



PUBLIC NOTICE

Appointment of a panel of investors / consultants / developers to provide capital funding and implement turnaround solutions on identified projects on a risk basis for a period of thirty – six (36) months, per risk basis bid no: 8/2/6/5-2022, and 8/2/6/4-2023

BACKGROUND

The Sedibeng District Municipality (SDM) hereby publicize its intention to enter into a Municipal Public Private Partnership (Municipal PPP) with private partners, willing to invest in the financing, consulting, developing, operating and or managing the proposed projects for a period of up to twenty (20) years.

The proposed Funding Agreement for a period of more than three (3) years, imposing financial obligations on SDM for more than three (3) years, and because the right to finance, design, construct, operate and manage the SDM properties will vest in Private Partners until the end of the agreement period, after which the municipal functions will revert back to the SDM.

SDM must therefore comply with Section 33 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); Regulation 6(2) of the Municipal Finance Management Act Municipal Public-Private Partnership Regulations published under Government Notice R309 in Government Gazette 27431 of 1 April 2005 (Municipal PPP Regulations), Section 4(3) of the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA) as well as Section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Municipal Systems Act).

Members of the local community and any other interested parties are cordially invited to submit comments or representations to the SDM, in respect of the proposed Municipal PPP Agreement and granting of the right to a Private Partners to perform the projects for a period of at least twenty (20) years. The proposed Municipal PPP Agreement and information statement detailing SDM's obligations and strategic documents to contracted providers, in terms of the proposed contracts, can be inspected at the SDM's Supply Chain Management Boardroom, located at municipal head office, during the official hours of operation for a period of sixty (60)

days from the date this notice is published.

NB! No pictures or copies will be taken of any strategic or personal information, marked as **private and confidential**.

Any such comments or representations in respect of the proposed Municipal PPP agreement and the granting of the mentioned rights in terms of this agreement must be submitted in writing before 12:00, 14 October 2024 in a sealed envelope clearly marked **“STAKEHOLDER COMMENTS ON THE PROPOSED AGREEMENT FOR A MUNICIPAL PUBLIC PRIVATE PARTNERSHIP FOR CAPITAL FUNDING AND IMPLEMENTATION OF TURNAROUND SOLUTIONS ON IDENTIFIED PROJECTS ON A RISK BASIS”** and addressed to:
Municipal Manager, “SDM, P.O. Box 471, Vereeniging 1930, and be deposited in the Tender box at Main Building, Sedibeng District Municipality, Vereeniging.

Written enquiries for clarification (not comments/representations) can be directed to Mr Gregory Makhubo e-mail: gregoryM@sedibeng.gov.za, and will be responded to as soon as feasibly possible.

Any person who wishes to submit comments or representations in respect of any of the proposed contract, who cannot write will be assisted by the SDM Communication Section at the Main Building, Cnr. Leslie & Beaconsfiled, Vereeniging.

SUMMARY OF PROCUREMENT PROCESS TO DATE

Sedibeng District Municipality released a re-advert bid, bid no. 8/2/6/5-2022, that closed on Wednesday, 14 December 2022@12H00, Request For Proposals – Appointment Of Panel Of Investors/ Consultants/Developers To Provide Capital Funding And Implement Turnaround Solutions On Identified Projects On A Risk Basis For A Period Of Thirty-Six (36) Months.

Sedibeng District Municipality released a re-advert bid, bid no. 8/2/6/4-2023, that closed on Monday, 13 November 2023 @12H00, Request For Information – Appointment of panel of Investors/ Consultants/ Developers to provide capital funding and implement turnaround solutions on identified projects on a risk basis For A Period Of Thirty-Six (36) Months.

