

CONFIDENTIAL

Department of Foreign Affairs

Request for Qualification

Procurement of a Suitable and Sustainable Working Environment

**Request for Qualification: Public
Private Partnership for the Design,
Construction, Operation,
Maintenance and Finance of a
Suitable and Sustainable Working
Environment for the Department of
Foreign Affairs of the Government
of the Republic of South Africa**

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Disclaimer

While all reasonable care has been taken in preparing this RFQ, the information contained herein does not purport to be comprehensive or to have been verified by the Department of Foreign Affairs of the Government of the Republic of South Africa (the "Department"), any of its officers, employees, servants, agents, advisors or any other person. Accordingly, neither the Department nor any of its advisors accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated herein.

Save where expressly stipulated otherwise, no representation or warranty (either express or implied) is or will be given by the Department or any of its officers, employees, servants, agents, advisors or any other person in respect of the information or opinions contained herein, or in relation to any Briefing Note (as defined below) issued in relation hereto.

The Department reserves the right to amend, modify or withdraw this RFQ or terminate any of the procedures or requirements during the procurement process of the Project (as defined below) in respect of which this RFQ has been issued, at any time, without prior notice and without liability to compensate or reimburse any person in relation thereto.

The terms and conditions set out in this RFQ are stipulated for the express benefit of the Department, and save as expressly stated to the contrary, may be waived at the Department's discretion at any time. The Department reserves the right to adopt any proposal made by any person responding hereto at any time and to include such proposal in any procurement documentation, which may or may not be made available to all other persons responding hereto at any stage of the procurement process, without compensation.

No Bidder shall have any claim against the Department, its officers, employees, servants, agents or advisors arising out of any matter relating to the Project of any nature whatsoever where such claim is based on any act or omission by the Department of any nature whatsoever under any circumstances whatsoever or such claim is based on the content of or any omission from this RFQ of any nature whatsoever.

Glossary of Terms

For purposes of this document, the following terms shall have the meanings assigned hereunder, unless the context requires otherwise:

Defined term/Acronym	Meaning
Active Black Equity	In relation to any of the Black Equity and any issued shares in the share capital of any Committed Subcontractor held by Black People and/or Black Enterprises, such Black Equity or shares held by Black People and/or Black Enterprises who will participate directly in the day-to-day management and operations of the Project
Advisory Team	The team of specialists subcontracted to the Transaction Advisor being ME Corporation CC, Vela VKE Consulting Engineers (Pty) Ltd (including technical sub-contractors listed paragraph 3.3), Sangena Investors (Pty) Ltd, Resolve Workplace Solutions (Pty) Ltd and Deneys Reitz Inc.
Bidder	Any person submitting a RFQ Bid to this RFQ
Black Enterprise	An Enterprise that is at least 50,1% beneficially owned by Black People and in which Black People have Management Control. Such beneficial ownership may be held directly or through other Black Enterprises
Black	African, Coloured and Indian South African citizens and "Black Person" or "Black People" shall have a similar meaning
Briefing Notes	Written documentation issued by the Department to disseminate further instructions, programme changes, information updates and clarifications in relation to the Project entitled "Briefing Note", each to be consecutively numbered and referenced to the Project
Broad Based Black Economic Empowerment	Has the meaning given thereto in the Broad-based Black Economic Empowerment Act, 2003, read together with the Code of Good Practice for Broad Based Black Economic Empowerment in Public Private Partnerships
Business Day	Any day of the week other than Saturdays, Sundays or public holidays in South Africa
Close Date	That date and time specified in paragraph 5.2 a), as may be extended in accordance with paragraph 5.2 c)

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Defined term/Acronym	Meaning
Code of Good Practice for Black Economic Empowerment in Public Private Partnerships or the Code	Module 2 of National Treasury's PPP Manual, issued as National Treasury PPP Practice Note Number 3 of 2004, in terms of Section 76(4)(g) of the PFMA
Committed Subcontractors	Enterprises that have committed to participate in the PPP as sub-contractors to and shareholders in the SPV and have authorised the Lead Member in making the RFQ Bid
Contractual Close	The date on which the PPP Agreement is signed
Control	Any material change to the beneficial ownership or Management Control of a Bidder, Equity Member and/or Committed Subcontractor, including but not limited to any change reducing the beneficial interest of any Black People or Black Enterprise in that entity
D&C Contractor	The Enterprise who shall be subcontracted by the Private Party to undertake the design and construction elements of the Project, and who is required to be a Committed Subcontractor
DBSA	The Development Bank of Southern Africa Limited, a company established under the provisions of The Development Bank of Southern Africa Act, 1997 and defined as a major public entity in terms of Schedule 2 of the PFMA
DEAT	The Department of Environmental Affairs and Tourism of the Government of the Republic of South Africa
Department	The Department of Foreign Affairs of the Government of the Republic of South Africa
Disabled Persons	Persons having a physical or mental impairment
DPW	The Department of Public Works of the Government of the Republic of South Africa
Enterprise	A partnership, close corporation, company, trust or any other form of entity recognised by law as a medium through which activities relating to the Services may be engaged in
Equity Members	Enterprises that have committed to participate in this Project as consortium or joint venture partners, or shareholders in the SPV (as the case may be) and have authorised the Lead Member in making its RFQ Bid
Evaluation Committee	A committee or committees constituted by the Department for the purpose of evaluating the RFQ Bids

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Defined term/Acronym	Meaning
Facilities Management Contractor	The Enterprise who shall be subcontracted by the Private Party to undertake the operations and facilities management elements of the Project, and who is required to be a Committed Subcontractor
Feasibility Study	The feasibility study undertaken by the Project Team in respect of the Project, in accordance with Treasury Regulation 16
Financial Close	The date on which the Private Party is entitled to make its first draw down on the debt funding facilities provided to the Private Party in relation to the Project
FSI	Foreign Service Institute of the Department, being responsible for all training of staff and diplomats
Government	The government of the Republic of South Africa
ICT	Information and communication technology
Lead Member	The Enterprise, authorised by the persons constituting that Bidder to sign its RFQ Bid and bind the members of that Bidder
Management Control	In relation to any Enterprise, the ability to direct or cause the direction of the business and management policies or practices of that Enterprise, including but not necessarily limited to the ability directly or indirectly to direct or cause the direction of the votes attaching to the majority of its issued shares or interest carrying voting rights, or to appoint or remove or cause the appointment or removal of any directors (or equivalent officials) or those of its directors (or equivalent officials) holding the majority of the voting rights on its board of directors (or equivalent body)
National Treasury	The national treasury of South Africa as established under the provisions of section 5 of the PFMA
NIA	The National Intelligence Agency, established pursuant to Section 3 of the Intelligence Service Act, 1994
Ordinance	Town Planning and Townships Ordinance Transvaal, 1986
PFMA	Public Finance Management Act, 1999
Post-Qualified Bidder	A Bidder having experienced a change of composition or Control, which change has been approved by the Department in terms of paragraph 1.4.
PPP Agreement	A written agreement entered into between the accounting officer of the Department and the duly authorised representative of the Preferred Bidder, in terms of which the Services will be

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Defined term/Acronym	Meaning
	provided, such agreement to comply with the requirements of Treasury Regulation 16
Project Goals	The overall objectives the Department wishes to achieve upon completion of the Project as detailed in paragraph 3.6.1
Preferred Bidder	The Bidder selected through a transparent and open bid process to enter into negotiations with the Department for the provision of the Services by means of a PPP
Pre-Qualified Bidder	Those Bidders authorised by the Department, pursuant to submitting a RFQ Bid in accordance with this RFQ, as being entitled to bid for the Project in accordance with the RFP documentation to be issued as part of the procurement process (which shall include any Post-Qualified Bidder)
Private Party	The Preferred Bidder after the PPP Agreement has been signed by the relevant parties
Project	The design, construction, operation, maintenance and finance of a suitable and sustainable working environment for the Department, as more fully described in paragraph 3.2 below
Project Manager	ME Corporation CC, represented by Ms Madi Hanekom and assisted by SPP Project Solutions (Pty) Ltd, represented by Mr Mike Fitzpatrick
Project Officer	The person (as required in terms of Treasury Regulation 16) who is responsible for the management of the Project on behalf of the Department, being Ms B Africa, the Chief Director responsible for the Project
Project Team	The Transaction Advisor together with the Advisory Team
Public Private Partnership or PPP	A public-private partnership, as contemplated under the Treasury Regulations
RFQ Bid	The response by a Bidder to this RFQ
Request for Qualification or RFQ	This document together with its appendices
Request for Proposal or RFP	The documents entitled "Request for Proposal" as may be issued to the Pre-Qualified Bidders, establishing the terms upon which tenders may be submitted in respect of the Project
Services	The services to be rendered by the Private Party in undertaking the Project, as more fully described in paragraph 3.6.6

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Defined term/Acronym	Meaning
South Africa	The Republic of South Africa and "South African" means a citizen of South Africa
Soutpansberg Site	The site of approximately 10 hectares situate in the north western corner of the of the land described as Remainder of Portion 25 of the Farm Rietfontein 321 – JR in extent 151,7 (One Hundred and Fifty One Comma Seven) hectares
Special Purpose Vehicle or SPV	A limited liability company to be incorporated by the Private Party in accordance with the company laws of the Republic of South Africa, for the purpose of entering into and implementing the PPP Agreement
Standardisation	The Standardised Public-Private-Partnership Provisions issued as National Treasury PPP Practice Note No. 1 of 2004, dated 11 March 2004
Strategic Plan	The Department of Foreign Affairs Strategic Plan 2003-2005
Target Groups	All or any of Black People, Black Enterprises, Women, Women Owned Enterprises and Disabled Persons.
Transaction Advisor	SPP Project Solutions (Pty) Ltd, the person appointed by the Department to advise the Department in relation to the Project
Treasury Regulations	The regulations published pursuant to the PFMA in Government Notice R740 in Government Gazette 2346 of 25 May 2002, and amended by General Notice 2012 in Government Gazette 25229 of 28 July 2003 and General Notice 37 of Government Gazette 25925 of 16 January 2004
Tshwane	City of Tshwane Metropolitan Municipality
Woman	A female South African citizen and "Women" shall be construed accordingly
Women Owned Enterprise	An Enterprise that is at least 25,1% beneficially owned by Black Women and in which Women have Management Control. Such beneficial ownership may be held directly or through other Women Owned Enterprises

In the RFQ, except where the context otherwise requires:

- a) words importing one gender include the other two genders, and words importing the singular include the plural and vice versa;
- b) "enactment" means any statute or statutory provision of South Africa and any other subordinate legislation, regulations or guidelines made under any such statute or statutory provision;

- c) a reference to any enactment shall be construed as including a reference to any enactment which such subsequent enactment has directly or indirectly replaced (whether with or without modification), and that enactment as re-enacted, replaced or modified from time to time, whether before, on or after the date of this RFQ;
- d) a list of contents, glossary and headings to the parts and paragraphs of this RFQ are for ease of reference only and shall not affect the interpretation of this RFQ;
- e) the appendices form part of this RFQ, and have the same force and effect as if expressly set out herein; and
- f) this RFQ shall be governed and construed in accordance with the laws of South Africa.

1 Terms and Conditions

Bidders submitting a RFQ Bid, will be deemed to do so on the basis that they acknowledge and accept the terms of this RFQ.

1.1 Non-eligible Persons

- a) Any RFQ Bid including the involvement of:
 - i) any person blacklisted by the office of the State Tender Board, such person's professional body (if applicable), or which has been found guilty in a court of law of fraud or corruption related crimes;
 - ii) any national public entity or provincial public entity (each as contemplated under the PFMA), unless the roles of such public entity being a financial institution is limited to the provision of debt that does not duplicate funding available in the private sector and is provided at competitive rates and in a competitive environment, and the provision of such debt is to be made available to all Pre-Qualified Bidders;

are prohibited; save for the provisions of paragraph c) below and that paragraph ii) above does not relate to the Broad-Based Black Economic Empowerment funding, to be provided by the DBSA, as set out in paragraph 3.8.1.
- b) The participation of not-for-profit entities in any RFQ Bid is in the discretion of the Bidders and shall be at their sole invitation and risk.
- c) No national public entity or a provincial public entity may participate as a sub-contractor to either the Bidder or any of the Committed Subcontractors, unless:
 - i) approved in advance by the applicable ministry with responsibility over such public entity;
 - ii) the involvement of such public entity has been secured in advance by the Department via a third party agreement;
 - iii) the provision of services by such public entity are made available to all Pre-Qualified Bidders; and
 - iv) the provision of services by such public entity are permitted by law.

- d) Notwithstanding the provisions of this paragraph, the Bidders' attention is drawn to the potential involvement of DBSA in the Project, details of which are set out in paragraph 3.8.1.

1.2 Pre-qualification of Bidders

- a) Bidders are hereby invited to submit RFQ Bids to be considered to be appointed as a Pre-Qualified Bidder.
- b) Only Bidders appointed as a Pre-Qualified Bidder shall be entitled to bid for the Project in terms of the RFP.
- c) No person, lender or advisor to a person may be a member of, or in any way participate in or be involved with (either directly or indirectly) more than one Bidder at any stage during the procurement process without the Department's prior written consent, which may be granted or refused in its sole and absolute discretion;
- d) No person (including both Enterprises and natural persons) previously employed by either the Department or any member of the Advisory Team may advise the Bidder, its Equity Members or Committed Subcontractors or be a member of any Bidder without the prior written consent of the Department. The Bidder warrants by virtue of it making an RFQ Bid that no such person has advised the Bidder, its Equity Members or Committed Subcontractors or is a member of such Bidder.
- e) Subject to the Department's prior written consent being obtained, Target Groups not previously forming part of a Bidder, or forming part of an Bidder not selected as a Pre-Qualified Bidder, may be permitted to join a Pre-Qualified Bidder.
- f) Failure to comply with this paragraph 1.2 may result in the disqualification of the Bidder, any person involved with that Bidder or the advisors of either the Bidder or that person, which disqualification shall be in the Department's discretion.

1.3 Acknowledgement of law

- a) Each Bidder is required to be fully acquainted with the laws of South Africa (including without limitation all statutes and regulations (on a national, provincial and municipal level)) in relation to Public Private Partnerships (PPP) and the subject matter of the Project, and that it will comply with such laws. The declaration required to be made is set out in **Annexure B**.
- b) The Department is of the view that they are authorised to procure the Project. Accordingly, the Department requires each Bidder to either confirm that they believe the Department is authorised to procure the Project, or alternatively, to state their position with regard to the Department's authority. In either event, the Bidders position is to be set out in the declaration per **Annexure B**.

1.4 Legal personality of Bidder

- a) While it is acknowledged that for the purposes of submitting a RFQ Bid and for the purposes of submitting a bid under the RFP, a Bidder may constitute a consortium or joint venture, it is assumed that such consortium shall convert into a SPV, with the various consortium members becoming Equity Members of the SPV.

