

12 RULES OF BIDDING

12.1 The transaction advisor or reviewer will be contracted as a single legal entity with all necessary expertise secured via sub-contracts, or under a joint venture arrangement, or individuals or individual firms will be contracted separately. The DBSA will enter into a single contract with a single firm or with each individual for the delivery of the work set out in these Terms of Reference

12.2 Tax clearance certificates dated within six months of the closing date of this bid must be submitted by all South African individuals or firms submitting bids as part of a consortium or joint venture.

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

12.4 Bids must be submitted in South African Rands, on a fixed price basis. **PLEASE NOTE:** Bidders MUST also provide the hourly rates of each individual as well as the estimated number of hours to be spent by that individual, although this will not be used for evaluation purposes. DBSA reserves the right to negotiate with the winning bidder to pay the milestones on a time and cost basis with the fixed price as the cap.

12.5 The costs of preparing bids and of negotiating the contract will not be reimbursed.

12.6 The DBSA is not bound to accept any of the bids submitted, and reserves the right to call for best and final offers from short-listed bidders before final selection.

12.7 The DBSA reserves the right to call interviews with short-listed bidders before final selection.

12.8 The DBSA reserves the right to negotiate price with any bidder.

12.9 Individuals or firms may ask for clarification on these Terms of Reference or any of its annexures up to close of business 48 hours before the deadline for the submission of bids. Any request for clarification must be submitted by email to the DBSA at IPPEnquiries@dbsa.org copied to the Government at IPPprocurement@treasury.gov.za as well as Ompi.Aphane@energy.gov.za. This

DBSA e-mail address is only to be used for actual bid enquiries while the DBSA e-mail address IPPBidsubmissions@dbsa.org is **ONLY** to be used for bid submission. Bidders should please take note of this very important information.

12.10 The DBSA reserves the right to return late bid submissions unopened. Late submissions will be accepted only in exceptional circumstances.

12.11 Bidders may not contact the DBSA on any matter pertaining to their bid from the time when bids are submitted to the time the transaction advisor or reviewer 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.

13 BID SUBMISSION REQUIREMENTS

Bidders are required to submit their proposals in the following format:

13.1 Part 1: Technical proposal

This part must contain at least the following:

13.1.1 A covering letter signed by the lead transaction advisor or reviewer or each individual firm:

- accepting the rules of bidding, evaluation of bids, and bid evaluation criteria set out in the Terms of Reference
- attaching a tax clearance certificate from South African Revenue Services for the lead transaction advisor or reviewer firm or individual and all South African firms or individuals to be subcontracted to it for this assignment, or all South African firms participating in a joint venture for purposes of this bid
- providing full contact details for the lead transaction advisor, the contact person in event of individual firms or reviewer.

13.1.2 Information on and motivation for the lead transaction advisor, the individual firm or reviewer, attaching his or her curriculum vitae, and setting out his or her personal, and his or her firm's:

- suitability for this assignment
- relevant skills and experience: For each relevant experience cited, outline the precise role the lead transaction advisor or reviewer played, the role of the firm, contract duration, contract outcomes, and contract value
- availability to perform the work: This must be substantiated by listing other known professional commitments for the forthcoming 12 months

13.1.3 Project comprehension and project management plan, setting out:

- the bidder's understanding of the Terms of Reference, and any proposals for amendments to the Terms of Reference that would enhance desired outcomes
- how the bidder proposes to manage the set of deliverables outlined in the Terms of Reference
- how the bidder team members will be supervised
- how reporting to the Steering Committee will take place
- any innovative ideas for how the whole assignment can best achieve its objectives.

13.2 Part 2: Price proposal

This part must contain:

13.2.1 Proposed remuneration for professional fees:

- a remuneration proposal in the remuneration format outlined in clause 11 above, giving professional cost per deliverable item and total for each part as indicated
- VAT must be specified as a separate total. While VAT will be paid pro rata for each delivery item in each part of the assignment, it should be indicated as a total sum per part for purposes of this submission.

13.2.2 An estimation of anticipated disbursement costs per part of work. This information will not be used as a criterion for the evaluation of bids, and the successful bidder will not be held to this amount.

13.2.3 A marked-up version of the draft transaction advisor contract (attached here as Appendix B), including the proposed remuneration set out in a draft proposed payments schedule to the contract.

14 BID EVALUATION CRITERIA

14.1 Technical Qualification Criteria

The Panel members will individually evaluate the responses received against the following criteria:

Technical Criteria (applied to firms and specific individuals to be used on the project)	Weighting	Scoring scale	Maximum Score
Experience in designing and drafting procurement documentation for renewable energy IPP programs similar to the REFIT program – skill and experience	3	0-5	15
IPP technology (specifically to the REFIT program) and engineering capacity and experience – skill and experience	2	0-5	10
Experience in design a process and evaluating IPP projects in specific technologies – skill and experience	3	0-5	15
Experience in design a process and negotiate IPP projects and programs successfully and within shortest possible time – skill and experience	3	0-5	15
Project management experience and demonstrated delivery of IPP projects and understanding of the South African REFIT program	2	0-5	10
Financial model development capacity and experience for project and corporate finance relating to IPP projects in specific technologies under the REFIT program	2	0-5	10

Legal capacity and experience related to IPPs in renewable energy structuring of PPAs and risk allocation	2	0-5	10
Availability of key staff	3	0-5	15
Maximum Technical Score			100
Minimum Threshold for technical (70%)			70

14.2 BEE Criteria

In compliance with the PPPFA, the BEE status of the transaction advisor bidder will constitute 10% of the bid evaluation weighting, with the price and technical elements constituting the remaining 90%.

