You are hereby invited to tender for the following requirements:

**Tender number:** RFP15/2011

**Tender description:** Procurement of Transaction Advisory Services for the proposed Nelson Mandela Academic Hospital (Eastern Cape) and King Edward VIII Academic Hospital (KwaZulu Natal)

**Closing Date:** 15 August 2011  
**Closing Time:** 11 AM Telkom time

Sealed and clearly endorsed envelopes are to be deposited in the tender box that is situated at:
The Welcome Centre, Visitors Entrance  
Development Bank of Southern Africa  
1258 Lever Road  
Halfway House  
Midrand  
1685

**Contact Person for this tender:** M Minofu  
**Telephone number:** + 27 11 313 3257

Late tenders and tenders submitted by telex, fax, e-mail and telephone will not be accepted.

Tenderers should ensure that tenders are delivered on time and to the correct address as indicated in the Terms of Reference

It is the responsibility of the tenderer to ensure that the tender reaches the DBSA on or before the closing date and time.
You are hereby invited to tender for the following requirements:

PROPOSAL PARTICULARS:
Provided that you are prepared to comply with the conditions herein you are invited to submit a Tender for following Scope of Service

| Subject: | Procurement of Transaction Advisory Services for the proposed Nelson Mandela Academic Hospital (Eastern Cape) and King Edward VIII Academic Hospital (KwaZulu Natal) |
| Request Number: | RFP 15/2011 |
| Date Issued: | 21 July 2011 |
| Date Closed: | 15 August 2011 |
| Proposal Queries: | Briefing Session to be held at DBSA Offices on Tuesday 26 July from 10h00 Telkom time. |

COMPANY INFORMATION:

| Company Name: | |
| Company Registration Number: | |
| Contact Person: | |
| Telephone Number: | |
| Cell Phone Number: | |
| Facsimile: | |
| Email Address | |
| Street Address: | |
| VAT Registration Number: | |
| Total Tender Price: | |
| Has the Tax Clearance Certificate been submitted: | |
| Postal address: | |
| Postnet address: | |
| P O Box/Private Bag: | |
| City Town: | Code: |
| Business Telephone Number: | Code: Number: |
| Alternate Business Telephone Number: | Code: Number: |

DECLARATION
I certify that the information furnished herein is correct at the time of completion. I also certify that I am duly authorised to furnish the above-mentioned information on behalf of my employer.

| Name: | Signature: |
| Designation: | Date: |
DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)

REQUEST FOR PROPOSAL

FOR

Transaction Advisory Services to the following projects:

The procurement of the proposed Public Private Partnership for the
Nelson Mandela Academic Hospital
Eastern Cape Provincial Department of Health

and

The procurement of the proposed Public Private Partnership for the
King Edward VIII Hospital
KwaZulu Natal Department of Health

NOTE: The purpose of this document is to supply background information and list requirements
to enable Transaction Advisors to prepare proposals for consideration by the DBSA with
a view to being appointed as Transaction Advisors for this Health PPP Procurement Programme
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   - Conditions of Contracting
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These Terms of Reference invite proposals from a Transaction Advisor, who in this instance will be a project team structure comprising financial (including lead advisor), technical & clinical and legal streams to assist the Department in investigating and procuring the most suitable solution for the projects and in the two phases as described above.

The DBSA will contract separately with the legal, financial and technical & clinical streams while a consortium/joint venture is expected from the technical & clinical stream. The table below illustrates the clustering anticipated by the DBSA.

- Project management specifically with reference to making sure the achievement of the deliverables through proper co-ordination of the interactions and deliverables within and between the various streams and the Department, quality assurance and time management.
- Report on project progress to the JIC in writing and by power point presentation.
- Be the point of contact between the Transaction Advisory team and the JIC and all the JIC task teams on all project related issues.
- Report and provide written progress reviews as well as on Microsoft power-point presentation form to the Joint Implementation Committee on a monthly basis and at any other time when required by the JIC.
• Prepare and compile any information as may be reasonably required by the Joint Implementation Committee from time to time in connection with the projects. 27

• Document and archive in hard copies and electronic form all project documents (in a form that is acceptable for audit purposes). ................................................... 27

• Co-ordinate and manage inputs of all Transaction Advisor streams........... 27

• Technical and secretariat Support, coordination of the activities between all the Task Teams of the JIC................................................................................................ 27

While the streams will be contracted separately the whole advisory team will be referred to as ‘the Transaction Advisor’ under the co-ordination and management of the Lead Advisor................................................................................................................ 28

The Transaction Advisor team is required to address the following three critical questions as described below i.e. ........................................................................................... 28

• is each project affordable?................................................................................ 28

• is there value for money in procuring each project as a PPP? ..................... 28

• is there substantial risk transfer to the private sector? ................................. 28

• Is the project sound and feasible, taking into account all elements .......... 28

Phase 1 – Feasibility Study........................................................................................................ 29

Phase 2 – Procurement........................................................................................................... 29

Each stream of the Transaction Advisory team is expected to provide proof of substantial knowledge, expertise and experience in the following fields and an understanding of the aim of the Department of Health with this Terms of Reference and the two projects as follows:............................................................................................................. 30

Financial (including Lead Advisor Role) .............................................................................. 30

• Financial analysis, project structuring and modelling; ............................. 30

• PPP procurement and structuring;.................................................................... 30

• Limited recourse project finance and the structuring of transactions; ...... 30
• Skills and experience in packaging projects in an academic hospital and health environment; ........................................................................................................ 30

• Drafting of procurement documentation and understanding of PPP concession agreements ........................................................................................................ 30

• Project management specifically with reference to co-ordination of the interactions and deliverables within and between the various streams and the Department, quality assurance and time management................................................................. 30

Legal 30

• Legal skills including the drafting of procurement documentation and understanding of PPP concession agreements; ........................................................................ 30

• PPP procurement and structuring; ............................................................................... 30

• Skills and experience in packaging projects in an academic hospital and health environment; ................................................................. 30

Technical & Clinical .......................................................................................................... 30

• Skills and experience in packaging projects in an academic hospital and health environment; ........................................................................................................ 30

• Understanding of an academic hospital environment and the specific health and educational needs thereof; ................................................................................ 30

• Facilities planning and management ; ........................................................................ 30

• Medical equipment and IT hardware procurement and management; ......... 30

• Expertise in building design, quantity surveying, property development and town planning applicable to the proposed facilities and properties involved; ...... 30

• Hospital hard and soft facilities management; ............................................................. 30

• Hospital planning and management including human resource planning; .. 30

• Bulk and infield infrastructure planning, assessment, specification and costing development covering, water, sewage, electricity, mechanical installations etc. 30
• Maintenance and operational planning, assessment, specification and costing development for the facility, and all associated installations and equipments.

• Doctor and nursing accommodation planning, assessment and specification and costing development.

The DBSA reserves the right to terminate the appointment of any member of the Transaction Advisor at any stage either during Phase 1 or Phase 2.

6. PHASE 1 – FEASIBILITY STUDY DELIVERABLES

1.1 Phase 2 - PPP Procurement Deliverables

7. TRANSACTION ADVISOR SKILL, EXPERIENCE, REMUNERATION AND MANAGEMENT BY THE DEPARTMENT

1.2 Skills and experience required in Transaction Advisor team

1.3 Remuneration schedule and disbursement arrangements

• 15% of remaining fee on pre-qualification of bidders;

• 10% on obtaining TA IIA (RFP);

• 15% on obtaining TA II B;

• 30 % on obtaining financial close; and

• 10% on acceptance of the Close Out Report by JIC.

8. RULES OF BIDDING, BID SUBMISSION REQUIREMENTS AND BID EVALUATION

1.4 Rules of bidding

Each stream i.e. Legal, Finance (which will include Lead Advisor) and a Technical & Clinical Stream consortium should bid separately. The Legal and Finance streams will be appointed for both projects while each project will have its own separate technical & clinical stream. The Lead Advisor will be responsible for co-ordinating and managing the team;

No firm shall bid in more than one consortium, where applicable.
The DBSA will enter into a contract with individual streams for the work set out in these Terms of Reference. .................................................................39

The DBSA reserves the right to terminate this appointment or temporarily defer the work, or any part thereof, should it deem necessary. Should the contract between the DBSA and each member of the Transaction Advisor team be terminated by either party, the terminated Transaction Advisor member will be remunerated for the appropriate portion of work completed up to a maximum amount of not more than the total fee bid by the Transaction Advisor member for the appropriate phase of the project during which the appointment was terminated. ................................................................................................................................39

The persons proposed for professional work on the project shall remain on the project unless permission is granted by the DBSA to change the proposal. Such permission will only be granted in exceptional circumstances.................................................................40

No material or information derived from the provision of the services under the contract may be used for any purposes other than those of the JIC, except where authorised in writing to do so...40

Copyright of all documents and electronic aids, software programmes prepared or developed in terms of this appointment shall vest in the government of the Republic of South Africa in its National Department of Health. ........................................................................................................40

Any proposal submitted by a consortium or joint venture of two or more firms must be accompanied by the consortium formation document or joint venture agreement, as applicable, authenticated by a Notary Public, which sets forth the precise responsibilities of each of the parties thereto. Consortia and joint venture members should be advised that each member would be held jointly and severally liable for the performance of the consortium or joint venture........................................................................................................40

Foreign firms providing proposals must become familiar with local conditions and laws and take them into account in preparing their proposals..................................................40

The costs of preparing proposals and of negotiating the contract are not reimbursable. .........................40

The DBSA is not bound to accept any of the proposals submitted and reserves the right to negotiate price with the preferred bidder. ........................................................................................................40

Each Transaction Advisor member and its affiliates are disqualified from providing goods, works and services to any bidding consortium or members of such a consortium and/or the private
party to the PPP agreement, or to any eventual project that may result, directly or indirectly from these services.

Firms may request clarification on this Terms of Reference or any of its annexure only during the brief session.