- b) No change is permitted to the organisational structure of any Bidder (including its Equity Members and Committed Subcontractors) after submission of its RFQ Bid without the prior written consent of the Department.
- c) A Bidder must forthwith notify the Department should it intend to change its membership or structure from that set out in its RFQ Bid.
- d) In the event that the Bidder (or its Equity Members and Committed Subcontractors) undergoes a change in its composition or Control, the Department reserves the right to require the relevant entity to supply such further information with regard to such change as to enable the Department to fully consider the impact of such change.
- e) In the event that an event contemplated in paragraphs b), c) or d) above occurs, the Bidder shall be required to re-qualify in accordance with the terms of this RFQ, which re-qualification shall be in the Department's sole discretion. Upon being notified by the Department that it has re-qualified, such Bidder shall constitute a Post-Qualified Bidder.
- f) Any person not previously included as part of the Bidder, or any person taking a substantially different participation in the Bidder may be required to submit such information as is required in relation to the Bidder and its various members as contemplated in this RFQ.
- g) The Department is not obliged to consider any extension of time in relation to any stage of the procurement process on the account of any change in the Bidder (as contemplated above).
- h) The RFQ evaluation process and criteria applicable to the Bidders shall similarly apply to any person seeking to qualify as a Post-Qualified Bidder.
- i) The Department shall notify any person seeking to become a Post-Qualified Bidder and the Bidder concerned, whether or not it is successful in its application, as soon as is reasonably possible after receipt of all information required from such person, and the decision of the Department in this regard shall be in its sole discretion, shall be final and binding, and not subject to appeal.
- j) Any decision with regard to Post-Qualified Bidders shall be announced to all the other Pre-Qualified Bidders by the Department.
- k) Should the composition or Control of a Bidder, its Equity Members or Committed Subcontractors change without the Department's prior written consent, the Department shall be entitled in its sole discretion to disqualify the Bidder from participating in any further stage of the procurement process, or to allow the Bidder to continue in the procurement process, subject to such conditions as the Department determines appropriate.

1.5 Cost of submitting proposals

- a) Each Bidder shall bear all of its costs (of whatsoever nature) associated with the preparation of its RFQ Bid.
- b) Each Pre-Qualified Bidder shall submit a bid bond in an amount of R600 000 in the format and content stipulated in **Annexure D** within 10 Business Days of notification

that such Bidder has been appointed as a Pre-Qualified Bidder. Failure to provide such bid bond in the time allowed may terminate such Bidder's status as a Pre-Qualified Bidder in the Department's sole and absolute discretion.

1.6 Confidentiality

a) In respect of the RFQ:

- i) In submitting a RFQ Bid, each of the Bidder, its Equity Members and Committed Subcontractors agrees to keep its RFQ Bid confidential from third parties other than the Department, its officials (including National Treasury and the DPW) and the Advisory Team who are required to review same for the purposes of procurement of the Project.
- ii) All information and data submitted by a Bidder shall become the sole property of the Department, with the exception of copyrighted material, trade secrets or other proprietary information clearly identified as such by the Bidder. Bidders, by virtue of their RFQ Bid, agree to indemnify the Department and hold it harmless from any loss, damage, liabilities, claims, actions, proceedings, demands, costs, charges or expenses of whatsoever nature suffered by the Department for its refusal to disclose materials marked confidential, trade secret or other proprietary information to any person seeking access thereto.

b) In Respect of the RFP:

- i) Each Pre-Qualified Bidder shall by virtue of their collection of the RFP documentation agree to keep confidential any information of a confidential nature that may be contained therein (the "Confidential Information"). The Confidential Information may be made available to the Pre-Qualified Bidder, its Equity Members and Committed Subcontractors and their employees and professional advisors who are directly involved in the appraisal of such information and who are to be made aware of the obligation of confidentiality, but shall not be (in whole or in part) copied, reproduced, distributed or otherwise made available to any other party without the prior written consent of the Department.
 - ii) The provisions of this paragraph 1.6 shall not apply to any information which is made available as required by any law or any regulatory authority, or which is or becomes public knowledge, other than by way of breach of this paragraph 1.6, or which was in the possession of such party prior to its disclosure or which is received from a third party who lawfully acquired and is under no obligation restricting its disclosure.
 - iii) Each Pre-Qualified Bidder, its Equity Members, Committed Subcontractors, and their agents and advisors may be required to sign confidentiality undertakings as shall be included within the RFP documentation. All Confidential Information disclosed to the Pre-Qualified Bidder, its Equity Members, Committed Subcontractors and their agents and advisors shall remain the property of the Department and shall be returned to the Department on demand.
- c) The Department undertakes to, and shall procure that its officials (including National Treasury and the DPW) and its advisors shall, keep confidential all information received from a Bidder which is clearly identified as confidential in such Bidder's RFQ Bid as contemplated in paragraph 1.6a)ii) and which is not excused from confidentiality as

contemplated in paragraph 1.6b)ii) and on condition that the Bidder provides the Department with a written undertaking in its RFQ Bid to indemnify the Department in respect of any losses suffered by the Department in it refusing to disclose the relevant material or data to any person seeking access thereto. Failure to include such an undertaking shall be deemed to be a waiver of the Bidder's right to exemption from disclosure and to authorise the Department to provide copies of material / data forming part of the RFQ Bid to third parties on due request therefor.

1.7 Corrupt gifts and payments

- a) Neither the Bidder, its Equity Members, the Committed Subcontractors nor any of their agents, lenders or advisors shall directly or indirectly offer or give to any person in the employment of the Department or any other Government official or any of the Advisory Team any gift or consideration of any kind as an inducement or reward for appointing the Bidder as a Pre-Qualified Bidder, or for showing or omitting to show favour or disfavour to any of the Bidder, its Equity Members or the Committed Subcontractors in relation to the Project.
- b) In the event that any of the prohibited practices contemplated under paragraph 1.7a) above is committed, the Department shall be entitled to terminate that Pre-Qualified Bidder's status and to prohibit such Bidder, its Equity Members, its Committed Subcontractors and their agents, lenders and advisors from participating in any further part of the procurement of the Project.

1.8 No contract

- a) This RFQ does not constitute an offer to enter into a contractual relationship with any Bidder, but is merely a solicitation of RFQ Bids to select the Pre-Qualified Bidders, who shall be entitled to bid for the Project.
- b) No RFQ Bid shall constitute an offer to enter into any contractual relationship with the Department, but shall constitute an offer to be appointed as a Pre-Qualified Bidder in relation to the Project.
- c) All correspondence from the Bidder shall be addressed to the Project Officer and shall be signed by the person authorised in terms of paragraph 1.11, legally binding the Bidder. All such correspondence must clearly indicate the name of the signatory, their position and the name of their organisation.

1.9 No collusion

- a) The attention of each of the Bidder, its Equity Members, the Committed Subcontractors as well as their advisors and agents is drawn to Section 4(1)(b)(iii) of the Competition Act, 1998, which prohibits collusive tendering.
- b) In submitting a RFQ Bid, each of the Bidder, its Equity Members and the Committed Subcontractors certifies that its RFQ Bid:
 - i) has been prepared without consultation, communication or agreement for restricting competition with any other Bidder, member of another Bidder, or any other competitor or potential competitor;

- ii) has not been disclosed by it, nor will it be disclosed by it to any other Bidder, member of another Bidder, or any competitor or potential competitor; and
- iii) no attempt has been made or will be made by it to induce any other person not to submit a RFQ Bid for the purpose of restricting competition.

1.10 Non-compliance

- a) Any material failure on the part of a Bidder to comply with the terms of this RFQ, read together with all Briefing Notes, may result in its RFQ Bid being treated as non-compliant.
- b) The Department reserves the right to reject any non-compliant RFQ Bids without further evaluation.
- c) Any RFQ Bid received without all information or data requested in terms of this RFQ, or with insufficient information for substantive evaluation thereof, will be marked as incomplete and may in Department's sole and absolute discretion be rejected.

1.11 Signing requirements

a) Single Enterprise

- i) Where a Bidder constitutes a single Enterprise, those persons duly authorised to bind such Enterprise are to sign the original RFQ Bid.
- ii) As proof of authority, the persons signing the original RFQ Bid shall each provide a certified copy of the resolution of the board of directors or its equivalent of, the organisation concerned, in the form set out in **Annexure E**.
- iii) Included in each RFQ Bid shall be a statement by the signatories to the RFQ Bid to the effect that all documentation forming part of the RFQ Bid is factually correct and true, that the RFQ Bid shall remain valid for a period of at least 120 days after the Close Date and that the Bidder, its Equity Members and Committee Sub-contractors agree to be bound by the terms of this RFQ. **Annexure B** sets out the form and content of such statement.

b) Consortia and Joint Ventures

- i) In the event that a RFQ Bid is made by a consortium or joint venture, the RFQ Bid is to be signed by the Lead Member.
- ii) Proof of authorisation of the Lead Member to act on behalf of its consortium or joint venture is to be included in the RFQ Bid, by way of a certified copy of the resolution of the board of directors or its equivalent of the organisation concerned, in the form set out in **Annexure E**.
- iii) The Lead Member shall be the only person authorised to make statements on behalf of and receive instructions for the members of the Bidder represented by the Lead Member.
- iv) A copy of the agreement entered into by the consortium partners or joint venture partners for the purposes of forming a consortium or joint venture or SPV shall be

submitted with the RFQ Bid, which agreement must clearly set out the relationship between the parties thereto and authorise one of the partners to be the Lead Member for that Bidder.

- v) Included in each RFQ Bid shall be a statement by the signatories to the RFQ Bid to the effect that all documentation forming part of the RFQ Bid is factually correct and true, that the RFQ Bid shall remain valid for a period of at least 120 days after the Close Date and the Bidder, each member of the Bidder and its Committed Subcontractors agree to be bound by the terms of this RFQ. **Annexure B** sets out the form and content of such statement.

1.12 Department's Discretion

Where it is stipulated in this RFQ that the Department's prior written consent shall be required, the determination by the Department as to whether to grant or refuse such consent shall be in the Department's sole and absolute discretion, and the decision with regard thereto shall be final and binding.

2 Purpose of this RFQ

The Department has identified the Project as one that may be concluded as a PPP and as such has registered the Project with the National Treasury. The Project is therefore regulated in terms of Treasury Regulation 16 and is overseen by the National Treasury.

This RFQ has been prepared for the following purposes:-

- a) to set out the rules of participation in the response process referred to in this RFQ;
- b) to disseminate information about the Project;
- c) to give guidance to Bidders on the preparation of their RFQ Bids;
- d) to facilitate the gathering of information from Bidders that is verifiable and can be evaluated for the purposes of selecting Pre-Qualified Bidders for further participation in the procurement process;
- e) to enable the DFA to select at least three (3), but no more than four (4) Pre-qualified Bidders that are:
 - i) technically, financially and legally qualified and meet the empowerment criteria described within this RFQ,
 - ii) have sufficient experience, commitment and resources to prepare a response to the RFP; and
 - iii) are able to execute the Project.

3 Information about the Project

3.1 Introduction

The Department requires a suitable and sustainable working environment for its head office staff complement, whose **overall mandate** is to work for the realisation of South Africa's foreign policy objectives.

The Department conducts its mandate by:-

- a) monitoring developments in the international environment;
- b) communicating Government's policy positions;
- c) developing and advising Government on policy options, mechanisms and avenues for achieving objectives;
- d) protecting South Africa's sovereignty and territorial integrity;
- e) assisting South Africans abroad; and
- f) assisting partner departments in navigating complex international dynamics.

In carrying out its mandate, the Department is guided by its **vision** that "**South Africa shall strive for peace, stability, democracy and development in an African continent which is non-sexist, non-racial, prosperous and united, contributing towards a world that is just and equitable.**"

In working towards the realisation of this vision, the Department through its **mission** is committed to "**promoting South Africa's national values, the African Renaissance and the creation of a better world for all.**"

Core values guiding the Department in the realisation of its vision and mission include "**loyalty, dedication, ubuntu, equity, professional integrity and batho pele.**"

The responsibilities of the Department are therefore multi-functional, varied and complex. In order to fulfil these responsibilities, the Department must be adequately staffed with highly professional and appropriately trained personnel and have the requisite head office support and infrastructure to deliver excellent and timeous service to ensure South Africa's effectiveness to South African citizen living abroad and within the international diplomatic arena. As a result, the head office working environment infrastructure is expected to:

- a) support and complements the vision, mission and objectives of the organisation;
- b) reflect the character and image of the Department and of South Africa;
- c) encourage and support effective and efficient service delivery;
- d) cater for the needs of staff; and
- e) entrench the Department as a people orientated organisation.

Pursuant to Treasury Regulation 16 the Department appointed the Project Team to prepare the Feasibility Study in accordance with the methodology set out in the National Treasury's PPP Manual, Module 4, PPP Feasibility Study (Practice Note Number 05 of 2004). The National Treasury's PPP Manual is available at www.treasury.gov.za. The following requirements have been addressed in the feasibility study presented to National Treasury on 14 October 2004:

- a) strategic and operational benefits of the Project in terms of the Department's strategic objectives and Government policy;
- b) potential transfer of institutional functions;
- c) proposed allocation of financial, technical and operational risks;
- d) affordability;
- e) value for money; and
- f) capacity of the Department to manage, procure and implement the Project.

The Feasibility Study was presented to the National Treasury on 29 October 2004 and received Treasury Approval 1.

The issuing of this RFQ is a first formal step in a procurement process to ultimately appoint a Private Party to finance, design, construct, operate and maintain a suitable and sustainable working environment for the Department.

3.2 Project Scope and Description

In order to give effect to its mandate as set out in paragraph 3.1, the Department comprises of a head office located in Tshwane, 110 missions worldwide, the FSI and a diplomatic guest house, used for the accommodation of foreign dignitaries. The head office component is presently scattered over seven (7) different buildings throughout Tshwane and accommodates the political principals (Minister and two (2) Deputy Ministers), accounting officer, various functional branches, corporate and support services, as well as libraries and archives. Furthermore, the FSI and diplomatic guest house are situated in two (2) additional buildings around Tshwane.

The Feasibility Study revealed that the Department's current working environment does not meet the fundamental needs in order for the Department to achieve its mandate and will not enable the required integration of its facilities and related services under a single point of accountability. The Department has thus decided to relocate its head office operations into a single working environment with related service provision, which will be affordable, provide value for money and appropriate risk transfer to the private sector.

The Department anticipates that the Project will be procured as a single office park, with hard and soft facilities management services, which will portray the values of the Department and provide the platform for improved service delivery. The Project must therefore encompass the provision of offices accommodation for its full head office staff complement, a training facility to replace the present FSI, sufficient conference facilities for the many local and international conferences hosted by South Africa (through the Department), guest house facilities, a crèche, a gym, a cafeteria, an ATM and other amenities necessary for the Department to fulfil its mandate. In respect of the crèche, gym and cafeteria it is envisaged that the Bidder will provide the staffing requirement to meet the Output Specifications.

With regard to the guest house facilities the key requirements include, *inter alia*, the following:

- a) accommodate for between 20-30 guests (consisting of a new facility on the Soutpansberg Site and the upgrade of an existing facility within the Tshwane region);
- b) the facility on the Soutpansberg Site should be situated away from the main office park environment and should be reasonably secluded;
- c) the security requirements to be provided by the South African Police Service will be highly stringent and constantly changing due to changing levels of occupancy within the guest house/(s);
- d) the quality of the finishes should be equivalent to that of a five-star hotel; and
- e) due to the strict security requirements, the hospitality and catering services shall be provided by the Department's staff.

The Department has an approved staff structure of 1 986 people of which approximately 1 131 posts are filled at present. It is currently anticipated that 1 866 positions will be filled by 2006, with the balance of the approved staff structure being filled within the 2007/8 financial year. The Department has prepared a 25-year staff forecast indicating the staff complement

reaching 2 285 posts. The total space required is **approximately 54 000 m²**¹ (including the guest house facilities but excluding the space requirement for the 25 year growth). The Department requires occupation of the integrated working environment by the end of **December 2006**.

