Transport Plan which will be made available by MISA. Other sources of information will include the meticulous review of relevant planning documents across government for the region, public sector funding allocations for key sectors identified in the RSDF, private sector investment appetite and the legislative requirement for the establishment of an SPV.

2.5. The overall due diligence of a feasible implementation model/SPV design must consider financial, capacity and legal provisions and requirements of the relevant legislative and planning framework in which such an entity will operate, including the various policies, guidelines and forms of legislation across all three spheres of government, inter alia, Municipal Finance Management Act (MFMA), PFMA and National Treasury Regulations, whilst still maintaining relative independency for operational efficiency and impactful results.

2.6. Additional key areas of consideration will include a feasible governance structure that is accountable to national government, with clear roles for the two provinces and the district municipalities in terms of coordination and facilitation given that implementation happens at the local level. In addition, the interests of traditional leadership structures, affected communities and formally established business representative bodies need to be represented for frequent stakeholder engagement and reporting.

3. DELIVERABLES

3.1. Due diligence of a feasible implementation model/SPV design that must clearly outline the financial, capacity and legal provisions for the design and establishment of a SPV for the Eastern Seaboard Development.

3.2. Proposals of a suitable SPV, indicative costs and methodology for establishment, programme management as well as the critical skills required for the implementation of the Eastern Seaboard Development over a period of 5 years (2025-2030).

4. ASSIGNMENT TIME-FRAME

The assignment is to be undertaken over a period of 3 months.

5. ACCESS TO INFORMATION

MISA will make available all background information on the Eastern Seaboard Development to inform the assessment.

6. CONTACT INFORMATION

MISA PMO – pmo@misa.gov.za

Ms Judith Nkosi
A/DDG: IDMS
Date: 13 May 2024

16. DECLARATION AND COMPLIANCE FORMS

16.1. SBD 4 - BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. **Bidder's declaration**

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest[1] in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? YES/NO

2.2.1 If so, furnish particulars:

……………………………………………………………………………………

……………………………………………………………………………………

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? YES/NO

[1] the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

2.3.1 If so, furnish particulars:

....

....

3 DECLARATION

I, the undersigned, (name).. in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium[2] will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

....	....
Signature	Date
....	....
Position	Name of bidder

[2] Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

SBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, BIDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE BID AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to bid:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included);

1.2 **To be completed by the organ of state**

a) The applicable preference point system for this bid is the 80/20 preference point system.

b) Either the 80/20 preference point system will be applicable in this bid. The lowest/ highest acceptable bid will be used to determine the accurate system once bids are received.

1.3 Points for this bid (even in the case of a bid for income-generating contracts) shall be awarded for:

(a) Price; and

(b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this bid are allocated as follows:

	POINTS
PRICE	**80**
SPECIFIC GOALS	**20**
Total points for Price and SPECIFIC GOALS	**100**

1.5 Failure on the part of a bider to submit proof or documentation required in terms of this bid to claim points for specific goals with the bid, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a bider, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

(a) **"bid"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive biding process or any other method envisaged in legislation;

(b) **"price"** means an amount of money bided for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **"bid for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1 POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis: **80/20**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis: **80/20**

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmax = Price of highest acceptable bid

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. 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 bid. For the purposes of this bid the bider will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this bid:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the bid documents, stipulate in the case of—

(a) an invitation for bid for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable bid will be used to determine the applicable preference point system; or

(b) any other invitation for bid, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable bid will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the bid and points claimed are indicated per the table below.

Note to biders: The bider must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this bid		Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the bider)
B-BBEE STATUS LEVEL	1	20	
	2	18	
	3	14	
	4	12	
	5	8	
	6	6	
	7	4	
	8	2	
Non-compliant contributor		0	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm...

4.4. Company registration number: ....

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium
One-person business/sole propriety
Close corporation
Public Company
Personal Liability Company
(Pty) Limited
Non-Profit Company
State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the bid, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the biding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

ADDENDUM NO.	DATE	TITLE OR DETAILS

(d) recommend that the bider or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution, if deemed necessary.

RECORD OF AMENDMENTS TO BID DOCUMENTS

I / We confirm that the following communications amending the bid documents that I / we received from Municipal Infrastructure Support Agent or their representative before the closing date for submission of bids have been taken into account in this bid.

SIGNATURE: .... DATE: ....

(of person authorized to sign on behalf of the Bidder)

....

SIGNATURE(S) OF BIDER(S)

SURNAME AND NAME: ....

DATE: ....

ADDRESS: ....

....

....

....