

**TERMS OF REFERENCE**

for the development of a

**Tourism Public Private Partnerships Toolkit**

August 2004

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## ADDENDUM 1: Draft Contract

## 1. Invitation

Consulting consortia with relevant skills, experience and empowerment profiles are invited to submit proposals to the PPP Unit, National Treasury, to research, draft and assist in facilitating the consultative process necessary to produce a comprehensive *Tourism PPP Toolkit*, (hereafter 'the Toolkit') to be issued in due course as a National Treasury PPP Practice Note in terms of the Public Finance Management Act (PFMA).

These Terms of Reference outline the background to this assignment, the scope and management of the planned work within the timetable, skills and experience being sought, and bidding specifications. The draft contract for the assignment is attached.

## 2. Purpose

The aim of developing the Toolkit is to equip the relevant South African government departments and public entities (hereafter 'institutions') with clear and appropriate methods by which they can enter into partnerships with private parties to optimally use state property to promote tourism, job creation, local economic development, and to increase revenue and infrastructure in support of conservation and heritage.

The Toolkit will specifically:

- ❑ establish appropriate systems, standards and contracting terms for a wide spectrum of tourism and tourism-related PPPs, compliant with the PFMA and Treasury Regulation 16 to the PFMA;
- ❑ enable relevant institutions to build the necessary capacity to prepare for, procure and manage these PPPs; and
- ❑ seek to build private sector confidence in entering into tourism and tourism-related PPPs in South Africa.

## 3. Background

Since 1997, South Africa has seen a number of pioneering tourism PPP projects undertaken by conservation agencies. These include the concession projects of South African National Parks (SANParks), North West Tourism & Parks Board (NWT&PB), Limpopo province, Western Cape Nature Conservation Board (WCNCB), and the Gauteng province for the Cradle of Humankind World Heritage Site. Most of these involve the private sector being granted concession rights to commercially use and invest in state property in return for the payment of a regular concession fee (turn-over linked rental) to the institution, and create local economic benefits, for a set period, after which the assets return to the institution. Some projects involving community concessions on state conservation land have also been pursued, a number involving the use of state funds for capital investment.

Further initiatives in various phases of the PPP project cycle are being undertaken by Greater St Lucia Wetlands Park Authority (GSLWPA), Limpopo Tourism & Parks Board (LT&PB), Mpumalanga Parks Board (MPB), and Gauteng province for Dinokeng.

The outcomes of these initiatives to date have been mixed. Some projects have been very successful in securing private capital investment, increasing tourism, generating revenue

for the institutions, impacting on local economic development, and generating returns to the private parties. Some received limited market interest, and some struggled to attract the expected quality of bids. Some PPPs have been adversely affected by tourism and currency volatility, and/or by miscalculated demand and/or by overly ambitious capital investment. All have attracted limited debt financing for capitalisation, and have relied largely on private equity or, in respect of community concessions, on donor funds or government's poverty relief grants. On the whole, transaction costs to the institutions appear to have been generally high relative to results achieved.

As more and more government institutions embark on the PPP path for promoting tourism on state conservation land, or commercially exploiting the value of state assets through tourism and tourism-related PPPs, it is clear that the wide variety of 'products' which may be on offer for private investment need appropriately tailored processes for establishing feasibility, managing procurement and setting contracting terms. A single method is not appropriate to all circumstances and the models of the early PPP deals are only suitable in some cases. The institutions themselves however, have limited capacity to design and manage a variety of methods which are suited to the different products within the framework of PPP regulations.

As national regulator of PPPs in terms of the PFMA, National Treasury's PPP Unit has therefore committed a budget to the development of the Toolkit, and has established a Task Team representing a range of relevant public sector institutions, and including the Tourism Business Council, to oversee its production and consultation.

#### **4. Scope of work and deliverables**

The scope of work of the consulting team comprises the following six stages, requiring the deliverables specified:

##### **Stage 1: Analysis of South African tourism PPPs to date and scan of current international trends**

###### ***A: Analysis of South African tourism PPPs to date***

The consultant is required to review the tourism PPPs concluded and in operation, or nearing contract signature, by the following institutions in South Africa to date:

- a) SANParks
- b) NW Parks Board
- c) Limpopo Tourism & Parks Board
- d) WCNCB
- e) Gauteng DACEL (Cradle of Humankind)
- f) GSLWPA

The consultant will review relevant material, and interview managers on both the public and private sides of the deals, including community trusts/companies where relevant.