The Soutpansberg Site as identified in Soutpansberg Road is sufficiently large to accommodate the Department's requirements, and is Government-owned.

The Department intends for the Project to facilitate the support of its broader transformation processes through the development of a working environment that should be custom-made to enable it to achieve its mandate and service delivery improvement objectives. Cognisance has been taken of the need to address the "way in which work is done" within the Department, and to ensure that integration takes place between the Department's working environment, culture and internal processes, so as to ensure optimisation of services. This integration should not only to the design of the building, but to the interaction between business processes, people management processes, technology, systems, structure, the environment and the greater culture and philosophy of the Department. Due to the sensitive nature of the Department's mandate a high level of security in all its activities, communication and its clients is required.

The ICT requirements of the Project are limited to the provision of space for the cabling and telephony equipment. The bulk of the ICT elements will be addressed by the Department under its ICT Master Systems Plan.

The soft facilities management services, identified in paragraph 3.6.6, include a number of functions presently undertaken by the Department. In this regard certain employees have been identified as potentially being affected by the Project. The Department has committed not to retrenching such employees, and wishes to engage further with the trade unions representing such affected employees and with the Pre-Qualified Bidders in relation to such affected employees. Further detail in this regard will be provided in the RFP documentation.

3.3 Project Team

In terms of the PFMA the Department is accountable for the Project and manages the Project internally. Within the Department, the Director General has delegated the liaison with the Project Officer to the Deputy Director General: Corporate Services. Both the Director General and the Deputy Director General provide the mandate to the Project Officer around the Department's interest in order that these are used to direct the Project Team. The Director General has the responsibility to keep the Minister and her Deputy Ministers informed on a continual basis. It is evident from

Figure 2 below that the Minister and her Deputy Ministers are committed to a successful Project and through the various fora are kept constantly up-to-date. The Project Officer is the representative voice of the Department's management team.

The roles and responsibilities of the Project Officer span the entire period of the Project, commencing at the initiation of the Feasibility Study and terminating at the end of the Project term. Broadly, the Project Officer will:

¹ All Bidders should note that the space requirement figure is indicative and Pre-Qualified Bidders will be required to determine a more accurate space requirement as detailed further in section 3.6.4.3 below.

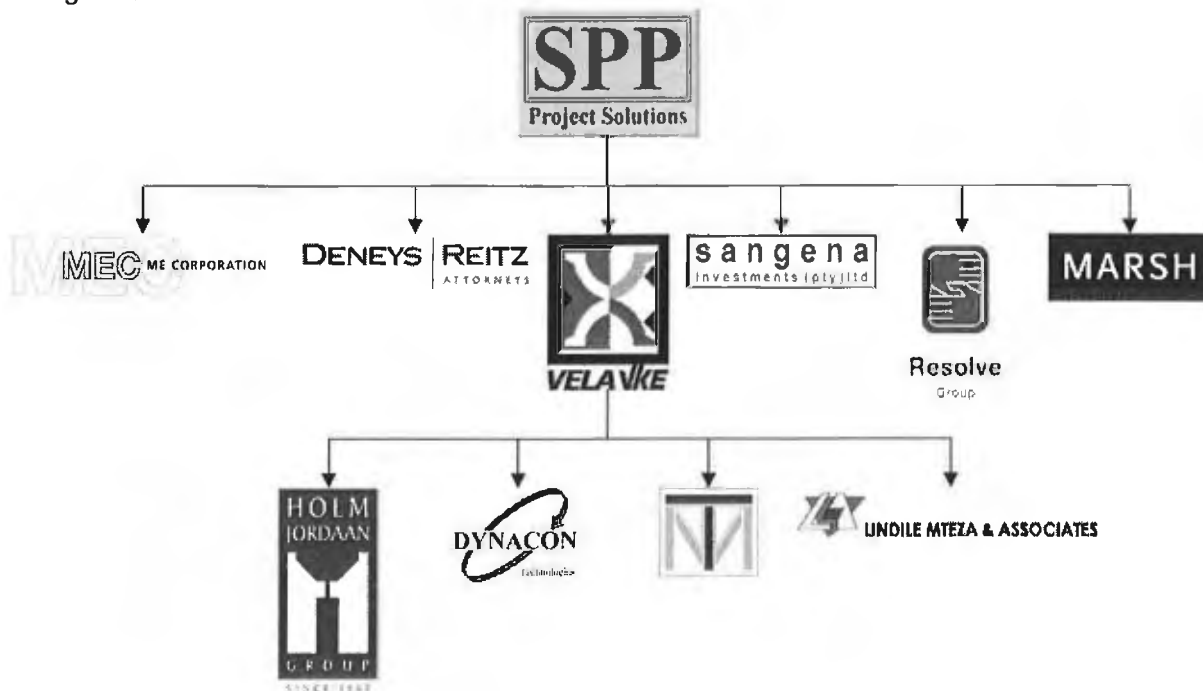
- a) manage the planning, procurement and implementation of the Project on behalf of the Department, exercising delegated authority;
- b) direct and manage the work of the Transaction Advisor and approve payments in terms of the mandate between the Department and the Transaction Advisor; and
- c) manage the PPP Agreement with the Private Party for the Project term, representing the Department.

In addition, in terms of the Treasury Regulations the Transaction Advisor was appointed to:

- a) advise the Department on the preparation of the Feasibility Study, to prove affordability, risk transfer and initial value for money the business case for the Project;
- b) prepare the procurement documentation in terms of which the Project is to be procured from the private sector;
- c) assist the Department with the evaluation of the bids, the value for money report and the appointment of the Preferred Bidder;
- d) assist the Department in negotiating the PPP Agreement with the Preferred Bidder;
- e) assist the Department and the Private Party, where necessary, to bring the Project to financial closure; and
- f) prepare a close-out report in respect of procurement of the Project.

The Transaction Advisor has subcontracted a number of specialist advisory firms to form the Advisory Team in order to fulfil the terms of its mandate with the Department. The principal subcontracted firms in the Advisory Team are depicted in Figure 1 below:

Figure 1



- a) The Advisory Team members include: lead advisor, financial advisor and alternate project manager: SPP Project Solutions (Pty) Ltd led by *Mr Mike Fitzpatrick*;
- b) Project manager: ME Corporation CC led by *Ms Madi Hanekom*;
- c) Legal advisor: Deneys Reitz Inc led by *Ms Clare Corke*;
- d) Technical advisor: Vela VKE (Pty) Ltd led by *Mr Dave Gertzen*, his principle sub-contractors include:
 - i) Architect: Holm Jordaan led by *Mr Gerrit Jordaan*;
 - ii) Environmental consultant: Dynacon Environmental led by *Ms Mampiti Matsabu* and *Ms Jacolette Adam*;
 - iii) Facilities management consultant: Thloklomelo Facilities Management (Pty) Ltd led by *Mr Mauritz Meyer*;
 - iv) Geotechnical engineer: Vela VKE (Pty) Ltd led by *Mr Alec Stuart*;
 - v) Heritage consultant: Helios Alliance (Pty) Ltd led by *Mr Mauritz Naude*;
 - vi) ICT and electronic security : GESS led by *Mr Mark Holton*;
 - vii) Quantity surveyor: Lindile Mteza & Associates led by *Mr Lindile Mteza*;
 - viii) Town planning: CityScope Town and Regional Planners (Pty) Ltd led by *Mr Danie Saayman*; and
 - ix) Traffic engineer: Vela VKE (Pty) Ltd led by *Mr Daan van der Merwe*;
- e) Empowerment advisor: Sangena Investments (Pty) Ltd led by *Mr Bahle Sibisi* and *Dr Claudia Manning*;
- f) Human resources advisor: Resolve Workplace Solutions led by *Ms Tamera Campbell* and *Ms Justine Neke*; and

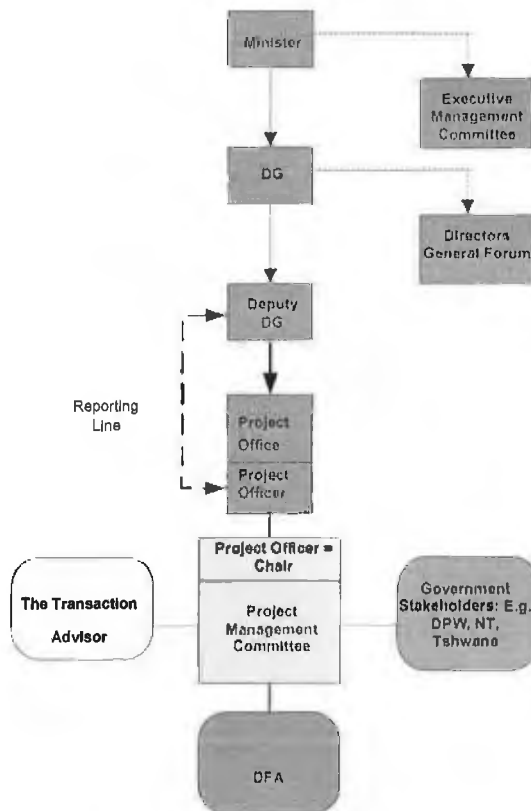
g) Risk advisor: Marsh SA (Pty) Ltd led by *Mr Paul Lemon*.

A range of different stakeholders play specific advisory roles in the procurement of the Project. The principal external stakeholders, being National Treasury and the DPW, both have representation on the Project management committee. Additional roleplayers include Tshwane, the DEAT, the NIA and the South African Police Services.

A key success factor in the procurement of the Project is managing the interactions between these role players and ensuring proactive responses and quick decision-making. It is evident from the diagram above that the Project Officer plays an integral interfacing role between the Project management committee, the Project office and other stakeholders. The interaction with the various internal and external key stakeholders is depicted in

Figure 2 below.

Figure 2



3.4 The Institution's View of the PPP

As indicated above, the Project has been framed for implementation by way of a Public Private Partnership which will entail the execution of a PPP Agreement between the Department and a Private Party.

An important feature of the PPP Agreement will be a set of output specifications that will describe the Department's needs not only for the end product in terms of buildings and services but will also give effect to the needs of the Department insofar as its strategic

objectives are concerned. These objectives are translated into Project Goals for the Department which are addressed in the output specifications to provided with the RFP.

The Department will, in its approach to the PPP Agreement, also be guided by the Standardisation.

The PPP Agreement would require the Private Party at its own cost and risk to:

- a) finance, design and construct a single working environment for the Department on national Government land in Tshwane;
- b) manage and operate, at its cost, the entire working environment from date of construction to the date of termination of the PPP Agreement; and
- c) provide certain facilities management services relating to certain non-core functions of the Department.

In exchange for the services rendered the Private Party will receive a single, indivisible unitary payment for full availability of the infrastructure and performance of the relevant services. The proposed payment mechanism for the provision of accommodation and related services by the Private Party will be a unitary payment in the form of an annual unitary charge, paid monthly, subject to the Private Party achieving specified performance standards. The unitary payment will be subject to reduction according to stipulated penalty regimes in the PPP Agreement. The penalties will relate to key performance requirements in key performance areas by the Private Party and will be applied where the performance of the Private Party falls short of the stipulated performance levels provided for in the PPP Agreement.

Most importantly the PPP Agreement will provide for significant but appropriate risk transfer to the Private Party as covered more fully in paragraph 3.10 below.

3.5 Land Issues

The information provided in this paragraph 3.5 is for information purposes only. Pre-Qualified Bidders will be required as part of the RFP process to conduct their own investigations and obtain the necessary professional advice and counsel at their cost, necessary to formulate their own opinion regarding the technical information provided relating to the Project, and will be afforded an opportunity to conduct a due diligence on the technical investigations undertaken by the Department and its advisors as part of the Feasibility Study.

3.5.1 The Soutpansberg Site

A map of the Soutpansberg Site is attached as **Annexure A**.

3.5.2 Town Planning

The Soutpansberg Site is classified as farm land and is zoned for Government use.

During the course of the preparation of the Feasibility Study, a question arose as to whether or not township establishment will be required in respect of the Soutpansberg Site, due to the fact that it is currently designated as farmland. In order to mitigate any adverse action by Tshwane, the Department entered into discussions with Tshwane in this regard.

The current zoning of the Soutpansberg Site entitles the Department to proceed with the Project on the Soutpansberg Site as there will be no change in land use. Through the Project the Department would merely be exercising its existing rights in respect of the Soutpansberg

Site and accordingly the Department is of the view that the Project can proceed on the Soutpansberg Site without a township being proclaimed.

However, should the Department decide to proceed with a process of township establishment in respect of the Soutpansberg Site following its discussions with Tshwane, the Department and its advisors will initiate the township establishment process with Tshwane up to the approval of conditions of establishment for the proposed township. Thereafter, it is expected that the Private Party will complete the township establishment process, at a cost to be borne by the Project. The Private Party will be required to comply with the Ordinance and with the stipulated conditions of establishment.

3.5.3 Geotechnical

A preliminary geotechnical investigation has been undertaken. The results thereof indicate that the founding conditions for a development of this nature are good and minimal groundwater seepage is expected.

3.5.4 Environmental

The Department and its advisors have performed a preliminary assessment of the impact of the Project on the environment. The Department has interacted with the environmental authorities and an application for an exemption from the provisions of the Environmental Conservation Act, 1989 has been lodged. A process of interaction with interested and affected parties is in progress and, subject to this process, it is currently anticipated that a letter of approval granting the Department an exemption from the provisions of the Environmental Conservation Act, 1989 is expected to be received by the end of January 2005.

3.5.5 Heritage, Archaeology and Palaeontology

A preliminary heritage impact on the Soutpansberg Site has not revealed any features of heritage resources on the Soutpansberg Site. In terms of the National Heritage Resources Act, 1994 a notification of an intention to develop the Soutpansberg Site has been lodged with the South African Heritage Resources Agency and final letter of support for the Project is anticipated to be received before the end of January 2005.

No subsurface investigation has been undertaken to determine any archaeological and palaeontological artefacts

Bidders will be responsible for conducting their own investigations on the Soutpansberg Site for evidence of any heritage resources, either above or below the surface.

3.5.6 Traffic

It can be assumed that the traffic volumes to be generated by the Project will have a major impact on the road network. It can be reasonably expected that Tshwane would require a contribution from the Project in respect of upgrading of the road network as a consequence of the impact of the Project on the surrounding road network.

The Transaction Advisor is currently in discussion with Tshwane regarding the extent of the upgrading of the road network and it is envisaged that the agreed scope of work, to enable Pre-Qualified Bidders to price the road upgrade, shall be provided in the RFP.

3.5.7 Engineering Services and Utilities

A preliminary services investigation was performed which indicated that the Soutpansberg Site is likely to have viable access to water, sanitation and storm water, waste disposal, electrical and communication networks alongside the existing road and traffic infrastructure. Bidders will be responsible to determine the capacity of such utilities and services to handle the requirements of the Department and to provide the necessary upgrades and service connections to the Soutpansberg Site. The Bidder will also be responsible for dealing appropriately with any known or unknown utilities discovered or interrupted and any consequential impacts arising therefrom.

3.6 Defined Performance Parameters

The following constitute some of the important objectives for the Project, which shall be amplified further in the RFP.

3.6.1 Project Goals

In order to determine whether the Project successfully meets the Department's strategic objectives a number of Project Goals have been identified. Bidders will be required in their RFP response to demonstrate how they have addressed each of the Project Goals. The Project Goals are listed below such that Bidders can, at the earliest possible stage of the Project, consider the Department's overall objectives.

