PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE *(NAME OF DEPARTMENT/ PUBLIC ENTITY)*					
BID NUMBER:	**DOH (FS) 33/2026/2027**	CLOSING DATE:	**27 JANUARY 2027**	CLOSING TIME:	**23H59 (SAST)**
DESCRIPTION	**REQUEST FOR PRE-QUALIFICATION (RFQ) FOR THE PROCUREMENT OF A SUCCESSOR PRIVATE PARTY FOR THE PRIVATE-WING CO-LOCATION PUBLIC-PRIVATE PARTNERSHIP (PPP) ARRANGEMENTS AT UNIVERSITAS ACADEMIC HOSPITAL (UAH) AND PELONOMI TERTIARY HOSPITAL (PTH), FREE STATE DEPARTMENT OF HEALTH** **PERIOD: DATE OF SIGNING OF CONTRACT FOR 20 YEARS**				

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*

DEPARTMENT OF HEALTH FREE STATE

GROUND FLOOR, BOPHELO HOUSE, BLOCK C-WEST, OPPOSITE MAIN DOOR.

C/O CHARLOTTE MAXEKE STREET AND HARVEY ROAD, BLOEMFONTEIN.

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON	**Me. C.J.B Naicker** **Me. N. Tsiloane**	CONTACT PERSON	**Ms. N. Jumba**
TELEPHONE NUMBER	**051 408 1160 / 1707**	TELEPHONE NUMBER	**051 408 1486**
FACSIMILE NUMBER	**N/A**	FACSIMILE NUMBER	**N/A**
E-MAIL ADDRESS	TsiloaneN@fshealth.gov.za NaickerCJB@fshealth.gov.za	E-MAIL ADDRESS	JumbaN@fshealth.gov.za

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		**OR**	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] ☐ Yes ☐ No	

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

PART B
TERMS AND CONDITIONS FOR BIDDING

1.	**BID SUBMISSION:**
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7.1).**
2.	**TAX COMPLIANCE REQUIREMENTS**
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest1 in the enterprise, employed by the state? **YES / NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

1 the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

3.

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES / NO**

2.2.1 If so, furnish particulars:

.....

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES / NO**

2.3.1 If so, furnish particulars:

.....

.....

3 DECLARATION

I the undersigned, (name).....in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium2 will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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2 Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

3.7 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	.....
Signature	Date
.....	.....
Position	Name of bidder

5.

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

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1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the **90/10** system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 **To be completed by the organ of state**

(*delete whichever is not applicable for this tender*).

a) The applicable preference point system for this tender is the 90/10 preference point system.

b) The applicable preference point system for this tender is the 90/10 preference point system.

c) The 90/10 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

(a) Price; and

(b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this

6.

tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

(b) **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \text{ or } \qquad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

7.

3.2.1. **POINTS AWARDED FOR PRICE**

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 **or** **90/10**

$$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right) \text{ or } \quad Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$$

Where

Ps	=	Points scored for price of tender under consideration
Pt	=	Price of tender under consideration
Pmax	=	Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or **90/10** preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or **90/10** preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or **90/10** preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the **90/10** and 80/20 preference point system.

8.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Weight	Basis of allocation	Number of points claimed	Evidence required
Black owned companies	10	70% to 100% qualifying ownership = 10 points 50% to 69% qualifying ownership = 8 points 1% to 49% qualifying ownership = 5 points 0% qualifying ownership = 0 points		Certified copy of RSA identity document or a valid RSA driver's licence. The bidder must also provide certified copy of CIPC registration documents containing percentage owned by the individual directors. If the CIPC certificate does not reflect percentage owned, it must be accompanied by the shareholding certificate to substantiate points claimed.
Total	**10**			

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium
One-person business/sole propriety
Close corporation
Public Company
Personal Liability Company
(Pty) Limited
Non-Profit Company
State Owned Company
[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution, if deemed necessary.

.....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: .....

DATE: .....

ADDRESS: .....

.....

.....

.....

10.

health
Department of
Health
FREE STATE PROVINCE

FREE STATE DEPARTMENT OF HEALTH

Republic of South Africa

REQUEST FOR PRE-QUALIFICATION (RFQ)

FOR THE PROCUREMENT OF A SUCCESSOR PRIVATE PARTY FOR THE PRIVATE-WING CO-LOCATION PUBLIC-PRIVATE PARTNERSHIP (PPP) ARRANGEMENTS AT UNIVERSITAS ACADEMIC HOSPITAL (UAH) AND PELONOMI TERTIARY HOSPITAL (PTH)

BLOEMFONTEIN, FREE STATE

FOR THE PRE-QUALIFICATION OF PROSPECTIVE BIDDERS FOR THE APPOINTMENT AS THE SUCCESSOR PRIVATE PARTY FOR THE OPERATION, MANAGEMENT AND TRANSITION OF THE PRIVATE-WING CO-LOCATION PUBLIC-PRIVATE PARTNERSHIP AT UNIVERSITAS ACADEMIC HOSPITAL AND PELONOMI TERTIARY HOSPITAL

TENDER / RFQ NUMBER:	**DOH(FS) 33/2026/2027**
PUBLICATION DATE:	**27 NOVEMBER 2026**
CLOSING DATE AND TIME:	**27 JANUARY 2027 AT 23H59 (SAST)**
TENDER VALIDITY PERIOD:	**120 DAYS FROM CLOSING DATE**

11.

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1 TENDER NOTICE AND INVITATION TO TENDER

1.1 Invitation to Tenderers

1.1.1 Responses to this RFQ are requested from persons, companies, close corporations or enterprises (hereinafter referred to as a Respondent (as defined below))

DESCRIPTION	FOR THE PRE-QUALIFICATION OF PROSPECTIVE BIDDERS FOR THE APPOINTMENT AS THE SUCCESSOR PRIVATE PARTY FOR THE OPERATION, MANAGEMENT AND TRANSITION OF THE PRIVATE-WING CO-LOCATION PUBLIC-PRIVATE PARTNERSHIP AT UNIVERSITAS ACADEMIC HOSPITAL AND PELONOMI TERTIARY HOSPITAL FOR A PERIOD OF 20 YEARS
TENDER DOWNLOADING	This RFQ may be downloaded directly from the National Treasury eTender Publication Portal at www.etenders.gov.za

NON-COMPULSORY BRIEFING SESSION	A non-compulsory RFQ briefing session and site visit will be held on **10 December 2026** at **11H00** at **Netcare Private Wing – Pelonomi Tertiary Hospital**. Attendance at the RFQ briefing session and site visit is not mandatory, and a Respondent will not be disqualified or otherwise prejudiced solely by reason of its failure to attend.
VALIDITY PERIOD	**120 DAYS** Respondents are advised that the Department may request an extension of the Validity Period of their Responses on the same terms and conditions where the evaluation and approval process has not been finalised within the Validity Period. Any extension of the Validity Period will be dealt with in accordance with Applicable Law and the requirements of this RFQ.

1.2 Tender/RFQ Submission

1.2.1 Having regard to the nature and anticipated volume of the documentation comprising the RFQ Responses, and as part of the Department's broader initiative to facilitate the efficient and secure administration of the Procurement Process through electronic means, the Department has elected to implement an electronic submission process for this RFQ.

1.2.2 Accordingly, all RFQ Responses must be submitted electronically through the Ansarada Data Room in accordance with this clause 1.2. The Ansarada Data Room will provide the secure electronic platform through which Respondents will, as applicable, register their

details, obtain access to the relevant procurement information and documentation, and upload and submit their RFQ Responses.

1.2.3 No physical, hard-copy or email submission of an RFQ Response will be accepted unless the Department expressly directs otherwise by written notice issued to all Respondents in accordance with this RFQ.

1.2.4 **Access to and registration on the Ansarada Data Room**

(a) RFQ Responses must be submitted exclusively through the Ansarada Data Room, which the Department will also use to issue notices and clarifications post registering in the data room. Access is obtained in three steps:

(i) **Step 1 – Request access from the Department.** A Respondent must request access by email to the Department's Project Officer, Nwabisa Jumba, at JumbaN@fshealth.gov.za, stating the name of the Respondent (and, for a consortium, of each member) and the name, designation, email address and telephone number of the person who will act as its registered user.

(ii) **Step 2 – Register on Ansarada.** Once your request for access has been accepted, you will receive an email from Ansarada with a link to "Verify Email Address." You will need to click on this link and create your profile and set up your password. Once created, you can access the room via https://os.ansarada.com

(iii) **Step 3 – Upload.** Once registration is confirmed, the Respondent will be given instructions for uploading its RFQ Response through the Manage Submissions tab of the Ansarada Data Room. Documents can be uploaded only while the submission window is open.

(b) The following dates apply:

Step	Date
Requests for access (Step 1) accepted	Thursday 14 January 2027 to Friday 22 January 2027 at 23h59 (SAST)
Submission window opens (Step 3)	Monday 25 January 2027
Closing Time (see clause 1.2.6)	Wednesday 27 January 2027 at 23h59 (SAST)

(c) Requests for access received after 23h59 (SAST) on Friday 22 January 2027 will not be processed. Each Respondent is responsible for completing Steps 1 and 2 sufficiently in advance of the Closing Time to enable it to upload its complete RFQ Response.

(d) Ansarada's step-by-step guidance on uploading a submission is available at the link below. That guidance is provided for convenience only, does not form part of this RFQ and, in the event of any inconsistency, this RFQ prevails.

https://help.ansarada.com/en/articles/3312122-procure-how-to-submit-and-download-your-submission

1.2.5 **Submission of RFQ Responses**

(a) RFQ Responses must be submitted by uploading the complete RFQ Response, including all prescribed Response Forms, schedules, declarations and supporting documentation, to the Ansarada Data Room.

(b) Each Respondent must ensure that:

(i) its RFQ Response is submitted in the form and manner prescribed in this RFQ;

(ii) all required documents and supporting information are included and are complete and legible;

(iii) all electronic files are capable of being opened and accessed by the Department; and

(iv) its complete RFQ Response has been successfully uploaded and submitted before the Closing Time.

(c) Respondents are **strongly encouraged to commence the electronic submission of their RFQ Responses sufficiently in advance of the Closing Time and, where reasonably practicable, at least one (1) day before the Closing Date**, having regard to the anticipated volume of the RFQ Responses and supporting documentation.

(d) Respondents must make adequate allowance for internet speed and bandwidth, the size and number of files to be uploaded, upload and processing times and any other technical requirements associated with submission through the Ansarada Data Room.

(e) The Department will not be liable for any failure by a Respondent to submit its complete RFQ Response before the Closing Time arising from internet connectivity, bandwidth, file size, upload duration, equipment failure or any other technical difficulty attributable to the Respondent.

1.2.6 **Closing Date and Closing Time**

(a) RFQ Responses must be successfully submitted through the Ansarada Data Room by no later than **23h59 (SAST) on 27 January 2027**.

(b) An RFQ Response will be regarded as having been submitted only once the complete RFQ Response has been successfully received through the Ansarada Data Room before the Closing Time.

(c) No RFQ Response submitted after the Closing Time will be accepted or considered. A late RFQ Response will result in the **disqualification of the Respondent from this pre-qualification process**, subject to Applicable Law.

1.2.7 **Technical Difficulties**

(a) Any technical difficulty experienced by a Respondent in accessing or using the Ansarada Data Room must be reported as soon as reasonably practicable, and in any event before the Closing Time, to the Department's Project Officer, Nwabisa Jumba (PPP Management Unit), by email to JumbaN@fshealth.gov.za with a copy to Ansarada support at support@ansarada.com

The reporting of a technical difficulty does not, of itself, extend the Closing Time or entitle a Respondent to submit an RFQ Response after the Closing Time.

(b) Where the Department determines that there has been a material system-wide failure of the Ansarada Data Room affecting the ability of Respondents generally to submit their RFQ Responses, the Department may take such steps as are permitted by Applicable Law, including extending the Closing Time. Any extension or other amendment will be formally communicated to all Respondents.

1.2.8 **Confirmation of Submission**

(a) Respondents must retain the electronic acknowledgement, submission receipt or other confirmation generated by the Ansarada Data Room as evidence of the successful submission of their RFQ Response.

(b) Notwithstanding, the date and time recorded by the Ansarada Data Room will constitute the official date and time of receipt of an RFQ Response for purposes of determining compliance with the Closing Time.

1.2.9 **Contents of Submission**

(a) An RFQ Response submitted through the Ansarada Data Room must relate solely to this RFQ and must not contain documents relating to any other tender or procurement process.

(b) The Department will not be responsible for any document incorrectly uploaded, omitted, corrupted or otherwise incorrectly submitted by a Respondent.

1.3 Confidentiality

1.3.1 All information relating to this RFQ and the Procurement Process must be treated as strictly confidential, subject to and in accordance with clause 4.5.13 of this RFQ.

1.3.2 Any request to disclose information otherwise than as permitted under clause 4.5.13 must be referred to the Department for consideration in accordance with that clause and the Applicable Law.

1.4 Disclaimer and Reservation of Rights

1.4.1 The issuance of this RFQ, the receipt or evaluation of any RFQ Response, or the pre-qualification of any Respondent does not constitute an offer by the Department and does not oblige the Department to proceed with the RFP stage, appoint any Respondent as the Successor Private Party or conclude the Successor PPP Agreement.

1.4.2 Subject at all times to Applicable Law, applicable Treasury requirements and the terms of this RFQ, the Department reserves the right to:

(a) verify any information, statement, representation or documentation submitted by a Respondent in connection with its RFQ Response;

(b) request clarifications or further information from a Respondent where permitted under this RFQ, provided that no such clarification may be used to remedy a material failure to satisfy a mandatory Pre-Qualification Requirement or otherwise afford a Respondent an unfair opportunity to improve its RFQ Response;

(c) request audited financial statements, corporate records, B-BBEE information, ownership information, tax information or any other documentation reasonably required for purposes of verification or Due Diligence;

(d) conduct Due Diligence in respect of a Respondent, any Consortium Member, Designated Member or Key Contractor, including verification of the information submitted as part of the RFQ Response;

(e) disqualify a Respondent where any information submitted by or on behalf of that Respondent is materially false, misleading or inaccurate;

(f) cancel, suspend, amend or reissue this RFQ or the Procurement Process where permitted by Applicable Law;

(g) conduct different components of the evaluation and Due Diligence process concurrently, provided that the consideration of a Respondent at any stage shall not, of itself, constitute confirmation that the Respondent has satisfied any preceding or subsequent requirement; and

(h) take such other steps in relation to the Procurement Process as may be permitted or required by Applicable Law and applicable Treasury requirements.

1.4.3 Each Respondent participates in the RFQ process at its own cost and risk. The Department shall not be liable to reimburse any Respondent for any costs or expenses incurred in preparing or submitting an RFQ Response, participating in clarification meetings, responding to requests for information, undergoing Due Diligence or otherwise participating in the Procurement Process.

1.4.4 **Pre-qualification does not constitute an award of the Project, confer any right or legitimate expectation of appointment, or oblige the Department to invite a Pre-qualified Respondent to any subsequent stage except to the extent expressly provided in this RFQ and subject to Applicable Law and applicable Treasury approvals.**

1.5 National Treasury's Central Supplier Database

1.5.1 Respondents are required to self-register on the National Treasury's Central Supplier Database ("**CSD**") which has been established to centrally administer supplier information for all organs of state and facilitate the verification of certain key supplier information. The CSD can be accessed at http://secure.csd.gov.za/.