The purpose of this review is not to write case studies on each PPP, but to extract their principal features, successes and short-comings for the purposes of developing the Toolkit. Individual contracts may therefore be reviewed in sets, where their features are similar. In

particular, the views of current and potential private sector investors in PPPs must be gleaned.

The specific focus points must be in respect of:

- ❑ each institution's **enabling legislation** for PPPs: constraints, alignment with the PFMA and PPP regulations, flagship provisions;
- ❑ each institution's **capacity to manage** PPPs: strategic approach to private investment, establishment, personnel, PPP skills, reserve management systems, links with other institutions;
- ❑ use of **transaction advisors**: extent, cost, value add, lessons;
- ❑ **feasibility studies** conducted: nature, value add, lessons;
- ❑ **incentives/ infrastructure upgrade/ DFI debt** levers used to attract private investors: extent, challenges, value-add;
- ❑ **marketing undertaken**: successes, lessons;
- ❑ **procurement processes** followed: nature, lessons;
- ❑ **black economic empowerment (BEE)** achieved: nature, lessons, with reference to the *Code of Good Practice for BEE in PPPs* and the draft *Tourism BEE balanced scorecard*;
- ❑ **use of poverty relief funds** in the capitalisation of some community-targeted projects: methods, lessons;
- ❑ **financing arrangements** secured by the private parties: key features, constraints;
- ❑ **terms of the PPP agreements**: key features, lessons, principle sticking points in negotiations;
- ❑ PPP agreement **management and monitoring systems**: features, lessons; and
- ❑ development and delivery **achievements and challenges** to date (where applicable): key features, value for money for the institution, concerns of private parties, PPP agreement amendments, lessons

The consultant is also required to review the Department of Water Affairs & Forestry (DWAF) legal and institutional circumstances for PPPs involving dams and land surrounding dams, and those involving indigenous forests. Constraints and opportunities should be identified, with a view to addressing these in the remaining stages set out in this terms of reference.

### ***B: Scan of international trends in tourism PPPs***

The consultant is required to review international trends in tourism and tourism-related PPPs, specifically those in Africa and those achieving local socio-economic benefits in poor rural environments. Sources should include the IUCN and the World Bank. Again, the

intention is not to do a comprehensive thesis on experience in the sector, but to draw out the principal lessons that will inform the production of South Africa's *Tourism PPPs Toolkit*.

**Deliverable Stage 1:**

Report # 1:

*An analytical review of tourism PPPs in SA to date, and a scan of international trends.*

**Stage 2: Categorisation of products and outline standard systems for each**

Having analysed achievements and shortcomings in tourism PPP projects to date, and identified key international trends, the consultant is required to identify the range of PPP products that is likely to unfold in the sector in the coming years. These products need to be categorised in order to develop appropriate standard systems and contracting terms for each category, at each regulated phase of the PPP project cycle.

Treasury Regulation 16 to the PFMA requires *inter alia*, that the government institutions embarking on PPPs undertake **feasibility studies** to establish affordability, value for money and risk; conduct an open and competitive **procurement**; achieve black economic empowerment (**BEE**); conclude **agreements** that allocate **risk** between the public and private parties; and **manage** the partnerships well. The consultant is expected to be familiar with the *National Treasury's PPP Manual* and *Standardised PPP Provisions* and to be able to adapt from these for the Toolkit.

The regulated PPP phases need to be defined and their steps standardised appropriately for the wide variety of tourism and tourism-related PPP products. It may not be appropriate, for example, for the institution to construct complex financial models to determine the feasibility of private management of a camp site. It is probably worthwhile however, to run scenario cash flows based on visitor trends to such sites in the vicinity, to have done legal, labour and land due diligence, and to have properly assessed infrastructure conditions. Appropriate elements of a feasibility study must thus be defined for each product category. The tests to be addressed will always be: affordability, value for money and appropriate risk transfer. Likewise, the Constitution and the PFMA require open and competitive procurement, but the form that procurement takes needs to be tailored appropriately to the product category. Likewise, legislation driving BEE needs to be applied appropriately.