The Project Goals are as follows:

- a) successful achievement of the output specifications developed for the Project which meet the requirements of Department management, staff and other stakeholders;
- b) procurement of a consolidated working environment within an optimal project structure which will contribute to meeting the Department's empowerment targets, i.e. involvement of Broad Based Black Economic Empowerment, Women and disabled people;
- c) successful management of key stakeholder relationships in the preparation and implementation of the Project;
- d) achieving Financial Close within the shortest possible timeframe after the signing of the PPP Agreement;
- e) effecting the relocation to the premises within the timeframe required by the Department and without major incidences affecting the on-going operations of the Department;
- f) satisfaction of the Department management and staff with the performance of the service providers according to the agreed performance standards, (eg time taken to respond to a building maintenance request);
- g) procurement of a the consolidated working environment which supports the Department in achieving its vision, mission, strategic objectives and service delivery improvement objectives, (e.g. increased workflow efficiencies within a collaborative working environment);
- h) positive contribution of the Project towards meeting the Department's overall transformation process;
- i) contribution of the Project towards creating sustainable local economic development opportunities are created through the Project;
- j) contribution of the Project in creating sustainable jobs through the utilisation of labour intensive construction methods;

- k) successful partnering with other stakeholders in ensuring mutual optimal utilisation of facilities; and
- l) achievement of real value for money for the Department and for Government.

3.6.2 Broad Based Black Economic Empowerment, Women, Disabled People and other Socio-Economic Objectives

The Department has explicitly indicated its desire and intent to maximise Black economic empowerment, affirmative procurement, and the participation of Women and Disabled Persons in the procurement of the Project. The Department has had regard to the Code of Good Practice for Black Economic Empowerment in Public Private Partnerships, furthermore, the Department has set targets for both Women and Disabled Persons which extends beyond the scope of the Code. The intention is to ensure that these Target Groups must be *optimally, actively and equally* involved in the entire life-cycle opportunities of the Project, and at all levels i.e. ownership, management and service delivery levels. It may be assumed that a system of incentives and penalties will be established to reward and penalise Bidders for over-achieving/ failing to meet the targets as set out below.

Pre-Qualified Bidders will be required to detail in their RFP Bids the extent to which jobs will be created in respect of each of the Target Groups.

3.6.2.1 The Balanced Score Card in relation to the Project

It is expected that the Private Party will meet the minimum requirements for Target Groups as set out in the balanced score card below. Paragraphs 3.6.2.2 to 3.6.2.10 is intended to provide clarification of the balanced score card in relation to this Project.

Element	Indicative PPP Project Target
A: Private Party and Committed Subcontractors equity	
A1: Black equity	40%
A2: Active Black Equity	55% of A1
A3: Cost of Black equity	Bidder to show Value-for-money
A4: Timing of Black equity returns	Early and ongoing returns to be demonstrated and committed to
A4: D&C Contractor equity	45%
A5: Facilities Management Contractor equity	50%
A6: Women equity	Refer to section E1
A6A: Black Women equity	Refer to section E1A
B: Private Party management & employment	
B1: Black management control	40%
B1A: Women management control	Refer to section E2
B2: Black Women management control	Refer to section E3
B3: Employment equity	Strong plan
B4: Skills development	1,5% of payroll spent on the development of Target Groups (of which 66% must be spent on Black employees)
B5: Disabled Persons	Refer to F1

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Element	Indicative PPP Project Target
C: Subcontracting	
C1: Project capital expenditure to Black people and/ or Black Enterprises	40%
C1A: Project capital expenditure to Women	Refer to E4
C2: Project operational expenditure to Black people and/ or Black Enterprises	50%
C2A: Project operational expenditure to Women	Refer to E5
C3: Black management control	25%
C3A: Women management control	Refer to E6
C4: Black Women management control	Refer to E7
C5: Employment equity	Strong plan, legally compliant
C6: Skills development	1,5% of payroll spent on the development of Target Groups (of which 66% must be spent on Black employees)
C7: Procurement to Black SMMEs	40%
C8: Disabled Persons	Refer to F2
D: Local socio-economic impact	Sustainable, effective plan
E: Women	
E1: Women equity	10%
E1A: Black Women equity	60% of E1
E2: Women management control in the Private Party	40% (determined in aggregate with E6)
E3: Black Women management control in Private Party	60% of E2
E4: Project capital expenditure to Women	20% (determined in aggregate with E5)
E5: Project operational expenditure to Women	20% (determined in aggregate with E4)
E6: Women management control in subcontracting	40% (determined in aggregate with E2)
E7: Black Women management control in subcontracting	60% of E6
F: Disabled Persons	
F1: Disabled Persons employment	5% (determined in aggregate with F1)
F2: Disabled Persons procurement spend	5% (determined in aggregate with F2)

3.6.2.2 Private Party and Committed Subcontractor Equity Objectives

One of the key goals of the Project is the intent to maximise Broad Based Black Economic Empowerment in the Project. The Private Party will be obliged to meet the minimum Broad Based Black Economic Empowerment requirements set out in paragraph 3.6.2.1 above, and as detailed below.

- a) The Private Party must be at least 40% owned by Black people and/or Black Enterprises (Score card A1)
 - i) a minimum of 55% of the Black equity participation must constitute Active Black Equity (Score card A2).
 - ii) Should an Equity Member of the Private Party wish to relinquish its shareholding in the Private Party, then to the extent permitted in terms of the

PPP Agreement, that Equity Member will be obliged to sell at least 50% of the shareholding being disposed of to Black people and /or Black Enterprises.

- b) In relation to the D&C Contractor, Black People and/ or Black Enterprises must own a minimum of 45% of the D&C Contractor (Score card A4), either by way of equity or participation interest. The equity or participation interest held by Black People and/ or Black Enterprises will be calculated as the sum of the weighted average share of each Black Person and/ or Black Enterprise in the D&C Contractor. For example:

A (having a 20% Black equity ownership in itself) has 40% interest in the D&C Contractor;

B (having 70% Black equity ownership in itself) has 60% interest in the D&C Contractor.

Therefore, as:

A's weighted average share in the D&C Contractor is $40\% \times 20\%$

B's weighted average share in the D&C Contractor is $60\% \times 70\%$

The total Black interest in the D&C Contractor is 50% (being $(40\% \times 20\%) + (60\% \times 70\%)$).

- c) In relation to the Facilities Management Contractor, Black people and/ or Black Enterprises must own a minimum of 50% of the Facilities Management Contractor (Score card A5), either by way of equity or participation interest. The equity or participation interest held by either Black People and/ or Black Enterprises will be calculated as the sum of the weighted average share of each Black person and/ or Black Enterprise in the Facilities Management Contractor. The method of calculating the participation of Black people and/ or Black Enterprises will be the same as in paragraph 3.6.2.4 b).

3.6.2.3 Black Management Objective

Black management to comprise no less than 40% of total management of the Private Party (Score card B1).

Black management to comprise no less than 25% of total management of the Committed Subcontractors (Score card C3).

3.6.2.4 D & C Contractor Objective

At least 40% of the procurement spend by the D&C Contractor shall be procured from Black people and/ or Black Enterprises (Score card C1) of which 40% of the procurement spend by the D&C Contractor must be from Black SMMEs (Score card C7).

3.6.2.5 Facilities Management Contractor Objective

At least 50% of the procurement spend by the Facilities Management Contractor shall be procured from Black people and/ or Black Enterprises (Score card C2) of which 40% thereof must be from Black SMMEs (Score card C7).

3.6.2.6 Participation of Women Objective

Targeting Women for participation in the Project is one of the high priorities in the Department. An effective way of dealing with the empowerment of Women in the Project is to set overall targets for Women participation in direct employment, different skills categories, and by value of the income that is earned by Women in the Project. The requirement to meet the targets in respect of the participation of Women does not rest solely with Broad Based Black Economic Empowerment participants in the Project, but must be shared with non-Broad Based Black Economic Empowerment participants.

In respect of Women the targets shall be evaluated at three levels as follows:

- a) Equity ownership - A minimum of 10% of the equity in the Private Party shall be held by Women or Women Owned Enterprises (Score card E1), of which, at least 60% shall be held by Black Women and/ or Women Owned Enterprises owned by Black Women (Score card E1A).
- b) Employment – A minimum 40% of the combined total of management in the Private Party and the Committed Subcontractors shall be occupied by Women (Score card E2 and E6), of which at least 60% should be held by Black Women (Score card E3 and E7). The remuneration shall reflect substantially the same targets (Score card E2, E3, E6 and E7).
- c) Procurement spend - At least 20% of the procurement spend by the Committed Subcontractors shall be procured from Women and/ or Women Owned Enterprises, the remuneration spent on the employment of Women may be included as procurement spend (Score card E4 and E5).

3.6.2.7 Participation of Disabled Persons Objective

Disabled Persons are a further group identified for targeted procurement as follows:

- a) Employment – A minimum 5% of the combined total of employment in the Private Party and the Committed Subcontractors shall be filled by Disabled Persons (Score card F1).
- b) Procurement spend - A minimum 5% of the procurement spend by the Committed Subcontractors shall be procured from Disabled Persons, the remuneration spent on the employment of Disabled Persons may be included as procurement spend (Score card F2).

3.6.2.8 Employment Equity Objective

The Private Party and Committed Sub-Contractors shall comply with their statutory obligations in respect of the Employment Equity Act, 1998 and must submit an employment equity plan

and undertake to the Department to meet minimum employment equity levels of participation (Score card B3).

3.6.2.9 Skills Development Objective

The Private Party and the Committed SubContractors will be required to have a skills development plan (as contemplated in Skills Development Act, 1998) in place, with a minimum of 1% of payroll to be spent on skills development of Black People (Score card B4 and C6).

3.6.2.10 Local Socio-Economic/ Local Economic Development (LED) Objective

- a) The Private Party will be required to demonstrate commitment to promoting local socio-economic development within Tshwane;
- b) A minimum of 1% of unitary payment to be spent directly on LED projects per annum; and
- c) The Private Party will be required to demonstrate long term sustainability of the LED projects.

3.6.3 Human Resource Objectives

A number of principles have been identified as important for consideration from a human resources perspective, when reviewing the Department's accommodation and related services requirements in relation to the Project. These principles have been derived from a review of the Department's organisational strategy, vision, mission and values. Principles identified include the need for the Project to:

- a) promote a sense of peace and security, and provide for a calm working environment;
- b) ensure a focus on key business objectives;
- c) promote democratisation of the workplace e.g. through allowing for interaction;
- d) ensure accessibility to stakeholders;
- e) promote effective and efficient service delivery;
- f) aid the Department in promoting itself as a "better"/ best practice employer (requiring consideration of services such as crèche facilities and a cafeteria); and
- g) incorporate consideration of ergonomics – to send out a message to staff around their value to the organisation.

3.6.4 Building Objectives

3.6.4.1 Built Environment Objectives

The built environment will be guided by the following priority requirements:-

- a) atrium/street – not high-rise;
- b) user-friendly;

- c) a mix of open plan and cellular offices;
- d) office park (3 to 4 stories);
- e) landscaped site; and
- f) accommodation ultimately for 2 285 people.

In satisfying the building requirements of the Department the following influential components in the design approach must be addressed and produced:

- a) urban design;
- b) space planning;
- c) environmental elements of design; and
- d) sustainability options.

3.6.4.2 Urban Design Objectives

The design of the Facilities must incorporate the following design principles, insofar as possible, and be incorporated into the urban design guidelines (forming part of the output specification set out in the PPP Agreement):

Liveable and space defining streets	Streets should be designed on a human scale with a lively edge, and which support and promote pedestrian street activities and public transport. A positively defined street space must be created.
Street interface	The street interface must consist of the following components: position of entrances; built-to lines; setbacks; colonnades and articulation of corners as well as the creation of gateways.
Building envelope	The building envelope is to be guided by: articulation of significant corners; built-to lines; setbacks; maximum height and the suggested position of entrances. Significant corners can also be utilised for entrances to office components.
Liveable building edges	These building edges should define the streets, and the articulation of the façades and building activity should promote active ground floor uses, have a pedestrian friendly interface and combine different buildings into a unified urban form with variety and detail.
Symbiotic mix of uses	There must be a symbiotic mix of uses which will increase the economic and social sustainability of the working environment, ensuring that a proper mix of uses is available which will support 24-hour life in the streets. Horizontal as well as vertical land use mixes should be promoted.
Vehicle management	Car management is to be undertaken in a manner as to create pedestrian-friendly well defined access routes. The parking requirements of the users should be balanced with the promotion of

	pedestrian movement and the public transport, and accordingly parking should be situate at the back of buildings or in basements.
Structure and flexibility	With a strong structure and flexible guidelines it is possible to ensure certainty, reduce risk and allow for variety within the urban environment. Where possible, the existing urban structure is to be reinforced and the existing historical references respected. The design should be robust enough to allow for detailed change.
Creation of unique spaces	Creation of unique spaces within the working environment can be achieved by articulation of entrances and gateways, significant urban spaces, visual and physical connections towards the surrounding context. Positively defined urban spaces should be created.

The footprint of the building will have an impact on the urban design principles set out above. The Bidders should have regard for the need to promote the compatibility of the working environment typology as a three to four story buildings of approximately 54 000 m² in total (including the guest house facilities but excluding the space requirement for the 25 year growth), the street interface which forms the context of the working environment and determines the interface between the surrounding context, the new buildings and the surrounding landscape. Furthermore, Bidders should take cognisance of the landmark potential of the complex in order to heighten the awareness of the Department for local and overseas visitors.

3.6.4.3 Working Environment and Space Planning Objectives

The primary functional needs of the working environment for the Department are summarised below:

Personal office space:	facilitation of efficient and ergonomic work environment; use of natural light; provide windows that open (subject to security requirements); sufficient ceiling height; fresh air supply where possible; user-controlled air-conditioners (not centrally controlled); and accessibility to the outside gardens and parkland.
Functional facilities required:	easy access to outside (maintaining security requirements); large conference facilities (to accommodate +/- 150 people at any one time) with break away rooms; Foreign Service Institute and diplomatic training facilities; guest house; archives; internal circulation/ atrium area; area where entire Department's staff can be accommodated for staff briefings; canteen/ cafeteria with restaurant-type area for entertainment of high profile guests; lapa for social gatherings; television and video conferencing facilities; libraries; communication and document filing room per branch/ directorate; cater for ordinary and diplomatic mail deliveries; work stations/offices for staff visiting/moving; kitchenette per directorate/floor; appropriate smoking areas must be provided; travel agency;

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	crèche; and gym.
Security:	security will need to be high but should not be imposing; appropriate security and access depending on the person i.e. minimal delays for high profile clients; comply with minimum information security standards provided by the NIA; comply with NIA specifications for physical infrastructure and protection of information; comply with Government garage requirements; access control with suitable security detection equipment; separate access for VIPs with security surveillance; security zones to be provided within the building defining different security level work areas and branches within the Department; and monitored security fence with surveillance of the entire campus.

Space planning should incorporate the foregoing when accounting for personnel requirements within the organisational structure. At the overall organisation level, the Department requires the following special areas:

- a) multi-faith room;
- b) sick room;
- c) gym;
- d) crèche;
- e) guest houses;
- f) cafeteria
- g) travel agency; and
- h) .ATM.

The current Department organisational structure provides for the following staff levels by the end of December 2006.