A minimum threshold of 70% of the total technical points will be set. The technical, BEE and price elements are each scored out of 100 points, and the scores achieved (if they meet the thresholds), 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 (70%)

b is the weighting for BEE (10%)

c is the weighting for price (20%), and

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.

14.4 Financial Criteria

Only bidders that obtained the minimum threshold of 70% for Technical qualification AND met the minimum BEE requirement in the previous evaluation phases will be considered in this evaluation phase.

The price proposal envelopes will be locked away until the technical and BEE proposals have been evaluated by the bid evaluation panel.

The price proposals envelopes of only those bids whose technical and BEE proposals meet or better the technical and BEE threshold scores set out in the bid evaluation criteria will be opened at this stage.

Those bids that do not meet the technical and BEE threshold scores will have their price proposal envelopes returned unopened and will not be considered for further selection.

The evaluation will be based on the fixed price proposal made by bidders.

Bidders must also provide the hourly rate of each individual as well as the estimated number of hours to be spent by that individual, although this will not be used for evaluation purposes.

The DBSA also reserves the right to negotiate with the winning bidder to pay the milestones on a time and cost basis with the fixed price as a cap.

15 PROCEDURE TO BE FOLLOWED FOR THE IPP BIDS

15.1 Opening of Tender

At the official closing time of 12h00 on the closing date the opening of the tenders shall be undertaken in terms of the current Procurement Policy of the DBSA.

15.2 The process shall be as follows:

- An official attendance register will be completed and signed by all parties present;
- Thereafter, the electronic submissions received through the appointed email address prior to the official closing time shall, after the official closing time, be opened and the contents thereof checked for compliance;
- Bids received after the official closing time will be disqualified;

- Immediately after the opening of the electronic submissions by the representatives of the Procurement function and with the representatives in attendance, each tender name will be read out and if possible, the amount of the tender; and
- As soon as a tender has been opened, the price included in the tender document shall be stamped by the Internal Audit Unit and signed by the Business Unit.

15.3 After the representatives of the Procurement function have completed the tender opening record in respect of all tenders received, the tenders shall be handed over to the official of the Business Unit for the processing thereof, which handing over shall be witnessed by Internal Audit.

15.4 Invalid and non-responsive tenders

15.4.1 Invalid Tenders

Tenders will be considered invalid and recorded as such in the tender opening process by the responsible official who opened the bid in the following instances: Where the Tender:

- Is completed in erasable ink (in case of submissions in hardcopy);
- Has not been signed or
- Is signed, but the name of the bidder is not stated or is indecipherable.

15.4.2 Non-responsive tenders

These refer to tenders with a price that is very high or very low and is therefore not considered a fair and acceptable market price. A threshold of these values should have been considered upfront as part of the preparation phase of the project.

15.4.3 Grounds for disqualification of bids:

- Unsatisfactory performance under a previous public contract in the past 5 years, provided that notice of such unsatisfactory performance has been given to the bidder;
- The preferred bidder or any of its directors have committed a corrupt or fraudulent act in competing for the particular contract;
- The preferred bidder or any of its directors has been convicted of fraud or corruption in the past 5 years;
- The preferred bidder or any of its directors has been listed in the Register for Tender defaulters under section 9 of the Prevention and Combating of Corrupt Activities Act;
- Cancellation and re-invitation of tenders – in the event that, in the application of the 80/20 or 90/10 preference point system as stipulated in the tender documents, all tenders received exceed the estimated rand value, the tender invitation must be cancelled; and
- Bids received after the stipulated closure time will be immediately disqualified. For this purpose a record will be kept of time of receipt of all submissions.

16. COMMITTEE SYSTEM FOR COMPETITIVE BIDDING

A committee system must be in place to oversee the different stages and must consist of at least a bid specification committee, a bid evaluation committee and a bid adjudication committee. For this process a bid evaluation committee and a bid adjudication committee will be required.

16.1 Bid evaluations committee

The bid evaluation committee (BEC) comprising of officials from the National Treasury PPP Unit, the Department of Energy and the DBSA will be responsible for the evaluation of the bids submitted in response to the public invitation issued in respect of this bid.

- Evaluation scoring sheets aligned to the ToR in terms of weighting to be provided;
- The Evaluation Team needs to sign Declaration of Interest forms;
- The committee must evaluate the ability of each bidder to execute the contract;
- Evaluations should be based on the predefined evaluation criteria and only on the basis as specified in the Tender documentation;
- The Evaluation meeting to be minuted;
- The committee must then submit to the bid adjudication committee a report and recommendations regarding the award of the bid and any other related matter.

16.2 Procurement Committee

The Procurement Committee (PC) will consider the report and recommendations of the BEC. The PC shall evaluate and consider the total procurement process followed and as recommended by the BEC before the final award of the contract.

17. Due date and time for submission of bid responses

All bid responses should be submitted electronically via email to:

IPPBidsubmissions@dbsa.org

Bid responses must be received by email at the address indicated above by 12H00 on Monday 4 October 2010