1.5.2 Respondents are required to provide the following to the Department in order to enable it to verify information on the CSD:

Supplier Number:	_____
Unique registration reference number:	_____

1.5.3 Where the Respondent is a Consortium, each Consortium Member must be registered on the CSD and must provide its respective CSD supplier number and unique registration reference number, unless otherwise permitted by Applicable Law or expressly stated in this RFQ.

The Department urges its clients, suppliers and the general public to report any fraud or corruption to

CRIME STOP (REPORT ANONYMOUSLY) / HEALTH COMPLAINTS: 08600 10111

0800 535 554

1.6 List of Returnable Documents

1.6.1 Each Respondent must submit, as part of its RFQ Response, the Returnable Documents prescribed in this RFQ and the applicable Response Forms.

1.6.2 The Returnable Documents comprise:

(a) **Administrative and compliance documents:**

(i) completed and duly signed RFQ Response / Form of Response;

(ii) all applicable and duly completed Standard Bidding Documents ("SBDs"), including the prescribed declarations of interest and past supply chain management practices;

(iii) proof of registration on the CSD, including the Respondent's CSD supplier number and unique registration reference number;

(iv) SARS tax compliance status information, including the applicable tax compliance PIN;

(v) CIPC registration documents or equivalent constitutional documents, as applicable;

(vi) current B-BBEE verification certificate, sworn affidavit or other acceptable evidence of B-BBEE status, as applicable;

(vii) proof of authority of the person signing the RFQ Response on behalf of the Respondent; and

(viii) where applicable, the Consortium Agreement or other agreement establishing the Consortium, together with the required authority appointing the Designated Member and authorising the submission of the RFQ Response.

(b) **Respondent and Consortium information:**

(i) corporate structure and ownership information for the Respondent and each Consortium Member;

(ii) details of shareholders, directors and other relevant ownership and control interests;

(iii) organisational structure and proposed governance arrangements;

(iv) identification of the Designated Member, Consortium Members and Key Contractors and their respective proposed roles and responsibilities; and

(v) the declarations and disclosures required under this RFQ.

(c) **Financial capacity information:**

(i) Bid Bond – An original Bid Bond from a reputable bank in a form substantially similar to that set out in **Annexure D (Form of Bid Bond)**

(ii) audited annual financial statements for the preceding three (3) financial years, or such other financial information permitted by this RFQ where audited financial statements are not legally required;

(iii) evidence demonstrating the Respondent's financial standing and capacity to raise the debt and equity funding required for the Project; and

(iv) such other financial information required under the Pre-Qualification Requirements.

(d) **Technical and operational capability:** the prescribed information demonstrating the Respondent's and relevant Consortium Members' or Key Contractors' experience, expertise, resources and track record in projects of a similar nature, scale and complexity, including the prescribed project references and details of proposed key personnel.

(e) **Project-specific Returnables:** the information and documentation required under the Pre-Qualification Requirements relating to the Respondent's proposed approach to the operation, management and transition of the private-wing co-location arrangements, including the applicable B-BBEE and socio-economic requirements.

1.6.3 Where a Respondent comprises a Consortium, the documents specified in this RFQ as applying to individual Consortium Members must be submitted separately in respect of each applicable Consortium Member.

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this RFQ, unless the context indicates otherwise, the following words and expressions shall have the meanings assigned to them below, and cognate expressions shall have corresponding meanings:

"Accounting Officer" means the Head of the Department, in his or her capacity as the accounting officer of the Department contemplated in section 36 of the PFMA, or any person duly authorised to act on behalf of the Accounting Officer in relation to the Procurement Process;

"Active Equity" means that portion of the Black Equity held by one or more Black Shareholders who, in addition to holding an Equity interest in the Successor Private Party, participate meaningfully in the ownership, governance, management, strategic direction and, where applicable, operations of the Successor Private Party, and which participation is not limited to passive or nominal ownership;

"**Affordability/Affordable**" shall have the meaning ascribed to "*Affordability*" under the Treasury Regulations being the financial commitments to be incurred by the Department in terms of the PPP Agreement can be met by funds – (a) designated within the Department's existing budget for the institutional function to which the agreement relates; and/or (b) destined for the Department in accordance with the relevant Treasury's future budgetary projections for the Department

"**Ansarada Data Room**" means the secure electronic data room and procurement platform established and administered by or on behalf of the Department through the Ansarada platform for purposes of the Procurement Process, through which the Department may make available the RFQ Documents, notices, clarifications, briefing notes and other Project-related information and documentation to Respondents, and through which Respondents may, where applicable, register, access such information and documentation and submit their RFQ Responses in accordance with this RFQ;

"Applicable Law" means the Constitution and all applicable national and provincial legislation, regulations, subordinate legislation, legally binding codes, standards, directives, licenses, permits, approvals and other requirements having the force of law which are applicable from time to time to the Department, the Project, the Project Sites, the Procurement Process or any Respondent;

"**Balanced Scorecard**" means the Project specific B-BBEE framework setting out the elements, targets, evidence and evaluation approach as set out in Annexure A (B-BBEE and Socio-Economic Transformation Obligations)

"B-BBEE" means broad-based black economic empowerment as contemplated in the Broad-Based Black Economic Empowerment Act, 53 of 2003 (BBBEE Act), together with all applicable codes of good practice, sector codes and other instruments issued pursuant thereto, as amended or replaced from time to time;

"**BFI**" or "**Budget Facility for Infrastructure**" means the National Treasury facility through which large public infrastructure projects are appraised and funded and which, in the context of the Project, is contemplated as a funding mechanism for the Department's public-side capital programme that is separate from the Successor PPP.

"Bidder" means a Pre-qualified Respondent invited by the Department to participate in the RFP stage of the Procurement Process;

"**Black Enterprise**" means an enterprise that is at least 50.1% beneficially owned by Black People and in which Black People have substantial Management Control. Such beneficial ownership may be held directly or through other Enterprises

"**Black Equity**" means the portion of the voting Equity in the Successor Private Party held by Black Shareholders from time to time

"**Black People**" has the meaning ascribed to that term under the B-BBEE and the applicable codes of good practice issued thereunder, as amended from time to time;

"**Black Shareholder**" means a Black Person or Black Enterprise that directly or indirectly holds Black Equity in the Successor Private Party

"**Black Women**" means female African, Coloured and Indian South African citizens

"Briefing Note" means a written documentation issued by the Department to disseminate further instructions, programme changes, information updates and clarifications in relation to the Project and this RFQ;

"Business Day" means any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa;

"Closing Date" means 27 January 2027, being the date on which the Closing Time falls, or such later date as may be determined by the Department in accordance with clause 1.2.7(b) and communicated to Respondents by Briefing Note;

"Closing Time" means 23h59 (South African Standard Time) on the Closing Date, being the time by which a complete RFQ Response must have been successfully submitted through the Ansarada Data Room in accordance with clause 1.2.6, as may be extended by the Department in accordance with clause 1.2.7(b);

"Code of Good Practice for PPPs" means the document entitled "*Code of Good Practice for Black Economic Empowerment in Public Private Partnerships*" issued by National Treasury as "National Treasury PPP Practice Note Number 3 of 2004' dated June 2004;

"Commercial Close" means the date on which the Successor PPP Agreement is duly executed by all parties thereto;

"Concession Area" means those portions of UAH and PTH which are presently utilised for purposes of the Existing PPP and, in relation to the Successor PPP, such portions of the Project Sites as may ultimately be designated by the Department for purposes of the Successor PPP and more particularly identified in the RFP;

"Consortium" means an association, joint venture or grouping of two or more persons or entities which jointly submits a Response to this RFQ, whether or not such association, joint venture or grouping has been incorporated or otherwise constituted as a separate legal entity;

"Consortium Member" or **"Member"** means each person or entity forming part of a Consortium;

"Constitution" means the Constitution of the Republic of South Africa, 1996;

"Department" means the Free State Provincial Government acting through the Free State Department of Health;

"Designated Member" means, where applicable, a Member of a Consortium identified by the Respondent in its Response as a Member whose qualification, experience, financial standing, B-BBEE credentials or other relevant capabilities are relied on by the Respondent for purposes of satisfying the Pre-Qualification Requirements or assessment against the Evaluation Criteria, and whose proposed role and responsibilities on the Project are disclosed in the Response;

"Due Diligence" means the process of investigation, verification, assessment and evaluation to be undertaken in relation to the Project and the Existing PPP, including, as applicable, the legal, technical, financial, commercial, operational, environmental, land, asset, facilities, lifecycle, maintenance, information technology, human resources and other relevant aspects of the Project, the Hospitals, the Concession Area, the Existing PPP and the proposed transition to the Successor PPP, for purposes of enabling the Department and, where applicable, Respondents or Bidders to obtain and assess the information reasonably required for the Procurement Process and the implementation of the Successor PPP;

"Enterprise" means a partnership, close corporation, company, trust or any other form of legal entity recognised by law as a medium through which activities relating to the Services and/ or the operations may be engaged;

"Equity" means the entire issued share capital of the Successor Private Party;

"Equity Member" means Enterprises that have committed to participate in this Project as consortium or joint venture partners, or shareholders in the SPV (as the case may be) including the Black Shareholders;

"Evaluation Co-ordination Committee" or **"ECC"** means the committee established for purposes of coordinating and managing the evaluation process, including coordinating the work of the Technical Evaluation Teams, reviewing and interrogating their evaluation reports, considering the integrated solution and overall Value for Money offered by the relevant Response or Proposal, ensuring the consistent application of the applicable evaluation criteria and compiling a consolidated evaluation report and recommendation for consideration by the Project Evaluation Committee.

"Existing Concessionaire" means the Community Hospital Management Proprietary Limited (registration number 2000/022215/07), the Private Party appointed pursuant to the Existing PPP Agreement;

"Existing PPP" means the existing public-private partnership co-location arrangement in respect of the private-wing co-location facilities at UAH and PTH, in terms of which the existing private-wing arrangement currently managed by Netcare was established to enable private sector participation within the public the public hospital precinct and implemented pursuant to the Existing PPP Agreement;

"Existing PPP Agreement" means written agreement entitled "*CONCESSION AGREEMENT WITHIN THE PUBLIC PRIVATE PARTNERSHIP FRAMEWORK IN RESPECT OF THE UNIVERSITAS AND PELONOMI HOSPITALS*" entered into and between the Department and the Existing Concessionaire, Netcare Construction Proprietary Limited and Netcare Healthcare Holdings Limited dated 25 November 2002, together with all schedules, annexures and any amendments, variations, extensions or supplemental agreements thereto;

"Facilities" means the buildings and other facilities together with all supporting infrastructure, plant, furniture, fittings and equipment infrastructure as required to enable the Successor Private Party to exercise its rights and perform its obligations included in the Project Deliverables at the Hospitals

"Feasibility Study" means the feasibility study undertaken by the Transaction Advisors in respect of the Project, in accordance with the Feasibility Study Guidelines;

"Feasibility Study Guidelines" means the National Treasury PPP Unit: Public-Private Partnership Manual, National Treasury PPP Practice Notes issued in terms of the Public Finance Management Act, Module 4: PPP Feasibility Study (Practice Note number 05 of 2004);

"Government" means the government of the Republic of South Africa

"Hospitals" means collectively UAH and PTH and **"Hospital"** means either one of them, as the context requires;

"**ICT**" means information and communication technology infrastructure, including all network and communications cabling and related devices;

"Key Contractor" means any contractor, operator, subcontractor, service provider or other person proposed by a Respondent to undertake a material component of the Project and whose qualifications, experience, financial standing or other capability are relied upon by the Respondent for purposes of satisfying any Pre-Qualification Requirement;

"LRA" means the Labour Relations Act, 66 of 1995, as amended from time to time;

"**Management Control**" in relation to any Enterprise, the ability to direct or cause the direction of the business and management policies or practices of that Enterprise, including but not necessarily limited to the ability directly or indirectly to direct or cause the direction of the votes attaching to the majority of its issued shares or interest carrying voting rights, or to appoint or remove or cause the appointment or removal of any directors (or equivalent officials) or those of its directors (or equivalent officials) holding the majority of the voting rights on its board of directors (or equivalent body)

"National Treasury" means the National Treasury of the Republic of South Africa;

"PFMA" means the Public Finance Management Act, 1 of 1999, as amended from time to time;

"PPP" means a public-private partnership for the performance of an institutional function, as contemplated under Treasury Regulation 16;

"**PPP Manual**" means the National Treasury Public-Private Partnership Manual issued as Practice Notes No 2 to No 10 on 11 March 2004;

"POPIA" means the Protection of Personal Information Act, 4 of 2013, as amended from time to time

"Pre-Qualification Criteria" means the criteria set out in this RFQ against which Responses will be evaluated for purposes of determining which Respondents are eligible to proceed to the RFP stage;

"Pre-Qualification Requirements" means the minimum legal, technical, operational, financial, healthcare-sector, B-BBEE and other requirements prescribed in this RFQ which a Respondent must satisfy in order to be considered for pre-qualification;

"Pre-qualified Respondent" means a Respondent which, following evaluation of its Response in accordance with this RFQ and subject to any approvals required under Applicable Law, has been selected by the Department to participate in the RFP stage;

"Preferred Bidder" means the Bidder selected by the Department following evaluation of the Proposals submitted pursuant to the RFP as the Bidder with whom the Department intends, subject to the applicable Treasury Approvals and other requirements of Applicable Law, to proceed towards conclusion of the Successor PPP Agreement;

"Private Party" means the private party contemplated in Treasury Regulation 16 and, in relation to the Successor PPP, the legal entity which will ultimately contract with the Department under the Successor PPP Agreement;

"Procurement Process" means the competitive procurement process undertaken by the Department for purposes of procuring the Successor PPP, commencing with this RFQ and comprising the pre-qualification process, the RFP process, evaluation and selection of the Preferred Bidder, finalisation and conclusion of the Successor PPP Agreement and such other steps and approvals as may be required under Applicable Law;

"Project" means the proposed Successor PPP in respect of the private-wing co-location arrangements at UAH and PTH, including the operation, management and maintenance of the designated private-wing facilities, the provision and management of such shared services and public-private interfaces as may ultimately be included within the scope of the Successor PPP, the Transition from the Existing PPP to the Successor PPP, and such other Project Deliverables as will be more particularly specified in the RFP and Successor PPP Agreement;

"Project Assets" means such movable and immovable assets, equipment, furniture, fittings, systems and other property as may be identified for use in connection with the Project and more particularly described in the RFP;

"Project Brief" means the document forming part of the RFQ Documents which provides Respondents with an overview of the background, objectives, indicative scope, existing arrangements and principal characteristics of the Project;

"**Project Evaluation Committee**" or "**PEC**" means the Project evaluation committee comprising the Accounting Officer, supported by such members as may be appointed by the Accounting Officer for purposes of the evaluation process, and responsible for considering the consolidated evaluation report and recommendations of the Evaluation Co-ordination Committee and exercising the functions assigned to it under the applicable PPP procurement process, including, where applicable, determining whether a Best and Final Offer process is required and selecting the Preferred Bidder and Reserve Bidder, subject to Treasury Regulation 16 and the applicable Treasury Approval requirements.

"Project Deliverables" means the services, outputs, activities and obligations required for the operation, management, maintenance and lifecycle management of the existing private-wing co-location Facilities; the provision and management of shared-service interfaces; Transition and mobilisation; and all other obligations of the Successor Private Party specified in the RFP and Successor PPP Agreement.