The categorisation of PPP tourism and tourism-related products is not prescribed here, but must be developed by the consultant emerging from the review and analysis in Stage 1, drawing on the definitions, terminology and best practice standards set in the *PPP Manual* and *Standardised PPP Provisions*. The categorisation should be designed for the purpose of standardising feasibility, BEE, procurement, PPP agreements, and PPP agreement management guidance for each product. This categorisation must however, be sufficiently flexible to be able to be applied widely to products that may not be specifically identified in the Toolkit. Products may therefore be grouped in a way that is different from the illustration given below. Grading systems established by the tourism industry should be considered in the definition of product groupings, and used as appropriate.

It is anticipated that the bulk of the Toolkit will be structured according to the product categories agreed, so it is vital that they be defined in a manner that accommodates standard systems within a suitably flexible framework. Each 'product' should be capable of comprising a module of the final Toolkit, each with step-by-step guidance for each phase of

the project cycle, and each containing specific terms for BEE and an appropriate draft PPP agreement. The following is not prescriptive but illustrates the intention.

Product categories (examples)	PPP project cycle: key components				
	Feasibility study	BEE	Procurement	PPP agreement	PPP agreement management
Activity enterprises (eg. absailing, river rafting, sailing)	For each product, what must a feasibility study cover? Step by step guidance with appropriate standard risk matrices	For each product, a BEE balanced scorecard with indicative targets.	For each product, what should procurement entail? What market-engagement systems are appropriate? Step by step guidance.	For each product, a standardised PPP agreement that suitably allocates risk. May entail sets of alternative options for each product.	For each product, detailed guidance on how the institution should manage and monitor the agreement.
Restaurant and retail enterprises					
Camp/picnic sites					
Lodges (? by grade or capex)					
Local community-targeted PPPs with donor funds (? by grade or capex)					
Dropping fences with neighbours					
Residential/corporate/syndication property development					
Heritage/culture sites					

The categorisation and standard systems should be drafted in outline only in Stage 2 for purposes of consultation in Stage 4. Detailed drafting will follow in Stage 5. However, the outline must be sufficiently robust to enable proper consultation. For example, key proposed contracting terms of each standard PPP agreement should be listed, a BEE scorecard should be proposed for each product category, and each proposed procurement step for each product category should be identified. Graphics should be used to illustrate the proposals wherever appropriate.

**Deliverable Stage 2:**

*Report # 2 containing:*

*A draft set of tourism PPP product categories. For each product category, outline proposals for feasibility studies, BEE, procurement, PPP agreement terms, and PPP agreement management.*

### Stage 3: Design of a generic institutional system

Having defined the outline of product categories and the standard steps appropriate to each in each phase, it is necessary to locate these tools in a proposed generic system by which the relevant institutions can build capacity to optimally manage a roll-out of tourism and tourism-related PPPs in an ongoing way. Emerging from the analysis and consultations in Stage 1, and the categorisation of products and their standard systems in Stage 2, the consultant is required to outline:

- ❑ The job description and skills set of a PPP Project Officer who must be employed to manage tourism and tourism-related PPPs on behalf of the institution, his/her preferable location within the institution, and complementary personnel required in his/her office.
- ❑ A thorough checklist of institutional due diligence required (*inter alia*: legal, land, labour, revenue and expenditure analysis, infrastructure) before a PPP programme can be embarked on.
- ❑ The essential park/ reserve/ dam/ forest management plans that need to be in place before a tourism and tourism-related PPP programme can be embarked on.
- ❑ Key strategic questions that need to be asked by institutional management in considering PPPs (*inter alia*: identification of assets with commercial value, revenue targeting, local economic impact targeting, 'bundling' of products, timing of procurement, marketing, investment targeting, role for investment facilitators).
- ❑ The use of Transaction Advisors: when required, generic terms of reference for institutions beginning a tourism PPP programme.
- ❑ A generic system for institutional decision-making (approvals) at each phase of the PPP project cycle, and for PPP agreement management, for each PPP product category. The system must suitably 'fit' each product category, and be consistent with the approval phases and tests set out in Treasury Regulation 16 to the PFMA. The system must be robust enough (in terms of capacity for rigor, checks and balances) to enable the institution to apply to Treasury for exemption from Treasury approvals.
- ❑ Requirements for applying to National Treasury for exemption from Treasury approvals in Treasury Regulation 16 to the PFMA. The exemption requirements set by Treasury in the *PPP Manual* is the benchmark to be adapted specifically for the tourism sector.
- ❑ How unsolicited proposals received from time to time by the institution can be brought into the regulated project cycle in a manner that responds quickly, does not lose investor interest, but ensures sound feasibility assessment and competitive procurement by the institution.
- ❑ An approach to dealing with existing contracts with private parties that need to be re-negotiated.
- ❑ A proposal for a national monitoring mechanism that tracks best practice in tourism and tourism-related PPPs to keep public and private stakeholders abreast of trends