The DBSA will not accept any late bid submissions and will return late bid submissions unopened.

Firms may not contact the DBSA or any other participant on any matter pertaining to their bid from the time when bids are submitted to the time the contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.

1.5 Bid submission requirements

Covering letter signed by the lead Transaction Advisor, inter alia:

Information on and motivation for the Transaction Advisor, attaching his/her curriculum vitae, and setting out his/her personal, and his/her firm’s:

Project comprehension and project management plan, setting out:

The Technical Envelope must not include any Financial or BEE proposals.

(a) Names and BEE status of all proposed team members, and the firms, where applicable; setting out:

(b) Proposed remuneration for professional fees:

1.6 Briefing Session

1.7 Address and Deadline for submission of tenders

1.8 Bid evaluation

1.9 Bid evaluation criteria

1.10 Envelope 1: Technical Proposal

Envelope 2: Financial and BEE Proposal

1.11 Envelope 1: Technical Proposal
SECTION I: GENERAL INFORMATION

1 INTRODUCTION

1.1 Purpose and Scope of this Document

Your company is invited to submit a proposal to the Development Bank of Southern Africa (DBSA) for provision of Transaction Advisory Services for the procurement of Health Flagship Projects.

The purpose of this document may be summarised as follows:

- To provide the prospective Tenderer with sufficient information to understand and respond to the DBSA’s requirements.
- To ensure that comparable information is obtained from Tenderers.
- To provide a structured framework for the subsequent evaluation of proposed solutions.

1.2 The DBSA

The Development Bank of Southern Africa (DBSA) was established in 1983 to perform a broad economic development function. In 1997, the DBSA was reconstituted in terms of the Development Bank of Southern Africa Act (No. 13 of 1997) as a development finance institution. The constitution and conduct of the DBSA Board of Directors are primarily governed by the DBSA Act and further regulated by the Public Finance Management Act (No. 1 of 1999) and the Companies Act (No. 61 of 1973).

The DBSA’s mandate is to provide financial, technical and other assistance to achieve the objectives of the Bank as provided for in section 3 of the DBSA Act, with a focus on investment activities in infrastructure funding broadly defined and with the objective of acting as a catalyst to maximise private sector access to opportunities in the provision of public funding.

The main objectives of the Bank are the promotion of socio-economic development and growth, human resource development, institutional capacity building, and the support of development projects in the region.

The ancillary objectives of the Bank are to assist other international, national, regional and provincial initiatives to achieve an integrated finance system for development, and to assist national, international and private sector bodies with the management of specific funds. The
Bank’s mission is to advance development impact in the region by expanding access to development finance and effectively integrating and implementing sustainable development. More information can be found on www.dbsa.org.

1.3 Project Details RFP Purpose & Process

This Request for Proposal (RFP) is issued for the purpose of evaluating service providers that meet the required services as detailed in Section IV.

The RFP issuing and response evaluation will be managed as follows:

<table>
<thead>
<tr>
<th>TIMELINES</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release RFP</td>
<td>22 July 2011</td>
</tr>
<tr>
<td>Briefing session at DBSA.</td>
<td>26th July 2011, 10h00 (Telkom time)</td>
</tr>
<tr>
<td>Final RFP Submission Date (closing date of tender) at 11h00 AM</td>
<td>15 August 2011</td>
</tr>
<tr>
<td>Service Commencement Date</td>
<td>1 October 2011</td>
</tr>
<tr>
<td>Inform Tenderers of final outcome by no later than</td>
<td>22 October 2011</td>
</tr>
</tbody>
</table>
SECTION II: GENERAL CONDITIONS

2 INSTRUCTIONS TO TENDERERS

2.1 Questions from Tenderers

Questions will be addressed during the briefing session. The responses to these questions will be circulated to all the attendees of the briefing session. No questions will be answered telephonically.

2.2 Cost of responding to the RFP

The cost of preparing responses to this RFP shall be for the account of the Tenderer.
SECTION III: SPECIAL CONDITIONS

3 INSTRUCTIONS TO TENDERERS

3.1 Submission of Tenders and Compliance

To be eligible for consideration, information must be submitted in accordance with the terms outlined in this section. Any variation from the requirements below may result in disqualification:

- All documents must be sealed in two (2) ENVELOPES/PARCELS. The envelopes should be clearly marked with:
  - The RFP Number
  - Closing date
  - Technical Proposal or Price and BEE proposal
  - Tenderers name and address on the back of the envelope

Proposals may be delivered by hand or courier services to our physical location at:

The Welcome Centre, Visitors Entrance,
Development Bank of Southern Africa,
1258 Lever Road,
Halfway House,
Midrand
1685

The Tenderer is solely responsible for ensuring that its courier service provider makes inside deliveries to our physical location.

- All Tenderers should include 3 hard copies and 3 electronic (CD) copies of the proposal.
- An authorised representative should sign all ORIGINAL responses.
- Late tenders will not be considered and tenders delivered to any address or deposited in any box other than that stipulated herein will be regarded as late. No facsimile or e-mail tenders will be considered.
- Proposals submitted shall consist of all documentation listed as a requirement in the Annexure as a minimum acceptable requirement.
3.2 Validity Date

The Tender shall remain valid for acceptance by DBSA for a period of ninety (90) working days from the date of the Tender.

3.3 Commercial Requirements

The following documents are mandatory and are required to be provided with this RFP:

- Completed Supplier Information Form – attached in Annexure 1
- All attachments as expressed in the Supplier Information Form
- Conflict of Interest Statement
  - Tenderers must submit a statement stating that none of its personnel have any involvement or interest in the DBSA and likewise no DBSA personnel have any involvement or interest in the tenderer’s business with the response to this document.

3.4 Lowest Price Tender

The DBSA is not bound to accept the lowest price submitted by any Tenderer nor is it committed to awarding any contract upon the basis described in this RFP.

4 EVALUATION CRITERIA

The proposal will be evaluated in terms of the following criteria:

4.1 Response Qualification

- Meeting requirements stated in Section IV
- Submission before the RFP closing time.
- Format as per instructions is strictly adhered to.
- All required information is provided.

4.2 Total Contract Price

- The ability of the Tenderer to provide a best value solution.
- DBSA specifically reserves its right to reject proposals provided to it pursuant to this RFP, and to review all costs and proposals according to the value and quality of any service solutions.
4.3 Conditions of Contracting

- The Tenderer of choice will be legally and financially responsible for the performance of their personnel.
- The details of any potential sub-contractors should be clearly stated.

4.4 Black Economic Empowerment

- The Tenderer must provide a valid BEE rating certificate, i.e. from an accredited SANAS approved Agency.
- The Tender will be evaluated on the basis of specific goals as well as their BEE rating certificate as indicated in the evaluation of the BEE Scorecard on page 42.

4.5 Selection Procedures

This will be based on the evaluation criteria outlined under 5.6 (Bid Evaluation Criteria) in Section IV.

On the basis of the technical evaluation, the financial proposal of only the bidders whose technical proposals meet the evaluation criteria will be opened.

- For qualifying in Technical responsiveness, bidders shall fulfil all the requirements as laid down in the RFP with a qualifying threshold of 80 points out of 100 points.
- Financial proposals of bids found technically non-responsive will be un-opened.

4.6 Due Diligence

- The DBSA reserves the right to take up client references. In addition, The DBSA may elect to conduct one to one interviews by telephone or in person with prospective suppliers in order to establish the standard of similar proposals or solutions.

- A briefing session will be held at the DBSA in order to assist the Tenderer in the completion of the Tender. The briefing session will take place on the 26th of July 2011 at 10h00 at the DBSA.
5 RESERVATIONS

The DBSA expressly reserves the following rights:

- To reject all proposals
- To waive any or all irregularities in the proposals submitted.
- To retain the right not to select any Service Provider.

6 CONTRACT NEGOTIATIONS

The successful tenderer will be required to enter into a written contract with the DBSA based on the Professional Services Contract attached to this document as Annexure 2. However, the DBSA reserves its rights to impose terms and conditions at its sole discretion.

7 OTHER CONTRACTING REQUIREMENTS

Bidders will be required, where applicable, to include the normal statutory requirements for Joint Venture, Consortium or Partnerships with their bid documents.
SECTION IV: TERMS OF REFERENCE
Contents

1. Introduction
2. Background and Project Introduction
3. Aim of the Department
4. Scope of Work
5. Transaction Advisor Skill, Experience, Remuneration and Management by the Department
6. Rules of bidding, Bid submission requirements and Bid Evaluation
7. Draft Transaction Advisor Contract

ANNEXURES:

1. Supplier Information Forms
2. DBSA Consultancy Services Contract
1. INTRODUCTION

The Department of Health (National Department of Health, Eastern Cape Provincial Department of Health and KwaZulu Natal Provincial Department of Health) has identified the need to investigate the feasibility and affordability of the different procurement options, including the option of a public private partnership (PPP), which will provide the best technical & clinical, financial and legal solution in delivering the two projects, namely, King Edward Hospital VIII and Nelson Mandela Academic Hospitals in Durban and Mthatha respectively. These projects form part of the five PPP Flagship projects undertaken by collaboration between the National Department of Health, the respective Provincial Departments of Health, the National and the respective Provincial Treasuries and the Development Bank of Southern Africa (DBSA).

The Department of Health has requested the DBSA to assist in the procurement of the Advisors as well as a Project Manager. Each Transaction Advisory team member will enter into an agreement with the DBSA in line with the above mandate. The Department of Health will retain the role of project sponsorship and ownership in accordance with its legislative mandate.

This serves as an invitation to Transaction Advisors to provide such services to the Department of Health for the two projects. The terms of reference invites proposals from suitably qualified and experienced financial, technical & clinical as well as legal advisors to assist the Department of Health to undertake a comprehensive feasibility study; and if so required, provide advisory services for the second phase i.e. the procurement of the Project. The Lead Advisor will form part of the Finance workstream and will be required to co-ordinate and manage the rest of the workstreams. The Lead Advisor will be expected to coordinate and manage the other streams and be responsible for the generation of reports and requisite documentation.