"Project Goals" means the overall objectives that the Department wishes to achieve upon completion of the Project, as detailed in paragraph 5.4;

"**Project Officer**" means the person appointed or designated by the Accounting Officer to manage the Project on behalf of the Department and to co-ordinate the development, procurement and implementation of the Project in accordance with Treasury Regulation 16, the PPP Manual and the mandate conferred by the Accounting Officer, including the management and co-ordination of the Transaction Adviser, Project workstreams, procurement documentation, stakeholder interfaces and submissions required for the applicable Treasury Approvals.

"Project Steering Committee" or **"PSC"** means the committee established by the Department to provide strategic oversight, guidance and governance in relation to the development, procurement and implementation of the Project, including monitoring the progress of the Project, considering material Project risks and issues, facilitating appropriate Departmental decision-making and stakeholder co-ordination, and providing strategic guidance to the Project Officer, but excluding the exercise of any bid evaluation or bidder-selection function assigned to the TETs, ECC, PEC, Accounting Officer or National Treasury under the applicable PPP procurement process

"Project Sites" means those portions of the premises of UAH and PTH which may be designated by the Department for purposes of the Project, subject to any restrictions as specified in the title deeds thereto and including all heritage objects situated therein which land is for the conduct of the Project Deliverables, as depicted in an aerial photograph of which is annexed hereto as **Annexures C1 and C2 (Site Plans of the Hospitals)**;

"Proposal" means the complete proposal submitted by a Bidder in response to the RFP;

"PTH" means Pelonomi Tertiary Hospital situated in Bloemfontein, Free State Province;

"Relevant Organisation" means any Consortium Member, shareholder, proposed shareholder, Key Contractor or other entity whose qualifications, experience, financial standing, technical capability or other credentials are relied upon by a Respondent for purposes of satisfying the Pre-Qualification Requirements;

"Respondent" means a single legal entity or Consortium which submits a Response to this RFQ;

"Response" means the complete response submitted by a Respondent pursuant to this RFQ, including all prescribed forms, schedules, declarations, supporting information and other documentation required under this RFQ;

"Response Submission Date" means the date and time specified in this RFQ by which Responses must be submitted, as may be amended by the Department by Briefing Note;

"Response Submission Address" means the physical or electronic address, or procurement portal, specified in this RFQ for submission of Responses;

"RFQ" means this Request for Qualification, including all Appendices, Schedules and other RFQ Documents and any Briefing Note which expressly amends or supplements it;

"RFQ Documents" means this RFQ, the Project Brief, the Response forms and all Appendices, Schedules, Annexures and other documents issued by the Department as forming part of the RFQ;

"RFP" means the request for proposals to be issued by the Department to Pre-qualified Respondents in respect of the Project, including its schedules, annexures, output specifications, proposed Successor PPP Agreement and other documents forming part thereof;

"Services" the operational services to be provided by an operations subcontractor on behalf of the Successor Private Party for the Department to meet the output specifications

"Service Commencement Date" means the date to be prescribed in the Successor PPP Agreement upon which the Successor Private Party assumes responsibility for and commences the provision of the services comprising the Successor PPP;

"**Services Period**" means the period from the Service Commencement Date up to the date of expiry of the Successor PPP Agreement or the termination thereof (whichever occurs first);

"**SCM Directorate**" means the Supply Chain Management Directorate of the Department, responsible for administering and supporting the Procurement Process within its assigned functions, in accordance with the SCM Policy and the applicable delegation of authority;

"**SCM Policy**" means the Department's Supply Chain Management Policy – 2024/2025

"South Africa" means the Republic of South Africa;

"**Special Purpose Vehicle or SPV**" means a limited liability company to be incorporated by the Successor Private Party in accordance with the company laws of South Africa, for the purpose of entering into and implementing the Successor PPP Agreement;

"**Standardisation**" means the National Treasury Standardised Public Private-Partnership Provisions first issued on 11 March 2004 and any consequent amendments thereto prior to the date of issue of the RFP;

"Successor PPP" means the new public-private partnership to be competitively procured by the Department pursuant to the Procurement Process in respect of the future private-wing co-location arrangements at UAH and PTH following the expiry or cessation of the Existing PPP;

"Successor PPP Agreement" means the new public-private partnership agreement to be concluded between the Department and the Successor Private Party pursuant to the Procurement Process and in accordance with Applicable Law;

"Successor Private Party" means the Private Party which, following completion of the Procurement Process and receipt of all required approvals, enters into the Successor PPP Agreement with the Department;

"**Targeted Group**" means all or any Black People, Black Enterprises, and Black Women;

"**Technical Evaluation Team**" or "**TET**" means a specialist evaluation team established for purposes of the evaluation of Responses or Proposals, as applicable, comprising appropriately qualified members appointed or designated to evaluate one or more specified aspects of a Response or Proposal, including, as applicable, the technical, legal, financial, B-BBEE, socio-economic, price or commercial aspects thereof, and to prepare and submit its evaluation findings and report to the Evaluation Co-ordination Committee.

"Transaction Advisor" means Omelo Consulting Proprietary Limited, the multidisciplinary team of professional advisers appointed by the Department to provide the financial, technical, legal and other specialist advisory services required for the preparation, procurement and implementation of the Project

"Transition" means the structured process by which the arrangements necessary to facilitate the orderly Handback and cessation of the Existing PPP and commencement of the Successor PPP are identified, planned and implemented during the Transition Period, including, where applicable, the treatment of relevant operations, services, Facilities, assets, equipment, section 197 of the LRA process, information, records, systems, licenses, permits, contractual arrangements and other matters necessary to facilitate continuity of the relevant healthcare and related services;

"Transition Period" means the period of five (5) months immediately preceding the expiry or other cessation of the Existing PPP, during which the activities necessary to facilitate the Transition to the Successor PPP are to be undertaken, and which period shall continue until the Service Commencement Date under the Successor PPP Agreement or such later date as may be determined by the Department;

"Treasury Approval" means any approval required in respect of the Project pursuant to Treasury Regulation 16 at the relevant stage of the PPP process;

"Treasury Regulation 16" means Treasury Regulation 16 issued pursuant to the PFMA, as amended or replaced from time to time;

"Treasury Regulations" means Public-Private Partnership regulations published pursuant to the PFMA in Government Notice R740 in Government Gazette 2346 of 25 May 2002, and amended by General Notice 2012 in Government Gazette 25229 of 28 July 2003 and General Notice 37 of Government Gazette 25925 of 16 January 2000

"UAH" means Universitas Academic Hospital situated in Bloemfontein, Free State Province; and

"Validity Period" means the period of 120 (one hundred and twenty) days from the Closing Date during which a Response must remain valid, binding and open for acceptance, as may be extended at the request of the Department in accordance with this RFQ;

"Value for Money" means the provision of a Departmental function or use of state property by a Successor Private Party which results in a net benefit to the Department, defined in terms of cost, price, quality, quantity, risk transfer or a combination thereof, as contemplated in Treasury Regulation 16.

2.2 Interpretation

In this RFQ, unless inconsistent with the context:

2.2.1 words importing any one gender include the other genders, words importing the singular include the plural and vice versa, and references to a natural person include a juristic person and vice versa;

2.2.2 a reference to any legislation, regulation or other statutory instrument includes that legislation, regulation or instrument as amended, re-enacted, substituted or replaced from time to time;

2.2.3 references to sections, clauses, Appendices, Schedules or Annexures are references to sections or clauses of, or Appendices, Schedules or Annexures to, the RFQ Documents, unless expressly indicated otherwise;

2.2.4 headings and subheadings are included for convenience only and shall not affect the interpretation of the RFQ Documents;

2.2.5 the words **"include"**, **"includes"** and **"including"** shall be construed as being without limitation;

2.2.6 where a definition confers a right or imposes an obligation on a person, effect shall be given to that provision notwithstanding that it appears within a definition;

2.2.7 where any period is expressed in days, the first day shall be excluded and the last day included, provided that, where the last day is not a Business Day, the period shall expire on the next Business Day;

2.2.8 any reference to the Existing PPP, Existing Concessionaire or Existing PPP Agreement is included for purposes of describing the context within which the Project is being procured and shall not confer upon any Respondent, Bidder or Successor Private Party any right or entitlement under the Existing PPP Agreement;

2.2.9 neither the use of the expressions **"Transition"**, **"Handback"**, **"Successor PPP"** nor any similar expression shall be construed as a representation that any particular asset, employee, contract, tenant, subcontractor, license, permit, right or obligation associated with the Existing PPP will transfer automatically to the Successor Private Party;

2.2.10 the application of section 197 or section 197A of the LRA to any employee or category of employees in connection with the Transition shall be determined in accordance with Applicable Law having regard to the circumstances applicable at the relevant time, and nothing in the RFQ Documents shall, unless expressly stated otherwise, constitute a determination or representation by the Department that either provision applies;

2.2.11 the Project Brief describes the Project at an indicative level for purposes of this RFQ and shall not be construed as prescribing the final scope, risk allocation, output specifications or commercial terms of the Successor PPP, which will be further developed and prescribed in the RFP and Successor PPP Agreement;

2.2.12 no provision of the RFQ Documents shall be construed as requiring the Successor Private Party to assume responsibility for any component of the broader public-side capital programme unless that component is expressly included within the Project in the RFP; and

2.2.13 in the event of an inconsistency between the principal RFQ document and the Project Brief or any other Appendix, Schedule or Annexure, the principal RFQ document shall prevail unless expressly provided otherwise.

3 BACKGROUND AND CONTEXT

3.1 Project Background and Overview

3.1.1 The Department operates UAH and PTH in Bloemfontein, Free State Province. The Hospitals form part of the Province's tertiary, specialist, referral and academic healthcare platform and provide healthcare services to patients within the Free State Province and the broader referral network served by the Hospitals.

3.1.2 In 2002, the Free State Provincial Government concluded the Existing PPP Agreement in respect of a public private co-location arrangement at UAH and PTH. The Existing PPP was established to facilitate the more effective utilisation of certain public hospital facilities and resources through private-sector participation and provides for, amongst other matters, designated facilities for private-sector use, jointly utilised facilities, private hospital operations, maintenance and investment obligations, and associated concession arrangements.

3.1.3 The Existing PPP has operated for more than two decades and has subsequently been extended in order to maintain continuity of the existing arrangements while the Department undertakes the feasibility, approval and procurement processes required to determine and implement the future delivery model for the relevant private-wing arrangements at the Hospitals. The current extension of the Existing PPP is scheduled to expire on 30 November 2027.

3.1.4 Against this background, the Department has undertaken a revised Feasibility Study in accordance with Treasury Regulation 16 to assess the appropriate delivery model following the expiry of the Existing PPP. The Feasibility Study identifies a renewed private-wing co-location PPP as the preferred delivery model, subject to the applicable Treasury Approvals and all other approvals and requirements prescribed by Applicable Law.

3.1.5 The Department accordingly intends, through the Procurement Process, to procure a suitably qualified and experienced Successor Private Party to undertake the Successor PPP at the Hospitals.

3.1.6 The Successor PPP is presently envisaged to comprise approximately 260 private-wing beds across the Hospitals, together with selected shared clinical and support services, facilities and asset-management obligations, appropriate operational interfaces between the public and private components of the Hospitals, and the Transition and Handback arrangements necessary for the implementation and operation of the Successor PPP. The final scope of the Project, including the allocation of responsibilities between the Department and the Successor Private Party, the applicable output specifications, performance standards, payment arrangements and risk allocation, will be developed and specified in the RFP and the Successor PPP Agreement.

3.1.7 The Project is a new and separate procurement for the Successor PPP. It does not constitute an assignment, cession or novation of the Existing PPP Agreement, nor should the Procurement Process be understood as conferring upon any Respondent, Pre-qualified Respondent, Bidder or the Successor Private Party any right or entitlement under the Existing PPP Agreement. The contractual terms, scope, performance requirements and risk allocation applicable to the Successor PPP will be separately determined through the Procurement Process and ultimately embodied in the Successor PPP Agreement.

3.1.8 A material component of the Project will be the orderly Transition from the Existing PPP to the Successor PPP. The Procurement Process will accordingly place particular emphasis on the capacity and experience of Respondents to plan for, mobilise and implement the Transition within a live and operational hospital environment, while maintaining continuity

of healthcare and related services and appropriately managing the operational interfaces between the public and private components of the Hospitals.

3.1.9 The Transition may require the coordination of matters relating to existing operations, Facilities, Project Assets, equipment, human resources, information, records, systems, licenses, permits, contractual arrangements and other matters relevant to the continuity of the applicable Services. The treatment of these matters, including whether and to what extent any particular asset, employee, contract, license, permit, right or obligation may be made available to, transferred to or assumed by the Successor Private Party, will be determined through the Procurement Process and reflected, where applicable, in the RFP and the Successor PPP Agreement. Nothing in this RFQ should therefore be construed as representing that any such matter will automatically transfer from the Existing Concessionaire to the Successor Private Party.

3.2 The Department's Healthcare Mandate

3.2.1 The Department is responsible for the planning, provision, management and oversight of public healthcare services within the Free State Province. Its mandate is derived principally from the Constitution, the National Health Act, 2003 and the broader national and provincial health policy framework.

3.2.2 As reflected in the Department's Strategic Plan 2025–2030 (the "**Strategic Plan**"), the Department's strategic priorities include improving access to affordable and quality healthcare, improving the quality and efficiency of healthcare services, and optimising healthcare infrastructure and other resources. The Strategic Plan also recognises engagement with the private sector as an important component of improving access, coverage and quality of health services.

3.2.3 Within this context, the co-location model provides a mechanism through which designated facilities and resources within UAH and PTH may be utilised by the private sector alongside the Department's continued public healthcare operations. Consistent with the rationale underpinning the Existing PPP, the co-location arrangement is intended to promote the effective utilisation of available hospital resources through a combination of facilities designated for private sector use and facilities and services shared between the public and private hospital environments.

3.2.4 The Project must be understood within this broader public healthcare mandate. The Successor PPP is not intended to displace or transfer the Department's responsibility for the provision of public healthcare services. Rather, the Project is intended to establish a sustainable framework through which private-sector participation in designated areas of UAH and PTH can contribute to the effective utilisation and management of the Hospitals' assets and resources, support appropriate public-private clinical and operational interfaces, and complement the Department's continued delivery of public healthcare services.

3.2.5 Accordingly, the Successor PPP will be required to operate in a manner that is consistent with the Department's constitutional, statutory and strategic obligations and that supports, rather than compromises, the continued operation of UAH and PTH as public tertiary, specialist, referral and academic healthcare Departments.

4 PURPOSE OF THE RFQ AND THE PROCUREMENT PROCESS

4.1 Issuance of the RFQ

4.1.1 The Department, in furtherance of the Project, issues this RFQ as the first formal competitive stage of the Procurement Process for the purpose of ultimately procuring a Successor Private Party to enter into the Successor PPP Agreement with the Department and to undertake the Project.

4.1.2 The Successor PPP is intended to provide for the continued operation and management of the designated private-wing Co-location arrangements at the Hospitals following the expiry of the Existing PPP, together with such associated shared clinical and support services, Facilities and asset-management obligations, public-private operational interfaces, Transition arrangements and other Project Deliverables as will be more particularly specified in the RFP and the Successor PPP Agreement.

4.1.3 The Project is being procured, and this RFQ is issued, in accordance with Treasury Regulation 16 and Applicable Law.