and challenges as they emerge, and that facilitates updates to the *Tourism PPPs Toolkit*.

The proposed generic institutional system should be designed in outline only in this Stage. It will be drafted in detail in Stage 5, and will comprise a module or modules of the final Toolkit. It must be consistent with the PFMA, uphold the good governance and administrative justice standards expected of any public sector institution, be designed for efficiency, and be adaptable to different institutional environments.

**Deliverable Stage 3:**

Report # 3:

*A outline generic institutional system enabling institutions to manage a tourism PPP programme (using the package proposed in Stage 2) to the standards set by Treasury Regulation 16.*

**Stage 4: Design and facilitation of a national workshop**

The consultant is required to design the programme for a two-day national workshop in which the findings of Stage 1 and the outline of the Toolkit (developed in Stages 2 – 3) can be presented to a wide range of stakeholders for constructive feedback and input into the final drafting Stage. It is anticipated that the workshop may involve some 400 people from public institutions, the private sector and community trusts. The Task Team will recommend participants, but the consultant is required also to recommend participants and to timeously compile and complete the invitation list to ensure that all relevant constituents are included.

The PPPU has an agreement with the National Business Initiative (NBI) in which NBI will raise sponsorship for the workshop, send out invitations, administer participant bookings, organize the venue, and manage all logistics. The consultant is required to liaise closely with the NBI on these matters but not administer them directly.

Facilitation of the workshop will involve members of the Task Team together with the consultants, playing key roles in engaging stakeholders. In particular, the consultants must ensure that all feedback is thoroughly documented for incorporation into the detailed drafting Stage.

**Deliverable Stage 4:**

Report # 4:

*Detailed notes of public and private stakeholder feedback on Reports 1-3*

**Stage 5: Detailed drafting of the Toolkit**

Having received substantive feedback on Reports 1-3, the consultant will embark on detailed drafting of each proposed module of the Toolkit. Drafting style must be user-friendly, in toolkit mode, making extensive use of examples and templates. Definitions, terminology, language and style must be consistent with *National Treasury's PPP Manual*.

The standardised PPP agreements should be drafted in full, able to be used directly by the institutions for their projects. To the extent relevant, these should use the definitions and terms consistent with *Standardised PPP Provisions*. The draft PPP agreements should also be reviewed by the Office of the State Attorney during this drafting period.

The Task Team and the PPP Unit will review drafts of each module in a timetable to be agreed at the outset of Stage 5. Where consultation may be required with specific institutions during this period, this will be accommodated.

The PPP Unit will separately hire and manage an editor and publishing company to compile the final material into the *Tourism PPPs Toolkit* to be issued as a National Treasury PPP Practice Note/s in terms of section 76(4) to the Public Finance Management Act, in the same branding and style as *National Treasury's PPP Manual*. The consultant is required to review the edits and the packaging of the final Toolkit to contribute to a quality final product.