For these two projects each of the advisory streams i.e. Legal, Finance and Technical & clinical & Clinical streams will be contracted separately with the DBSA. The Legal and Finance teams will be required to provide advisory services to both projects while there will be separate technical & clinical advisory teams for each of the projects. The technical & clinical advisory team will be a consortium comprising all the required technical & clinical expertise and the DBSA will contract with the consortium.

While DBSA will contract separately with the legal, finance and technical & clinical teams it is imperative and required that the teams work together, co-ordinated by the Lead Advisor within the Finance stream, in providing project deliverables.

In addition, it is anticipated that an International Review Team whose Terms of Reference are available in this document, will be separately appointed for each of the workstreams.
2. BACKGROUND AND PROJECT DEFINITION

The Nelson Mandela Academic Hospital in the Eastern Cape and King Edward VIII Hospital in KwaZulu Natal are two separate projects that the Department of Health would like to investigate procurement options thereof. It should be noted that while the Legal, Finance and Lead Advisors will provide services for both; the projects are separate and as such the feasibility study reports and procurement will be done separately. The team will be expected to work closely with the each respective Provincial Department of Health as well as the National Department of Health for hospital specific needs assessment and a solution appropriate to each project.

a) Nelson Mandela Academic Hospital

The Eastern Cape Provincial Department of Health is responsible for providing health services in the Eastern Cape Province. Health care of an acceptable standard greatly depends on the level and standard of infrastructure and health professionals available.

The Nelson Mandela Academic Hospital in Mthata was developed as a Tertiary Hospital and commissioned in 2004 but has not been functioning optimally since then. It is categorised as a Developing Tertiary Hospital in the National Plan for the Efficient and Equitable Development of Tertiary and Regional Hospital Services.

The National Department of Health together with the Province has identified the revitalization of the Nelson Mandela Academic Hospital complex in Mthata as a priority project to ensure that it is fully developed by 2014. It was announced by the Minister of Health as one of the flagship PPP projects in late 2009. The complex comprises the Nelson Mandela Academic Hospital, the Bedford Orthopaedic Hospital and the Mthata General Hospital.

As part of the Modernization of Tertiary Services program (MTS) launched by the National Department of Health, the Eastern Cape Province is also considering a platform of Academic and Tertiary Services in areas such as Port Elizabeth, East London, Grahamstown and Mthata.

Through this feasibility study, the Departments of Health are seeking to arrive an optimal solution for the delivery of tertiary services in the Eastern Cape. The feasibility study must thoroughly investigate the two options of (1) single platform, being Mthata or (2) multiple platform comprising the optimisation and possible integration of the East London Hospital complex comprising Frere and Cecilia Makiwane as well as the Port Elizabeth Hospital complex comprising Livingstone, Dora Nginza and the PE Provincial Hospital.

The MTS Program has developed the following guiding principles that will be relevant to this project.

- Government must strive to realise the right of access of all South Africans to appropriate, high quality referral hospital care.
- Current centres of excellence must be preserved and strengthened.
- The strengthening of patient transport systems must underpin any development
- Quality of care given must be of the highest quality attainable at all times given the available resources.
- Public Referral Hospital must become the employer of choice for health professionals.

1 Modernization of Tertiary Services Project – Final Report – June 2004
• Health professionals training must be linked to the requirement of the public health system.
• Clinical equipment and physical infrastructure must be modern, fully functional, adequately maintained and replaced on a regular basis. Up to date diagnostic radiology equipment is a requirement.
• Services must be adequately and sustainably funded.
• Service delivery must be efficient, effective and well managed offering value for money in the use of public funds.
• The reconfiguration of tertiary hospitals should not happen in isolation from the adequacy of regional hospital services.
• Efficiency of service provision and high quality patient care must be ensured.

In addition to the above points, the project must address the need to increase the quality of teaching and the output of medical graduates by creating an integrated teaching environment linked to the Medical School at the Walter Sisulu University.

b) King Edward VIII Academic Hospital

The KwaZulu Natal Department of Health (KZNDOH) as one of its highest priorities is interested in developing a new King Edward VIII Academic Hospital. It will be a Tertiary and Teaching hospital with all the facilities and services of a fully developed tertiary hospital possibly including specialised services such as a dental hospital. The new Academic Hospital will form part of an Academic Health Services complex to provide an integrated teaching environment i.e. it will include the range of facilities needed by the existing health faculty at the University of KwaZulu Natal.

As part of its mandate the Departments are dedicated to “develop a sustainable, co-ordinated, integrated and comprehensive health system at all levels, based on the primary health care approach through the district health system”. These are based on the following core values which seek to attain optimal health status for all persons in KwaZulu-Natal.

a) Trust built on truth, integrity and reconciliation;

b) Open communication, transparency and consultation;

c) Commitment to performance; and

d) Courage to learn, change and innovate.

The first King Edward VIII hospital was established in 1936 expanding to just fewer than 1900 beds by the early 1990’s. By 1993 the use of institution began to decline and this was reinforced by the commissioning of the Albert Luthuli Community Hospital in July 2003. Today the King Edward hospital has 981 beds.

In 1996 the KwaZulu Natal Department of Health (KZNDOH) conducted a Health Facility Audit which established the need to upgrade the hospital and it was subsequently identified as a priority project for the Province in 2005. Consequently, the KZNDOH developed a business case which was submitted to the National Department of Health (NDoH) to be included as part of the Hospital Revitalisation Programme (HRP). In June 2009, the NDoH approved the business case and included it as part of the HRP. The business case identified the need to not simply upgrade the existing facility, but rather, to build a brand new structure on adjacent land.
The feasibility study must confirm the appropriateness of building the new hospital on the site, taking into account the changes in terms of possible integration of the new hospital with the medical faculty of the University of KwaZulu Natal.

3. PROJECT GOVERNANCE STRUCTURE

The diagram below reflects the anticipated governance structure for each project.

A typical governance structure for the flagship projects is depicted below:

- National oversight is provided by the PPP Task Team consisting of the National Department of Health, the Development Bank of Southern Africa and the National Treasury.
- Five (5) flagship projects have been identified and for each of those projects a Joint Implementation Committee (JIC) will be established. These JICs will be responsible for driving each particular project and will report to the PPP Task Team.
- The Project Manager and the Transaction Advisor will be procured via the DBSA and will report to the JIC.
- The Project Manager will be responsible for the overall co-ordination and management of the Transaction Advisor.
- The Transaction Advisor will report to the JIC through the Project Manager.
- Specialist Task Teams will be established focusing in on the following areas:
  - Legal
  - Clinical
• The TA will identify its own specialists to serve on each one of Task Teams and perform the functions of a secretariat. These Task Teams will be comprised of representatives from National Department of Health, Provincial Department of Health, National and Provincial Treasury, DBSA the relevant hospital and university.

• The Tertiary Education Advisory Group will advise on a programme level on the integration of the needs for educational infrastructure of medical faculties into each project.

4. AIM OF THE DEPARTMENT OF HEALTH

The Department has the following aims:

• To establish a fully developed and functioning Tertiary/Academic Hospital and an integrated teaching environment in the Eastern Cape Province.

• To establish and develop a new King Edward VIII hospital in Durban; which will be a Tertiary and Teaching hospital with all the facilities and services of a fully developed tertiary hospital.

The intention of the Departments is for these projects to be procured and delivered within the shortest possible space of time and in the most efficient way.

To achieve this, the Department of Health through the DBSA will procure the services of legal, finance (which will include lead advisor) and technical & clinical advisors to conduct a feasibility study for each Project, and procure the Projects if applicable, in compliance with Regulation 16 and in terms of any of the relevant National Treasury regulations to the Public Finance Management Act, 1999 (PFMA). It will follow the National Treasury PPP Guidelines i.e. the Public Private Partnership Manual and Standardised Public Private Partnership Provisions, with which potential Transaction Advisors are required to be familiar.

The Department is determined to achieve its objective i.e. to be in the procurement phase by the end of the financial year i.e. March 2012. Potential Transaction Advisors should take note of and provide for this tight timeline in their resource allocation and price proposal, taking due cognisance that the projects should still be delivered in a prudent and diligent manner.

The Department of Health will be supported by National Treasury and the Development Bank of Southern Africa who will provide professional project management support. Any innovative and creative ideas and proposals to ensure a successful and efficient outcome as far as the aim of the Department of Health is concerned would be welcomed in the bidding documentation.

Due to the need of the Department to procure the projects in the shortest possible time, the Department has entered into a partnership arrangement with the National Treasury, the Provincial Treasuries and the DBSA to procure a professional project manager who will report to the Joint Implementation Committee, consisting of the partners as indicated.

DBSA, on behalf of the Department of Health, is in the process of appointing the Tertiary Education Advisory Specialist who will advise on a programme level on the integration of the needs for educational
infrastructure of medical faculties into each project. The Transaction Advisory team once appointed will be required to work together with this specialist and any other consultant that the DBSA/Department of Health reserves the right to appoint at any stage of the projects. Specifically, on this project, the appointed Transaction Advisory Teams will be expected to work with the International Review Teams that will be separately appointed for each workstream.

5. SCOPE OF WORK

The scope of work for the Transaction Advisory team is split into two phases under this appointment. The first phase (Phase 1) is to obtain Treasury Approval I for the feasibility study while the second phase (Phase 2) would be the advisory services for the procurement of the projects i.e. from Treasury Approval IIA to Treasury Approval III, and the close out report. The potential Transaction Advisory team members should note that the Department reserves the right to undertake an independent audit of the financial model.