4.1.4 The Project constitutes the procurement of a new Successor PPP and does not constitute an assignment, cession or novation of the Existing PPP Agreement. Therefore, nothing in this RFQ should be construed as conferring upon any Respondent or subsequent Bidder any right or entitlement under the Existing PPP Agreement.

4.2 Objective and Purpose of the RFQ

4.2.1 The objective of this RFQ is to provide prospective Respondents with sufficient information concerning the background, nature and anticipated scope of the Project to:

(a) enable them to make an informed decision as to whether to participate in the Procurement Process; and

(b) where they elect to participate, to enable them to submit a complete and informative Response from which the Department can assess the legal standing, technical and operational capability, financial capacity, relevant experience, transformation credentials and organisational structure of the Respondent and, where applicable, its Consortium Members, Relevant Organisations, Key Contractors and Designated Member.

4.2.2 The purpose of this RFQ is to enable the Department to select no more four (4) Pre-qualified Respondents which demonstrate the experience, capability, capacity and commitment considered necessary to participate competitively in the RFP stage and, if ultimately successful, to undertake the Project. In undertaking the pre-qualification Procurement Process, the Department will have particular regard to whether Respondents demonstrate appropriate capability in relation to:

(a) the operation and management of private hospitals or comparable healthcare facilities;

(b) PPPs, concessions or other long-term arrangements of comparable nature, scale and complexity;

(c) the operation and maintenance of facilities and assets within a live healthcare environment;

(d) the management of public-private operational and service interfaces;

(e) mobilisation and Transition from an incumbent or existing operating arrangement while maintaining continuity of healthcare and related services;

(f) financial and organisational capacity to assume and manage the financial, technical and operational risks anticipated to be allocated to the Successor Private Party; and

(g) the transformation and socio-economic requirements applicable to the Project.

4.2.3 Accordingly, the Department invites Responses from suitably experienced and committed organisations that wish to be considered for pre-qualification and, if pre-qualified, to participate in the subsequent RFP stage for the Project.

4.2.4 It is important to note that this RFQ is a **PRE-QUALIFICATION PROCESS ONLY**. Respondents are not required at this stage to submit their final technical, commercial or financial solution for the Project. The detailed output specifications, performance requirements, commercial arrangements, risk allocation and contractual terms applicable to the Successor PPP will be prescribed in the RFP and the Successor PPP Agreement.

4.3 Outline of the Procurement Process

4.3.1 The Department intends to employ a two-stage competitive Procurement Process comprising of a pre-qualification stage followed by the RFP stage, which may, where permitted and considered appropriate, include a best and final offer process. It is accordingly envisaged that:

(a) Responses submitted pursuant to this RFQ, unless rejected or disqualified in accordance with the provisions of this RFQ, will be evaluated in terms of the evaluation methodology set out in paragraph 9 (*The Evaluation Process*) for purposes of identifying a shortlist of Pre-qualified Respondents on the basis of, *inter alia*, their legal standing, technical and operational capability, financial capacity, relevant experience and applicable transformation requirements;

(b) the Department presently intends to pre-qualify no more than four Respondents, provided that the Department reserves the right, subject to Applicable Law, to pre-qualify such number of Respondents as it considers appropriate having regard to the Responses received and the need to maintain effective competition during the RFP stage;

(c) the Pre-qualified Respondents will be issued with the RFP and invited to submit Proposals for the Project;

(d) the Proposals will be evaluated in accordance with the requirements and evaluation methodology prescribed in the RFP, including with regard to the Project requirements and the applicable affordability, Value for Money and risk transfer requirements;

(e) following completion of the RFP evaluation and subject to the applicable Treasury Approvals and other requirements of Applicable Law, the Department intends to select a Preferred Bidder and may identify a reserve bidder;

(f) following the applicable Treasury Approval, the Department may enter into negotiations with the Preferred Bidder for purposes of finalising the Successor PPP Agreement and associated Project Documents; and

(g) the Successor PPP Agreement will only be concluded following receipt of the Treasury Approval required for its execution and satisfaction of all other requirements prescribed by Applicable Law.

4.4 Outline of the RFQ

4.4.1 This RFQ sets out:

(a) the purpose of this RFQ and the manner in which the RFQ stage of the Procurement Process will be conducted;

(b) the background to the Existing PPP and an overview of the Project and the Successor PPP;

(c) the Department's healthcare mandate and the strategic context within which the Project is being procured;

(d) an overview of the Project, including its objectives, anticipated scope, the existing co-location environment and the Transition considerations associated with the expiry of the Existing PPP;

(e) the manner in which the Procurement Process is intended to be managed and the indicative timetable applicable thereto, as set out in clause 7.2.9;

(f) the instructions applicable to Respondents and the requirements for preparation and submission of Responses;

(g) the Pre-Qualification Requirements and the Evaluation Process applicable to Responses;

(h) the information, qualifications and commitments required from Respondents, Consortium Members, Relevant Organisations, Key Contractors and Designated Members, where applicable; and

(i) the prescribed response forms and Pre-Qualification Questionnaire to be completed and submitted by Respondents.

4.4.2 This RFQ is issued by the Department to all persons who have responded to the advertisement for purposes of procuring the Project in accordance with Treasury Regulation 16 and Applicable Law.

4.5 Important Notice

4.5.1 **Information Provided**

(a) The Department provides the information contained in or accompanying this RFQ, together with such further information as may be made available by or on behalf of the Department during the RFQ stage (the "**Information Provided**"), in good faith and solely for purposes of enabling prospective Respondents to consider and participate in the Procurement Process.

(b) The Information Provided may be used solely for purposes of the Procurement Process and for no other purpose, except with the prior written consent of the Department.

4.5.2 **Department's Obligations in relation to the Procurement Process, Liability of Costs**

(a) All costs and expenses incurred by any Respondent, Consortium Member, relevant Organisation, Key Contractor, Designated Member(s) (if any), or other person in connection with its participation in the Procurement Process shall be for that person's own account.

(b) The Department shall not be liable for any such costs or expenses, whether or not the Respondent is pre-qualified, invited to participate in the RFP, selected as Preferred Bidder or ultimately appointed as the Successor Private Party.

(c) The issuance of this RFQ does not oblige the Department to accept any Response, pre-qualify any Respondent, issue the RFP, select a Preferred Bidder or conclude the Successor PPP Agreement.

(d) Subject to Applicable Law, the Department reserves the right to amend the Project, the Procurement Process or the indicative timetable, or to suspend or terminate the Procurement Process, without thereby incurring liability to any Respondent or other person.

4.5.3 **Format of Information Provided**

(a) This RFQ and the RFQ Documents will be made available in such electronic and/or other format as the Department may prescribe.

(b) Where the Department provides editable versions of particular schedules or Response Forms, Respondents shall complete those documents in the manner prescribed and shall not alter any part thereof other than those portions expressly designated for completion.

4.5.4 **Role of the Transaction Advisor and Other Advisers to the Department**

(a) The Department has appointed the Transaction Advisor to advise and assist the Department in connection with the feasibility, structuring, procurement and implementation of the Project.

(b) The Transaction Advisor and any other professional, technical, legal, financial, clinical or other advisers engaged by the Department act solely for and on behalf of the Department in relation to the Project and owe no duty of care or other responsibility to any Respondent, Consortium Member, Relevant Organisation, Bidder, Lender or other person.

(c) Neither the Transaction Advisor nor any adviser to the Department is authorised to provide any Respondent, Bidder or other person with legal, financial, technical, investment or other advice on which that person may rely.

(d) No Respondent, Consortium Member, Relevant Organisation, Key Contractor, Bidder or person acting on their behalf may, without the prior written consent of the Department, engage or seek to engage any member of the Transaction Advisor or any other adviser appointed by the Department in relation to the Project.

4.5.5 **RFQ Does Not Constitute Investment Advice**

(a) This RFQ is provided solely for the purposes of the Procurement Process and does not constitute investment, legal, financial, tax, technical or other professional advice or a recommendation by the Department, the Transaction Advisor or any other adviser to the Department.

(b) Each Respondent must make its own independent assessment of the Project and undertake such investigations and obtain such professional advice as it considers necessary for purposes of deciding whether to participate in the Procurement Process and preparing its Response.

(c) Neither the receipt of this document or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Bidder or its advisers, is to be taken as constituting the giving of investment advice by the Department or its officials, officers, employees or advisers.

4.5.6 **Accuracy and Completeness of Information**

(a) Whilst the Department has taken reasonable care in the preparation of the RFQ Documents, they do not purport to be comprehensive or to have been verified by the Department, its officials, officers, employees or advisers or any other person.

(b) Neither the Department nor any of its officials, officers, employees or Transaction Advisers accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in any document.

(c) Each Respondent remains responsible for satisfying itself as to the accuracy, adequacy and completeness of the Information Provided and for undertaking such independent investigations as it considers appropriate.

4.5.7 **Existing PPP Information**

(a) Any information provided in relation to the Existing PPP, the Existing PPP Agreement, the Existing Concessionaire, the Hospitals, existing operations, existing assets, employees, contracts, tenants, subcontractors, licenses, permits, systems or other existing arrangements, whether provided as part of the RFQ Documents, made available through the Ansarada Data Room, or otherwise made available by or on behalf of the Department, is provided for purposes of assisting Respondents to understand the context within which the Project is being procured.

(b) Unless expressly stated otherwise in writing by the Department, no representation or warranty is made that any such asset, employee, contract, license, permit, right, obligation or arrangement identified in, or made available through, the Ansarada Data Room or otherwise as part of the information provided will transfer to, be assumed by, or otherwise be made available to the Successor Private Party.

4.5.8 **No Representation or Warranty**

(a) Except to the extent expressly stated otherwise in writing by the Department, no representation or warranty, whether express or implied, is given by the Department, its officials, employees, the Transaction Advisor or any other adviser concerning the accuracy, completeness or adequacy of the Information Provided.

(b) To the extent permitted by Applicable Law, the Department and its advisers disclaim liability arising from reliance by a Respondent or any other person upon the Information Provided.

4.5.9 **Right to Amend, Suspend or Terminate the Procurement Process**

(a) The Department reserves the right, subject to Applicable Law, at any time to amend, supplement or withdraw this RFQ; to amend the scope or structure of the Project; or to suspend, postpone or terminate the RFQ stage or the Procurement Process.

(b) Any such amendment or supplementation applicable generally to Respondents will be communicated in accordance with the provisions of this RFQ.

4.5.10 **Requirements of RFQ**

The requirements prescribed in this RFQ are established for purposes of ensuring an effective, fair, equitable, transparent, competitive and cost-effective Procurement Process.

4.5.11 **Gifts, Inducements and Corrupt Conduct**

(a) No Respondent, Consortium Member, Relevant Organisation, Key Contractor, Advisor or person acting on behalf of any of them may offer, give, promise or agree to give any gift, benefit, inducement or other advantage to any official, employee or adviser of the Department for purposes of improperly influencing the Procurement Process.

(b) Any prohibited conduct may result in disqualification and such further action as may be available to the Department under Applicable Law.

4.5.12 **No Lobbying or Improper Influence**

(a) Respondents may not engage in any form of political or other lobbying whatsoever with respect to this Project, or otherwise attempt to influence the outcome of the competitive procurement process other than by submitting a Response. In the event of any such activity, the Department, at its sole and absolute discretion, may at any time, but is not required to, reject any Response by that Respondent without further consideration, and either terminate that Respondent's right to continue participating in the RFQ stage and subsequent stages of the procurement process, or impose such conditions on that Respondent's continued participation in the procurement stage as the Department, in its sole discretion, may consider in the public interest or otherwise appropriate.

(b) A breach of this provision may result in disqualification, subject to Applicable Law.

4.5.13 **Confidentiality**

(a) Each recipient of this RFQ, and each Respondent by participating in the Procurement Process, agrees to keep confidential all information of a confidential or commercially sensitive nature which is disclosed, furnished or otherwise made available by or on behalf of the Department in connection with the Project or the Procurement Process and which is identified as confidential or which, having regard to its nature or the circumstances in which it is disclosed, ought reasonably to be regarded as confidential (**"Confidential Information Provided"**).

(b) The Confidential Information Provided may be disclosed by a Respondent only to those of its Consortium Members, Relevant Organisations, Key Contractors, employees, officers, funders, prospective funders, insurers and professional advisers who:

(i) are directly involved in considering, evaluating, structuring, financing or preparing the Respondent's participation in the Procurement Process;

(ii) have a legitimate need to know the Confidential Information Provided for that purpose; and

(iii) have been informed of, and are bound by, confidentiality obligations which are no less onerous than those imposed under this RFQ.

(c) Except as permitted under this clause, the Confidential Information Provided shall not, whether in whole or in part, be copied, reproduced, disclosed, distributed, published, transmitted or otherwise made available to any person without the prior written consent of the Department, nor may it be used for any purpose other than the evaluation of the Project and participation in the Procurement Process.

(d) Without limiting the generality of the foregoing, a Respondent shall take all reasonable steps to ensure that any person to whom Confidential Information Provided is disclosed in accordance with this clause preserves the confidentiality thereof and does not use or disclose such information otherwise than for purposes of the Procurement Process.

(e) The obligations in this clause shall not apply to information which the Respondent can demonstrate:

(i) is or becomes publicly available other than as a result of a breach of this RFQ or any other duty of confidentiality;

(ii) was lawfully in the possession of the Respondent prior to disclosure by or on behalf of the Department and was not subject to an obligation of confidentiality;

(iii) is lawfully obtained by the Respondent from a third party who is not, to the Respondent's knowledge, subject to a duty of confidentiality in respect of that information; or

(iv) is required to be disclosed pursuant to Applicable Law, an order of court, or a lawful requirement of a competent regulatory or governmental authority,

provided that, to the extent legally permissible, the Respondent shall notify the Department in writing before making any disclosure contemplated in paragraph (d) and shall cooperate with the Department in relation to the form, timing and scope of that disclosure.

(f) The Department may require any Respondent, Consortium Member, Relevant Organisation, Key Contractor, funder, adviser or other person to whom Confidential Information Provided is to be disclosed to execute a separate confidentiality undertaking or non-disclosure agreement in such form as the Department may reasonably require as a condition to receiving access to specified information or participating in any due-diligence, data-room, site-access or other process associated with the Project.

(g) All Confidential Information Provided, including all copies, extracts, summaries and reproductions thereof, remains the property of the Department or, where applicable, the relevant third-party owner of such information. The Department may at any time require the return, deletion or destruction of all or any specified Confidential Information Provided in the possession or control of a Respondent or any person to whom it has been disclosed, subject to any retention required by Applicable Law or bona fide internal governance or professional-record requirements.

(h) Where information relating to the Existing PPP, the Existing Concessionaire, the Hospitals, Project Assets, employees, contractors, patients, clinical operations, ICT systems, records, commercial arrangements or any other existing operational matter is made available during the Procurement Process, the Respondent shall treat such information with a level of confidentiality and security appropriate to its nature and sensitivity and shall comply with any additional access, use, security or confidentiality conditions imposed by the Department.

(i) Each Respondent shall be responsible for any breach of this clause by any Consortium Member, Relevant Organisation, Key Contractor, employee, officer, funder, adviser or other person to whom the Respondent has disclosed Confidential Information Provided.

(j) For the avoidance of doubt, nothing in this clause shall prevent the Department from disclosing a Response, or information contained in a Response, to its officials, officers, employees, Transaction Advisor, other advisers, auditors, relevant Treasury, other competent organs of state or any person lawfully involved in the evaluation, approval, audit or oversight of the Procurement Process, subject to Applicable Law and such confidentiality protections as may be appropriate.

