

# FRANCES BAARD DISTRICT MUNICIPALITY



## **NOTICE 1/20 REQUEST FOR EXPRESSION OF INTEREST TO APPOINTMENT CONSULTANTS FOR SOURCING OF ALTERNATIVE FUNDING FOR INFRASTRUCTURE DEVELOPMENT IN THE FRANCES BAARD DISTRICT**

**BIDDER:** .....

**ADDRESS:** .....

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.....

**TEL:** .....

**FAX:** .....

## **IMPORTANT NOTICE**

The Frances Baard District Municipality (FBDM) has issued this request calling for Expressions of Interest ("EOI") for the purpose specified in terms and conditions below.

This EOI (which includes all other information, written or oral, made available during the EOI Process) is made available by the FBDM to Prospective Respondents on condition that it is used solely for the purpose of responding to this EOI.

This EOI does not constitute an offer, proposal or undertaking by the FBDM to relinquish any of its role referred to in this EOI or to enter into any other form of transaction.

Failure to submit a response to this EOI will not disqualify any person from participating in a subsequent proposals process nor will submission of a response oblige any person to submit a bid in a subsequent proposals process. Save for the confidentiality undertaking as may be agreed to, no rights of any nature accrue to any person by virtue of their participation in this EOI Process or their receipt of this EOI.

This EOI is provided solely for the purpose set out in the EOI and does not constitute investment advice or an investment recommendation by potential service providers or any of their Advisors. Each Prospective Respondent to whom this EOI is made available must make their own independent assessment of the opportunity after making such investigation and taking such professional advice as they deem necessary. Neither the receipt of this EOI or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Prospective Respondent or its advisors, is to be taken as constituting the giving of any advice (investment, legal or otherwise) by the FBDM.

While the FBDM, employees, servants, agents and Advisors have taken reasonable care to present correct information in this EOI, errors and omissions may occur. Neither the FBDM nor any of its, employees accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in this EOI or any other document issued by the FBDM, regardless of use and regardless of any losses that the intended or unintended recipients of this EOI may incur.

No guarantees, representations or warranties, whether express or implied, are made by FBDM or its employees with respect to the information or opinions contained in any document. The Prospective Respondent expressly waives any claim(s) it has or may have in respect of such guarantees, representations or warranties, howsoever arising.

The FBDM reserves the right to suspend, modify or withdraw this EOI at any time without prior notice and without liability to compensate or reimburse any person. The FBDM is not obliged to perform any action or take any further steps upon conclusion of the EOI Process.

All responses to this EOI are compiled and submitted at the Prospective Respondent's sole risk and cost and the FBDM is not liable to compensate any person for any costs or losses incurred in connection therewith.

By its participation in the EOI Process, the Prospective Respondent is deemed to acknowledge and consent to the terms and conditions of this EOI, including the contents of this Important Notice.

## 1. Introduction

Frances Baard District Municipality hereby invites the Professional Service Providers to be included into the Panel of Service Providers that will provide the Formulation of Capital Projects, Strategic Business Plans and Sourcing of Funding (excluding loans and guarantees) on risk basis. The appointed Professional Service Providers will prepare proposals at risk, which means there will be no payment that will be made to the appointed service providers till the funding is secured. The appointed service providers shall undertake the entire responsibility from design through completion and commissioning on the solicit funding (turnkey approach). The service providers are responsible to submit a full proposal on the mechanism for the implementation of the project and the scope of what they can deliver. (The idea of a risk based appointment is that the service provider needs to work on these projects without compensation with the view that if they are successful in funding as per category in **point 5**, a Service Level Agreement will be signed based on a **commission percentage basis on agreement with all stakeholders.**)

Upon appointment that successful service provider is expected to seek funding from different potential donors. It is for this express purpose that Frances Baard District Municipality anticipate different possible proposals for funding from potential donors.

## 2. Background

The **District Development Model** has been approved by government structures, including Cabinet to integrate service delivery that will be more practical, achievable, implementable, measurable and clearly aligned to the key priorities of the government.

**Frances Baard District Municipality** is an organ of state fulfilling the constitutional developmental mandate of "structure and manage its administration, budgeting and planning processes to give priority to the basic needs for service delivery in the respective communities, and to promote the social coercion and economic development of the district.