The potential Transaction Advisory team members may be required to undertake some of the Phase 2 work during Phase1. This may include the development of the Request for Qualification (RFQ) before Treasury Approval 1 is granted. The potential Transaction Advisory members must demonstrate the ability to mobilise their resources to achieve the above.

The decision to embark on the process of developing the procurement documentation should be done in a responsible manner in line with the relevant prescripts. The process should start as soon as there is a clear indication that the projects could be procured as a PPP, not only to meet deadlines but also to minimise the possibility of wasteful and fruitless expenditure and in compliance with applicable legislation including the PFMA and Treasury Regulation 16.

Upon completion of Phase 1 the Department reserves the right to not proceed to Phase 2. All the work performed and the intellectual property rights thereof will remain the property of the Department.

To formalise and complete these processes, as described in Regulation 16 and the PPP Guidelines, all prospective Transaction Advisory team members are now required to submit proposals indicating that they understand the Scope of Work involved, as described, and that they have the said understanding of the PPP process, the experience and expertise and the project management skills as well as the necessary time and resources available to manage the projects through to completion, on a fixed cost basis and within the agreed timeframes.

These Terms of Reference invite proposals from a Transaction Advisor, who in this instance will be a project team structure comprising financial (including lead advisor), technical & clinical and legal streams to assist the Department in investigating and procuring the most suitable solution for the projects and in the two phases as described above.

The DBSA will contract separately with the legal, financial and technical & clinical streams while a consortium/joint venture is expected from the technical & clinical stream. The table below illustrates the clustering anticipated by the DBSA.
<table>
<thead>
<tr>
<th>Financial</th>
<th>Technical &amp; Clinical</th>
<th>Legal</th>
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<tbody>
<tr>
<td>Project Finance</td>
<td>Design</td>
<td>Treasury Regulations (Treasury Regulation 16)</td>
</tr>
<tr>
<td>PPP Project Structuring</td>
<td>Costing</td>
<td>Health Sector Regulations</td>
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**Lead Advisor**
- Project management specifically with reference to making sure the achievement of the deliverables through proper coordination of the interactions and deliverables within and between the various streams and the Department, quality assurance and time management.
- Report on project progress to the JIC in writing and by power point presentation.
- Be the point of contact between the Transaction Advisory team and the JIC and all the JIC task teams on all project related issues.
- Report and provide written progress reviews as well as on Microsoft power-point presentation form to the Joint Implementation Committee on a monthly basis and at any other time when required by the JIC.
- Prepare and compile any information as may be reasonably required by the Joint Implementation Committee from time to time in connection with the projects.
- Document and archive in hard copies and electronic form all project documents (in a form that is acceptable for audit purposes).
- Co-ordinate and manage inputs of all Transaction Advisor streams.
- Technical and secretariat Support, coordination of the activities between all the Task Teams of the JIC.

<table>
<thead>
<tr>
<th>IT Expertise</th>
<th>Medical equipment</th>
<th>Drafting Procurement documentation, PPP agreement and its schedules</th>
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<table>
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<tr>
<th>Environmental Expertise</th>
<th>Review of Project and finance documents</th>
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<td>Health Equipment</td>
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<th>Health Facilities Planning and Management</th>
<th>Health operations and</th>
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While the streams will be contracted separately the whole advisory team will be referred to as ‘the Transaction Advisor’ under the co-ordination and management of the Lead Advisor.

The Transaction Advisor team is required to address the following three critical questions as described below i.e.

- is each project affordable?
- is there value for money in procuring each project as a PPP?
- is there substantial risk transfer to the private sector?
- Is the project sound and feasible, taking into account all elements

a) **Affordability over the term of the Project should, inter alia, address:**

- the levels of service and facilities required for a sustainable Project, meeting the needs of the Department of Health;
- the extent of potential private sector involvement and possible investment in the Project given its nature and potential revenue generation, if any;
- What Government contribution is possible and what would the impact and timing of such contribution be;
- What can the Department afford in terms of existing budgets and could savings be made against the current expenditure, taking into account the developments surrounding health care provision in the Province;
- What human resource arrangements would be needed and what would the impact of such arrangements on the Project be; and
- The extend of possible revenue generation, if any, and potential investment to enable such income generation
- What would be the cost per patience in relation with present norm in the province, in terms of operation, capital and maintenance costs and what would be the capital cost per square meters and per bed in relation with the norms in each Province

b) **Value for money (VFM) to Government:**

- VFM takes two forms, firstly as a comparison of private sector provision (PPP Reference) with a public sector comparator (PSC);
- The second analysis is extracting maximum value through a well-structured, risk allocation and well-managed competitive procurement process; and
- It should be noted that contract duration is a critical driver of VFM which has to be one of the scenarios tested and determined.
- What would be the cost benefit ratio of the total package in short and long terms
- The VFM analysis should consider different project structuring scenarios with respect to provision of services by either government or private sector, noting however that clinical services shall be the responsibility of government.
c) Risk Transfer:

- Identify the Project risks and the probability of these risks occurring, possible mitigating strategies as well as the party best able to manage the identified risk;
- A comprehensive and detailed risk matrix should be developed and priced. Substantial risks should be transferred to the private sector as far as possible, with the appropriate risk mitigation, if it provides value for money to the Government; and
- The development of a well thought through detailed risk matrix during phase 1 is important for the success of the Project and should be the instrument measuring the movement of risk during the procurement and negotiation process to the final agreed risk positions in the PPP agreement.

d) Project Soundness and Feasibility Recommendation

The feasibility study, when completed, should provide the following:

- Well motivated recommendations and justifications as well as alternatives on all elements being of Clinical, Technical, Financial and Legal.
- This feasibility output should be such that the project could be able to provide proper scope of work and brief for the next steps of the development which is preliminary design and design stage in both options of PPP and PSC.

The appointed Transaction Advisory team must achieve the following:

**Phase 1 – Feasibility Study**

(a) Obtain National Treasury Approval I for a feasibility study that clearly shows project affordability over the full period of the envisaged project term, demonstrate value for money by means of a comparison between the PPP Reference and the Public Sector Comparator that is risk adjusted, and, sets out a clear process to obtain the best value through a competitive procurement process;

(b) In an attempt to meet the strict timelines, it is also expected from the Transaction Advisor to develop the Request for pre-Q ualification (RfQ), the detailed output specifications, the draft PPP agreement and the draft Request for Proposal (RfP) during Phase 1. Potential Transaction Advisors should be aware that these documents must be close to final drafts when submitted together with the feasibility study report and procurement plan for Treasury Approval I. Evidence must be provided of the proposed planning and resource allocation to achieve this goal;

(c) After completion of the feasibility study the Department will decide whether or not to proceed with a PPP. Should it elect not to do so, the appointment of the Transaction Advisor will be terminated at this stage with remuneration as set out in the section below.

**Phase 2 – Procurement**

(a) Assist the Department of Health to obtain a suitable number of pre-qualified bidders by means of a simple yet thorough and well-managed pre-qualification process;

(b) Obtain Treasury Approval IIA for tender documents including a Request for Proposal and the draft PPP agreement and output specifications covering the technical requirements of the facilities and services. These documents must allow for standard bids that are comparable to one another and must include evaluation systems and criteria appropriate to the specific project requirements and project objectives. In the design of their proposals potential Transaction
Advisors should be aware of the latest developments with regards to the debt underwriting requirements and debt funding competitions;
c) Assist the Department in the evaluation of proposals and appointment of the preferred and reserve bidders;
d) Prepare and support the Department of Health with the management of an efficient and effective best and final offer (BAFO) bidding process, if necessary;
e) Obtain Treasury Approval IIB demonstrating that the bids received meet the affordability, value for money and risk transfer criteria established in the feasibility study report set out in the procurement documentation;
f) Assist the Department in bringing the project to contractual close and financial close through a negotiation process to refine the identified value for money drivers identified and as per the proposals received;
g) Obtain Treasury Approval III for the PPP agreement, indicating the movement in risk from feasibility study to final negotiated position, prior to contractual close;
h) Provide the Department with a contingent liability report; and
i) Prepare a close out report as per National Treasury Guidelines.

Each stream of the Transaction Advisory team is expected to provide proof of substantial knowledge, expertise and experience in the following fields and an understanding of the aim of the Department of Health with this Terms of Reference and the two projects as follows:

### Financial (including Lead Advisor Role)
- Financial analysis, project structuring and modelling;
- PPP procurement and structuring;
- Limited recourse project finance and the structuring of transactions;
- Skills and experience in packaging projects in an academic hospital and health environment;
- Drafting of procurement documentation and understanding of PPP concession agreements
- Project management specifically with reference to co-ordination of the interactions and deliverables within and between the various streams and the Department, quality assurance and time management.

### Legal
- Legal skills including the drafting of procurement documentation and understanding of PPP concession agreements;
- PPP procurement and structuring;
- Skills and experience in packaging projects in an academic hospital and health environment;

### Technical & Clinical
- Skills and experience in packaging projects in an academic hospital and health environment;
- Understanding of an academic hospital environment and the specific health and educational needs thereof;
- Facilities planning and management;
- Medical equipment and IT hardware procurement and management;
- Expertise in building design, quantity surveying, property development and town planning applicable to the proposed facilities and properties involved;
- Hospital hard and soft facilities management;
- Hospital planning and management including human resource planning;
- Bulk and infield infrastructure planning, assessment, specification and costing development covering, water, sewage, electricity, mechanical installations etc.
- Maintenance and operational planning, assessment, specification and costing development for the facility, and all associated installations and equipments
- Doctor and nursing accommodation planning, assessment and specification and costing development.

The DBSA reserves the right to terminate the appointment of any member of the Transaction Advisor at any stage either during Phase 1 or Phase 2.

6. **PHASE 1 – FEASIBILITY STUDY DELIVERABLES**

The Transaction Advisor team will be required to undertake a comprehensive feasibility study for each project, in close collaboration with the Department of Health and in consultation with JIC and its task teams, the end users and stakeholders.