Staff Category	Staff numbers
Minister	1
Deputy Minister	2
Director General	1
Deputy director general	7
Chief director	27
Director	87
Deputy director	204
Assistant director	774
Senior official	147
Administration Support	188
Secretaries	545
Advisors to Minister (Chief director / Director level)	3
TOTAL	1 986

In determining the Department's space requirement, Bidders should have regard to the DPW space norms as a guideline only; Bidders will be encouraged to determine the space requirement from a zero base and through interaction with the Department's executive management and a representative group of Department's staff.

3.6.4.4 Environmental Design Objectives

The building design should address solutions to the following environmental design issues of:

- a) orientation;
- b) building envelope passive design features;
- c) energy efficient building design and systems;
- d) water efficiency;
- e) "sense of place" from a heritage perspective; and
- f) sensitivity to site ecology (including the ridge in close proximity to the Soutpansberg Site).

Other environmental design features are invited on the basis that due cognisance is taken in the RFQ Bid to the Department's needs concerning affordability and value for money.

3.6.4.5 Sustainability objectives

The application of sustainability principles such as:

- a) a prevailing sense of justice and rule of law and discussion, not power;
- b) sustainability, not waste, i.e. recycle wherever practical; and
- c) working environment must not only look good after completion but remain in good condition for its life. Materials used therefore need to be of a high quality and maintainable.

3.6.5 ICT Objectives

The ICT requirements are defined in terms of accommodation space, cabling and telephony equipment. The cabling specifications (to be addressed in detail in the RFP documentation) cover the cabling and cable termination requirements as well as the requirements for the cable cabinets, storage and labelling. No provision should be made for other network equipment, *inter alia*, hubs, routers and switches.

The telephony equipment covers the requirements for the telephone system as well as the PABX, listing the required node and call capacity, functionality, PABX software, call waiting and profiling requirements. It is important to note that the Project only provides for the above ICT elements and that the bulk of the ICT elements will be addressed under the Department ICT master systems plan ("MSP"). The MSP provides a planned path towards the development of Knowledge Management within the Department. The integration between the ICT elements of the Project and the MSP will have to be continuously monitored and the DDG: Corporate Services will play a key role in this regard.

3.6.6 Facilities Management Objectives

Soft and hard facilities management services will be required of the Private Party and the PPP Agreement will address this particular requirement.

The following is a summary of the soft and hard facilities management services that will be required of the Private Party.

<p>Soft facility management services</p>	<p>General office cleaning; Household services (excluding the household services for the guest houses); Carpet cleaning; Pest control; Office plants; External cleaning and hygiene; Help desk (only in relation to the facility management); Collection of normal, non-diplomatic mail from post office; Drivers (in respect of the vehicles provided by the Private Party); and Garden services and landscaping (excluding the guest houses).</p>
<p>Hard facility management services</p>	<p>Air-conditioning; Furniture; Refurbishment; Transportation vehicles in respect of the procurement, operation and management of a portion of the Department car fleet; Operational issues (sewage, waste removal, electrical consumption management, water consumption management); and Printing, copying and reprographic equipment (Private Party to manage printing and reprographic machinery but staff to remain Department employees due to sensitivity of documentation).</p>
<p>Building maintenance and general facilities management</p>	<p>Functional facility management services catering and restaurant; Conferencing (excluding planning and organisation of events, conferences, functions); Training (excluding planning and organisation of training events exclude); Guest houses (as it relates to the hard facilities management services) Crèche (including all relevant staffing of this facility); Gym (including all relevant staffing of this facility); Cafeteria (including all relevant staffing of this facility).</p>

	facility); Travel agency (including all relevant staffing of this facility); and ATM.
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As a matter of clarification in respect of transportation, the Department provides the following services to its staff and clients:

- i) driving people home (generally in respect of staff working after hours);
- ii) aiding those with disabilities;
- iii) rendering deliveries; and
- iv) collecting people from and delivering people to the airport (overtime work hours required).

Further detail of the transportation services to be provided by the Private Party will be included in the output specifications included with the RFP.

3.7 Defined Legal Requirements and Statutory Laws and Regulations Related to the PPP

As indicated above the PPP procurement process will be informed and regulated by the Treasury Regulations.

The under-mentioned list is indicative of the regulatory framework that will or may be applicable to the Project but is not, by any means, to be construed as exhaustive:

- i) PFMA
- ii) The Treasury Regulations
- iii) The Broad Based Black Economic Empowerment Act, 2003
- iv) Code of Good Practice for Black Economic Empowerment in Public Private Partnerships
- v) The Competition Act, 1998
- vi) The Conservation of Agricultural Resources Act
- vii) The Constitution of the Republic of South Africa, 1996
- viii) The Deeds Registries Act, 1937
- ix) The Development Facilitation Act, 1995
- x) The Division of Land Ordinance (Transvaal), 1986
- xi) The Employment Equity Act, 1998
- xii) The Environment Conservation Act, 1989
- xiii) The regulations published pursuant to the Occupational Health and Safety Act in Government Notice 1010 in Government Gazette 1010, July 2003.
- xiv) The Hazardous Substances Act, 1973
- xv) The National Heritage Resource Act, 1994
- xvi) The Income Tax Act, 1962
- xvii) The Labour Relations Act, 1995
- xviii) The Land Survey Act, 1997
- xix) The National Building Regulations and Building Standards Act, 1987

- xx) The National Environmental Management Act, 1998
- xxi) The National Forests Act, 1998
- xxii) National Environmental Management: Protected Areas Act, 2003
- xxiii) The Occupational Health and Safety Act, 1993
- xxiv) The Town Planning and Township Ordinance (Transvaal), 1986
- xxv) The Public Service Act, 1994
- xxvi) Regulation 1182 issued under the provisions of Section 21(1) of the Environment Conservation Act, September 1997
- xxvii) Regulation 1183, as amended, issued under the provisions of Section 21(1) of the Environment Conservation Act, September 1997
- xxviii) The Ridge Policy contained in the Development Guidelines for Ridges issued by the Gauteng Department of Agriculture, Conservation and Environment, April 2001
- xxix) The Skills Development Act, 1998
- xxx) The Standardisation
- xxxi) The Transfer Duty Act, 1949
- xxxii) The National Water Act, 1998.

Each Bidder is required to submit with its RFQ Bid a declaration stating that it is fully acquainted with the laws of South Africa (including without limitation all statutes and regulations (on a national, provincial and municipal level)) in relation to Public Private Partnerships and the subject matter of the Project, and that it will comply with such laws. The required form of the declaration is set out in **Annexure B**.

3.8 Identified Financing and Requirement Issues

The Private Party will be required to finance the design, construction, operation and maintenance of the Department's new head office campus at its own cost and risk. This includes the financing of lifecycle costs on the facilities management and maintenance side of the Project. The indicative amount for capital investment (including furniture and fittings), as per the Feasibility Study, is approximately R583 million over an 18 month period. Possible expansion expected in 2018 (i.e. 12 years after construction completion) is not included as part of the initial works to be undertaken in respect of the Project and will be dealt with as a Department variation order as and when required. The Department would like to move into its new working environment by December 2006, and in this regard the Bidders attention is drawn to the requirements set out in 6.1.6.6 below.

As part of the Project preparation and in acknowledgement of the market constraints for Broad Based Black Economic Empowerment, Women and the Disabled Persons participation in PPPs, the Department and the DBSA would proudly want to introduce the market to a new development for the participation of Broad Based Black Economic Empowerment groups in this Project.

3.8.1 Broad Based Black Economic Empowerment Financing and Capacity Building

As discussed above, the intention of the Department is to maximise the participation of Broad Based Black Economic Empowerment entities, Women and Disabled Persons (collectively the

“Target Group”) in the Project. The objective is to ensure that these Target Groups would be *optimally, actively and equally* involved in the entire life-cycle opportunities of the Project, at all levels i.e. ownership, management and service delivery.

From experience there are severe constraints inhibiting the realisation of this objective, such as the availability of affordable financing for the Target Groups and the empowerment of the Target Groups to participate. Few of the Target Groups are able to raise the necessary finance to fund their equity obligations into projects of this nature from their own resources, thus most of these companies have to borrow to fund their equity obligations. The rates at which they borrow tend to be prohibitively high, lessening the returns. This has the further effect of reducing the Target Groups’ interest and enthusiasm to take up equity in PPPs. Even, if participation in transactions is secured, another serious constraint is a lack of sufficient experience by, and capacity of, these emerging Broad Based Black Economic Empowerment groups in participating in the complex structuring of a PPP transaction, including effective negotiating of their position in the consortium and therefore undermining the objective of securing *active* participation.

This has led the Department to explore ways of finding more affordable funding and building the capacity of the Target Groups to enable them to play a meaningful role in the Project. The Department approached the DBSA - as one of Government’s development finance institutions mandated for infrastructure development – with a view to structuring a special financing and capacity building instrument that could be used to help ease access to finance, empowerment and capacity building.

The rationale for this engagement is that the DBSA has a clear developmental mandate to play a catalytic role in stimulating the private sector to provide meaningful support to the Target Groups in PPP projects. The development of this product is meant not only to facilitate access to affordable funding and capacity building to participate in this Project, but to enable participation by the Target Groups in all future PPP transactions. It is hoped that the product will lead towards higher levels of participation and more appropriate assessment and pricing of Broad Based Black Economic Empowerment, Women and Disabled Persons risks in PPP transactions in the market.

3.8.1.1 The DBSA Funding Package

The DBSA is offering a financing product for this Project, which has the following three elements:

- a) the provision of finance and performance bonds to the Target Groups in the Private Party, at attractive rates;
- b) the provision of technical assistance grants to all the Target Groups forming part of any Pre-Qualified Bidder, to enable them to acquire legal and financial advice during the bidding and negotiation phases of the Project; and
- c) an option for the DBSA to participate, to a limited extent, in the debt financing of the Project.

The detailed DBSA term sheet and appropriate legal contracts will follow with the RFP.

3.8.1.2 Equity Finance

The DBSA is prepared to provide 3 types of loan facilities:

Category “A” Loan

- a) This will be a loan granted to an Enterprise owned by Target Groups who participates as a Committed Subcontractor to the D&C Contractor, and will be serviced from the income received for services provided under the D&C Contract. The DBSA would be repaid from the cash flow from the D&C Contractor to such Target Groups.
- b) The following security, *inter alia*, will be granted in relation to the Category "A" Loan:
 - i) a cession to the DBSA of the Target Groups' rights under the various agreements entered into by the Target Groups in relation to the Project;
 - ii) the pledge of the Target Groups' shares in the Private Party;
 - iii) a cession by the Private Party of a debt service reserve account (escrow account) in the Private Party securing payment of a portion of the Category "A" Loan to the DBSA. This security is not to be subordinated to lenders' security.
 - iv) Direct agreements between the DBSA and other Equity Members and Committed Subcontractors securing the involvement of the Target Groups in the Project, including the provision of technical support to the Target Groups.

Category "B" Loans

- a) This will be a loan granted to a Target Groups (not necessarily being the same Target Groups as contemplated in relation to the Category "A" Loans) who participates as a Committed Subcontractor to the Facilities Management Contractor, and will be serviced from the income received for services provided under the Facilities Management Contract. The DBSA will be serviced from the income received for services provided under the Facilities Management Contract to such Target Groups.
- b) The following security, *inter alia*, will be granted in relation to the Category "B" Loan:
 - i) a cession to the DBSA of the Target Groups' rights under the various agreements entered into by the Target Groups in relation to the Project;
 - ii) the pledge of the Target Groups' shares in the Private Party;
 - iii) a cession by the Private Party of a debt service reserve account (escrow account) in the Private Party securing payment of a portion of the Category "B" Loan to the DBSA. This security is not to be subordinated to lenders' security.
 - iv) Direct agreements between the DBSA and other Equity Members and Committed Subcontractors securing the involvement of the Target Groups in the Project, including the provision of technical support to the Target Groups.

Category "C" Loans

- a) This loan will be granted to Equity Members (being Target Groups) who do not constitute Committed Subcontractors but who may be involved in the day-to-day management of the Private Party. The loan will be serviced from the income received from the dividend stream, interest on shareholders loans, management fees or any other income received by the Target Groups Equity Members.
- b) The following security, *inter alia*, will be granted in relation to the Category "B" Loan:
 - i) a cession to the DBSA of the Target Groups Equity Member's rights under the various agreements entered into by it in relation to the Project;
 - ii) the pledge of the Target Groups Equity Member's shares in the Private Party;

- iii) a cession by the Private Party of a debt service reserve account (escrow account) in the Private Party securing payment of a portion of the Category "C" Loan to the DBSA. This security is not to be subordinated to lenders' security.
- iv) Direct agreements between the DBSA and other Equity Members and Committed Subcontractors securing the involvement of the Target Equity Member in the Project.

Performance Bonds

The Private Party has the responsibility to provide the performance bonds which are anticipated to be required by the senior lenders, the Target Groups will therefore be expected to provide their pro-rata portion of the performance bonds. The DBSA are willing to provide either in full or in part the performance bonds required by the Target Groups, subject to terms and conditions which will be provided with the RFP.

Construction Performance Bonds

The DBSA are willing to provide performance bonds to the Target Groups who participate in the Category "A" loan facility.

Facilities Management Performance Bonds

The DBSA are willing to consider providing only limited performance bond facilities to the Target Groups who participate in the Category "B" loan facility. The DBSA's executive management have directed that in the event of facilities management performance bonds being issued to the relevant Target Groups the term of these bonds are unlikely to be for a period longer than one year from the commencement of services i.e. approximately two and a half years into the term of the PPP agreement.

3.8.1.3 Technical Assistance

The intention of the technical assistance being offered by the DBSA to the Target Groups is to build the capacity of the Target Groups, during the bidding and negotiation stages of the Project. The DBSA offers to make available capacity building assistance to the Target Groups that form part of the Pre-Qualified Bidders, through technical assistance grants to enable Target Groups to procure expert legal and financial professional services. The amount granted under this facility will depend on the circumstances of each individual request, and the DBSA reserves the right to set the terms and conditions for each grant made.

3.8.1.4 DBSA participation in Debt Facilities for the Project

By virtue of providing financial assistance to the Target Groups in the Project, the DBSA shall have the right to participate in the financing of the Project. Depending on the final structure of the debt the DBSA will consider participation in both the senior and subordinated debt, the DBSA's participation will not be more than 15% of the total debt.

The DBSA's participation in the debt financing will be on the same terms and conditions negotiated by the lenders, and shall rank *pari passu* with the other lenders in respect of each of the senior debt and subordinated debt. The DBSA reserves the right not to participate in the debt if the terms negotiated in relation to either the senior debt or subordinated debt are unacceptable to the DBSA. It is not anticipated that the DBSA will participate in the

negotiations to structure the senior and/or subordinated debt (except to the extent that it might have observer status for capacity building and reporting).