**Frances Baard District Municipality** is currently allocating capital funding to its local municipalities to co-fund a number of capital projects to fulfil its mandate. However, due to limited financial resources the municipality is unable to effectively make an impact on addressing the backlogs and providing accelerated service delivery in the district

According to the Project Management Institutes (*PMI's*) 2011 Pulse of the Profession Survey, organizations that have moved towards a standardized and centralised project fund and management approach, through a Strategic Transactional Advisory Services and implementation capability, are reaping the benefits mentioned hereunder and as such, significantly more projects are funded timeously, on budget and meeting intended goals.

It is against this background, that **Frances Baard District Municipality** intends to procure the experienced services providers in sourcing of alternative funding for service delivery, i.e. transactional advisory service providers.

### **3. Scope of Work**

Frances Baard District Municipality intends to procure a suitably qualified service providers to render a Strategic Transactional Advisory capability, with the required resources and expertise, to manage and implement a portfolio of projects as well as define, ensuring projects are completed in accordance with the defined scope, time, budget and quality requirements.

The scope of work will entail the following:

- Project feasibility study;
- Project evaluations;
- Project negotiations;
- Preparation of business plans, funding proposals, and funding applications;
- Project design;
- Project management and supervision;
- Project quality management; and
- Project delivery.

#### **4. Methodology**

Frances Baard District Municipality is currently looking for additional sources of funding from donors in government and private sector to potentially fund its projects and initiatives.

The service providers will be required to demonstrate in their proposed methodology their understanding of the brief with overview of the following but not limited to:

##### **4.1 Governance and Structures of the projects:**

- Outline legal and policy framework for the projects.
- Outline a comprehensive plan to achieve the objectives of the intended mandate.

#### **4.2 All information pertaining to financial structure:**

- Formulation of the funding, financial instruments and structure appropriate for the projects.
- Identify and consider sources of funding and use the appropriate financing instruments.

#### **4.3 Financial forecasts and performance:**

- Arrange the funding sources from potential donors to grant financing facilities on behalf of the district municipality.
- Assist the municipality in concluding an acceptable financing package.

#### **4.4 Technical and legal advice:**

- Provide technical and infrastructure advisory.
- Provide technical assistance and assessments.
- Technical designs, plans and implementation of the capital projects.
- Administration and monitoring of implementation of capital projects.
- Closing and commissioning of transactions or capital projects.
- Review and provide input into the legal agreements.

#### **4.5 Operating history:**

- Assist the district municipality in preparing and managing the result management system (Monitoring and Evaluation) for design, plan and implementation of the projects.

### **5. Key Deliverables (Categories)**

The appointed service providers will have to identify catalytic infrastructure, economic development and service delivery on identified mega projects to be funded and make certain that local small medium & micro enterprises to

benefited from the value chain of such capital projects. It is key that such capital projects be implemented through social responsibility.

The expected key deliverables, taking the above into consideration, are as follows:

- The development of the municipal fully functional disaster management.
- The development of infrastructure projects identified in the IDP of the district.
- The development of infrastructure plans for the district.
- Revenue injection to Frances Baard District Municipality as part of revenue enhancement.

## **6. Reporting**

The appointed service providers (panel) will directly report to the district Municipal Manager on developments and provide regular updates of progress to the district executive management team on a monthly basis.

## **7. Competencies Required**

The following competencies are required:

- Experience in resource mobilisation and fundraising.
- Experience in financial analysis and project finance.
- Experience in procurement and structuring.
- Experience in legal aspects pertaining to drafting and negotiating agreements.



- Experience in technical due diligence and advice on structuring and contracts.
- Experience in project management, contract management and stakeholder management.
- Experience in conceptual planning, design and construction administration and monitoring of capital projects.
- Relevant years' experience in raising funds for infrastructure development, social and economic development.
- Proven successful track record in fundraising for agencies or non-governmental organisations.
- Good understanding of infrastructure, social and economic development.
- Excellent professional business writing skills.
- Good understanding of both South Africa and non-South Africa Funders, bilateral and multi-lateral donors, funds and foundations in relation to social and economic development.
- Excellent inter-personal working skills.

## **8. Bidder Requirements**

In terms of the above project, service providers (individual firms/consultants) encompassing the combination of recent involvement in the field of resource mobilisation and fundraising, and user-friendly analysis methods will be considered.

Service providers would be selected primarily on the basis of skills/service they can provide, overall cost competitiveness of their proposal, merit in terms of previous track record. Responsive bidders may be contacted for power point presentation at the municipality office at own cost. Appointed service providers

shall be invited for an inception report meeting with Frances Baard District Municipality.