(k) By submitting a Response, each Respondent acknowledges that information contained in its Response may be subject to disclosure obligations under Applicable Law. A Respondent should therefore clearly identify any information in its Response which it considers to constitute confidential or commercially sensitive information and provide the basis upon which such treatment is claimed. The mere marking of information as "confidential" shall not, of itself, bind the Department where disclosure is required by Applicable Law.

(l) The obligations in this clause shall survive the Respondent's withdrawal from the Procurement Process, its failure to be pre-qualified, the conclusion or cancellation of

the Procurement Process, and, where applicable, the conclusion of the Successor PPP Agreement.

4.5.14 **Protection of Personal Information**

(a) For purposes of this clause, **"Personal Information"**, **"Processing"**, **"Responsible Party"**, **"Operator"** and **"Data Subject"** shall have the meanings assigned to those terms in the Protection of Personal Information Act, 4 of 2013 (**"POPIA"**).

(b) In participating in the Procurement Process, each Respondent acknowledges that it may receive, access, collect or otherwise Process Personal Information relating to, amongst others, officials and employees of the Department, employees or representatives of the Existing Concessionaire, personnel operating within the Hospitals, advisers, contractors and other persons associated with the Project. Each Respondent shall Process such Personal Information strictly in accordance with POPIA, Applicable Law and any reasonable data protection, information security or access requirements prescribed by the Department from time to time.

(c) Any Personal Information made available by or on behalf of the Department shall be used solely to the extent necessary for purposes of evaluating the Project, preparing a Response or Proposal, undertaking permitted due diligence or otherwise participating in the Procurement Process, and shall not be Processed for any unrelated purpose.

(d) Without limiting the generality of the foregoing, each Respondent shall:

(i) Process Personal Information lawfully and in a reasonable manner that does not infringe the privacy of the relevant Data Subject;

(ii) Process only such Personal Information as is adequate, relevant and not excessive having regard to the purpose for which it has been made available;

(iii) use Personal Information solely for the purpose for which it was disclosed, or such further purpose as is compatible with that purpose and permitted under POPIA;

(iv) implement and maintain appropriate, reasonable technical and organisational measures to safeguard the integrity and confidentiality of Personal Information in its possession or under its control against loss, damage, unauthorised destruction, unlawful access to or Processing of, or other unauthorised use of, Personal Information;

(v) restrict access to Personal Information to those Consortium Members, Relevant Organisations, Key Contractors, employees, officers, professional advisers, funders and other persons who have a legitimate need to access such information for purposes of the Procurement Process and who are subject to appropriate confidentiality and data-protection obligations;

(vi) not disclose, transfer or otherwise make Personal Information available to any third party except where necessary for purposes of the Procurement Process and permitted under POPIA, this RFQ and any conditions imposed by the Department;

(vii) not retain Personal Information for longer than is necessary to achieve the purpose for which it was made available, subject to any retention required or authorised by Applicable Law; and

(viii) upon request by the Department, and subject to Applicable Law, return, delete or securely destroy Personal Information received in connection with

the Procurement Process and, where reasonably requested, confirm in writing that it has done so.

(e) Where a Respondent Processes Personal Information for or on behalf of the Department in circumstances in which the Respondent constitutes an Operator for purposes of POPIA, the Respondent shall Process such Personal Information only with the knowledge or authorisation of the Department, shall treat the Personal Information as confidential and shall comply with the security measures and other obligations applicable to an Operator under POPIA. The Department may require the Respondent to enter into a separate data-processing or operator agreement before access to specified categories of Personal Information is permitted.

(f) A Respondent shall ensure that any person to whom it lawfully discloses Personal Information in connection with the Procurement Process is made aware of the applicable data-protection requirements and is contractually or otherwise legally bound to comply with obligations no less protective than those imposed on the Respondent under this RFQ.

(g) Where there are reasonable grounds to believe that Personal Information made available in connection with the Procurement Process has been accessed or acquired by an unauthorised person, or that any other security compromise has occurred, the Respondent shall notify the Department without undue delay after becoming aware of the security compromise, provide the Department with all reasonably available information concerning the nature and extent of the compromise, and take all reasonable steps required to contain, investigate and remediate the compromise. The Respondent shall cooperate with the Department in relation to any notification to the Information Regulator or affected Data Subjects required under POPIA.

Special Personal Information and patient information

(h) To the extent that any Respondent is afforded access during the Procurement Process to information concerning patients, health or medical information, or any other category of Special Personal Information contemplated in POPIA, such information shall be subject to enhanced confidentiality and security controls and may only be accessed and Processed where expressly authorised by the Department and permitted under Applicable Law. Nothing in this RFQ shall be construed as granting a Respondent a general right of access to patient records, clinical information or other Special Personal Information held by the Department or the Hospitals.

(i) The Department may, where reasonably practicable, anonymised, de-identify, aggregate or redact Personal Information before making information available to Respondents. A Respondent shall not attempt to re-identify any Data Subject from information which has been de-identified or anonymised, except where expressly authorised in writing by the Department and permitted under Applicable Law.

(j) Each Respondent shall remain responsible for compliance with POPIA in respect of Personal Information which it independently collects or Processes in connection with its participation in the Procurement Process, including Personal Information relating to its own employees, Consortium Members, Relevant Organisations, Key Contractors and advisers. Each Respondent warrants that it has a lawful basis for providing any such Personal Information to the Department as part of its Response and for permitting the Department and its advisers to Process that information for purposes of administering, evaluating, approving and auditing the Procurement Process.

(k) By submitting a Response, each Respondent acknowledges that the Department may Process Personal Information contained in the Response for purposes

connected with the Procurement Process, including evaluation, due diligence, governance, obtaining Treasury Approvals and other regulatory approvals, audit and oversight, and may disclose such information to its officials, employees, the Transaction Advisor, other advisers, relevant Treasury, auditors and other competent authorities to the extent reasonably necessary for those purposes and permitted under Applicable Law.

(l) The obligations contained in this clause shall survive the Respondent's withdrawal from the Procurement Process, its failure to be pre-qualified, the completion or cancellation of the Procurement Process and, to the extent applicable, the conclusion of the Successor PPP Agreement.

4.5.15 **Applicable Law**

(a) This RFQ, the Procurement Process and all subsequent procurement documentation will be governed by and construed in accordance with the laws of South Africa.

(b) Each Respondent is responsible for ensuring that its participation in the Procurement Process and its Response comply with Applicable Law.

5 INFORMATION ABOUT THE PROJECT

5.1 Introduction

5.1.1 Following the completion of the Feasibility Study for the Project, the Department, on 21 September 2026, obtained Treasury Approval I ("**TA I**") from National Treasury in terms of Treasury Regulation 16.4. In granting TA I, National Treasury confirmed that the Project substantially meets the applicable requirements and may proceed to the procurement stage.

5.1.2 The Project is intended to support the continued delivery of tertiary and specialised healthcare services and to strengthen collaboration between the public and private healthcare sectors. One of the Department's important strategic objective of the Project is to support the attraction and retention of specialist clinical skills within the Free State Province, together with the continued strengthening of the academic health platform and continuity of specialist clinical capacity across the co-located public and private hospital platforms.

5.1.3 Accordingly, the Department intends, through the Project, to establish a sustainable long-term arrangement which enables the Successor Private Party to operate and maintain the relevant private-wing facilities and provide the Project Deliverables, while supporting the Department's broader healthcare service-delivery objectives.

5.1.4 In furtherance of the Department's objective of attracting and retaining specialist clinical skills, Respondents will be required to demonstrate how their proposed approach to the Project will support the meaningful participation, attraction and retention of appropriately qualified clinical professionals and specialists.

5.2 Description of the Project

5.2.1 The Department is undertaking a programme to ensure the continued and sustainable utilisation of designated private healthcare facilities and associated shared facilities and services at UAH and PTH following the expiry of the Existing PPP.

5.2.2 The Project entails the procurement and implementation of the Successor PPP through which a suitably qualified and experienced Successor Private Party will be appointed to undertake the private-wing co-location arrangements at the Hospitals in accordance with the Successor PPP Agreement.

5.2.3 The Project is intended to preserve the co-location model under which public and private healthcare operations are accommodated within the Hospitals, including through the use of the Facilities designated for private-sector operations and, where appropriate, the shared utilisation of specified clinical, diagnostic, support and other hospital facilities and services.

5.2.4 The Successor PPP is presently envisaged to comprise approximately 260 private-wing beds across UAH and PTH, together with the associated facilities, selected shared clinical and support services, asset-management and maintenance responsibilities, public-private operational interfaces and such other Project Deliverables as may ultimately be specified in the RFP and the Successor PPP Agreement.

5.2.5 The Project further encompasses the Transition from the Existing PPP to the Successor PPP. Given that the Hospitals will remain operational throughout the Procurement Process and Transition, the implementation of the Successor PPP will be required to maintain continuity of healthcare and related services and to minimise disruption to the public and private operations of the Hospitals.

5.2.6 The Successor PPP will constitute a new PPP arrangement. The Project does not contemplate the assignment, cession or novation of the Existing PPP Agreement to the Successor Private Party. The scope, contractual structure, risk allocation, performance requirements and commercial arrangements applicable to the Successor PPP will be separately determined through the Procurement Process and embodied in the Successor PPP Agreement.

5.2.7 The Project is being procured on the basis that the Department will remain responsible for the discharge of its statutory and constitutional public healthcare mandate. The appointment of the Successor Private Party will not transfer that mandate. The Successor PPP will instead provide the contractual framework within which the Successor Private Party will undertake the functions, assume the responsibilities and bear the financial, technical and operational risks allocated to it under the Successor PPP Agreement.

5.3 Project Objectives

5.3.1 The overarching objective of the Project is to establish a sustainable successor Co-location arrangement at UAH and PTH which supports the Department in the discharge of its public healthcare mandate while facilitating appropriate private-sector participation and the effective utilisation of the designated Facilities and resources within the Hospitals, and the implementation of the Successor PPP alongside the Department's broader public-side capital project.

5.3.2 In furtherance of this objective, the Project seeks to:

(a) ensure continuity of the private-wing co-location arrangements at the Hospitals following the expiry of the Existing PPP;

(b) promote the efficient and sustainable utilisation of designated Facilities, infrastructure, equipment and other resources within the Hospitals;

(c) facilitate the continued provision of private healthcare services within designated areas of the Hospitals, alongside and without compromising the Department's public healthcare operations;

(d) establish appropriate arrangements for the sharing and utilisation of specified clinical, diagnostic, support and other hospital facilities and services between the public and private operations at the Hospitals;

(e) establish clear and effective operational, clinical, facilities-management and other interfaces between the Department, the Hospitals and the Successor Private Party;

(f) secure appropriate private-sector expertise, capacity and resources for the operation, management and maintenance of those components of the Hospitals allocated to the Successor Private Party;

(g) achieve an appropriate allocation of financial, technical and operational risks between the Department and the Successor Private Party in accordance with the requirements applicable to PPPs;

(h) procure a Successor PPP which is affordable to the Department and provides Value for Money over the term of the Successor PPP Agreement;

(i) facilitate the implementation of the Department's broader public-side capital programme, including infrastructure rehabilitation, ICT modernisation, health technology and medical equipment renewal and other public-side enabling works, which are intended to be pursued separately from the Successor PPP through the BFI

(j) advance the Department's applicable transformation, B-BBEE and socio-economic objectives through the Project; and

(k) provide for an orderly Transition from the Existing PPP to the Successor PPP, including appropriate arrangements to maintain continuity of healthcare and related services during Transition and Service Commencement.

5.3.3 In pursuing the Project Objectives, the Department intends that the Successor PPP should complement, and not adversely affect, the continued operation of UAH and PTH as public tertiary, specialist, referral and academic healthcare Departments.

5.4 Project Goals

5.4.1 In order to determine whether the Project successfully meets the Department's strategic objectives, a number of Project Goals have been identified. Each Pre-Qualified Bidder will be required, in its RFP Response, to demonstrate how its proposed solution will address and contribute towards the achievement of each of the Project Goals.

5.4.2 The Project Goals are set out below so that Respondents may, from the earliest possible stage of the procurement process, take into account the Department's overall objectives for the Project.

5.4.3 The Project Goals are as follows:

(a) procurement and implementation of a sustainable Successor PPP for the continuation of the Existing PPP, which supports the Department in achieving its mandate, strategic objectives and healthcare service-delivery objectives;

(b) continued and sustainable provision of tertiary and specialised healthcare services within the Free State Province, including the maintenance of effective collaboration and appropriate integration between the public and private healthcare platforms;

(c) attraction and retention of scarce and specialist clinical skills within the Free State Province and the maintenance of continuity of specialist clinical capacity across the co-located public and private hospital platforms;

(d) strengthening and continued support of the academic health platform, including the creation and maintenance of an appropriate environment for clinical service delivery, teaching, training, skills development and the development of healthcare professionals;

(e) meaningful ownership and participation in the Project by appropriately qualified clinical professionals and specialists, through an appropriate and legally compliant mechanism proposed by the Respondent which achieves the Department's objectives of attracting, retaining and securing the continued participation of specialist clinical skills in the Project, and which is capable of being implemented and maintained in compliance with Applicable Laws and the applicable public-service, procurement and PPP regulatory framework;

(f) positive contribution by the Project towards the Department's transformation and empowerment objectives, including through an appropriate Project structure which promotes meaningful and sustainable participation, skills development, economic empowerment and transformation over the Project Term;

(g) demonstration that the Project will substantially meet the output specifications and all applicable clinical, healthcare, technical, operational, maintenance, safety, quality and service standards prescribed by the Department;

(h) effective operation, maintenance and lifecycle management of the Project Assets and Facilities, including their appropriate repair, renewal and replacement over the Project Term, and the appropriate transfer of maintenance, lifecycle and related responsibilities and risks to the Successor Private Party;

(i) effective management of the Handback of the existing private-wing facilities and the transition from the Existing PPP to the successor PPP, including the condition and valuation of the relevant assets, the satisfaction or appropriate management of existing Handback obligations and the orderly transfer or continuation of relevant operational arrangements;

(j) implementation of appropriate Transition and mobilisation arrangements which ensure continuity of healthcare and clinical services and minimise disruption to the ongoing operations of the Hospitals during the Transition to the Successor PPP;

(k) appropriate management of all labour and employee-related matters arising from the transition to the successor PPP, including any applicable consultation, transfer and change-management processes, in a manner which supports service continuity and complies with section 197 of the LRA and any other Applicable Laws;

(l) successful management of key stakeholder relationships throughout the procurement, transition and implementation of the Project, including relationships with affected employees and organised labour, healthcare professionals, regulatory authorities, relevant organs of state and other Project stakeholders;

(m) effective collaboration between the Department, the Successor Private Party and other relevant stakeholders to facilitate the optimal and efficient utilisation of the co-located facilities, infrastructure and shared services and to realise appropriate efficiencies from the co-location model;

(n) achievement of an appropriate allocation and transfer of Project risks to the Party best able to manage those risks, including, where appropriate, operational, demand, maintenance, lifecycle, revenue and performance risks;

(o) procurement of a financially sustainable and Affordable Project, including an appropriate commercial and concession-fee structure which takes account of the Department's retained responsibilities and Project-related costs and supports the long-term sustainability of the Project;

(p) achievement of real and demonstrable Value for Money for the Department and Government over the Project Term, including through appropriate private-sector participation, efficiencies, risk transfer, lifecycle management and the optimal utilisation of the Project Assets and Facilities;

(q) achievement of Financial Close within an appropriate and commercially reasonable timeframe following conclusion of the Successor PPP Agreement and satisfaction of the applicable regulatory and Treasury approval requirements; and

(r) efficient and expeditious implementation of the Project in accordance with the agreed implementation programme and without material disruption to the Department's ongoing healthcare operations.