The following are deliverables in respect of each workstream:

**A. Technical & Clinical**

The team shall provide details, including but not limited to the following:

All infrastructure and building related outputs should be informed by comprehensive geotechnical survey of the areas affected as well as Environmental Impact Assessment Study (EIA)

- Ascertaining and substantiating of all the clinical, technical, operational, financial, upkeep and other needs of the project and its extent in relation with what is available presently which need to be well defined, assessed, then Gap analysis and confirmation of the optimised need

- Macro planning and design for the scope of the functionality of the facility and its associated academic faculty of medicine through one or several platforms, highlighting the advantages, disadvantages and cost of each alternative

- Detailed planning, design and costing of the alternative clinical packages and their associated HR components

- Detailed planning, specifications and costing of the alternative HT and other equipment and IT packages

- Alternative block planning of the facility with their advantages and disadvantages and costing, motivated based on the relation of various components, flow of activities, entrance set up, parking lots, accessibility of services of various kind including operation, maintenance and upkeep etc.

- Planning, costing and specifications of all the alternatives for the full bulk and infield infrastructure support services covering, roads, water, sewage and electricity, etc.
• Planning, costing and specifications for all alternatives mechanical support services both in bulk and use points bases covering, boilers, air cons, kitchen and catering facilities etc

• Planning and specification for all the possible alternatives for the management of the medical and none medical wastes

• Planning, costing and specifications for the alternative operational and maintenance packages for the facility, HT and none HT, mechanical, electrical, equipment etc with specific reference to the operation and management of pharmacy, patient transport arrangement

• Planning, costing and specifications of alternatives for doctors and nurses accommodations

• Planning, costing and specifications for alternatives academic and training spaces and areas within the facility and the required associated equipment and furniture

• Planning, costing and specifications for the possible expansion, modification and upgrading of the existing associated medical schools as per outputs of the TA for academic upgrade of PPP projects

• Any other activities or support services that may be required for effective completion of a proper feasibility study for both projects.

The level of detailed information needed at the feasibility study level for clinical and technical deliverables should be as such to enable the client to make the correct decision whether which alternative of the deliverable is feasible and why and at what cost. It should be comprehensive enough to allow the project to go to design stage, which means it should be a comprehensive project scope and design brief with specifications and costing. At the end of each discussions relating to each deliverables, there should be firm recommendation/s with proper motivation and substantiation as to which alternative should be adopted at what indicative cost.

B. Financial & Lead Advisor

Financial
The team shall provide details, including but not limited to the following:

• Identifies and determines all available budgets for the each project
• Review current operations of the affected hospitals and the financial elements of each project;
• Lead the construction of a risk matrix for the projects;
• Develop a detailed financial model, including options, based on inputs from the other streams
• A Risk-adjusted PSC model;
• A PPP Reference model. This must be constructed as a ‘virtual bid’ based on the same output specifications used for the PSC model. It must therefore cover the same categories of whole life-cycle costs, within an optimal and comparable contract period. A suitable project structure must be formulated, incorporating appropriate equity returns, debt service cover ratios and costs of debt. Innovative design, construction and operational efficiencies that may realistically be expected of the private sector must be identified and used as the basis for costing. The
model must also identify and cost all BEE specifications that can reasonably be anticipated in a PPP scenario. PPP contract management costs to the Department must be calculated and clearly identifiable. All assumptions must be clearly stated;

- Conduct an affordability analysis for the projects;
- Develop detailed funding options for the projects;
- Recommendations on payment mechanisms or reimbursement for various PPP scenarios, if applicable;
- Undertake high level economic analysis for the projects;
- Undertake detailed value for money analysis for the projects

**Lead Advisor**

The lead advisor’s responsibilities will include, but not limited to:

- Project management specifically with reference to making sure the achievement of the deliverables through proper co-ordination of the interactions and deliverables within and between the various streams and the Departments, quality assurance and time management.
- Report on project progress to the JIC in writing and by power point presentation
- Be the point of contact between the Transaction Advisory team and the JIC and all the JIC task teams on all project related issues.
- Report and provide written progress reviews as well as on Micro soft power point presentation form to the Joint Implementation Committee on a monthly basis and at any other time when required by the JIC;
- Prepare and compile any information as may be reasonably required by the Joint Implementation Committee from time to time in connection with the projects.
- Document and archive in hard copies and electronic form all project documents (in a form that is acceptable for audit purposes).
- Co-ordinate and manage inputs of all Transaction Advisor streams
- Produce the Feasibility Study Report, including the executive summary thereof
- Support the JIC and its task teams in presentations to all relevant stakeholders
- Technical and secretariat Support, coordination of the activities between all the Task Teams of the JIC

**C. Legal**

The team shall provide details, including but not limited to the following:

- A detailed legal due diligence on all aspects covering all aspects of the projects
- BEE structuring and recommendations for the projects
- Ensure compliance with all legal prescripts affecting the projects

In the proposals each stream should submit the expected feasibility study deliverable and the associated costs. After appointment the Lead Advisor will co-ordinate the deliverables for each workstream to ensure that the end product is a comprehensive feasibility study report for each project. The report referred to above should assist the Department of Health in obtaining Treasury Approval I in terms of Treasury Regulation 16.4.2 to the extent that the PPP route is the preferred option arising from the feasibility study. Treasury Approval I is needed in order to proceed with Phase 2 of the projects.

All the work items listed under Phase 1 are to be carried out in accordance with Treasury Regulation 16 to the PFMA for PPPs of 2004 and other applicable legislation and regulation within the framework created by the National Treasury Guidelines as well as related health regulations. The feasibility study report must be presented with a thorough Executive Summary and must be compiled in such a manner that it can be utilised by the Department for decision-making. In the event that the Department of Health decides to pursue the PPP procurement solution for each project, the documentation must be of a standard (specifically with reference to quality and content) that will be acceptable to the National Treasury for the purposes of the Department of Health obtaining Treasury Approval I.
To fulfil the requirements to obtain Treasury Approval I, the feasibility study for each project should indicate project affordability over the full period of the envisaged PPP lifecycle, demonstrates value for money (VFM) through appropriate risk transfer by means of comparison with a PSC that is risk adjusted, and sets out a clear process to obtain the best value through the PPP procurement process i.e. the procurement plan. The feasibility study must also present the proposed payment mechanism and the whole project life cycle costing. The feasibility study report should include a summary of the existing environmental reports and make recommendations on how to incorporate the findings of these reports into a possible PPP Project.

Potential Transaction Advisor team members may be requested to, as part of Phase 1 develop the RFQ. It should all be submitted with the feasibility study when requesting Treasury Approval I, in order that the short listing of bidders and the requisite Treasury Approvals may proceed expediently and timeously.

The Department of Health through the JIC will facilitate access to information as well as monitor and validate outputs from the Transaction Advisor team in preparing the feasibility study. The feasibility study must be presented in a single report (including relevant annexure and models). Prospective Transaction Advisor team members should refer to the PPP Manual, Module 3, for guidance.

It will be expected from the Transaction Advisor team, through the Financial Advisor, to provide a financial model which has been audited by an independent party before it is submitted to the National Treasury for Treasury Approval I.

Furthermore, all documents must have been subjected to a robust quality control process before submission. All reports must be submitted together with an Executive Summary in both electronic and hard copy format.

The Transaction Advisor team, under co-ordination of the Lead Advisor, shall prepare the comprehensive feasibility study and the supporting documentation as indicated above and further provide such assistance as may be required to obtain National Treasury Approval I in terms of Treasury Regulation 16.4.2.

Should it be decided not to proceed with procurement (Phase 2 of each Project) and/or Treasury Approval 1 is not granted by National Treasury, the appointment of the Transaction Advisor team members will be terminated at this stage.

1.1 Phase 2 - PPP Procurement Deliverables

During this phase, the Transaction Advisor team will act for and on behalf of the Department, and assist the Department to obtain the required Treasury Approvals, evaluation of the bids submitted in response to the procurement documents, negotiate the project documents and to reach commercial and financial close. As part of this, the Transaction Advisor team should document the potential contingent liability of the Project on the Province/Country’s balance sheet. All the work items listed under Phase 2 are to be carried out in accordance with the Treasury Regulations, within the framework created by the National Treasury Guidelines.

However, potential Transaction Advisors team members should be aware that there is a necessity to submit some of the documentation normally generated under Phase 2 and as described above with the request for Treasury Approval I in order to achieve the timelines set by the Department. This requirement from the Department should form part of the technical and cost proposals, i.e. also in the proposed milestone payments, in the bidding documentation of potential Transaction Advisors. The Treasury Approval IIA would only be given after a successful Treasury Approval I.