3.8.1.5 DBSA Requirements

The DBSA funding package is conditional on, *inter alia*, the following:

- a) Acceptance of the financing and assistance package offered by the DBSA may not be accepted in part only;
- b) Final approval of the PPP Agreement and other Project documents (to the satisfaction of the DBSA) and execution thereof.
- c) Final approval of senior debt facilities and/or any other financing arrangements. DBSA will have the same rights and obligations as any other lender of similar status in the inter-creditor agreement.
- d) Satisfactory appraisal of the Target Groups' business plan and financial model to ensure that it meets the DBSA requirements regarding viability, and approval of the investment by DBSA's management and/or the DBSA board.
- e) The Target Groups will be expected to fund a reasonable portion of the equity obligations, from their own sources.
- f) Payment by the Target Groups of the DBSA's success fees (being market related).
- g) Satisfaction of further conditions that will be detailed in the financing/loan agreements between DBSA and the Target Groups relating to this Project.
- h) the satisfactory conclusion of the following direct agreements
 - i) those contemplated in paragraph 3.8.1.2;
 - ii) between the DBSA and the lenders, pertaining to DBSA's rights in relation to default under the PPP Agreement caused by the Target Groups being supported by the DBSA, termination provisions; step-in rights; security in relation to the senior debt; and
 - iii) The DBSA, the security company and agent bank, pertaining to security arrangements and the escrow accounts created pursuant to paragraph 3.8.1.2.
- i) The satisfactory conclusion of the agreements pertaining to the security granted to the DBSA (including any registration thereof, to the extent necessary) pursuant to paragraph 3.8.1.2, which security must be first ranking security in favour of the DBSA.

Further detail of the DBSA's financing requirements is provided in **Annexure G**.

3.8.1.6 The Role of the DBSA in the Project

The Department wishes to optimise the involvement of Target Groups in the Project and, in particular, ensuring that capacity is built within the Target Groups and the financing provided offers reasonable terms to the Target Groups. In light of this the DBSA funding package is presented in this RFQ. The description of this DBSA funding package provided in the RFQ is for information only. Bidders will be provided with a full term sheet and relevant legal documentation with the RFP which will enable Pre-Qualified Bidders to fully evaluate the DBSA funding package.

Should Bidders be able to raise an alternative financing package for the Target Groups (which includes the technical assistance offered by the DBSA to empower the Target Groups), which represents an improvement upon the DBSA package, they will be entitled to utilise these alternative facilities, and will not be compelled to take up the DBSA offer.

The DBSA funding package is offered as an integrated package to Bidders, i.e. Bidders will not be permitted to select items of the package individually.

3.9 Identified Revenue Parameters

The unitary payment in respect of the Project shall not exceed R121,8 million (inclusive of VAT) per annum, which shall be an indivisible sum.

The unitary payment amount shall be payable in arrears on a monthly basis and be subject to appropriate performance standards and penalty regime as per the PPP agreement.

3.10 Summary of the Envisaged Risk Transfer

The Department will be guided, with regard to appropriate transfer of risk to the Private Party by the National Treasury's Standardisation, and prepared a risk matrix setting out a summary of the risks which the Department requires the Private Party to accept.

A draft version of the risk matrix dated 15 June 2004 ("Draft Risk Matrix") was distributed to participants in a National Treasury Foundation Training Session 14 September 2004. However, as this was not the final version of the risk matrix Bidders should place no reliance on information contained therein. Accordingly the Department will not be bound by anything contained therein.

Should any Bidder require a copy of the draft risk matrix, same can be made available upon request to the Project Officer, to the address stipulated in paragraph 5.4.

The Department has identified the key risks from the final risk matrix that the Department wishes to transfer to the Private Party. The key risks have been identified according to the Advisory Team's estimated value of the risk. An extract of these key risks from the risk matrix is attached as **Annexure H**.

4 Procurement Process Stages and Timelines

4.1 Key Dates

Issue RFQ document	19 November 2004
Return date for RFQ	17 January 2005
Anticipated date for announcement of Short-listed Bidders	14 February 2005
Anticipated date of issue of RFP document	14 February 2005

The Department wishes to take occupation of the new accommodation by the end of the 2006 calendar year. Bidders should at this early stage take cognisance of the Department's time frames.

4.2 Procurement Stages

The stages in the procurement phase of the PPP process are outlined in the Treasury Regulations. The procurement process is designed to be fair, equitable, transparent, competitive and cost-effective.

Following submission of the RFQ Bids, same shall be evaluated by the Evaluation Committee (the process of evaluation is described further in paragraph 7 below), and the Department will select a short list of Pre-Qualified Bidders.

After the Pre-Qualified Bidders have been selected the procurement process in brief, shall be as follows:-

- a) Issue of the RFP to the Pre-Qualified Bidders containing Project specific information in order to facilitate the preparation of bids by Pre-Qualified Bidders;
- b) Submission of Bid proposals in response to the RFP by the Pre-Qualified Bidders;
- c) Evaluation of RFP Bids by the Department;
- d) Potentially, the request for a best and final offer to the Department by the Pre-Qualified Bidders; save that which of the Pre-Qualified Bidders are invited to present such a best and final offer will be the prerogative of the Department;
- e) Selection of a Preferred Bidder and one or more reserve bidders;
- f) Obtaining Treasury Approval II B and announcing the Preferred Bidder;
- g) Negotiate the final PPP Agreement with the Preferred Bidder and ensure affordability, risk transfer and value for money for Government;
- h) Obtain Treasury Approval III;
- i) Contractual Close; and
- j) Financial Close.

4.3 Contact policy

- a) All queries in respect of this RFQ are to be addressed, in writing, to the Project Officer, at the address stipulated in paragraph 5.2 below with copies to be sent by way of e-mail to the Project Officer at e-mail address newcampus@foreign.gov.za and copied to the Project Manager at mecorp@icon.co.za.
- b) No information or clarification shall be requested by the Bidder, its Equity Members, the Committed Subcontractors nor any of their agents, lenders or advisors or any related person from any member of the Advisory Team, the employees of the Department or any other Government official who may be associated with the Project (other than the Project Officer), without the prior written consent of the Project Officer.
- c) In the event that any of the Bidder, its Equity Members, the Committed Subcontractors or any of their agents or advisors make any such prohibited contact, the Department reserves the right in its sole and absolute discretion to disqualify any or all of the Bidder, the Equity Members or the Committed Subcontractors being in breach of this paragraph 4.3 from the procurement of the Project.
- d) Neither the Bidder, its Equity Members, the Committed Subcontractors nor any of their advisors or agents may rely on any information provided to any of them outside of the scope of paragraph 4.3 a) above.

- e) The Department will respond to queries by way of a written Briefing Note distributed via facsimile and confirmed via e-mail to all Bidders simultaneously and reserves the right not to respond to any particular query.

4.4 Inconsistency

- a) In the event that a Bidder identifies any ambiguities, errors or inconsistencies between the various portions of this RFQ, the Bidder undertakes to notify the Project Officer in writing accordingly, and the Department undertakes to provide clarification as to the intended position to all Bidders by way of a Briefing Note; save that should such a request be received later than 7 Business Days before the Close Date, no clarification shall be made.
- b) To the extent that any inconsistency exists or shall exist between the terms of the PPP Agreement, the provisions of the RFP and the provisions of this RFQ, the terms of the PPP Agreement shall prevail.

4.5 Further Information

- a) The Department reserves the right to seek additional information from any Bidder, as it may in its sole discretion determine, whether such information has been requested under this RFQ or otherwise, and may require Bidders to make oral presentations for clarification purposes or to present supplementary information if so required.
- b) The Department may issue additional information regarding this RFQ on an ad hoc basis, which information shall be provided in the form of Briefing Notes.
- c) Briefing Notes will be sequentially numbered and will indicate whether they supplement, vary or amend any portion of the RFQ. All Briefing Notes shall be provided to the Bidders via facsimile number (and confirmed via e-mail) provided by Bidders per paragraph 6.1.1 below and the Bidders are advised to promptly acknowledge receipt thereof to the Project Officer in accordance with paragraph 4.3, and in any event within 24 hours of the Briefing Note being issued. Each Bidder shall ensure that its RFQ Bid is prepared taking into account all such Briefing Notes.
- d) Any oral instructions or comments of any nature by either the Department, the Advisory Team or any of their representatives, shall have no standing with regard to the RFQ, unless and until they have been confirmed by way of Briefing Notes.
- e) Bidders may request clarification of any item contained within this RFQ by not later than 7 Business Days before the Close Date.
- f) The Department accepts no responsibility for the failure of any Bidder to receive a Briefing Note issued, whether by virtue of such Bidder's contact details provided being incorrect or otherwise.

5 Instructions to Bidders

The RFQ Bid is to be made in compliance with all the terms and conditions set out in this RFQ, including but not limited to those set out in paragraph 1.

5.1 Format of RFQ Bid

Each Bidder's RFQ Bid must provide a complete and detailed RFQ Bid to each and all of the issues raised in this RFQ. All documentation and communication must be in English.

All pages of the RFQ Bid or each separately bound part must be numbered consecutively from beginning to end and a detailed index to the documents contained therein provided.

The RFQ Bid must be structured and presented, amongst others, under the headings set out in paragraph 6 below and contain the information referred to therein.

5.2 Close Date for RFQ Bids

- a) Each Bidder's RFQ Bid is to be submitted by not later than **11:00 am by 17 January 2005** (the "Close Date") to:

**Department of Foreign Affairs: Procurement Office
2nd Floor
Sancardia Building
Corner Beatrix and Church Streets
Pretoria**

For the attention of: **George Chuene/ Christina Mako**
clearly marked as follows:

"Department of Foreign Affairs: Finance, Design, Construction, Operation and Maintenance of a Suitable and Sustainable Working Environment (Accommodation and Related Services) – Pre-qualification Response"

- b) Each RFQ Bid is to be hand delivered and a receipt therefor obtained.
- c) The Department may in its sole discretion extend the Close Date and time for the submission of RFQ Bids at least 7 Business Days prior to the Close Date. In such an event, the terms and conditions of this RFQ shall be subject to the new deadline as extended and advised to the Bidders in accordance with paragraph 4.5.
- d) RFQ Bids received after the Close Date will be marked as late and may, in the Department's sole and absolute discretion be rejected.

5.3 RFQ Bid copies

Each RFQ Bid is required to be delivered by way of:

- a) a hard copy consisting of one master RFQ Bid and five (5) copies thereof; and
- b) a soft copy consisting of one master CD and 9 additional CD's, and the documents contained therein to be in Microsoft Word format, except for spreadsheets and project plans which are to be in Microsoft Excel and Microsoft Project formats, respectively. Where the documents or spreadsheets cannot be accessed by Microsoft Word, Microsoft Excel or Microsoft Project, respectively, the documents must be provided in an Adobe Acrobat PDF format;

each marked as either "master" or "copy", as the case may be.

5.4 Clarification process

Subject to paragraphs 4.3, 4.4, and 4.5, any Bidder requiring clarification on any matter whatsoever, must request such clarity in writing addressed to the Project Officer, as follows:

Ms Bernice Africa

Facsimile: (012) 351 1306

With copies sent via e-mail to: The Project Officer at newcampus@foreign.gov.za and The Project Manager at mecorp@icon.co.za

The Department will endeavour to respond to questions within 48 hours. The response to a Bidder will be in the form of a Briefing Note, which upon issuance, will be distributed to all Bidders.

5.5 Collection of RFP documents

Pre-Qualified Bidders shall be notified of the availability of the RFP documentation and shall be entitled to collect copies thereof at the address stated in paragraph 5.2.

6 Information Requested from and about Bidders

The information requested under this paragraph 6 will be used to evaluate Bidders as per the evaluation process set out in paragraph 7.

6.1 Identity & business credentials

6.1.1 Identity

For the Bidder and each of its Equity Members and Committed Subcontractors:

- a) Name;
- b) Contact details of Lead Member;
- c) Full names and identification numbers of key individuals of each Equity Member and Committed Subcontractor (due to the sensitive nature of the Department's activities it is a requirement from NIA that all key individuals be security screened by the Department and/or NIA);
- d) Form of Enterprise (e.g. company, individual, corporation, trust etc);
- e) Details of registration, including but not limited to, country of incorporation, nature of legal formation, registered address, principal place of business;
- f) Certified copies of corporate documentation (e.g. CM2, CM22, etc.) supporting details of registration, including all change of name certificates;

- g) Particulars of share capital showing classes of shares and amounts of authorised and issued share capital, including relevant copies of share registers / share option details;
- h) Letter of Declaration from Lead Member in the form contained in **Annexure B** and letter of intent to partake in the process as part of a specific Bidder in the form contained in **Annexure C** from each Equity Member and Committed Subcontractor;
- i) Resolution from Lead Member in the form contained in **Annexure E**, and from each Equity Member and Committed Subcontractor in the form contained in **Annexure F**;
- j) Tax clearance certificate from the South African Revenue Services, or if the relevant entity is not yet operating in South Africa, proof of "good standing" with the relevant taxation authority in the country of origin;
- k) Nature of current business;
- l) Track record of Committed Subcontractors in relevant business;
- m) Summary of South African resources and capacity in respect of the services to be provided by each of the Committed Subcontractors in relation to the Project;
- n) Summary of global resources and capacity (if any) insofar as relevant to the Project;
- o) Details of its experience in the construction of large office accommodation establishments detailing the role played by the construction element/constituent of the Bidder demonstrating the outcome of such involvement, the nature of the project, when that project was undertaken and when it was completed and who the principal employer was in relation to that project;
- p) Details of any joint venture, partnership or similar arrangements to which any of the Bidder, its Equity Members and the Committed Subcontractors is a party; and
- q) Details of any previous relationship with the Department or any other sphere of Government.

6.1.2 *Credentials and financial integrity*

The Bidder and each of its Equity Members and Committed Subcontractors must:

- a) Provide details of the Bidder's bankers, together with the Bidder's principal bankers support of the Bidder's ability to raise debt and equity and support for the Equity Members participation in the PPP.
- b) Provide details of any significant financial or business factors that may have an impact in the near future (such as mergers, take-overs and rationalisations);
- c) Provide details of all substantial mergers, disposals and major new initiatives in the last five years;
- d) Provide details of any stock exchange or other public announcement within the last twelve months, together with a copy thereof;

- e) Provide confirmation of any parent company authorisation/support which will be given in relation to the performance of the Bidder's and the committed Subcontractors' obligations; and
- f) Provide details of any gifts or donations made to the Department or any other sphere of Government in the last 48 months.

6.1.3 Proposed composition and structure of Bidder

- a) Bidders must by way of diagrammatic representations (organograms) with supporting text, provide information as to the structure of the Bidder, with the Committed Subcontractors (and their anticipated sub-contractors), which structure must clearly illustrate:
 - i) the identity of the Bidder, the Equity Members and Committed Subcontractors;
 - ii) the relationship between such persons and the nature of any anticipated agreements between such persons;
 - iii) the anticipated levels and nature of equity held by each Equity Member in the Bidder and in such Equity Member by their respective shareholders, including a demonstration of their ability to raise such equity;
 - iv) the anticipated debt and security structure, including the proposed levels, the nature of debt and ability to raise such debt;
 - v) the percentage of equity held by Target Groups for each of the Bidder and Committed Subcontractors and a demonstration as to how this equity is to be funded and intended conditions; in the event that Bidders do not wish to make use of the DBSA financing package per 3.8.1 above, Bidders are required to provide sufficient information to demonstrate that an alternative instrument can achieve the intended objectives of the DBSA financing instrument;
 - vi) any anticipated material conditions to the funding structure.