5.5 Governance Stakeholders

5.5.1 The Department is the procuring Department and will be the contracting party to the Successor PPP Agreement.

5.5.2 The Procurement Process will be undertaken within the governance and approval framework applicable to PPPs under Treasury Regulation 16 and Applicable Law and will involve, as applicable, the relevant Treasury and such other national or provincial governmental authorities as may have an approval, regulatory, oversight or advisory role in relation to the Project.

5.5.3 The Department has established appropriate Project governance arrangements for purposes of overseeing the development and procurement of the Project. These

arrangements include the Project Steering Committee and the Transaction Advisor, together with such Departmental officials, technical, clinical, financial, legal and other advisers or subject-matter experts as may be appointed or designated by the Department from time to time.

5.5.4 The Project Steering Committee is responsible for providing strategic oversight and direction in relation to the Project and for supporting the Department in the governance of the Procurement Process, subject at all times to the statutory responsibilities and decision-making authority of the Department and the applicable Treasury Approval requirements.

5.5.5 In accordance with the Treasury Regulations, the Transaction Advisor has been appointed to:

(a) advise the Department on the preparation of the Feasibility Study, to demonstrate Affordability, appropriate risk transfer and initial Value for Money for the Project;

(b) advise and assist the Department in relation to the expiry and Transition of the Existing PPP Agreement, including, *inter alia*, the assessment of the condition, valuation and Transition requirements applicable to the existing Project Assets and Facilities, the identification and management of outstanding Handback obligations and risks, and the development of an appropriate Handback and Transition strategy in line with the applicable provisions of the Standardisation and the Existing PPP Agreement;

(c) advise and assist the Department in planning for and managing the Transition from the Existing PPP to the Successor PPP, including the development of appropriate transition, mobilisation, service-continuity, asset, employee and stakeholder arrangements and the incorporation of relevant Transition and Handback requirements into the procurement documentation and PPP Agreement;

(d) prepare the procurement documentation in terms of which the Project is to be procured from the private sector;

(e) assist the Department with the evaluation of the bids, the Value for Money report and the appointment of the Preferred Bidder;

(f) assist the Department in negotiating the Successor PPP Agreement with the Preferred Bidder;

(g) assist the Department and the Successor Private Party, where necessary, to bring the Project to Financial Close; and

(h) prepare a close-out report in respect of the procurement of the Project and workshop the findings with all key stakeholders.

5.5.6 UAH and PTH will participate in the Project governance arrangements to the extent required by the Department, having particular regard to the operational, clinical, technical and Transition interfaces arising from the implementation of the Successor PPP within the Hospitals.

5.5.7 The diagram below reflects the governance structure for the Project as well as the overall programme management structure.

PROPOSED PPP GOVERNANCE STRUCTURE

Free State Department of Health – UAH and PTH Successor PPP

ACCOUNTING OFFICER / HEAD OF DEPARTMENT

- Overall accountability for the PPP
- Approval of key decisions
- Treasury submissions and statutory approvals

EVALUATION GOVERNANCE STRUCTURE

(RFQ and RFP Stages)

	STRUCTURE	KEY FUNCTIONS
1	TECHNICAL EVALUATION TEAMS (TETs)	• Evaluate responses in specialist streams: – Technical (infrastructure, clinical, operational solutions) – Legal – Financial (including affordability and value for money) – B-BBEE / socio-economic objectives • Prepare evaluation reports and scores for submission to the ECC
2	EVALUATION CO-ORDINATION COMMITTEE (ECC)	• Co-ordinates and manages the work of the TETs • Reviews and interrogates TET evaluation reports and scores • Ensures consistent application of evaluation criteria and methodology • Compiles a consolidated evaluation report and recommendation to the PEC
3	PROJECT EVALUATION COMMITTEE (PEC)	• Considers the consolidated evaluation report and recommendations • Reviews the evaluation process and outcomes • Recommends the respondents to be pre-qualified to the Accounting Officer / HOD • May refer matters back to the ECC for further evaluation or clarification
4	ACCOUNTING OFFICER / HEAD OF DEPARTMENT	• Considers the PEC's recommendation • Approves the list of pre-qualified respondents to proceed to the RFP stage • Ensures compliance with applicable laws and SCM requirements • Submits required documentation to National Treasury (Treasury Approval: IIA)

PROJECT GOVERNANCE AND MANAGEMENT

(Throughout the Project Lifecycle)

STRUCTURE	KEY FUNCTIONS
PROJECT STEERING COMMITTEE (PSC)	• Strategic oversight of the PPP • Monitors progress, risks and key decisions • Endorses key deliverables for Treasury submission • Provides strategic guidance and escalates matters as required
PROJECT OFFICER	• Day-to-day management of the PPP procurement process • Coordinates advisers and workstreams • Manages preparation of procurement documents • Oversees stakeholder engagement • Manages Treasury submissions (T16: IIA, IIB and III) • Ensures alignment with project objectives and timeframes
TRANSACTION ADVISER AND SPECIALIST WORKSTREAMS	• Legal workstream • Financial workstream • Technical workstream • Clinical workstream • HR and transition workstream • Other specialist support (e.g. commercial, environmental, etc.)
UAH AND PTH REPRESENTATIVES	• Provide clinical and operational input • Support development of specifications and requirements • Advise on hospital interfaces, assets, transition and service continuity • Participate in relevant workstreams

NATIONAL TREASURY – TREASURY REGULATION 16 APPROVALS

TREASURY APPROVAL: IIA	→	TREASURY APPROVAL: IIB	→	TREASURY APPROVAL: III
Approval of procurement documentation (including draft PPP agreement)		Approval of evaluation report and pre-qualified respondents		Approval to conclude PPP agreement (including management plan and due diligence)

6 THE PROJECT

6.1 Introduction – Project Origin and Background

6.1.1 Project Origins

(a) UAH and PTH form part of the Department's tertiary, specialist, referral and academic healthcare platform in the Free State Province.

(b) The Existing PPP originated from the Department's recognition of the need to optimise the utilisation of available public healthcare resources at the Hospitals through an appropriate co-location arrangement involving private-sector participation.

(c) Pursuant to that objective, the Existing PPP Agreement was concluded in respect of UAH and PTH and established a co-location PPP arrangement under which designated Facilities within the Hospitals were made available for private-sector use, while certain other facilities and services were utilised jointly within the public and private healthcare environments.

(d) The Existing PPP accordingly established an integrated public-private hospital environment in which private healthcare operations are undertaken within designated areas of the Hospitals alongside the Department's public healthcare operations, with certain Facilities, infrastructure and services being utilised on an exclusive or shared basis, as applicable.

(e) The Existing PPP Agreement also allocates responsibility for the operation, management and maintenance of the relevant Facilities and regulates the respective rights and obligations of the parties in relation to the use of the Hospitals, the provision of services and the interfaces between the public and private healthcare operations.

(f) The Existing PPP Agreement has subsequently been amended, including in relation to the scope of the relevant facilities, certain service arrangements and the duration of the Existing PPP.

(g) The Existing PPP is presently scheduled to expire on 30 November 2027, following extensions granted to enable continuity of the existing arrangements while the Department completes the processes required for the procurement and implementation of a Successor PPP arrangement.

(h) Against this background and having regard to the needs analysis and options analysis undertaken as part of the Feasibility Study, the continuation of the private-wing co-location model at UAH and PTH has been identified as the preferred option for the future private-wing arrangement. The Feasibility Study concludes that the co-location model better preserves private-sector participation and continuity, facilitates shared clinical-service arrangements and provides a clearer pathway for revenue generation, cost recovery and appropriate risk transfer.

(i) The Project accordingly arises from the need to procure and implement the Successor PPP before expiry of the Existing PPP and to establish a sustainable framework for the continuation of the private-wing co-location arrangements at UAH and PTH.

(j) The Project does not contemplate the assignment, cession or novation of the Existing PPP Agreement. The Successor PPP will constitute a new PPP arrangement, the terms, scope, risk allocation and performance requirements of which will be separately determined through the Procurement Process and embodied in the Successor PPP Agreement.

(k) The Project will, however, be implemented within the existing operational environment at UAH and PTH. The Procurement Process must accordingly take proper account of the physical, operational, contractual, asset, employment and service interfaces arising from the Existing PPP and provide for an orderly Transition to the Successor PPP.

(l) The expiry and Handback of the Existing PPP and the mobilisation and commencement of the Successor PPP will accordingly constitute coordinated but legally distinct processes.

6.1.2 **Description of Project**

6.1.2.1 ***Project Sites and Existing Facilities***

(a) The Project will be undertaken at UAH and PTH and will principally comprise the existing private-wing facilities and associated areas presently utilised for purposes of the Existing PPP, together with such other facilities, areas, assets and interfaces as may be identified by the Department for purposes of the Successor PPP.

(b) The Project is accordingly to be implemented within existing and operational public hospital environments. The Successor PPP will substantially involve the continued utilisation, operation and management of existing facilities and assets, subject to:

(i) the Transition requirements under the Existing PPP Agreement;

(ii) the outcome of the Department's Due Diligence in relation to the relevant Facilities and assets;

(iii) the condition in which the relevant Facilities and assets are returned to the Department;

(iv) the allocation of maintenance, lifecycle, refurbishment, replacement and other asset-related obligations under the Successor PPP Agreement; and

(v) such further requirements as may be specified in the RFP.

(c) The detailed boundaries of the Project Sites, the Facilities and areas to be made available to the Successor Private Party and the arrangements governing access to and use of shared areas, infrastructure and services will be more fully described in the RFP and the relevant Project Documents.

(d) Respondents should not assume that the physical footprint, facilities or use arrangements applicable under the Existing PPP will necessarily be replicated without modification under the Successor PPP.

6.1.2.2 ***Private-Wing Capacity***

(a) The key requirement of the Project is to provide for the continued and sustainable operation of the private-wing co-location arrangements at the Hospitals in a manner that is appropriately integrated with the Hospitals and consistent with the Department's continued operation of the public hospital platform.

(b) The Successor PPP is presently envisaged to comprise approximately 260 private-wing beds across Hospitals, together with the facilities, selected shared clinical services, operational interfaces, Transition arrangements, risk-transfer obligations, Handback requirements, performance standards and contract-management arrangements associated with the private-wing operations.

(c) The precise allocation and configuration of the private-wing beds between UAH and PTH, the clinical disciplines to be accommodated and the facilities and services associated with those operations will be further specified in the RFP.

(d) Respondents should accordingly regard the scope described in this RFQ as providing the framework within which the Project is to be procured. The definitive Project Deliverables and output specifications will be contained in the RFP.

6.1.2.3 ***Project Phases***

The Project is presently envisaged to comprise the following principal phases:

(a) **Handback and Transition Phase**

The Handback and Transition Phase will include, as applicable:

(i) the Handback of the relevant Facilities, areas and assets under the Existing PPP Agreement;

(ii) verification of the ownership, condition, status and remaining useful life of the relevant facilities and assets;

(iii) identification of assets required to be handed back, retained, transferred, replaced, removed or otherwise dealt with in connection with the Successor PPP;

(iv) mobilisation and operational readiness of the Successor Private Party;

(v) implementation of the Transition requirements;

(vi) management of employees and applicable labour law requirements, including the application of the LRA and section 197 thereof, where applicable;

(vii) management of relevant arrangements with healthcare practitioners, tenants, Subcontractors and other service providers;

(viii) transfer, migration or other appropriate treatment of information, records, systems and Personal Information;

(ix) establishment of the licenses, permits, registrations, accreditations and other regulatory requirements necessary for Service Commencement;

(x) establishment and testing of the operational arrangements and interfaces applicable to shared clinical and support services;

(xi) patient and service-continuity arrangements; and

(xii) such other measures as may be necessary to achieve an orderly commencement of the Successor PPP without material disruption to healthcare services.

(b) **Operational Phase**

During the Operational Phase, the Successor Private Party will be required to operate and manage the private-wing facilities and perform the Project Deliverables in accordance with the Successor PPP Agreement.

Without limiting the detailed requirements to be prescribed in the RFP, these obligations are presently expected to include:

(i) operation and management of the designated private-wing facilities;

(ii) provision and management of the private healthcare services forming part of the Project;

(iii) management and maintenance of the facilities and Project Assets allocated to the Successor Private Party;

(iv) performance of applicable lifecycle, replacement and asset-management obligations;

(v) participation in and management of applicable shared clinical and support-service arrangements;

(vi) management of the operational interfaces between the private-wing operations and the Department's public healthcare operations;

(vii) management of applicable tariff, billing, collection, revenue-sharing and cost-recovery arrangements;

(viii) compliance with applicable service levels, output specifications and performance standards;

(ix) compliance with Applicable Law and applicable licenses, permits, registrations and accreditations;

(x) compliance with applicable B-BBEE and socio-economic obligations; and

(xi) compliance with the monitoring, reporting, audit and contract-management requirements prescribed under the Successor PPP Agreement.

(c) **Exit and Handback Phase**

Prior to expiry or earlier termination of the Successor PPP Agreement, the Successor Private Party will be required to implement the applicable exit and Handback arrangements to ensure that the relevant Facilities, Project Assets, information, records and operational responsibilities are returned or transferred in the condition and manner prescribed in the Successor PPP Agreement and without material interruption to healthcare services.

6.1.2.4 ***Continuity of Healthcare Services***

(a) Throughout the Handback, Transition and Operational Phases, the Project must be implemented in a manner that protects continuity of healthcare services, patient safety and the continued operation of UAH and PTH.

(b) The Successor Private Party will accordingly be required to plan and perform its mobilisation and operations so as to minimise disruption to the Department's public healthcare operations and to the private-wing services forming part of the Project.

(c) The detailed continuity arrangements will be prescribed in the RFP and may include requirements relating to patient admissions, long-stay and critical-care patients, medication, treating-practitioner continuity, patient and clinical records, communications, emergency arrangements and the sequencing of the Transition.

6.1.2.5 ***Shared Clinical and Support Services***

(a) The co-location model contemplates that certain clinical, diagnostic, technical and support services may be utilised across the public and private healthcare environments at UAH and PTH.

(b) The Successor PPP may accordingly provide for selected shared clinical and support services where these support the effective utilisation of available resources, cost recovery and appropriate service delivery between the public and private healthcare environments.

(c) The precise shared services forming part of the Project, together with the applicable capacity, access, prioritisation, service-level, tariff, billing, cost-recovery and performance arrangements, will be specified in the RFP.

(d) Respondents should not assume that any particular service presently provided or shared under the Existing PPP will continue on the same contractual, operational or commercial basis under the Successor PPP.

6.1.2.6 ***The Facilities Management and Maintenance***

(a) The Successor Private Party will be required to assume responsibility for the maintenance, lifecycle management and facilities-management obligations relating to the private-wing facilities and Project Assets to the extent allocated to it under the Successor PPP Agreement.

(b) The detailed facilities-management scope will be prescribed in the RFP and may include such hard and soft facilities-management services as are necessary for the safe, effective and continuous operation of the private-wing facilities.

(c) The allocation of responsibility for infrastructure, utilities or services shared between the Department and the Successor Private Party, including Department-controlled infrastructure upon which the private-wing operations depend, will be specifically addressed in the RFP and the Successor PPP Agreement.