## **9. Documentation and Confidentiality**

Ownership of all documentation, material and data produced within the context of this brief: whether in hard or digital format shall remain the property of Frances Baard District Municipality.

Information, which is generated in the context of the project, may not be made available to any third party without prior permission of the Frances Baard District Municipality. Project material shall be presented in the Microsoft Word in both hard copy and electronic format.

## **10. Technical Rider/Disclaimer**

These Terms of Reference must be considered as guide for the service providers. Service providers are expected to use their knowledge and expertise to produce a realistic and comprehensive proposal for infrastructure, socio-economic development resource mobilisation & fundraising.

## **11. Functionality Criteria**

Bidders must provide succession certificates, clients reference and appointment letters on the client's contactable references. Demonstration of experience with respect to transactional advisory, fund raising in the public and private infrastructure development, ICT, technical design, project and construction management.

For functionality, the following criteria will be applicable, and the maximum value of each criterion is indicated as below:

1. The district is requiring the service of the highly qualified and experienced, skilled service providers (“Technical Advisory”) to provide the requisite professional service.
2. The service providers will be required to demonstrate the skills and experience in the following areas and will be evaluated as individuals who should poses the following:
3. Criteria to be used for functionality (see attached functionality evaluation criteria checklist).

| CRITERIA  | MAX POINTS (%) |
|---|----------------|
| <p><b>A. Qualification</b></p> <p>Qualifications in Business Administration / Law / Finance / Technology / Economics / Architecture / Quantity Surveying / Engineering / Project and Construction management / or equivalent NQF Levels</p>   | <b>15</b>      |
| <p><b>B. The Experience</b></p> <p>15 + years’ experience in the provision of Strategic Technical advisory, Financial Preparation and Legal Instruments, Economic Management, and Built and Engineering Environments</p>  | <b>30</b>      |
| <p><b>C. Knowledge</b></p> <p>Demonstrate in depth technical knowledge and legal experience about Strategic Project Finance within the Public and Private enterprise’s environments.</p> <p>Knowledge and understanding of Public Infrastructure, Strategic sectors, Technology and Cyber Security and Investments pertaining to the relevant industries and sectors</p> <p><b>Reference letters on successfully implemented projects should be provided.</b></p> | <b>40</b>      |

| CRITERIA   | MAX POINTS (%) |
|--|----------------|
| <b>D. Approach and Methodology</b><br>Demonstrate the understanding of the technical and legal advisory roles and responsibilities by submitting a detailed proposal on Strategic Project Finance. | <b>15</b>      |
| <b>TOTAL</b>   | <b>100</b>     |

**NB: Bidders that score less than 60 points for functionality will be deemed non-compliant with the bid specification.**

**Mandatory Information**

- The bidders will be required to submit a detailed demonstration of experience indicating clearly the **relevant required experience as indicated above.**
- The certified copies of the CV's and qualifications as requested above.
- The approach and methodology paper prepare to address the requirements as listed for the scope.

## **12. Disqualification factors**

- **All proposals that do not submit a valid tax clearance certificate / master registration number or tax compliance status PIN.**
- **All proposals that do not submit a methodology and detailed work plan. (functionality)**
- **All proposals that are faxed, e-mailed or telegraphed.**
- **All proposals that are received late.**

Frances Baard District Municipality reserves the right to accept a portion of a proposals, and the lowest and/or any proposals will not necessarily have to be accepted.

## **13. REMUNERATIONS**

The idea of a Risk based appointment is that the service provider needs to work on these projects without compensation with the view that if they are successful in funding as per category in point 5, a Service Level Agreement will be signed based on a commission percentage basis on agreement with all stakeholders.

The closing date for submissions is 04 August 2020 Proposals should be clearly marked: **NOTICE 1/20 REQUEST FOR EXPRESSION OF INTEREST TO APPOINTMENT CONSULTANTS FOR SOURCING OF ALTERNATIVE FUNDING FOR INFRASTRUCTURE DEVELOPMENT IN THE FRANCES BAARD DISTRICT** and submitted to **The Municipal Manager (Ms. M. Bogatsu), Frances Baard District Municipality, Private Bag X6088 Kimberly, 8300**, or hand delivered to the Frances Baard District Offices, 51 Drakensberg Avenue, Carters Glen, Kimberley. Enquiries on technicality may be directed to **The Municipal Manager**, tel. (053) 838 0998 and for supply chain matters to Mr. P.Souden at tel. (053) 838 0948 during office hours.