**Deliverable: Stage 5**

- *Tourism PPPs Toolkit (both electronic and hard copy formats)*

**Stage 6: Production of training materials**

While the editing work is being completed, the consultant will be responsible for producing a comprehensive set of training materials on the Toolkit. This must be produced in Powerpoint format, using examples and providing for learning exercises that will teach officials how to manage a tourism PPP programme. These training materials must include 'soft skill' training that will promote institutional preparedness for private sector engagement. The package must extend to include materials specifically targeted to private investors, enabling them to gain an understanding of South Africa's Tourism PPP approach. It must also include training material targeted at community trusts which may be looking to contract with conservation institutions for local economic benefit. Branding must be consistent with the Toolkit.

**Deliverable: Stage 6**

- *Pack of training materials on the Tourism PPP Toolkit*

**5. Timetable**

<b>Deliverable</b>	<b>Dates</b>
Terms of reference advertised	early-August 2004
Bid submission date	early-September
Consultant selected, work commences	mid-September
Report 1	early November
Report 2	mid-November
Report 3	mid-November
Tourism PPPs workshop	1 & 2 December
Detailed drafting and finalisation of Toolkit	from December 2004 to April 2005
Training materials (parallel with editing)	April 2005
Printing	May 2005
Launch	June 2005

**6. Skills and experience required**

The consultant will comprise a team, managed by a single lead consultant company who will enter into a contract with National Treasury (see attached **Addendum 1** for draft contract). The members of the team will have both the skill and experience necessary to

*PPP Unit, National Treasury, August 2004*

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. The lead consultant will be held accountable, in terms of the contract, for ensuring project deliverables and for the professional conduct and integrity of the team.

The skills and experience required in the consultant are as follows:

- Tourism and tourism-related PPP advisory experience (to public and private parties) in a range of projects and in a range of provinces, with demonstrable understanding of, and insights into, the tourism investor and operator market, environmental and heritage issues, and conservation institutions;
- Business planning skill and experience, specifically in tourism and tourism-related industries;
- Legal review and analysis skill and experience, with working legal knowledge of the land, conservation, tourism, heritage and environmental sectors, and experience in administrative law;
- Contract drafting skill and experience;
- Experience in structuring broad-based BEE in PPPs;
- Experience in advising communities participating in tourism and tourism-related projects;
- Demonstrable understanding of Treasury Regulation 16 to the PFMA and National Treasury's *PPP Manual* and *Standardised PPP Provisions*;
- Quality writing skills; and
- Track record in producing successful training materials.

These attributes may be combined in various individual members of the team. However, it is essential that the team is able to demonstrate – with actual work record and references - its members' skill and experience as required.

## **7. Management of the assignment**

The PPPU has established a Tourism PPP Task Team (hereafter 'the Task Team'), made up of representatives of a wide range of provincial and national government conservation, tourism and investment promotion institutions, and the Tourism Business Council, to oversee and guide the production of the Toolkit. The consultant will report progress and resolve policy issues monthly with the Task Team. The Task Team will review each Report, endorse satisfactory completion of each specified deliverable, and will sign-off on the final version of the Toolkit.

The PPPU's Senior Project Advisor, Ms Sue Lund will manage the assignment. The lead consultant will brief Ms Lund weekly and submit to her draft reports for review.

Remuneration of the consultant will be payable in South African Rands, on a fixed price, on satisfactory completion of the specified deliverables in the assignment. A mobilisation allowance will be paid within 30 days of the signing of the contract.

The consultant's out-of-pocket expenses will be paid by National Treasury at cost within an agreed ceiling and does not form part of the consultant's remuneration. All claims for travel and other legitimate disbursement expenditure must be pre-approved by the PPP Unit's

project manager for this assignment before they are incurred. An email system for these approvals will be set up when the consultant contract is signed.

Payments will be made within 30 days of National Treasury receiving approved and substantiated invoices.

## **8. Bid submission requirements**

Bids must be submitted in the following format:

### **8.1 Covering letter signed by the lead consultant, *inter alia*:**

- Accepting the Rules Bidding (set out in paragraph 10 above)
- Providing full contact details of the lead consultant;
- Attaching tax clearance certificates for each member of the proposed team; and
- Submitting a marked-up version of the draft Contract (attached at **Addendum 1**) with proposed Deliverables Schedule and Payment Schedule.