(d) For the avoidance of doubt, the Successor PPP does not constitute an IFM arrangement in respect of the entirety of UAH and PTH. The Feasibility Study considered but did not adopt an IFM model as the preferred option for the Project.

6.1.2.7 ***Project Assets and Equipment***

(a) The Project will involve existing Facilities, equipment and the Project Assets presently utilised in connection with the Existing PPP, together with such further assets as may be required for purposes of the Successor PPP.

(b) As part of the Handback and Transition process, the Department will seek to establish and verify, amongst other matters:

(i) the assets owned by the Department;

(ii) assets owned by the Existing Concessionaire or third parties;

(iii) assets required to be handed back under the Existing PPP Agreement;

(iv) assets which may lawfully be removed by the Existing Concessionaire;

(v) the condition, remaining useful life and maintenance status of relevant assets;

(vi) applicable warranties, service contracts and support arrangements; and

(vii) the assets to be made available to the Successor Private Party for purposes of the Successor PPP.

(c) The RFP will identify, to the extent then determined, the Project Assets to be made available to the Successor Private Party and the applicable ownership, use, maintenance, replacement, refresh and Handback requirements.

(d) Respondents should not assume that any asset currently utilised in connection with the Existing PPP will necessarily be available to the Successor Private Party or will be made available in its current condition.

6.1.2.8 ***ICT, Information and Records***

(a) The Successor PPP will require appropriate ICT, information-management and data-governance arrangements to support the private-wing operations and the interfaces between the public and private healthcare environments.

(b) The detailed requirements will be specified in the RFP and may include requirements relating to:

(i) ICT systems and interfaces;

(ii) patient administration;

(iii) patient and clinical records;

(iv) interoperability with relevant Departmental systems;

(v) information security and cybersecurity;

(vi) business continuity and disaster recovery;

(vii) retention, access, migration and transfer of information and records; and

(viii) compliance with POPIA and other Applicable Law governing Personal Information and health information.

(c) For the avoidance of doubt, the broader ICT modernisation requirements applicable to the public hospital platform do not form part of the PPP affordability model and are being progressed separately as part of the broader public-side capital programme.

6.1.2.9 ***Healthcare Practitioners, Tenants and Subcontractors***

(a) The existing private-wing operations include arrangements with healthcare practitioners, tenants, Subcontractors and other service providers which may be relevant to the continuity and future operation of the Project.

(b) The Department is undertaking Due Diligence in respect of such arrangements, including their nature, duration, expiry, termination rights and operational significance.

(c) No Respondent should assume that any existing practitioner, tenant, Subcontractor or other contractual or commercial arrangement will automatically transfer to be novated to or continue with the Successor Private Party.

(d) The RFP will provide such further information and prescribe such requirements applicable to these arrangements as the Department considers relevant to the Project.

6.1.2.10 ***Employment and Labour Matters***

(a) The Transition from the Existing PPP to the Successor PPP will require consideration of the employment arrangements applicable to employees engaged in the operations and services to be undertaken by the Successor Private Party, including the application of section 197 of the LRA.

(b) The Transition shall constitute the transfer of a business, undertaking or service, or part thereof, as a going concern for purposes of section 197 of the LRA. Accordingly, the contracts of employment of employees employed in the transferring operations shall transfer to the Successor Private Party by operation of law, with the consequences prescribed by section 197 of the LRA, subject to any agreement lawfully concluded in accordance with section 197(6) of the LRA.

(c) The Department will undertake the requisite labour and employment Due Diligence to establish the nature of the proposed transfer, the employees associated with the transferring operations, the relevant terms and conditions of employment, accrued entitlements, collective agreements and employment liabilities, and the implications of these matters for the Procurement Process and the Transition.

(d) The RFP will set out the employment and labour requirements applicable to the Successor PPP and provide the relevant information necessary for Preferred Bidders to assess and price their obligations, including any obligations arising under section 197 of the LRA and the arrangements required to maintain continuity of employment and services.

(e) The Successor Private Party will be required to comply with section 197 of the LRA to the extent applicable, together with all other applicable labour-law requirements.

Nothing in this RFQ excludes, limits or derogates from any rights or obligations arising by operation of the Applicable Law.

6.1.2.11 ***Project Sites and State Property***

(a) The Department will make the relevant portions of the Project Sites and such State Property as is identified in the RFP available to the Successor Private Party for purposes of undertaking the Project, subject to the terms of the Successor PPP Agreement.

(b) The making available of the Project Sites or any State Property to the Successor Private Party will not constitute a transfer of ownership unless expressly provided otherwise in the Successor PPP Agreement.

(c) The rights of occupation, access and use granted to the Successor Private Party, including rights relating to shared areas, common infrastructure, utilities, access routes, parking and other operational interfaces, will be specified in the RFP and the Successor PPP Agreement.

6.1.2.12 ***Land, Planning, Environmental and Regulatory Matters***

(a) The Successor Private Party will be required to comply with all Applicable Law relevant to its use and occupation of the Project Sites and the performance of the Project Deliverables.

(b) The allocation of responsibility for obtaining, maintaining and renewing applicable land-use approvals, building approvals, healthcare licenses, environmental authorisations, occupational health and safety approvals and other permits, consents, registrations or approvals will be specified in the RFP and the Successor PPP Agreement.

(c) Respondents will be expected to demonstrate an appropriate understanding of the regulatory environment applicable to the Project and, at the RFP stage, to demonstrate how the applicable regulatory requirements will be satisfied.

6.2 Project Requirements

6.2.1 **The Department's View of the Project**

(a) For potential Respondents, the Project offers an opportunity to provide serviced central referral Hospitals for the Project Term, which is anticipated to be 20 years, as a PPP while providing, technical, legal, financial and B-BBEE solutions for the Project.

(b) As with other PPP initiatives within South Africa, this Project aims to create a long-term public-private sector partnership compliant with the PFMA and applicable regulations and guidance relevant to the PPP transactions.

(c) The Department intends that the Successor PPP should:

(i) ensure continuity of the private-wing co-location arrangements following expiry of the Existing PPP;

(ii) support the efficient and sustainable utilisation of the relevant facilities and State Property;

(iii) establish clear and effective operational interfaces between the private and public healthcare environments;

(iv) facilitate appropriate shared clinical and support-service arrangements;

(v) maintain the private-wing facilities and relevant Project Assets to the required standards;

(vi) establish measurable service and performance outcomes;

(vii) secure appropriate private-sector expertise, capacity and resources;

(viii) provide Value for Money;

(ix) remain Affordable to the Department; and

(x) achieve the transfer to the Successor Private Party of substantial financial, technical and operational risk appropriate to the nature of the Project.

(d) The Project Deliverables will, to the extent appropriate, be specified by reference to required outputs and performance standards rather than unnecessarily prescriptive inputs.

(e) The Successor Private Party will be required to be a single legal entity capable of entering into and performing the Successor PPP Agreement. The detailed requirements relating to the legal structure, ownership and control of the Successor Private Party will be prescribed in the RFP.

(f) The use by the Successor Private Party of Key Contractors, Subcontractors or other service providers will not relieve the Successor Private Party of responsibility for performance of its obligations under the Successor PPP Agreement.

(g) The Successor PPP Agreement will establish a comprehensive performance-monitoring regime, including applicable performance standards, reporting requirements, rectification obligations and contractual consequences for failure to achieve the required performance.

(h) The definitive contractual structure and Project requirements will be developed having regard to the National Treasury PPP framework and Standardised PPP Provisions, appropriately adapted to the nature and risk profile of the Project.

6.2.2 **Risk Allocation**

(a) The Successor PPP will be structured so that each material Project risk is allocated to the party best able to manage that risk, having regard to Affordability, Value for Money and the requirement for substantial risk transfer.

(b) Without prejudging the detailed risk allocation to be set out in the RFP, it is presently anticipated that the Successor Private Party will assume substantial responsibility for risks associated with:

(i) the operation and performance of the private-wing Facilities;

(ii) compliance with applicable service and performance requirements;

(iii) maintenance and lifecycle obligations allocated to it;

(iv) regulatory compliance applicable to its operations;

(v) its employees, Key Contractors and Subcontractors;

(vi) commercial and revenue risks allocated to it;

(vii) Transition and mobilisation obligations allocated to it;

(viii) applicable insurance risks; and

(ix) its exit and Handback obligations.

(c) The Department will retain those risks which, having regard to their nature, Applicable Law and Value for Money, are more appropriately borne by the Department.

(d) The definitive risk allocation will be set out in the RFP and the Successor PPP Agreement.

6.2.3 **Performance Requirements**

(a) The Successor Private Party will be required to perform the Project Deliverables in accordance with measurable output specifications and performance standards to be prescribed in the RFP.

(b) The performance regime is expected to address, as applicable:

(i) availability and functionality of the private-wing facilities;

(ii) service quality and responsiveness;

(iii) maintenance and lifecycle standards;

(iv) compliance with public-private interface arrangements;

(v) patient safety and regulatory compliance insofar as these fall within the Successor Private Party's responsibilities;

(vi) health and safety;

(vii) information management and reporting;

(viii) B-BBEE and socio-economic obligations;

(ix) Transition obligations; and

(x) Handback requirements.

(c) The Successor PPP Agreement will prescribe the contractual consequences of non-performance, including applicable rectification requirements, deductions, penalties or other remedies and, in circumstances of sufficiently serious or persistent default, termination rights.

6.3 Commercial, Revenue and Funding Arrangements

6.3.1 The commercial and revenue arrangements applicable to the Successor PPP will be further developed through the Procurement Process and specified in the RFP.

6.3.2 The Successor PPP is expected to include arrangements relating to private-wing revenues and, where applicable, tariffs, charges, revenue-sharing, billing and cost recovery associated with shared clinical and support services and the use of public resources.

6.3.3 The RFP will prescribe the applicable principles governing the collection, verification, allocation, reconciliation and reporting of revenues and charges and the financial obligations of the Successor Private Party and the Department.

6.3.4 Respondents will be required at RFP stage to demonstrate that their proposed commercial and financial solution is sustainable and satisfies the applicable affordability, Value for Money and risk-transfer requirements.

6.3.5 The Department does not at RFQ stage prescribe a particular financing structure for the Project. The detailed financial requirements applicable to the Successor Private Party, including any requirements relating to equity, debt, guarantees, security or other financial support, will be specified in the RFP.

6.3.6 The Successor Private Party will not be entitled to encumber State Property for purposes of financing the Project except to the extent expressly permitted under the Successor PPP Agreement and Applicable Law.

6.3.7 The Respondents are hereby notified that arrangement for existing assets and equipment will be set out in the RFP and should not assume that there will be a transfer of any existing Project Assets.

6.4 Department's Planned Rehabilitation Works

6.4.1 The Department is presently pursuing a BFI, a separate programme for the rehabilitation and refurbishment of certain public-side infrastructure at the Hospitals, including associated ICT, health technology and medical equipment requirements. The BFI is being progressed separately from the Successor PPP and remains subject to the applicable approvals and the availability of public-sector funding.

6.4.2 Respondents are advised of the BFI for information purposes, as rehabilitation or refurbishment works undertaken at UAH and PTH during the term of the Successor PPP may interface with, or temporarily affect, the operation of the private hospital Facilities, including through shared engineering, mechanical and other hospital infrastructure and services.

6.4.3 The Department will, in the planning and implementation of any such works, seek to manage the interface with the Successor PPP so as to minimise disruption to the Successor Private Party's operations and to protect continuity of healthcare services.

6.4.4 Respondents should therefore not assume, for purposes of their Responses, that the Department will provide a capital contribution towards the financing of the Successor Private Party's obligations under the Successor PPP. Any Departmental funding, contribution or other financial support ultimately contemplated in respect of the Successor PPP will be expressly identified in the RFP and will remain subject to the applicable approvals.

6.5 The Funding Structure and Contractual Matrix

6.5.1 It is anticipated that substantial funding for the Project will be provided by limited-recourse debt to be made available by Lenders (other than the Shareholders or related parties of the Successor Private Party) who will look primarily to the cash flows generated from the Project to service that debt. Since the cash flows generated in the Project will depend on the sustained delivery by the Successor Private Party of the agreed services at the prescribed performance levels, poor performance by the Successor Private Party will put the servicing of such debt at risk. These Lenders will be able to mitigate such risk in part through step-in and substitution mechanisms provided for in terms of a direct agreement to be concluded between them, the Successor Private Party and the Department.

6.5.2 The financial commitments in the PPP Agreement shall be denominated in Rands. The Successor Private Party will be responsible for and take the risk of currency, interest rate, and other fluctuations and will to that extent make provision within its costs to the Departments for any hedging arrangements which the Successor Private Party may require in relation to its obligations under the PPP Agreement.

6.6 Private Sector Opportunities

6.6.1 The Project provides an opportunity for a private-sector participant to operate and manage the private-wing co-location arrangements at the Hospitals within an established public hospital environment, while supporting continuity of private-sector participation, shared clinical-service arrangements and the efficient utilisation of public-sector assets.

6.6.2 The Successor PPP is intended to be structured as a revenue-supporting, concession-style co-location arrangement rather than as a conventional capital-intensive unitary-payment PPP. The Successor Private Party will be expected to assume responsibility for the financing of its obligations under the Successor PPP and to assume meaningful operational, commercial, maintenance, compliance, Transition and Handback risks associated with the private-wing operations.

6.6.3 The commercial arrangements are expected to include revenue generated from the operation of the private-wing business, together with appropriate arrangements relating to shared clinical services, tariffs, billing, verification, settlement and cost recovery. The Successor PPP will also provide for concession, co-location or other revenue payable to or accruing for the benefit of the Department, as more fully specified in the RFP and the Successor PPP Agreement.

6.6.4 The Department does not presently contemplate that the Successor Private Party will be required to pay rental merely for the opportunity to undertake the Project. Rather, the financial arrangements between the Department and the Successor Private Party will be structured having regard to the PPP co-location model, the use of the Concession Area, applicable revenue arrangements, shared services and the allocation of commercial and operational risk. The detailed payment and revenue mechanism will be set out in the RFP and the PPP Agreement.

6.6.5 The Successor Private Party will be required to assume those lifecycle, maintenance, operational, commercial, compliance and Handback risks allocated to it under the PPP Agreement. Risks associated with the broader public-side infrastructure rehabilitation, ICT and health technology capital programme will not be transferred to the Successor Private Party simply by virtue of the Successor PPP, except to the extent expressly provided for in the RFP and the PPP Agreement.

6.6.6 The Successor PPP will be structured to preserve the Department's public healthcare mandate and public patient access while providing an appropriate framework for the operation of the private wings, shared clinical services and the interface between the public and private hospital environments.

6.6.7 In the event that, for whatever reason, the Successor Private Party utilizes the Department's facilities, health technology, medical equipment and clinical specialist services, the Successor Private Party shall be required to pay for utilization of such equipment, resources and services at rates and/or tariffs to be determined in the RFP.

6.7 Legal Requirements and Statutory Framework

6.7.1 Respondents are advised that the Project is being procured as a PPP in accordance with the PFMA, Treasury Regulation 16 and Applicable Law.

6.7.2 The Successor PPP may only be concluded where the applicable requirements relating to:

(a) Affordability;

(b) Value for Money; and

(c) the transfer of appropriate financial, technical and operational risk to the Successor Private Party,

have been satisfied and the applicable Treasury Approvals have been obtained.