Specific requirements for the Transaction Advisor team members during Phase 2 inter alia are, for each project:

- To complete the preparation of the tender documentation including a Request for pre-Qualification (RFQ), a Request for Proposals (RFP) and a draft PPP agreement with detailed output specifications and performance standards, a robust payment and penalty regime as well as a possible Request for Best and Final Offer (RFBAFO) to meet the requirements for obtaining
Treasury Approval IIA. The Transaction Advisor team must prepare the complete set of procurement documents in accordance with best industry practice and the PPP Guidelines, complying with public sector procurement legislation, policies and guidelines, and in accordance with the tendering systems of the Department. The documentation must be of a standard, consistent with the results of the feasibility study that will enable the Department to obtain Treasury Approval IIA in terms of Treasury Regulation 16;

- Finalise the preparation of a draft PPP agreement, based on the Standardised PPP Provisions. Close liaison with the Department and the PPP Unit of National Treasury are required during drafting. The PPP agreement must include mechanisms in terms of which the Department is able to measure performance and operate a penalty system;
- Cognisance should be taken of the proposals made during Phase 1 regarding the procurement and renewal of the medical equipment for the Project;
- The impact of the financial crisis on the Project should be addressed during Phase 2 to ensure best value for money for Government;
- Support the Department in obtaining Treasury Approval IIA (RFQ and RFP) in terms of Treasury Regulation 16, to enable the procurement process to commence;
- Upon the issuance of Treasury Approval IIA (RFP/RFBAFO) undertake the procurement process in terms of the procurement plan developed in Phase I and the evaluation manual to assist the Department in selecting a preferred bidder and reserve preferred bidder;
- Design a suitable bid process that will ensure comparable bids, set up a clear and fair bid evaluation system and criteria, ensure suitable bidder communication, inspire market confidence, and ensure optimal black economic empowerment participation in the Project. If appropriate, a system that allows for variant bids may be designed;
- Prepare the necessary advertisements for bids and conduct a compulsory information session;
- Provide support to the Department of Health with all the necessary bidder communication, i.e. the bidding notes and responses to clarification questions. Provide administrative support for the efficient and professional management of the entire procurement process as well as the quality and integrity thereof. The procurement process should be conducted in accordance with legislation and policy, and to the highest standards of efficiency and effectiveness, including proper management of the set timelines. The Transaction Advisor team should also provide assistance with the design and support with the management and functioning of a well controlled data room;
- Provide support for the Department of Health in conducting a structured and fair engagement with the bidders, and assisting the Department with a diligent system for the receipt of the bids and management of the bidding process and documentation;
- Assist the Department in the evaluation of proposals and identification of the preferred and reserve bidders. The Transaction Advisor is to allow separately for costing of the Best and Final Offer (BAFO) process. If no BAFO stages are pursued, the Transaction Advisor members remuneration will be adjusted accordingly (see below – remuneration schedule);
- Assist Department to obtain Treasury Approval IIB demonstrating that the bids of the bidders selected by and proposed as preferred and reserve bidder the Department, demonstrate value for money, risk transfer and affordability. The results of the bidding process and evaluation of the bids must be presented in a single Value-for-money Report (with relevant annexure) that demonstrates how value-for-money will be achieved with the preferred bidder. The report must clearly motivate and indicate the rankings of the bidders based on the various evaluation criteria and the basis of selection of the preferred and reserved bidders. It must also indicate the proposed risk allocations and changes to the risk profile as contained in the bids. The Value-for-money Report must be in a suitable format and of suitable standard to enable the Department to submit to National Treasury to obtain Treasury Approval IIB in terms of Treasury Regulation 16;
• Upon issuance of Treasury Approval IIB, assist the Department of Health in bringing the negotiations on the Project to contractual and financial close in line with and in terms of the procurement plan. The Transaction Advisor team must assist the Department of Health in final negotiations with the preferred bidder. This will entail the preparation of suitable negotiation teams, strategies encompassing suitable categorisation of issues, time-lines for completion, as well as possible negotiation tactics and processes for reaching agreement. The Transaction Advisor team must ensure incorporation of all agreements reached into financial, commercial and legal documentation, and must assist with the drafting of all attendant correspondence;

• Assist the Department of Health in developing and drafting the Contract Management Plan and Manual, reflecting the PPP Agreement as negotiated. The Transaction Advisor team must, in close liaison with the Department of Health, draft a comprehensive Contract Management Plan for the Department in accordance with the provisions of the PPP agreement and with due adherence to Guidelines issued by the National Treasury in this regard;

• The final terms of the Contracts, each as negotiated with the preferred bidder, must be submitted by the Department, along with the Contract Management Plan, to National Treasury for Treasury Approval III in terms of Treasury Regulation 16. The Transaction Advisor team is responsible for compiling the necessary submissions for the Department to obtain this approval;

• Prepare the contingent liability report for the Department of Health;

• Assist the Department of Health to obtain Treasury Approval III;

• Assist the Department of Health with the process of signing of the PPP agreement and achieving financial closure; and

• Prepare a Close-Out report. The Transaction Advisor team through the Lead Advisor must also compile a comprehensive Close-Out Report. This report must follow the format prescribed in the National Treasury Guidelines, and must incorporate any additional factors that may be required by the Department. The Close-Out Report will be a confidential document of the Department, and be logged also with the National Treasury.

In the proposals each stream should submit the expected procurement deliverable and the associated costs. The Lead Advisor will co-ordinate the deliverables for each workstream.

The deliverables referred to above should assist the Department of Health in obtaining all Treasury Approvals until the end of the process. The department will have the rights to modify, subtract or add to the following deliverables at the time of procession to Phase 2.

7. TRANSACTION ADVISOR SKILL, EXPERIENCE, REMUNERATION AND MANAGEMENT BY THE DEPARTMENT

1.2 Skills and experience required in Transaction Advisor team

The Transaction Advisor will comprise a team, contracted separately but their inputs co-ordinated and managed by a Lead Advisor, which will be required to have both the skill and experience necessary to undertake the range of tasks set out in this Terms of Reference. Each individual on the team must be personally available to do the work as and when required to do so. Each member of the Advisory team will be held accountable, in terms of the Contract, for ensuring project deliverables, and the professional conduct and integrity of the team. The skills and experience required in the Transaction Advisor team are as follows:
Finance

- Financial analysis, project structuring and modelling in context and with relevant PPP experience;
- Limited recourse project finance and the structuring and modelling of such transactions;
- PPP procurement and structuring;
- Knowledge of and experience of the Treasury Regulations and PPP Guidelines;
- Knowledge and experience in preparing feasibility studies within the PPP legislative framework relating to needs, options and value determination for the restructuring of hospital projects including knowledge of operating and managing hospitals;
- Knowledge, skills and experience in structuring projects in an hospital and health environment;
- Knowledge in the design and drafting of payment mechanisms;
- Understanding of PPP agreements according to Standardised PPP Provisions as well the efficient negotiation thereof;
- Contract management;
- Expertise and experience in developing transactions that promote black economic empowerment; and as it related to the Lead Advisory role:

Lead

- Project management experience and expertise;
- Administrative support;
- Project management specifically with reference to co-ordination of the interactions and deliverables within and between the various streams and the Department, quality assurance and time management;
- Project management capability to oversee experts in the fields of planning and specification review for the facilities, equipments, mechanical, electrical etc installations.

Technical & Clinical

- Expertise and experience in the design and operational efficiencies of an environmentally friendly and energy efficient health facility;
- Health planning, management and economics expertise and experience, including human resource planning;
- Expertise in architectural design, engineering design, quantity surveying with specific reference to health infrastructure;
- Information technology and services expertise and knowledge to manage procurement, order processing, invoicing, payment tracing, servicing;
- Expertise and experience in environmental impact assessments and planning;
- Expertise and experience of facilities planning and management;
- Expertise and experience of hard and soft facilities management;
- Expertise in an environmental friendly, energy efficient building design, property development and town planning applicable to the proposed facilities and properties involved;
- Knowledge and experience in preparing feasibility studies within the PPP legislative framework relating to needs, options and value determination for the restructuring of hospital projects including knowledge of operating and managing hospitals;
- Knowledge in designing and developing output specifications and payment mechanism;
- Knowledge and experience of an academic hospital environment and the specific health and educational needs thereof;
- Knowledge of and experience of the Treasury Regulations and PPP Guidelines;
- PPP procurement and structuring.
• Project management experience and expertise;
• Contract management;
• Contracting options expertise;
• Costing and cost modelling expertise

Legal
• Legal experience and expertise relating to PPPs, the health and academic hospital environment and the drafting of PPP agreements according to Standardised PPP Provisions as well the efficient negotiation thereof;
• Knowledge of and experience of the Treasury Regulations and PPP Guidelines;
• Knowledge and experience in preparing feasibility studies within the PPP legislative framework relating to needs, options and value determination for the restructuring of hospital projects including knowledge of operating and managing hospitals;
• Expertise and experience in developing transactions that promote black economic empowerment;
• PPP procurement and structuring;
• Knowledge, skills and experience in structuring projects in an academic hospital and health environment;

All members of the Transaction Advisory team must be in good standing in all respects including ethically and professionally and should provide proof of registration where required in respect of professional registration as well as proof of good standing with such professional bodies.

1.3 Remuneration schedule and disbursement arrangements

The Transaction Advisor team members will be remunerated in South African Rands, on a fixed price for each of Phases I and 2. The PPP procurement portion of the work may or may not proceed at the end of the feasibility study phase, and should be priced accordingly. Prospective Transaction Advisor team members should include the costs associated with those items included as part of Phase 1 which work would normally have been undertaken during Phase 2 i.e. RFQ and RFP which is required by the Department of Health to be included in Phase 1.

The following remuneration schedule is proposed for each Part of the Contract. Prospective Transaction Advisors team members are invited and can make alternative proposals in this regard.

Each Transaction Advisory team member, where applicable, will be remunerated as follows:

**Phase 1:**

• Mobilization fee: 10% of the Phase I fee, payable 1 calendar month from the date of the commencement of Phase I;
• 45%: Each stream should make a proposal based on the outputs completed linked to the deliverables outlined above.
• 45%: Each stream should make a proposal based on the outputs completed linked to the deliverables outlined above.
• 20% of Phase 2 fee if it was jointly decided with the PPP Task Team to proceed with drafting the procurement documentation and on acceptance of the RFQ, the RFP, the PPP agreement, the output specifications, the performance standards and penalty regime as in a suitably advanced stage almost ready for release to the market.

**Phase 2:**

• 15% of remaining fee on pre-qualification of bidders;
• 10% on obtaining TA IIA (RFP);
• 15% on obtaining TA II B;
• 30% on obtaining financial close; and
• 10% on acceptance of the Close Out Report by JIC.

Deliverables completed per remuneration schedule will be approved by the JIC and the Treasury in terms of their regulatory role, respectively, where after invoices will be submitted to the Project Manager who will approve the invoice within 7 working days of receipt thereof, and remuneration will be paid within 30 days of approved invoice.