### **8.2 Technical proposal**

- The professional role that each proposed member of the team will play, cross-referenced to each deliverable in the scope of work, and cross-referenced to each specified technical evaluation element set out in the technical scorecard (see paragraph 9 below);
- Their suitability for the assignment, demonstrating their specific skill and experience with reference to their resumés and contactable references;
- Their availability to perform the work in the timeframe, substantiated by listing other known professional commitments for each member over the period of the assignment (September 2004 to April 2005);
- Summarised resumés of each proposed team member, highlighting relevant skill and experience in the last five years;
- Which of the members are black (african, coloured, indian) South African professionals on the team, and which of these are women, clearly showing the roles they will play;
- A credible work plan for the assignment; and
- Innovative ideas for how the assignment can optimally achieve its objectives.

### **8.3 BEE proposal**

The BEE elements of the bid must be cross-referenced to each element of the BEE scorecard (see paragraph 9 below), setting out:

- The percentage of team members who are black professionals (men and women);
- The percentage of team members who are black women;
- The percentage of black equity in the companies making up the consortium, with a weighted average calculated on the percentage of work to be performed by each company, presented in the following format. (The table below has been completed with an example.) Column B must show the percentage of ownership by individuals who are actively involved in the management of the specific company. To verify this, the proposal must be accompanied by supporting documents.

**Format with example**

Name of consortium member company	% of total remuneration accruing to that member (A)	% of black equity in that member (B)	Calculated % of black equity in consortium (A)X(B)
X	80	15	12
Y	10	50	5
Z	10	100	10
Total	100		27

- A credible skills transfer plan to benefit black professionals on the team who are inexperienced in PPPs, and who can learn on the job.

**8.4 Price proposal**

- The fixed fee bid for the assignment, payable at deliverables milestones as specified in the remuneration table below. Bidders are required to present their proposals accordingly. Although VAT will be payable on each invoice, for the purposes of the bid, it should be specified separately on the total sum only.

Stage	Satisfactory completion of	Percentage
0	Mobilisation – on signature of contract	10
1	Report # 1	15
2	Report # 2	15
3	Report # 3	10
4	Report # 4	10
5	Tourism PPPs Toolkit	30
6	Pack of training materials	10
	<b>Total</b>	<b>100</b>
	<b>VAT</b>	
	<b>TOTAL</b>	

- The percentage of the fees which are payable to black members of the team;
- An estimated disbursements budget for travel, accommodation, document reproduction expenditure, and any other legitimate out-of-pocket projected expenditure. This will not be evaluated as part of the bid, but will enable an appropriate sum to be budgeted.

**9. Bid evaluation**

An evaluation panel will be established by the PPP Unit, made up of members of the National Treasury and members nominated from the Task Team. Bids will be evaluated strictly according to the bid evaluation criteria set out below.

Evaluation will be based on a points system, with the technical, BEE and price elements each being scored out of 100 points, with minimum thresholds for both the technical and BEE elements. Bids that do not meet or better the technical and BEE threshold scores will not be evaluated further. Each element is weighted as shown in the table below in compliance with the Preferential Procurement Policy Framework Act (PPPFA).

Evaluation element	Points	Minimum threshold score	Weighting
Technical proposal	100	65%	50
BEE proposal	100	60%	10
Price proposal	100	N/a	40
TOTAL			100

The total scores achieved by each bidder (if they meet the thresholds) are calculated into the bidder's overall score using the following formula:

$$a * (\text{technical score}/100) + b * (\text{BEE score}/100) + c * (\text{price score}/100) = d$$

Where

a is the weighting for technical (50%)

b is the weighting for BEE (10%)

c is the weighting for price (40%)

d is the total score achieved by the bidder.

The calculation of price points will be done using the prescribed price formula set in the regulations to the PPPFA.

