

# Invitation to Bid

RFQ NO: 02/08/2015

## Request for Proposal for the Matjhabeng Local Municipality Solid Waste to Energy Project

Prospective bidders are hereby invited to submit proposals for the Solid Waste to Energy Project.

Bid documents, in sealed envelopes quoting the RFP number, RFP description and addressed to the Municipal Manager, Matjhabeng Local Municipality, PO Box 708, Welkom 9460, must be deposited in the Tender Box, placed at the entrance of Municipality Offices (Main Building) corner of Ryk Street and State Way, Civic Centre, Welkom or sent by mail to the afore-mentioned address. Bids will be opened in public immediately after the closing date and time.

**Purpose of the RFP:** MLM is planning the development of a municipal Solid Waste to Energy Project. The purpose of this Request for Proposal (RFP) is to invite suitably qualified local, regional and international companies to tender for the Project and request them to express their interest in the Project by submitting proposals to MLM. Each respondent is solely responsible for all costs it incurs in the preparation of its RFP response, including, without limitation, all costs of providing information requested by the MLM, attending meetings and conducting due diligence. Under no circumstances will MLM or any of its advisers be liable for any costs or expenses borne by the respondent or any of its advisers in this process, nor will they be liable for any damages or consequential damages whatsoever.

All responses submitted to the MLM become the property of the MLM immediately upon such submission.

### Project Background

Municipal waste management is a significant issue in MLM as increasing amounts of waste are dumped at landfills and in some cases, at illegal sites. This poses a huge threat to the natural resources and environment affecting ground water, including contamination, leaching and air pollution. Landfills are at term of life and no further landfill airspace is available for new landfills. Currently, MLM collects, transports and disposes of municipal solid waste at four disposal sites. The current land filling practices are not in line with national environmental standards and are posing a significant threat to the environment and human safety and health. The waste is currently dumped, spread and compacted in an uncontrolled manner and cover materials are not applied regularly. Dust created within the landfill sites and gas emissions cause a public nuisance. The characteristics of leachate formed, indicate high organic content and presence of heavy metals, salts and nutrients. There are no provisions for leachate and/or landfill gas collection at the landfill sites.

The Project involves the design, engineering, procurement, construction, testing, commissioning, operation, maintenance and funding of a waste to energy (WTE) facility within MLM on land owned or leased by the project developer. This must be in line with the SA NDP strategy to promote and support increased private sector participation in infrastructure development and in accordance with the Laws of Treasury and the MFMA. MLM will not contribute financially. The project developer must Build, Operate, Own and Manage (BOOM) the facility.

**The objectives of the Project are (in the following order of priority):**

- Diversion of all waste from the 4 landfills (320 tons per day) and subsequent closure of the landfills
- Generation of renewable energy
- Minimising water usage
- Execute all phases of the project at own costs for developing recycling projects as value add waste from waste streams. The WTE facility is expected to contribute to the modernisation of a NEMA-integrated municipal solid waste system by improving its economic, environmental and social performance. The execution must include "local spend" as far as possible, benefiting the economy of MLM. Job creation must be expanded and developed, creating new skills within the Green Economy and the local community must be developed and up skilled accordingly.

### Project Scope

The WTE facility will be required to have an initial design capacity of 320 to 500 tonnes per day (about 190 000 tonnes per annum) at the reference design point.

**Technical specifications:** The Project Company will have to comply with the following:

- The plant will be required to be Plasmification Technology, producing Syngas feeding gas gensets connected to the Grid with carbon neutral emissions
- The Project's specific approach is focused on utilising WTE technology to dispose of MSW and ensure subsequent closure of landfills. The generation of energy is to be regarded as secondary and merely provides financial sustainability (OPEX) of the plant. However, the MWe produced, must be able to reduce the load on the MLM grid by approx 15 MWe.

**Project site:** The Project Company will not have the responsibility of collection and transportation of waste to the site. However, the project developer must lease or procure its own land for 25 years.

The WTE facility will be required to be operational for 25 years from its commercial operational date. The electricity generated by the plant will be sold off via PPA (Power Purchase Agreements, which the developer must conclude).

### Contractual and Commercial Structure

The Project Company will enter into an agreement with MLM (Concession Agreement), setting out how the Project Company will develop and implement the Project on a Build, Operate, Own and Manage (BOOM) basis; and a power purchase agreement (PPA) for the sale and purchase of electricity generated by the WTE facility must be concluded by the Project Company and be for no less than 20 years. The terms of the Concession Agreement and the PPA will be for 20 years after commercial operation date of the WTE facility.

MLM will not contribute financially to the project. The Project will further receive revenue for the sale of electricity under the PPA it has negotiated within its own financial model and this PPA's validity must be verified proving the sustainability of the project life.

The Project Company will be responsible for the design, engineering, procurement, construction, testing, commissioning, operation, maintenance, permitting, insurance and funding of the WTE facility and the design, engineering, procurement, construction, testing and commissioning of a substation on the Project site.

### Legislation and Compliance

The Project Company must be compliant or be able to prove its ability to secure necessary legislative approvals/permits and/or licencing from relevant organisations including ESKOM, DoE, NERSA and DEA. (It takes up to 18 months and we have completed this).

### Timeframes

The successful Project Company must be able to begin implementation not later than three months from proposal approval. There is urgency for expediency on this project due to MLM's internal timelines and target deliverables as set out in the IDP 2010: 2020.

The capacity of the Project Company to achieve this must be proven. The timeframe does not allow for long-term development and feasibility, but must be existing "plug and play" solutions.

**Evaluation criteria:**

- Proposal submitted is strictly for requested technology, namely Plasmification and full product brochures, with reference point of an existing established plant (15)
- Ability to proceed with implementation three months after proposal approval (20)
- Confirmation of Project Company PPA obtained for green power procurement for financial sustainability of plant for twenty years, proving OPEX can be maintained and serviced (10)
- Proof of ability to secure conducive land within the timeframe (5)
- Business model proving Project Company will execute (BOOM) (Build, Own, Operate and Manage) and be independent of any funding from MLM (15)
- Skills development and job creation, presentation including projected development plan for a MRF (Materials Recovery Facility) for value add recyclables (10)
- Verification of compliance/permits/licence approvals and timelines for DEA, NERSA, DOE and Eskom (10)
- Carbon baseline verification and ongoing monitoring and reporting (5)

**Total score is 90:**

**The minimum qualifying score is 50 and bidders who score less will not be evaluated further.**

**Closing date:** Tuesday, 11 August 2015 at 12:00

**Technical enquiries:** Ms Matiro Mogopodi at (057) 391-8312

**Bidders should take note of the following:**

- Bidders are required to, together with their bids, submit original and valid B-BBEE Status Level Verification Certificates or certified copies thereof to substantiate their B-BBEE rating claims
- Bidders must submit MBD Forms: SBD 4, SBD 6.1, MBD 8 & SBD 9
- Supply Chain Management Policy objectives of Matjhabeng Local Municipality will be applied
- Bidders must submit a valid and original Tax Clearance Certificate
- Bidders must attach a Company Registration Certificate
- No faxed copies or e-mails or late bids will be considered
- Bids will be evaluated in terms of the Preferential Procurement Policy Framework Act 90/10
- The lowest or any bid will not necessarily be accepted and the Municipality reserves the right to accept any bid wholly or partially
- Bidders must attach a Municipal Service Account/lease agreement.

**Adv Mothusi Lepheana - Municipal Manager**

**Notice: 61/2015**