8. RULES OF BIDDING, BID SUBMISSION REQUIREMENTS AND BID EVALUATION

1.4 Rules of bidding

Each stream i.e. Legal, Finance (which will include Lead Advisor) and a Technical & Clinical Stream consortium should bid separately. The Legal and Finance streams will be appointed for both projects while each project will have its own separate technical & clinical stream. The Lead Advisor will be responsible for co-ordinating and managing the team;

**No firm shall bid in more than one consortium, where applicable.**

The DBSA will enter into a contract with individual streams for the work set out in these Terms of Reference.

The DBSA reserves the right to terminate this appointment or temporarily defer the work, or any part thereof, should it deem necessary. Should the contract between the DBSA and each member of the Transaction Advisor team be terminated by either party, the terminated Transaction Advisor member will be remunerated for the appropriate portion of work completed up to a maximum amount of not more than the total fee bid by the Transaction Advisor member for the appropriate phase of the project during which the appointment was terminated.
The persons proposed for professional work on the project shall remain on the project unless permission is granted by the DBSA to change the proposal. Such permission will only be granted in exceptional circumstances.

No material or information derived from the provision of the services under the contract may be used for any purposes other than those of the JIC, except where authorised in writing to do so.

Copyright of all documents and electronic aids, software programmes prepared or developed in terms of this appointment shall vest in the government of the Republic of South Africa in its National Department of Health.

Any proposal submitted by a consortium or joint venture of two or more firms must be accompanied by the consortium formation document or joint venture agreement, as applicable, authenticated by a Notary Public, which sets forth the precise responsibilities of each of the parties thereto. Consortia and joint venture members should be advised that each member would be held jointly and severally liable for the performance of the consortium or joint venture.

Foreign firms providing proposals must become familiar with local conditions and laws and take them into account in preparing their proposals.

The costs of preparing proposals and of negotiating the contract are not reimbursable.

The DBSA is not bound to accept any of the proposals submitted and reserves the right to negotiate price with the preferred bidder.

Each Transaction Advisor member and its affiliates are disqualified from providing goods, works and services to any bidding consortium or members of such a consortium and/or the private party to the PPP agreement, or to any eventual project that may result, directly or indirectly from these services.

Firms may request clarification on this Terms of Reference or any of its annexure only during the brief session.

The DBSA will not accept any late bid submissions and will return late bid submissions unopened.

Firms may not contact the DBSA or any other participant on any matter pertaining to their bid from the time when bids are submitted to the time the contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.

1.5 Bid submission requirements

Transaction Advisory streams are required to submit their proposals in **TWO envelopes**, in the following format:

**Envelope 1** marked with the **name of the Transaction Advisor** and titled: **TECHNICAL PROPOSAL: Transaction Advisor Services for the procurement of the proposed Public Private Partnership for the Nelson Mandela Academic Hospital in the Eastern Cape and the King Edward Hospital VIII in KwaZulu Natal**
This envelope must contain at least the following:

**Covering letter signed by the lead Transaction Advisor, *inter alia*:**

- Accepting the Rules of Tendering, Evaluation of Tenders, and Tender Evaluation Criteria set out in the Terms of Reference;
- Attaching a Tax Clearance Certificate from the South African Revenue Services in respect of the Transaction Advisor and all South African firms to be sub-contracted to it for this assignment, where applicable;
- Providing full contact details for the Transaction Advisor; and
- Consortium Agreement of the Transaction Advisory team, where applicable
- Attaching a BEE Certificate certified by SANAS if a South African registered entity

**Information on and motivation for the Transaction Advisor, attaching his/her curriculum vitae, and setting out his/her personal, and his/her firm's:**

- Suitability for this assignment;
- Relevant local and international PPP related skills and experience. For each relevant experience cited, outline the precise role the lead Advisor played, the role of the firm, contract duration, contract outcomes, and contract value;
- Availability to perform the work. This must be substantiated by listing the Transaction Advisor’s other known professional commitments for the forthcoming two years;

**Project comprehension and project management plan, setting out:**

- The Transaction Advisor’s understanding of the Terms of Reference, and any proposals for amendments to the Terms of Reference that would enhance desired outcomes;
- How the Transaction Advisor proposes to manage the set of deliverables outlined in the Terms of Reference;
- A proposed outline Work Plan with time-table for delivery;
- The suitability of each person in the team for the proposed roles in terms of their relevant skills and experience cross referenced to each deliverable in the Terms of Reference
- The availability of each person to perform the work
- How the Advisory team members will be supervised;
- How interaction with the various streams will take place;
- Any innovative ideas for how the whole assignment can best achieve its objectives.

The Technical Envelope must not include any Financial or BEE proposals.

**Envelope 2** marked with the name of the Transaction Advisor and titled: **FINANCIAL AND BEE PROPOSAL: Transaction Advisor Services for the procurement of the proposed Public Private Partnership for the Nelson Mandela Academic Hospital in the Eastern Cape and the King Edward Hospital VIII in KwaZulu Natal**

This envelope must contain:
(a) Names and BEE status of all proposed team members, and the firms, where applicable; setting out:

- The professional role that each person will play in the assignment. This must be cross-referenced to each deliverable set out in this Terms of Reference;
- The suitability of each person for the proposed roles in terms of their relevant skills and experience;
- Their availability to perform the work;
- One-page résumés of each person highlighting responsibilities held for experience relevant to this assignment in the last 5 years;
- Summary of the percentage of Black South African professionals on the team, clearly showing the roles they will play in the Advisory team.
- Experience to structure a credible plan for effective BEE for the proposed project.
- Experience to structure a credible plan for skills transfer within the proposed project to benefit local Black Professionals.
- The BEE shareholder equity in the lead Transaction Advisor’s company.

(b) Proposed remuneration for professional fees:

- A remuneration proposal, in the remuneration format outlined at 6.2 above, giving professional cost per deliverable item and total for each Part as indicated;
- VAT must be specified separately as a total for each of Phase I: Feasibility and Phase II: Procurement. While VAT will be paid pro-rata for each delivery item in each Phase of the assignment, it should be indicated as a total sum per Phase for purposes of this submission.

1.6 Briefing Session

The DBSA will arrange a Briefing Session on the Terms of Reference, which all potential Transaction Advisors can attend.

Date : 26 July 2011
Time : 10H00 Telkom Time
Venue : DBSA Offices

1.7 Address and Deadline for submission of tenders

Proposals by Transaction Advisors must be submitted in a single sealed envelope, containing the two separately sealed envelopes required, marked:

Transaction Advisor Services for the procurement of the proposed Public Private Partnership for the Nelson Mandela Academic Hospital in the Eastern Cape and the King Edward Hospital VIII in KwaZulu Natal and hand delivered to:

The Tender Box, The Welcome Centre, Visitors Entrance
Development Bank of Southern Africa
By no later than 11h00 on the 15th of August, 2011.

The DBSA will record all tenders received by the deadline.

1.8 Bid evaluation

A Bid Evaluation Committee will comprise representatives of the respective Provincial Departments of Health, the DBSA, the respective Provincial Treasuries, the National Department of Health and the National Treasury, which will evaluate all Transaction Advisor tenders received by the deadline, according to the criteria indicated herein.

The Bid Evaluation Committee reserves the right to call bidders to complete any outstanding elements of their bids, make presentations of their bids, and/or present Best and Final Offers, if required.

The DBSA Procurement Committee will verify and endorse the governance process and decision before the appointment is made. The decision of the DBSA will be final.

The DBSA will lock the Financial and BEE Envelopes of each tender received away until the Technical Envelopes have been evaluated by the Bid Evaluation Committee. Only those tenders whose Technical Proposals meet or better the technical threshold score set out in the Bid Evaluation Criteria (section below), will be considered in respect of their Financial and BEE Proposals.

1.9 Bid evaluation criteria

The Technical proposal will be evaluated out of 100 points with a Threshold of 80. Only submissions that pass the Technical Threshold will continue on to the Financial and BEE evaluation.

1.10 Envelope 1: Technical Proposal

The Technical Proposals received will be evaluated according to the following criteria and scoring system. The Technical Score will be calculated out of 100 points, and only those bids
that achieve a threshold of 80 points for the technical proposal will move to the next level of evaluation where a score for price and HDI will be allocated out of 100.