The Sedibeng District Municipality’s Bid Adjudication Committee met on 11 January 2024 at a sitting that was chaired by the Accounting Officer that considered proposals from various

bidders. Those who submitted financially and technically acceptable offers were recommended for award into the. The municipality accepted these bidders as per their original bid proposal submitted and subsequent presentations made to the municipality, subject to conducting financial due diligence on the companies offering letters of financial support:

- TJM Greentech (Pty) Ltd.
- Siris Engineering
- Fimcorp Capital & Investment Advisors t/a Fimcorp Capital
- S3N Consulting (Pty) Ltd.
- TKDS Consulting & Suppliers
- Slide Exhibits t/a Slide Electronics

The Sedibeng District Municipality's Bid Adjudication Committee also met on 18 July 2023 at a sitting that was chaired by the Chief Financial Officer, to consider the appointment of a panel of investors / consultants / developers to provide capital funding and implement turnaround solutions on identified projects on a risk basis for a period of thirty – six (36) months, per risk basis) bid no: 8/2/6/5-2022. The BAC thus recommended to the Accounting Officer that proposal from Datacomb Development Consultants be accepted for submitting financially and technically acceptable offer and be recommended for award into a panel.

- Datacomb Development Consultants

The period of the contract is thirty-six (36) months, and remuneration shall be structured strictly on a success fee basis and shall be inclusive of all applicable costs, charges and business activities, payable subject to the successful conclusion of a funding agreement. The success fee shall be capped to a limit not more than a pre-defined percentage of the value of the project and SLA entered into per specific engagement unless regulated otherwise.

Finally, successful bidders were required to sign an agreement in order to executive the activities outlined in the service level agreement with Sedibeng District Municipality in accordance with Council approved SCM policy.

Subsequent to these appointments, some service providers made requests to the municipality

to extend their appointments beyond the period of thirty-six months, citing reasons that the deliverables and the return on investment cannot be attained within the specified 36-months timeframe. These are:

- Siris Engineering,
- Fimcorp Capital & Investment Advisors t/a
- S3N Consulting (Pty) Ltd., and
- Datacomb Development Consultants.

SDM considers the most effective option is to follow stipulations of Section 33 of the MFMA, that prescribes that inputs from Treasury and public participation is required whenever a local authority intends signing an agreement or contract beyond the three (3) municipal financial years in length.

Section 33, states:

Contracts having future budgetary implications

33. (1) A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if—

- (a) the municipal manager, at least 60 days before the meeting of the municipal council at which the contract is to be approved—
 - (i) has, in accordance with section 21A of the Municipal Systems Act—
 - (aa) made public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract; and
 - (bb) invited the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed contract; and
 - (ii) has solicited the views and recommendations of—
 - (aa) the National Treasury and the relevant provincial treasury;
 - (bb) the national department responsible for local government; and
 - (cc) if the contract involves the provision of water, sanitation, electricity, or any other service as may be prescribed, the responsible national

department;

- (b) the municipal council has taken into account—
 - (i) the municipality's projected financial obligations in terms of the proposed contract for each financial year covered by the contract;
 - (ii) the impact of those financial obligations on the municipality's future municipal tariffs and revenue;
 - (iii) any comments or representations on the proposed contract received from the local community and other interested persons; and
 - (iv) any written views and recommendations on the proposed contract by the National Treasury, the relevant provincial treasury, the national department responsible for local government and any national department referred to in paragraph (a)(ii)(cc); and
- (c) the municipal council has adopted a resolution in which—
 - (i) it determines that the municipality will secure a significant capital investment or will derive a significant financial economic or financial benefit from the contract;
 - (ii) it approves the entire contract exactly as it is to be executed; and
 - (iii) it authorises the municipal manager to sign the contract on behalf of the municipality.

(2) The process set out in subsection (1) does not apply to—

- (a) contracts for long-term debt regulated in terms of section 46(3);
- (b) employment contracts; or
- (c) contracts—
 - (i) for categories of goods as may be prescribed; or
 - (ii) in terms of which the financial obligation on the municipality is below—
 - (aa) a prescribed value; or
 - (bb) a prescribed percentage of the municipality's approved budget for the year in which the contract is concluded.

(3) (a) All contracts referred to in subsection (1) and all other contracts that impose a financial obligation on a municipality—

- (i) must be made available in their entirety to the municipal council; and
- (ii) may not be withheld from public scrutiny except as provided for in terms

of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).

(b) Paragraph (a)(i) does not apply to contracts in respect of which the financial obligation on the municipality is below a prescribed value.

(4) This section may not be read as exempting the municipality from the provisions of Chapter 11 to the extent that those provisions are applicable in a particular case.