It should be clear which persons are Equity Members and which are Committed Subcontractors, or both;

- b) It is contemplated that the Preferred Bidder shall be required to establish an SPV for the purposes of entering into the PPP Agreement, and that same shall not engage in any other business or activity not contemplated in the Project. Flowing therefrom it is contemplated that the obligations of the Private Party shall be sub-contracted to the Committed Subcontractors (who shall be shareholders of the SPV).
- c) Should the Bidder be of the opinion that:
 - i) it does not wish to create an SPV; or
 - ii) that it can offer any advantage to the Project by virtue of it not creating an SPV; or
 - iii) any Committed Subcontractors shall not be shareholders in the SPV

the Bidder is required to motivate therefore as part of its RFQ Bid. Notwithstanding this, should it be so required by the Department, the Bidder shall create an SPV if so requested and that the Committed Subcontractors shall be shareholders therein.

6.1.4 Advisor credentials

Details of advisors and other participants involved or likely to be involved in assisting the Bidder in its RFQ Bid and RFP bid preparation (e.g. financial, legal, and technical advisors, etc), including the names of individuals, their companies and experience related to PPP projects, and the nature of their involvement in the Project.

6.1.5 Legal proceedings

Please state in respect of the Bidder and each of its Equity Members and Committed Subcontractors whether:

- a) any order of a court of proceedings for that entity's winding up has been granted. If so, please advise whether same has been for the purposes of *bona fide* reconstruction or amalgamation or not;
- b) that entity has ever been or is currently subject to judicial management, liquidation or insolvency proceedings, and if so, please provide details thereof, including the current status and the outcome of such proceedings;
- c) that entity, or any officer or employee thereof is currently being prosecuted for or has been convicted of a criminal offence related to the conduct of its business or profession and if so, details thereof as well as the outcome or current status thereof;
- d) that entity is currently or has been engaged in any disputes in respect of the provision of services with any supplier and/or client within the last three years and if so, please furnish details of the nature of such dispute as well as the current status or outcome thereof;
- e) the entity has suffered a deduction for liquidated or ascertained damages in respect of any contract within the last three years and if so, please furnish details of the reasons for such deductions;
- f) the entity has had any contract cancelled or not renewed, for failure to perform in accordance with the terms thereof;
- g) save to the extent that disclosure is made pursuant to this paragraph 6.1.5, the Bidder warrants by virtue of it making an RFQ Bid that no such event has occurred in respect of each person forming part of its RFQ Bid, and in respect of any disclosure made warrants the accuracy of the information supplied; and

6.1.6 Amplification of Bid documents

The Bidder and each of its Equity Members must furnish the following information in the RFQ Bid in addition to the above information and where applicable in amplification thereof:-

6.1.6.1 Project awareness and comprehension

- a) The Bidder must demonstrate an understanding of the mandate, objectives and culture of the Department and the Bidder's understanding of a partnering concept as it relates to the Department for the longer term; and

- b) The Bidder must demonstrate a keen comprehension of the key challenges facing the Project and an understanding of the complexities and demands entailed in undertaking the Project.
- c) Each of the Bidders is required to satisfy themselves of the Department's authority to procure the Project, or alternatively to state their position with regard thereto.

6.1.6.2 Capability and strength

- a) Details of the current project workload of the Equity Members and/or Committed Subcontractors in terms of the utilisation their resources to facilitate the carrying out the Project, having regard to the Department's desire to take occupation at the end of the calendar year 2006. These details should demonstrate that the Bidder, its Equity Members, Committed Subcontractors, its lenders and advisors have the capacity in terms of human, material, time and financial resources to carry out the Project.
- b) Details in respect of each of the Bidder, its Equity Members, Committed Subcontractors, lenders and advisors of their project management ability in projects of the nature contemplated in this RFQ. Provide details of demonstrating ability to deliver a set of deliverables comprising the Project against heavy pressure in terms of timeframes.
- c) Details demonstrating the ability to manage the negotiation process contemplated in the procurement progress outlined in this RFQ through to financial close and thereafter to manage the Project through to conclusion and expiration of the PPP Agreement with sufficient capacity and resources in financial, human and materials terms,
- d) Details demonstrating the ability to co-ordinate and focus attention and resources in a team environment where the Bidder comprises more than one entity or more than one member and in particular details demonstrating prior capability to work together in the longer term as a team comprising the consortium or a consortium.
- e) Technical Requirements
 - i) The technical submission for the RFQ must demonstrate that the Bidder can comply with the design objectives, provide an indication of the design and construction team capabilities, as well as outline the implementation and management of the Project.
 - ii) The Bidders must illustrate the relevant strengths, levels of skill and experience for all Committed Subcontractors, as well as their capacity to meet the requirements detailed in paragraphs 3.5, 3.6.4, 3.6.5 and 3.6.6.
 - iii) Each Bidder must provide sufficient information in the form of curricula vitae and/or capability statements indicating experience in construction projects of a similar nature as well as other relevant information to show that the necessary capacity exists to achieve the requirements detailed in paragraph 3.6.4.
 - iv) Each Bidder must provide sufficient information in the form of curricula vitae and/or capability statements indicating experience in facilities management for facilities of a similar nature as well as other relevant information to show that the necessary capacity exists to achieve the desired facilities management objectives detailed in paragraph 3.6.6.

6.1.6.3 Broad Based Black Economic Empowerment Capacity, Women and Disabled persons, Local Economic Development, and other Socio-Economic Considerations

In relation to the balanced score card presented in 3.6.2.1 above Bidders are required to provide the following information:

- a) Private Party Equity
 - i) Written commitments must be in place for the required targets and presented with the RFQ Bid for Broad Based Black Economic Empowerment participation in the Bidder and Committed Subcontractors and the Bidder must provide verifiable information to substantiate this.
- b) Private Party Management and employment
 - i) Details disclosing the Black management profile of the Equity Members; and
 - ii) Details disclosing the proposed Black management profile in respect of the Private Party and a demonstration of how Bidders plan to meet the required targets. Curricula vitae of key personnel should be provided to substantiate the Bidders' ability to achieve the targets.
- c) Sub-contracting
 - i) Details disclosing the Black management profile of the Equity Members and Committed Subcontractors; and
 - ii) Details demonstrating the ability of the Bidder to achieve the required targets for Committed Subcontractors and the subcontractors to the Committed Subcontractors.
- d) Local Socio-economic Development
 - i) Details indicating the socio-economic programmes that Bidders intend on devising and implementing relevant to this Project. Bidders will be expected to expand upon these indicated programmes should they be selected as Pre-Qualified Bidders.
- e) Participation of Women
 - i) Written commitments must be in place demonstrating the ability of the Bidder to achieve the required targets for the participation of Women in the Private Party and/ or Committed Subcontractors.
- f) Participation of Disabled Persons
 - i) Written commitments must be in place demonstrating the ability of the Bidder to achieve the required targets for the participation of Disabled Persons in the Private Party and/ or Committed Subcontractors.

6.1.6.4 Human Resource Considerations

- a) Human Resource Strategy

- i) The Bidder should provide details on the human resources strategy the Bidder would adopt in the first three years, indicating priority areas and solutions to challenges.
 - ii) The Bidder should outline the Bidder's intended organisation model for influencing human resources within the context of this PPP initiative.
 - iii) The Bidder should provide details of mechanisms to be put in place to enhance the capacitation of the Department's employees in the field of human resources.
- b) Employment Equity
- i) The Bidder, Equity Members and Committed Subcontractors should, if applicable, provide details of the registration as designated employers in terms of the Employment Equity Act, 1996.
 - ii) If the Bidder, Equity Members and Committed Subcontractors are not registered as designated employers they should provide details of voluntarily compliance with the Employment Equity Act, 1996.
- c) Skills Development
- i) The Bidder, Equity Members and Committed Subcontractors should provide details of their registration for skills levy.
 - ii) The Bidder, Equity Members and Committed Subcontractors should provide details of the submission of their workplace skills plans.
- d) Labour Relations Strategy
- i) The Bidder, Equity Members and Committed Subcontractors should provide details regarding their organisation's experience in managing organised labour.
 - ii) The Bidder should provide details on the labour relations strategy it would adopt in the first three years, indicating priority areas and solutions to challenges. The Bidder should provide details relating to its intended approach to the area of policies and procedures, within the context of a potential transfer section 197 in terms of the Labour Relations Act, 1995, having regard to the services identified by the Department in paragraph 3.6.6 above. Bidders should detail their proposed treatment of human resources would be within the context of retrenchment should this be required.

At the RFP stage, Bidders will also be requested to provide a completed template detailing issues contained within their policies and procedures, to allow for an assessment of adherence to legal provisions and requirements from a good practice perspective.

6.1.6.5 Bidders general approach to PPP's and the transfer of risk

- a) Details concerning the Bidder's approach to the management of risk with reference to its access to appropriate insurance, performance bonds, experience relating to complicated and large building projects and the risk associated therewith and in particular but not by way of limitation the Bidder's experience, attitude and approach with regard to the development and understanding of risk matrices and the pricing of risk in the PPP context or any similar context.

- b) The Bidder should provide some insight concerning its general approach to PPP's. The Bidder should also demonstrate its propensity, having regard to the Standardised Public Private Partnership provisions referred to in this RFQ to assume appropriate risk in furtherance of the prime requirement of a PPP to provide value for money.
- c) The Bidder is requested to identify which of the risks set out in paragraph 3.10 constitute a major risk to the Project, and express its view on the allocation of risk.

6.1.6.6 Deliverability

- a) The Bidder must furnish details which clearly demonstrate the Bidder's capability to manage the entire Project for the duration of the PPP Agreement both with regard to capacity to do so and competence by reference to the Bidder's track record in relation to projects of the type contemplated in this RFQ in this context.

Bidders are required to prepare indicative Project plans (including both the procurement and construction plan) indicating clearly how they intend to meet this timeframe or achieve an occupation date as close thereto, for example, accelerated works programs and/ or early works may be considered acceptable to the Department. The Project plan should, *inter alia*, include the following milestones:

- i) negotiation time table (including Contractual Close and Financial Close as milestones);
- ii) site handover and establishment milestone;
- iii) design and approval milestones;
- iv) construction milestones (indicating either a phased handover (per accommodation block) or a complete site handover);

All assumptions must be clearly stated.

- b) The Bidder is also required to indicate its capacity and capability for the installation of appropriate management control systems which would regulate and ensure a high quality outcome in respect of the Project.

7 The Evaluation Process

The Department has, in accordance with the National Treasury's Practice Note 06 of 2004, established three tiers of Evaluation Committees.

At the first level, the technical evaluation teams will focus on the financial, technical, legal, human resources and Target Groups as that capacity emerges from the RFQ Bids. The technical evaluation teams shall, *inter alia*, include members of the Department, the Advisory Team, the National Treasury and the DPW. In evaluating the RFQ Bids the technical evaluation teams will assess the RFQ Bids by scoring, on a scale of 1 to 10, each of the under-mentioned sub-categories to provide a total score for each of the under-mentioned categories (Column A in the table below). Each of the technical evaluation teams will prepare a report based upon the scoring achieved in each of the categories. It should be noted by Bidders that the DBSA will participate in the evaluation of Target Groups in as far as Bidders are required to meet the DBSA's criteria and requirements. Any

information Bidders do not wish for the Department to share with the DBSA is required to be clearly marked.

At the second level, the co-ordinating Evaluation Committee will include, *inter alia*, representatives from the Department, the National Treasury, the DPW, the Project Manager and the Advisory Team and will combine the category scoring from the technical evaluation teams and apply the category weighting (Column B in the table below) in order to determine an overall recommendation to the Project Evaluation Committee.

At the third level, the Project Evaluation Committee will consist of the Director-General and his Deputy Directors General and in the discretion of the Director General, other co-opted members, but shall not include any members of the Advisory Team. The authority to select the Pre-Qualified Bidders will rest solely with this Project Evaluation Committee. Both the technical evaluation teams and the co-ordinating Evaluation Committee will be responsible merely for provision of information and reports to the Project Evaluation Committee.

The technical evaluation teams shall score each bid on the basis of the following categories:

CATEGORIES AND SUB-CATEGORIES (A) (Refer to paragraphs 6.1.1 to 6.1.6 above)	WEIGHTING (B)
Project Awareness and Comprehension	10
- Demonstration of understanding key Project demands and complexities	
Respondent's Capability and Strength	50
- Proposed respondent composition and structure	
- Skill and experience of relevant organisations and key subcontractors	
- Construction	
- Operations	
- Advisors	
- Suppliers	
- Strength of covenant between relevant organisations and key subcontractors and respondent	
- Financial and market standing	
- Legal compliance and process	
- Ability to raise debt and equity and to provide security	
Target Groups Considerations	10
- Private Party and Committed Subcontractors equity: Written commitments of the Bidders' ability to secure the required equity targets for Target Groups	
- Private Party management and employment: Written commitments of the Bidders' ability to secure the required management and employment targets for Target Groups.	
- Sub-contracting: Bidders proposal to demonstrate its ability to meet the required procurement targets.	
- Local economic development: Bidders indication of local socio-economic programmes.	
- Women: Written commitments demonstrating the participation of Women in the equity, management and procurement spend.	
- Disabled Persons: Written commitments demonstrating the participation of Disabled Persons in the employment	

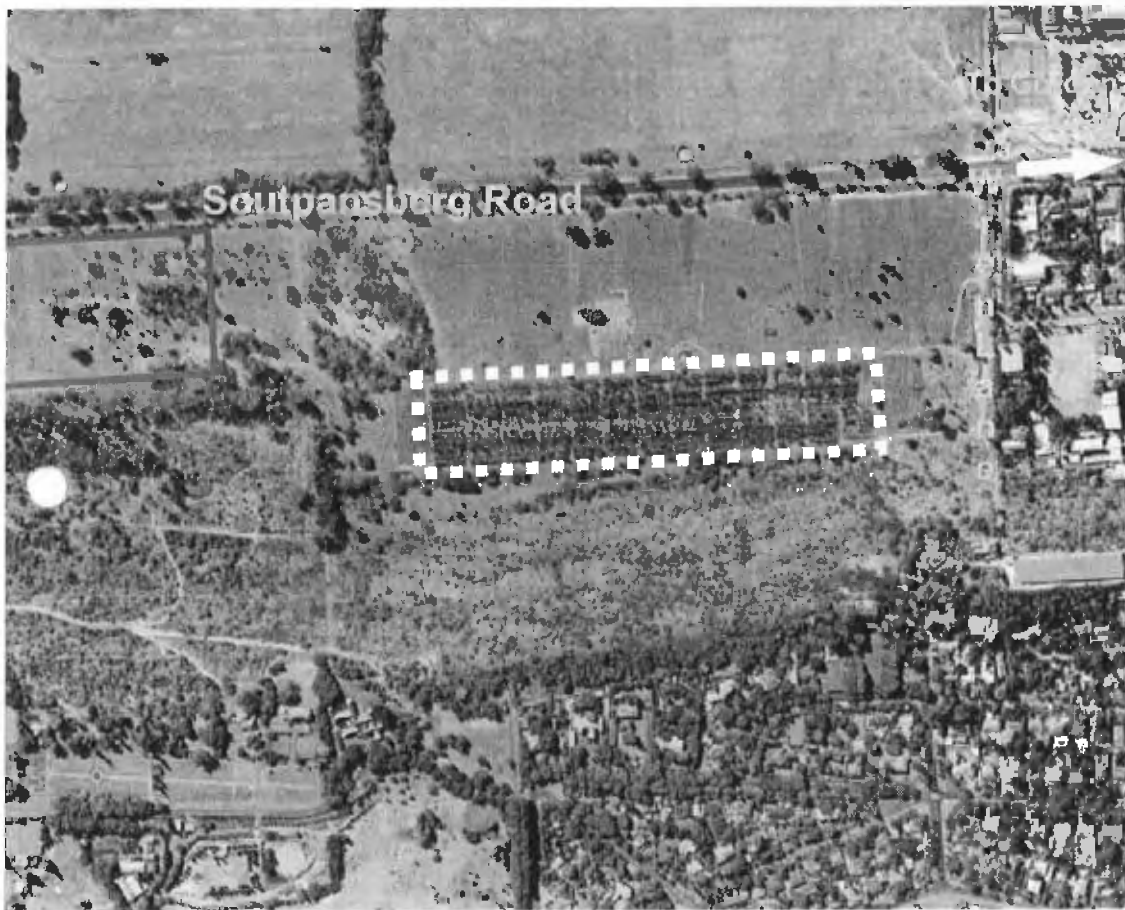
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Department of Foreign Affairs

Request for Qualification

Procurement of a Suitable and Sustainable Working Environment

CATEGORIES AND SUB-CATEGORIES (A) (Refer to paragraphs 6.1.1 to 6.1.6 above)	WEIGHTING (B)
and procurement spend.	
Human Resource Considerations	5
<ul style="list-style-type: none">- Legislative compliance- Adherence to good practice in the field of human resources and labour relations- Understanding of the public sector context- Experience in the management of staff- Experience in dealing with unions and unionised environments- Concern for employment equity, and the demonstration of this concern in terms of representation within the management team- Concern for skills development	
Bidder's Approach to PPPs and Transfer of Risk	5
Deliverability	20
<ul style="list-style-type: none">- Commitment and capacity to meet Project time table- Project management capability- Current workload of members of Bidder- Quality assurance systems- Risk management capability	



B Declaration

As required under paragraph 1.3 Bidders are required to complete the attached declaration as part of their RFQ Bids.