<table>
<thead>
<tr>
<th>Technical scorecard – Financial Stream</th>
<th>Scoring (for whole or each sub-element where applicable)</th>
<th>Maximum points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technical proposal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Analysis Project Finance &amp;</strong></td>
<td>Excellent = 20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Project Management</strong></td>
<td>Reasonable = 10</td>
<td></td>
</tr>
<tr>
<td>- Skills (Academic qualifications)</td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>- Relevant local and international</td>
<td></td>
<td></td>
</tr>
<tr>
<td>experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Project finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Corporate finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Financial modelling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Budget analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Project management</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PPP Procurement and Structuring:</strong></td>
<td>Excellent = 15</td>
<td>15</td>
</tr>
<tr>
<td>Relevant local and international</td>
<td>Reasonable = 8</td>
<td></td>
</tr>
<tr>
<td>experience and track record</td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>• Knowledge of and experience of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury Regulations and PPP Guidelines;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• List of PPP projects successfully</td>
<td></td>
<td></td>
</tr>
<tr>
<td>procured</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Negotiations:</strong></td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td>Relevant local and international</td>
<td>Reasonable = 5</td>
<td></td>
</tr>
<tr>
<td>experience and track record</td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td><strong>Quality of project comprehension</strong></td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td>demonstrated in proposals²</td>
<td>Reasonable = 5</td>
<td></td>
</tr>
<tr>
<td><strong>Quality of proposed work plan, project</strong></td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td>management approach and timetable for</td>
<td>Reasonable = 5</td>
<td></td>
</tr>
<tr>
<td>the project</td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td><strong>Transaction advisor’s availability for</strong></td>
<td>Excellent = 15</td>
<td>15</td>
</tr>
<tr>
<td>the work</td>
<td>Reasonable = 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td><strong>Total technical points</strong></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td><strong>Minimum threshold for technical</strong></td>
<td></td>
<td>80</td>
</tr>
<tr>
<td>Technical scorecard – Technical &amp; Clinical Stream</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Technical proposal</strong></td>
<td><strong>Scoring (for whole or each sub-element where applicable)</strong></td>
<td><strong>Maximum points</strong></td>
</tr>
</tbody>
</table>
| 1 | Technical skills appropriate to the project<sup>3</sup> | Excellent =10  
Reasonable =5  
Poor =0 | 10 |
| | Skills (Academic qualifications) | Excellent =10  
Reasonable =5  
Poor =0 | 10 |
| | Relevant local and international experience in  
- clinical service package definition, health planning, management and human resource planning;  
- facilities planning and management;  
- an environmental friendly, energy efficient building design, quantity surveying, property development and town planning  
- architectural engineering design and quantity surveying in a built environment with specific reference to health infrastructure.  
- Expertise and experience in medical equipment and IT hardware planning, procurement and management in an academic hospital environment;  
- Expertise and experience of hard and soft facilities management; | Excellent = 40  
Reasonable = 20  
Poor =0 | 50 |
| 2 | PPP procurement and structuring:  
Relevant local and international experience and track record  
- Knowledge of and experience of the Treasury Regulations and PPP Guidelines;  
- List of PPP projects successfully procured | Excellent =15  
Reasonable =8  
Poor =0 | 15 |
| 3 | Quality of project comprehension demonstrated in proposals<sup>4</sup> | Excellent = 10  
Reasonable = 5  
Poor = 0 | 10 |
| 4 | Quality of proposed work plan, project management approach and timetable for the project | Excellent = 10  
Reasonable = 5  
Poor = 0 | 10 |
<table>
<thead>
<tr>
<th></th>
<th>Transaction advisor's availability for the work</th>
<th>Excellent = 15</th>
<th>Reasonable = 8</th>
<th>Poor = 0</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total technical points</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Minimum threshold for technical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technical scorecard – Legal Stream</th>
<th>Scoring (for whole or each sub-element where applicable)</th>
<th>Maximum points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical proposal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Legal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Skills (Academic qualifications)</td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>- Relevant experience</td>
<td>Excellent = 15</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>2 PPP procurement and structuring:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relevant experience and track record</td>
<td>Knowledge of and experience of the Treasury Regulations and PPP Guidelines;</td>
<td>Excellent = 20</td>
</tr>
<tr>
<td></td>
<td>List of PPP projects successfully procured</td>
<td>Reasonable = 10</td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>3 Negotiations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relevant experience and track record</td>
<td>Excellent = 20</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>4 Quality of project comprehension demonstrated in proposals</td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>5 Quality of proposed work plan, project management approach and timetable for the project</td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>6 Transaction advisor’s availability for the work</td>
<td>Excellent = 15</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>Total technical points</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Minimum threshold for technical</td>
<td></td>
<td>80</td>
</tr>
</tbody>
</table>

**Envelope 2: Financial and BEE Proposal**

The Financial and BEE proposals will only be evaluated if they have met the Technical Threshold. South African entities will be evaluated and scored for their proposals in respect of the Black Economic Empowerment Proposal as set below. The requirement for compliance with the Black Economic Empowerment Proposal is set below.
Empowerment Proposal will not apply to non-South African registered entities though it is a requirement that such entities partner with South African entities.

<table>
<thead>
<tr>
<th>BEE proposal</th>
<th>Maximu m score</th>
<th>Scoring</th>
<th>Weightin g</th>
<th>Point s total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The percentage of Black People playing leading professional roles in the Transaction Advisor consortium</td>
<td>4</td>
<td>25% - 35% = 3</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;35% = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 The percentage of black equity in the Transaction Advisor consortium</td>
<td>4</td>
<td>25% - 35% = 3</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;35% = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 A credible plan for structuring effective BEE for the PPP, with necessary skill and experience in the team</td>
<td>4</td>
<td>Poor plan, poor skill &amp; experience = 1 or 2</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Incomplete plan, limited skill &amp; experience = 2 or 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Credible plan, skill &amp; experience = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 A credible plan for skills transfer within the consortium to directly benefit Black professionals inexperienced in PPPs (may specify targeting of Black People within a geographic area)</td>
<td>4</td>
<td>Poor plan = 1 or 2</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Incomplete plan = 2 or 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Credible plan = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Valid SANAS accredited BEE Certificate</td>
<td>4</td>
<td>Contribution Level = Below Level 4 = 0 or 1</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Between Level 4 &amp; 6 = 2 or 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above Level 7 = 4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total BEE points: 100
INTERNATIONAL TECHNICAL REVIEW SCOPE

International Technical Review Team

In order to ensure access to international experience and best practice, the DBSA on behalf of the Department of Health, would also like to procure the services of separate International Review Teams for each of the workstreams above with relevant experience in the preparation of feasibility studies, procurement and delivery of Health PPP projects as it relates to the competencies outlined to be available to the transaction advisors and the JIC for advice and guidance at any time during the feasibility study, procurement, evaluation and negotiation processes as well as to review the final products and ensure that the final products delivered will be of the highest quality and standard, equal to international best practice.

In order to ensure the value and independence of the review to be provided, the Review Teams to be appointed will be independent of the Transaction Advisory Teams to be appointed under the different workstreams. The review teams will be separate entities and although firms can submit proposals for both scopes, if successful, they can only be appointed either as a Transaction Advisor or as a Review Team but not both.

1.11 Envelope 1: Technical Proposal

The Proposals received for the international review work, will be evaluated according to the following criteria and scoring system. The Technical Score will be calculated out of 100 points, and only those bids that achieve a threshold of 80 points for the technical proposal will move to the next level of evaluation (financial evaluation) where a score for price will be allocated out of 100.
<table>
<thead>
<tr>
<th>Technical scorecard – International Financial Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical proposal</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>- Skills (Academic qualifications)</td>
</tr>
<tr>
<td>- Relevant international experience</td>
</tr>
<tr>
<td>• Project finance</td>
</tr>
<tr>
<td>• Corporate finance</td>
</tr>
<tr>
<td>• Financial modelling</td>
</tr>
<tr>
<td>• Budget analysis</td>
</tr>
<tr>
<td>• Project management</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>• Knowledge of and experience of the Treasury Regulations and PPP Guidelines;</td>
</tr>
<tr>
<td>• List of PPP projects successfully procured</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
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<tr>
<td>4</td>
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<td>5</td>
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<tr>
<td>6</td>
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<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>Technical scorecard – <strong>International Technical &amp; Clinical Review</strong></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Technical proposal</strong></td>
</tr>
<tr>
<td>1 Technical skills appropriate to the project7</td>
</tr>
<tr>
<td>Skills (Academic qualifications)</td>
</tr>
<tr>
<td>Relevant international experience in</td>
</tr>
<tr>
<td>• clinical service package definition, health planning, management and human resource planning;</td>
</tr>
<tr>
<td>• facilities planning and management;</td>
</tr>
<tr>
<td>• an environmental friendly, energy efficient building design, quantity surveying, property development and town planning</td>
</tr>
<tr>
<td>• architectural engineering design and quantity surveying in a built environment with specific reference to health infrastructure.</td>
</tr>
<tr>
<td>• Expertise and experience in medical equipment and IT hardware planning, procurement and management in an academic hospital environment;</td>
</tr>
<tr>
<td>• Expertise and experience of hard and soft facilities management;</td>
</tr>
<tr>
<td>2 PPP procurement and structuring: Relevant international experience and track record</td>
</tr>
<tr>
<td>• Knowledge of and experience of international best practices in PPP regulations</td>
</tr>
<tr>
<td>• List of international PPP projects successfully procured</td>
</tr>
<tr>
<td>3 Quality of project comprehension demonstrated in proposals8</td>
</tr>
<tr>
<td>4 Quality of proposed work plan, project management approach and timetable for the project</td>
</tr>
<tr>
<td>5 Transaction advisor's availability for the work</td>
</tr>
<tr>
<td>Total technical points</td>
</tr>
<tr>
<td>Minimum threshold for technical</td>
</tr>
</tbody>
</table>
**Technical scorecard – International Legal Review**

<table>
<thead>
<tr>
<th>Technical proposal</th>
<th>Scoring (for whole or each sub-element where applicable)</th>
<th>Maximum points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Legal</td>
<td>- Skills (Academic qualifications)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Relevant international experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Drafting PPP agreements</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Commercial contracts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Negotiation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Excellent = 15</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Reasonable = 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td></td>
</tr>
<tr>
<td>2 PPP procurement and structuring: Relevant experience and track record</td>
<td>Knowledge of and experience of the international PPP Regulations and Guidelines; List of international PPP projects successfully procured</td>
<td>20</td>
</tr>
<tr>
<td>3 Negotiations: Relevant experience and track record</td>
<td>Excellent = 20</td>
<td>20</td>
</tr>
<tr>
<td>4 Quality of project comprehension demonstrated in proposals</td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td>5 Quality of proposed work plan, project management approach and timetable for the project</td>
<td>Excellent = 10</td>
<td>10</td>
</tr>
<tr>
<td>6 Transaction advisor's availability for the work</td>
<td>Excellent = 15</td>
<td>15</td>
</tr>
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</table>

**Total technical points**

<table>
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<th>Minimum threshold for technical</th>
<th>100</th>
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</thead>
</table>

**Minimum threshold for technical**

| 80 |

**Envelope 2: Financial Proposal**

The Financial proposals for the international review teams will only be evaluated if they have met or exceeded the Technical Threshold of 80%. The requirement for compliance with Black Economic Empowerment regulations will not apply to non-South African registered entities.
ANNEXURE 1: DBSA SUPPLIER INFORMATION FORMS