Each bidder's technical proposal will be evaluated as follows:

Technical scorecard			
	Criteria	Scoring	Max points
1	Tourism advisory experience in PPPs to both the public and private sectors, with demonstrated insights into the challenges facing the sector	Extensive = 10 Limited = 5 Poor = 0	10
2	Business planning skill and experience in tourism and related industries	Extensive = 10 Limited = 5 Poor = 0	10
3	Legal review and analysis skill and experience in the land, conservation, tourism, heritage and environmental sectors, and experience in admin law	Extensive = 10 Limited = 5 Poor = 0	10
4	Contract drafting skill and experience	Extensive = 10 Limited = 5 Poor = 0	10
5	Demonstrated experience in structuring broad-based BEE in PPPs	Extensive = 10 Limited = 5 Poor = 0	10
6	Experience in advising communities participating in tourism and related projects	Extensive = 10 Limited = 5 Poor = 0	10
7	Demonstrated understanding of Treasury Regulation 16 to the PFMA and National Treasury's <i>PPP Manual</i> and <i>Standardised PPP Provisions</i>	Extensive = 10 Limited = 5 Poor = 0	10
8	Demonstrated quality writing skills	Excellent = 10 Acceptable = 5 Poor = 0	10
9	Track record in producing successful training materials	Excellent = 10 Acceptable = 5 Poor = 0	10
10	Credible work plan for the assignment	Credible plan = 5	5

		Incomplete plan = 3 Inadequate plan = 0	
11	Team members' availability to perform the work within the timetable	Excellent = 5 Acceptable = 3 Poor = 0	5
	<b>Total technical score</b>		<b>100</b>
	<b>Minimum threshold for technical</b>		<b>65</b>

Each bidder's BEE proposal will be evaluated as follows:

<b>BEE scorecard</b>					
	<b>Criteria</b>	<b>Max score</b>	<b>Scoring</b>	<b>Weighting</b>	<b>Points total</b>
1	% of team members who are black professionals (men and women) playing key roles	5	20%-35% = 3 >35% = 5	6	30
2	% of team members who are black women playing key roles	5	10%-20% = 3 > 20% = 5	4	20
3	% of black equity in the consultant consortium	5	20%-35% = 3 >35% = 5	6	30
4	A credible plan for skills transfer within the consortium to directly benefit black professionals inexperienced in PPPs	5	Poor plan = 1 or 2 Incomplete plan = 2 or 3 Credible plan = 4 or 5	4	20
	<b>Total BEE points</b>				<b>100</b>
	<b>Minimum threshold for BEE</b>				<b>60</b>

## 10. Rules of bidding

- 10.1 The consultant must be a single legal entity will all other necessary expertise secured via subcontract, or under a joint venture arrangement. National Treasury will enter into a single contract with a single firm for the delivery of the work set out in this terms of reference.
- 10.2 Tax clearance certificates dated within six months of the closing date of this bid must be submitted by all South African firms submitting bids as part of a consortium or joint venture.
- 10.3 Foreign firms providing proposals must become familiar with local conditions and laws, and take them into account in preparing their proposals.
- 10.4 Bids must be submitted in South African Rands, on a fixed price basis.
- 10.5 The cost of preparing bids and of negotiating the contract will not be reimbursed.
- 10.6 National Treasury is not bound to accept any of the bids submitted.
- 10.7 National Treasury reserves the right to withdraw or amend these terms of reference by notice in writing to all parties who have received the terms of reference.

- 10.8 National Treasury reserves the right to call interviews with short-listed bidders before final selection.
- 10.9 National Treasury reserves the right to negotiate price with the preferred bidder.
- 10.10 Firms may ask for clarification on these terms of reference up to close of business 48 hours before the deadline for the submission of bids. Any request for clarification must be submitted in writing by email and will be replied to in writing by email. [sue.lund@treasury.gov.za](mailto:sue.lund@treasury.gov.za)
- 10.11 National Treasury reserves the right to return late bid submissions unopened.
- 10.12 National Treasury reserves the right not to evaluate bids that are not submitted in the format specified in this terms of reference.
- 10.13 Firms may not contact National Treasury or any member of the Task Team, on any matter pertaining to their bid from the time when bids are submitted to the time the consultant contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any matter, may result in rejection of the bid concerned.
- 10.14 The deadline for submission of bids is 11h00 on 14 September 2004.**
- 10.15 Bids must be submitted **by hand** to:  
**National Treasury**  
**Tender Information Centre**  
**240 Vermeulen Street (corner Andries)**  
**Pretoria.**
- 10.16 Bids must be clearly marked:  
"Tourism PPPs Toolkit  
National Treasury PPP Unit  
Attention: Ms Lund"