Section 33 of the MFMA above, summarized that a municipality to amongst others, solicit the views and recommendations of the National Treasury and the relevant provincial treasury. Treasuries generally review matters of compliance with the MFMA, processes followed, contents of draft contracts, supply chain management, alignment of resources and future obligations, as well as processes of consultation with the public and transparency principles. Draft contracts are reviewed to advise municipalities that contract management are aligned to the provisions in terms of section 116 of the MFMA.

OBJECTIVE AND MANDATE

The main objective of these bids were to attract various providers into the panel to assist the Municipality in sourcing funding and turn around solutions for various intervention projects, listed below, but not limited to:

- Government Precinct Project
- Doornkuil Precinct Project
- Vaal Teknorama Project
- Fresh Produce Market
- Any other strategic, major and catalytic projects within the region.

ROLES AND RESPONSIBILITIES OF THE PROVIDERS

1.1 Providers must provide the following services to the Municipality:

1.1.1 To assist the Municipality to source funding for the implementation of various infrastructure and LED

projects within the Municipality's portfolio.

- 1.1.2 To negotiate with potential funders for terms and conditions of funding against Municipality projects.
- 1.1.3 To provide professional services for the implementation of various infrastructure projects within the Municipality's portfolio as agreed upon between the Parties on a project-by-project basis.
- 1.1.4 To provide complete turnkey solutions for the implementation of the various projects in the Municipality's portfolio as agreed upon between the Parties on a project-by-project basis.
- 1.1.5 Conduct audits to verify available information, identification of relevant scenarios to be investigated and planning of the needed surveys as agreed between the Parties.
- 1.1.6 Develop questionnaires (where needed) and conduct necessary investigations and surveys. Analyze results and compile engineering and other technical reports as agreed between the Parties.
- 1.1.7 Build financial and economic models and determine the economic and financial viability of different scenarios, based on technical feasibility, social and environmental reports as agreed between the Parties.
- 1.1.8 Compile comprehensive bankable business plans as agreed between the Parties.
- 1.1.9 Commercialize opportunities; bring investors and implement viable projects and programs as agreed between the Parties.
- 1.1.10 Select the most sustainable scenario business model that would create and maximize wealth for the

beneficiaries.

- 1.1.11 Secure funding to implement the different business plans as agreed between the Parties.
- 1.1.12 Identify key relevant role-players and their roles and responsibilities for partnership in execution of the bankable business plan and the related projects as agreed between the Parties.
- 1.1.13 Submit report(s) to the Municipality at agreed intervals as agreed between the Parties.
- 1.1.14 Commercialise opportunities; bring investors and implement viable projects and programs. Select the most sustainable scenario business model that would create and maximize wealth for the beneficiaries, SDM and provider.
- 1.1.15 Operate the product, offering financial services, service chain, rental services, infrastructure services and compliance services
- 1.1.16 Establish an e-commerce platform for online clients, agents, rentals,
- 1.1.17 Identify key relevant role-players and their roles and responsibilities for partnership in execution of the project's bankable business plan and the related projects.

ROLES AND RESPONSIBILITIES OF THE MUNICIPALITY

1.2 The Municipality undertakes to do the following:

- 1.2.1 Provide such relevant information / documents / authority as may be requested from time to time by the provider which shall be necessary for the successful delivery of the provider's duties under this

Agreement.

- 1.2.2 To provide compensation/commission to the provider in a timely manner for services rendered under this Agreement as agreed to between the Parties on a project-by project basis.
- 1.2.3 Granting full access to the Municipality facilities that are listed in the project scope.
- 1.2.4 Provide all current and historical documents including plans; drawings; approval licenses and other such required authorizations as may be required from the Municipality from time to time, if available.
- 1.2.5 Issue the SLA and effect changes, variations, and amendments to PPP agreements.
- 1.2.6 Contract Management; Legal and Regulatory Framework & Oversight.
- 1.2.7 Long-Term Planning & approval of all plans and permissions in alignment with IDP
- 1.2.8 Provide support for grant funding applications and related compliance, in instances where the Municipality input is required.
- 1.2.9 Facilitating a smooth hand-over and transition plan to usher in the new team and **provide** all necessary information.