TO BE TYPED ON LETTERHEAD OF LEAD MEMBER

[insert date]

Department of Foreign Affairs
Private Bag X152
Pretoria
0001

Attention : Ms B Africa

Dear Madam

REQUEST FOR QUALIFICATION: PUBLIC PRIVATE PARTNERSHIP FOR THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE AND FINANCE OF SERVICED ACCOMMODATION FOR THE DEPARTMENT OF FOREIGN AFFAIRS OF THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA (RFQ): SUBMISSION IN RESPONSE TO RFQ: DECLARATION BY LEAD MEMBER

Capitalised terms utilised in this letter shall have the same meaning as ascribed thereto in the RFQ, unless the context indicates otherwise.

In making this RFQ Bid, the Bidder, Equity Members and Committed Subcontractors:

1. agree to abide the terms of the RFQ and insofar as obligations are imposed on the Bidder, Equity Members and/or Committed Subcontractors agree to be bound thereto;
2. confirm that all documentation forming part of this RFQ Bid is factually correct and true;
3. confirm that this RFQ Bid shall remain valid for a period of at least 182 days after the Close Date;
4. enclose herewith the letter of intent by each of the Equity Member and Committed Subcontractors;
5. enclose herewith a copy of the resolutions by each of the Bidder, Lead Member, Equity Members and Committed Subcontractors authorising this RFQ Bid;
6. declare that we have satisfied ourselves as to the authority of the Department to procure the Project **[alternatively to state the Bidder's position]**;
7. declare that we are fully acquainted with the laws of South Africa (including without limitation all statutes and regulations on a national, provincial and municipal level) in relation to PPPs and the subject matter of the Project, and in making this RFQ Bid, as well as any subsequent bid should we be selected as a Pre-Qualified Bidder, shall comply fully with the terms thereof.

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*Department of Foreign Affairs
Request for Qualification
Procurement of a Suitable and Sustainable Working Environment*

Yours faithfully

Name:
Designation:
Who warrants his authority hereto

C LETTER OF INTENT

As required under paragraph 6.1, each Equity Member and Committed Subcontractor is required to complete the attached letter of intent as part of their RFQ Bid:

**TO BE TYPED ON LETTERHEAD OF EQUITY MEMBER/COMMITTED SUBCONTRACTOR
(as the case may be)**

[insert date]

Department of Foreign Affairs
Private Bag X152
Pretoria
0001

Attention : Ms B Africa

Dear Madam

REQUEST FOR QUALIFICATION: PUBLIC PRIVATE PARTNERSHIP FOR THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE AND FINANCE OF SERVICED ACCOMMODATION FOR THE DEPARTMENT OF FOREIGN AFFAIRS OF THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA (RFQ): SUBMISSION IN RESPONSE TO RFQ: LETTER OF INTENT

Capitalised terms utilised in this letter shall have the same meaning as ascribed thereto in the RFQ, unless the context indicates otherwise.

In making this RFQ Bid, we undertake to:

1. abide the terms of the RFQ and be bound by the obligations imposed on the Equity Members and Committed Subcontractors;
2. confirm that all information relating to ourselves in the RFQ Bid is factually correct and true;
3. authorise **[insert name of Lead Member]** to submit this RFQ Bid and to make statements and receive instructions on behalf of ourselves;
4. agree to be a shareholder in any SPV established by the Bidder;
5. agree to be a sub-contractor to any SPV established by the Bidder; and
6. enclose herewith a resolution of the board of directors authorising our participation in the RFQ Bid.

Yours faithfully

Name: **[insert]**
Designation: **[insert]**
Who warrants his authority hereto

D Pro Forma Bid Bond

By : [insert name of bank]

[INSERT DATE]

In favour of : Department of Foreign Affairs of the Government
of the Republic of South Africa (the "**Department**")

WHEREAS [name of Bidder] (the "**Pre-Qualified Bidder**") has been invited to submit a bid in relation to the Request for Proposals for a Public Private Partnership for the Design, Construction, Operation, Maintenance and Finance of Serviced Accommodation for the Department of Foreign Affairs of the Government of the Republic of South Africa (the "**RFP Submission**").

AND WHEREAS the Department requires the Pre-Qualified Bidder to provide an on demand bank guarantee for the maximum amount of R600 000 (the "**Maximum Amount**") to secure the submission of a response to the request for proposal ("**RFP**") mentioned above (the "**Bid Bond**").

AND WHEREAS we have agreed to provide to you such Bid Bond.

NOW THEREFORE we, [insert name of bank] ("the "**Bank**") duly represented by [insert] being duly authorised to sign this Bid Bond, hereby irrevocably and unconditionally undertake to pay you and without objection or argument, amounts of up to the Maximum Amount in aggregate, upon first written demand by the Department being received at the Bank's counter, situated at [insert address], attention [insert], declaring any or all of the following occurrences having occurred:

- (i) the Pre-Qualified Bidder failing to make an RFP Submission; and/or
- (ii) the Pre-Qualified Bidder making any material misrepresentations in its RFP Submission; and/or
- (iii) the Pre-Qualified Bidder or any of its advisors, officers, employees or agents engaging in any collusive action with respect to the bid process; and/or
- (iv) the Pre-Qualified Bidder or any of its advisors, officers, employees or agents engaging in illegal activities in relation to the bid process; and/or
- (v) failure by the Pre-Qualified Bidder, if selected as the preferred bidder to the Department, to conclude an agreement with the Department on substantially the same terms and conditions as contained in their RFP Submission; and/or
- (vi) the Pre-Qualified Bidder withdrawing its RFP Submission prior to the expiry of 120 days from date of issue hereof.

and stating that a sum not exceeding the maximum amount of this Bid Bond is due and payable by the Bank to the Department.

This Bid Bond shall expire:

- (i) at 12h00 on [insert date being not earlier than 120 days from date of issue of bond]; or

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- (ii) upon the Pre-Qualified Bidder being selected as the Department's "*preferred bidder*" or "*second bidder*" and the Pre-Qualified Bidder submitting a guarantee to the

- (iii) Department in respect of its negotiation with the Department of an agreement in relation to the subject matter of the RFP Submission;

whichever is the earlier, and shall remain valid notwithstanding the Pre-Qualified Bidder's insolvency, winding-up, liquidation, judicial management, dissolution or deregistration, whether provisionally or finally.

This Bid Bond shall be returned to the Bank on payment of the Maximum Amount.

This Bid Bond shall be governed by the laws of the Republic of South Africa, and the parties hereto consent to the jurisdiction of the Transvaal Provincial Division of the High Court of South Africa.

SIGNATURE AND SEAL

Name of duly authorised
representative of bank

Signature of Representative

Name of bank

Address

Date

E Resolution of Lead Member

As required under paragraph [], the Lead Member is required to submit the attached resolution as part of the RFQ Bid.

[Name of entity] (Registration Number: [insert])
(the "Company")

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE COMPANY PASSED AT A
MEETING HELD ON [INSERT DATE]**

Resolution passed by Directors forming a quorum

RESOLVED THAT:

1. the Company participates in responding to the request for qualification issued by the Department of Foreign Affairs of the Government of the Republic of South Africa (the "Department"), in respect of a public private partnership or the design, construction, operation, maintenance and finance for serviced accommodation for the Department (the "RFQ");
2. the Company enters into a [consortium/joint venture] agreement with [insert names of consortia/joint venture members] regarding the formation of a [consortium/joint venture] for the submission of a response to the RFQ, the preparation of a bid submission in respect to a request for proposals issued by the Department pursuant to the RFQ should the [consortium/joint venture] be selected as a pre-qualified bidder, and the basis of the commercial understanding as between the various [consortium/joint venture] members;
3. [insert name of individual] be and hereby is authorised to settle, execute and sign the [consortium/joint venture] agreement on behalf of the Company and to do all things and perform all acts as may be necessary to give effect to the resolution passed above;
4. The Company be the lead member of the [consortium/joint venture] (the "Lead Member");
5. [insert name of individual] be and hereby is authorised to settle, execute and sign the submission in response to the RFQ as the authorised representative of the Lead Member, and do all things and perform all acts as may be necessary to give effect to this resolution.

Signed by the Directors

Name: _____

Date: _____

F Resolution of each Equity Member/Committed Subcontractor (other than the Lead Member)

[Name of entity] (Registration Number: [insert])
(the "Company")

RESOLUTION OF THE BOARD OF DIRECTORS OF THE COMPANY PASSED AT A MEETING HELD ON [INSERT DATE]

Resolution passed by Directors forming a quorum

RESOLVED THAT:

1. the Company participates in responding to the request for qualification issued by the Department of Foreign Affairs of the Government of the Republic of South Africa (the "Department"), in respect of a public private partnership or the design, construction, operation, maintenance and finance for serviced accommodation for the Department (the "RFQ");
2. the Company enters into a [consortium/joint venture] agreement with [insert names of consortia/joint venture members] regarding the formation of a [consortium/joint venture] for the submission of a response to the RFQ, the preparation of a bid submission in respect to a request for proposals issued by the Department pursuant to the RFQ should the [consortium/joint venture] be selected as a pre-qualified bidder, and the basis of the commercial understanding as between the various [consortium/joint venture] members;
3. [insert name of individual] be and hereby is authorised to settle, execute and sign the [consortium/joint venture] agreement on behalf of the Company and to do all things and perform all acts as may be necessary to give effect to the resolution passed above; and
4. [insert name of Lead Member] be appointed as the lead member of the [consortium/joint venture] (the "Lead Member") and do all things and perform all acts as may be necessary to give effect to this resolution.

Signed by the Directors

Name: _____

Date: _____

G DBSA BEE FINANCING CRITERIA & GUIDELINES

1. The DBSA will support both the acquisition of equity in existing businesses and the creation of new ventures.
2. DBSA prefers to finance transactions for Target Groups involving the issue of new shares with the proceeds thereof being deployed to finance expansion of the target company. DBSA may consider financing replacement capital transactions provided that the transaction is commercially viable, it adds value in terms of expansion of the business in the future and the financing structure results in sustainable empowerment of Target Groups.
3. The DBSA will not normally participate in transactions for the acquisition of equity by Target Groups entities in listed companies. However DBSA may consider transactions for Target Groups involving listed companies where the Target Group acquires equity in an unlisted subsidiary of the listed company or where the transaction for the Target Group would result in the delisting of the publicly traded company.
4. Support will be primarily directed at emerging Target Groups that do not readily have access to private sector sources of finance. The shareholding structure of the Target Group should furthermore include an element of broad based empowerment where the size of the transaction warrants it.
5. Project and financial structures should be commercially sound. As a general principle, the DBSA would not participate on terms that are considered less advantageous than those of other financing partners but might assume higher risk with commensurate returns being achieved for that risk.
6. The Target Groups must demonstrate their ability over time to participate effectively in the management and control of the business. The acquisition of equity in a business should be sufficiently meaningful to enable the Target Groups to exercise meaningful control through participation in governance structures and through voting rights.
7. There should be clear value adding objectives by established/empowered partners in the business. Clear arrangements should be in place to ensure that training and skills transfer are optimised, including participation at management level.
8. The empowerment of the Target Groups should be visible and encouraged throughout the 'value chain' of the entity. The board, management, and the staff of the target company should conform to the principles of empowerment through employment equity, including participation by women. Procurement processes should be guided by the principles empowerment and shared equity.
9. To ensure commitment from Target Groups, a reasonable financial contribution to the financing of the transaction is required. Restrictions on exit and minimum shareholding are also considered important as demonstrable measures of commitment. The DBSA will seek to enforce this by inclusion lock-up provisions in the financing agreement, in terms of which the Target Groups must hold the investment for a specified minimum period.

H Key Risks Identified from the Risk Matrix

Risk	Definition of Risk	Applicable Period of Risk	Consequence	Mitigation
Design Risk – not meeting output specifications	Design must meet design output specifications. Specific risks : <ul style="list-style-type: none"> • Design does not allow output specifications (design or service) to be achieved; • Anticipated adverse ground conditions to be accommodated • Encroachment • Due to faulty design, building does not meet its life expectancy 	Life of Project	Inadequate accommodation establishment. Failure by Contractor to meet Output Specifications. Long term increase in cost of providing service. Effect on efficient service delivery. Independent Certifier sign-off not achieved, therefore, Actual Completion not achieved. Additional design and construction costs. Failure of building or components thereof (including F&E). Demolition or partial demolition of building. Alternative accommodation required. Relocation costs for multiple moves.	Design requirements to form part of PPP Agreement. Reliance to be placed on technical expertise of Contractor Client Output Specification. Consultation on design between Contractor and DFA prior to PPP Agreement signed. Contractor's subcontractors PI Cover. Regular survey of building. Final maintenance bond. Lender's engineer to do detailed review of design and construction. Insurance cover ("landslip"). Contractor to design to cater for ground conditions (as a design output specification).
Relief Events – Construction Phase	Usually an event as follows: <ul style="list-style-type: none"> • certain adverse weather conditions; • Fire, explosion; • utility failure by relevant authority; • accidental loss/damage to head office; • failure /shortage of power; • blockade / embargo (not being a force majeure event) • Discovery of unanticipated fossils and antiquities; • certain industrial action (of a general nature) 	Construction Phase	Contractor has time to remedy and bears cost (but cost mitigated by insurance) and must mitigate effect.	Insurance ("contract works policy" and SASRIA and "business interruption insurance" (based on increased cost of workings)). Planning. Management. Clear communication of implications of DFA municipal service requirements to Tshwane.
Foreign Exchange Risk	Currency fluctuations impacting negatively on imported materials/equipment and viability of Project	Year 1 through project life	Increased burden on project revenue lines, increased potential for default and project failure. Imported elements cost more than anticipated.	Forward cover and other hedging instruments specific requirement – gains/losses? Limit exposure to imported elements