6.7.3 The Procurement Process and the Successor PPP will further be subject to all Applicable Law relevant to the Project, including legislation and regulatory requirements applicable to public procurement, public finance management, healthcare services and facilities, professional and facility licensing, labour and employment, occupational health and safety,

protection of Personal Information and health information, B-BBEE, competition, environmental matters and such other matters as may be applicable to the Project.

6.7.4 The Successor PPP Agreement will be developed having regard to the Standardisation provisions and adapted, where appropriate, to reflect the characteristics and risk profile of the Project.

6.8 B-BBEE and Socio-Economic Development

6.8.1 The Department recognises the Project as an opportunity to preserve and deepen sustainable B-BBEE and socio-economic outcomes over the Project Term.

6.8.2 The Department has compiled a list of B-BBEE outputs, which are mostly in line with those listed in the PPP Manual, published by National Treasury. The B-BBEE and socio-economic requirements applicable to the Project will form an integral part of the Procurement Process and, ultimately, the Successor PPP Agreement.

6.8.3 Consistent with the Applicable Law, the PPP Manual, and Feasibility Study, the Department intends to give effect to the Project's B-BBEE and socio-economic transformation objectives through the successor PPP. Accordingly, the Department expects Respondents to demonstrate, through their proposals, how they intend to give effect to these objectives, including through commitments and arrangements aimed at achieving the following:

(a) To achieve meaningful and beneficial direct ownership of substantial Equity interests in the Successor Private Party to the Successor PPP Agreement by Black People, Black Women and Black Enterprises;

(b) To achieve effective participation in the management control of the Successor Private Party and its Subcontractors by Black People and Black Women;

(c) local employment;

(d) training and skills development;

(e) enterprise and supplier development;

(f) to foster enterprise development of QAEs and EMEs, with a focus on those located around Free State;

(g) to promote positive local socio-economic impact from the Project to the benefit of QSEs and EMEs, the disabled, the youth, and non-government organisations within a targeted area of project operations;

(h) monitoring and reporting;

(i) appropriate cure periods; and

(j) effective contractual remedies for non-compliance.

6.8.4 At RFQ stage, Respondents will be required to demonstrate their existing B-BBEE credentials and relevant experience in implementing socio-economic transformation initiatives, in accordance with the evaluation criteria set out in Annexure B. Respondents are further encouraged to provide an indicative proposal outlining how they envisage giving effect to the Department's B-BBEE and socio-economic transformation objectives contemplated in this clause and Annexure A. Such indicative proposals shall be submitted for information purposes only and shall not be evaluated or allocated points at the RFQ stage.

6.8.5 Pre-qualified Respondents will be required at RFP stage to provide detailed, measurable and auditable commitments relating to the applicable B-BBEE and socio-economic

requirements, together with appropriate implementation, reporting and monitoring arrangements, including, without limitation:

(a) measurable and quantifiable targets (in Rand terms and person months, where applicable) in respect of B-BBEE (in addition to the percentage commitments provided in response to the B-BBEE Scorecard);

(b) a reporting mechanism, which will provide for monthly targets and/or quarterly targets for the Project Term against which the Department can measure compliance;

(c) to indicate the cost of Black Equity;

(d) to indicate cash flows to all Equity holders in the Successor Private Party, with a specific focus on cash flows to Black People;

(e) to provide evidence of commitments made in respect of BBBEE targets, such as share certificates or shareholders' agreements in respect of ownership requirements, which will indicate the voting arrangements of each Black Equity holder and provide for dividends to Black People who are such Equity holders; and

(f) to provide extensive plans and programmes in respect of employment equity, skills development, preferential procurement, enterprise development and socio-economic development.

6.8.6 The commitments ultimately accepted by the Department will, to the extent applicable, be incorporated into the Successor PPP Agreement and will be subject to contractual monitoring and enforcement throughout the Project Term.

6.8.7 **Local Content**

(a) The institution recognises that Local Content will assist South Africa in achieving the strategic goals of industrial development, creating decent jobs, decreasing inequality and eliminating poverty. Local Content involves investment in infrastructure and redevelopment with the focus on creating a competitive and sustainable Local infrastructure sector.

(b) The Department may require Pre-qualified Bidders in their Proposal to commit to certain levels of Local Content in respect of:

(i) facilities, excluding medical equipment; and

(ii) Medical Equipment.

(c) Respondents are required to in their Responses indicate what levels of Local Content they consider would be achievable in respect of:

(i) facilities excluding medical equipment; and

(ii) medical equipment.

(d) In each instance as a percentage expressed of the total value of facilities and medical equipment.

6.9 Project Handback and Expiry

6.9.1 The Successor PPP Agreement will provide for an orderly Handback on expiry or earlier termination of the Successor PPP.

6.9.2 The Handback regime will identify the facilities, Project Assets, information, records and other matters required by the Department for the continued operation of the relevant services following expiry or termination and will prescribe the applicable condition, residual-life, inspection, testing, rectification and transfer requirements.

6.9.3 The Successor Private Party will be required to plan and implement the Handback sufficiently in advance of expiry to ensure continuity of healthcare and related services.

6.9.4 The Handback requirements applicable at the end of the Successor PPP are separate from, and should not be confused with, the Handback obligations arising under the Existing PPP Agreement which precede the commencement of the Successor PPP.

6.9.5 The Department intends that the lessons arising from the Handback and Transition of the Existing PPP will inform the Handback regime incorporated into the Successor PPP Agreement, including the requirement for objectively measurable asset-condition and residual-life standards.

7 THE PROCUREMENT PROCESS

7.1 Overview of the Procurement Process and Timelines

7.1.1 The procurement of the Project will be undertaken in accordance with Treasury Regulation 16, the applicable National Treasury requirements governing PPP procurement and Applicable Law.

7.1.2 The Procurement Process for the Project comprises a preliminary market-engagement phase, followed by the formal competitive procurement process. The principal stages are contemplated to include:

(a) this RFQ process;

(b) the RFP process;

(c) evaluation and selection of the Preferred Bidder;

(d) negotiations and finalisation of the Successor PPP Agreement;

(e) Commercial Close and, where applicable, Financial Close; and

(f) the Transition, mobilisation and Service Commencement processes necessary to facilitate the orderly commencement of the Successor PPP following the Existing PPP.

7.1.3 The Procurement Process is intended to be conducted in a manner which is fair, equitable, transparent, competitive and cost-effective and which enables the Department to identify a suitably qualified and experienced Successor Private Party capable of implementing the Project and assuming the technical, operational and financial risks allocated to it under the proposed PPP Agreement.

7.1.4 The Procurement Process will be undertaken having regard to the findings, assumptions and recommendations contained in the Feasibility Study and the approvals applicable to the Project. The procurement documentation issued at each stage will progressively define the technical, legal, financial, commercial, B-BBEE, socio-economic and other requirements applicable to the Project.

7.1.5 This RFQ constitutes the pre-qualification stage of the formal competitive procurement process. Its purpose is to identify Respondents that demonstrate the requisite legal standing, technical capability, financial capacity, relevant experience, organisational capability, B-BBEE credentials and other competencies required to participate meaningfully in the subsequent RFP stage.

7.1.6 Pre-qualification pursuant to this RFQ will not constitute the appointment of a Successor Private Party, the award of the Project or the conclusion of any agreement with the Department. Only Respondents that are formally notified by the Department that they have been pre-qualified, and that satisfy any conditions attaching to such pre-qualification, will be eligible to participate in the RFP stage.

7.2 Request for Qualification and Pre-Qualification Stage

7.2.1 The RFQ stage is intended to establish whether Respondents possess not only an interest in undertaking the Project, but the requisite capacity, capability, resources and experience to execute the Project effectively and within the requirements contemplated by the Department.

7.2.2 Respondents will accordingly be required to submit Responses containing the information prescribed in this RFQ and the applicable Appendices and Response Forms.

7.2.3 Responses will be evaluated in accordance with the qualification requirements and evaluation methodology stipulated in this RFQ. The evaluation will include, as applicable, consideration of the Respondent's:

(a) legal status, structure and eligibility to participate in the Procurement Process;

(b) proposed consortium composition and the respective roles and responsibilities of its Members;

(c) relevant experience and demonstrated track record;

(d) technical and operational capability;

(e) financial standing and capacity;

(f) capacity to procure and manage the financing requirements associated with the Project;

(g) experience in the development, operation and maintenance of healthcare facilities and/or other projects of comparable scale, complexity and risk profile, as applicable;

(h) B-BBEE credentials and proposed approach to meeting the B-BBEE and socio-economic requirements of the Project;

(i) proposed Key Contractors and other material participants, where required at RFQ stage; and

(j) overall capacity to participate meaningfully in the RFP process and, if ultimately appointed, to undertake the obligations contemplated for the Successor Private Party under the PPP Agreement.

7.2.4 The Department intends to pre-qualify no more than four (4) Respondents to maintain effective competition during the RFP stage. In determining the number of Respondents to be pre-qualified, the Department will have regard to the applicable National Treasury PPP guidance, the number and quality of compliant Responses received, the nature and complexity of the Project and the importance of maintaining competitive tension through the subsequent procurement process.

7.2.5 The Department presently anticipates, subject to the quality and number of qualifying Responses received, pre-qualifying approximately no more than four (4) Respondents.

7.2.6 If the number of Respondents satisfying the pre-qualification requirements is less than 2 (two), the Department may consider the implications for effective competition, affordability, Value for Money and appropriate risk transfer and may take such further steps as are permitted under the applicable PPP regulatory framework.

7.2.7 **RFP Stage**

(a) Only Pre-qualified Bidders will be invited to participate in the RFP stage.

(b) The RFP will contain the detailed requirements governing the submission and evaluation of Proposals and is expected to include, amongst other matters, the detailed output specifications and performance requirements for the Project, the proposed contractual arrangements, the draft PPP Agreement, payment and performance regime, risk allocation, financing requirements, B-BBEE and socio-economic requirements and the detailed technical, legal, financial and commercial evaluation criteria.

(c) Pre-qualified Bidders will be required to develop and submit comprehensive Proposals demonstrating how they propose to deliver the Project and satisfy the requirements prescribed in the RFP.

(d) Nothing contained in this RFQ should be interpreted as finally determining any requirement that the Department expressly reserves for development or confirmation during the RFP stage.

7.2.8 **Preferred Bidder, Commercial Close and Financial Close**

(a) Following evaluation of the Proposals received in response to the RFP and completion of the applicable approval processes, the Department may identify a Preferred Bidder in accordance with the evaluation criteria and procurement requirements applicable to the Project.

(b) Any clarification, finalisation or negotiation undertaken following selection of a Preferred Bidder will be subject to Applicable Law and the applicable Treasury requirements and may not be used to undermine the integrity of the competitive procurement process or materially alter the basis upon which the Preferred Bidder was selected.

(c) The Department will thereafter seek to achieve Commercial Close and Financial Close in accordance with the applicable PPP regulatory requirements and the conditions prescribed for the Project.

(d) No Respondent, Pre-qualified Bidder or Preferred Bidder will acquire any right to the award or implementation of the Project unless and until the relevant agreements have been duly authorised and concluded and all applicable approvals and conditions have been satisfied.

7.2.9 **Indicative Procurement Timetable**

(a) The Department presently anticipates that the Project will proceed substantially in accordance with the indicative timetable set out below. The dates are indicative only and may be amended by the Department in accordance with this RFQ and Applicable Law.

Project Deliverable	Indicative Date
Publication of RFQ	27 November 2026
RFQ briefing session	10 December 2026
Closing date for RFQ clarification questions	15 January 2027
Response Submission Date	27 January 2027
Evaluation of Responses	28 January 2027 – 17 February 2027
Announcement of Pre-qualified Respondents	22 February 2027
Issue of RFP to Pre-qualified Respondents	9 March 2027
RFP due diligence and clarification process	9 March – 10 April 2027
Proposal Submission Date	15 April 2027
Evaluation of Proposals	16 April -17 May 2027
Selection of Preferred Bidder and applicable Treasury Approval	26 May 2027
Preferred Bidder negotiations and finalisation of Successor PPP Agreement	1 June -15 Sep 2027
Treasury Approval prior to execution of Successor PPP Agreement	16 – 30 Sep 2027

Project Deliverable	Indicative Date
Signature / Commercial Close	30 Sep 2027
Transition	1 July – 30 November 2027 [subject to confirmation against Existing PPP Agreement and the Transition Period]
Service Commencement	1 December 2027 [subject to Transition]

(b) The timetable is indicative and may be amended by the Department where reasonably necessary, subject to Applicable Law and the requirements governing the Procurement Process.

(c) Any amendment to a material procurement date will be communicated to Respondents or Pre-qualified Bidders, as applicable, through the communication procedures prescribed in this RFQ or the subsequent RFP.

(d) No Respondent will be entitled to claim any loss, expense or compensation arising solely from an amendment to the indicative timetable, subject always to Applicable Law and the terms and conditions governing this RFQ.

7.3 Clarification Processes and Briefing Notes

7.3.1 Communications with the Department

(a) All communications relating to this RFQ must be directed to the Project Officer or such other designated representative of the Department identified in this RFQ.

(b) Respondents must not communicate directly or indirectly in relation to the Procurement Process with any employee, official, adviser or representative of the Department other than through the prescribed communication channels, except where expressly authorised by the Department.

(c) The purpose of this requirement is to preserve the integrity, consistency and transparency of the Procurement Process and to ensure that no Respondent obtains an inappropriate informational or competitive advantage.

7.3.2 Requests for Clarification

(a) A Respondent may request clarification of any provision of this RFQ by submitting a written request to the Project Officer in the form and by the date specified in this RFQ.

(b) Requests for clarification must identify clearly the provision of the RFQ to which the query relates and must contain sufficient detail to enable the Department to consider and respond to the query.

(c) The Department may decline to respond to a request received after the applicable deadline or to a request which it considers irrelevant, repetitive, inappropriate or incapable of being answered without prejudicing the integrity of the Procurement Process.

7.3.3 Responses to Clarification Requests

(a) Where the Department considers that a clarification and its response are material to the preparation of Responses generally, the Department may circulate the clarification and its response to all Respondents, subject to the protection of confidential or commercially sensitive information where appropriate.

(b) The Department will not ordinarily identify the Respondent that submitted the relevant clarification request.

(c) A clarification response issued formally by the Department must be read together with this RFQ and, to the extent expressly stated by the Department, may supplement or clarify the requirements of this RFQ.

(d) No oral statement, informal communication or representation by any employee, adviser, consultant or other representative of the Department will amend or qualify this RFQ unless subsequently confirmed through an authorised written communication issued by the Department.

7.3.4 **Briefing Sessions and Site Visits**

(a) The Department may convene one or more briefing sessions, information sessions, site visits or other engagements with Respondents were considered appropriate for the Project.

(b) The Department will notify Respondents whether attendance at any such session is compulsory or voluntary and will provide the applicable arrangements.

(c) Respondents attending a site visit or briefing session will do so at their own cost and risk and must comply with all applicable access, health and safety, security, confidentiality and operational requirements.

(d) Having regard to the operational nature of the relevant hospital facilities, Respondents must ensure that any site engagement is undertaken in a manner which does not interfere with clinical activities, patient care or the ordinary operation of the relevant facilities.

(e) Information provided during a briefing session or site visit will not constitute an amendment to this RFQ unless incorporated into a formal written clarification, briefing note or addendum issued by the Department.

7.3.5 **Briefing Notes and Addenda**

(a) The Department may issue briefing notes, clarification notices, addenda or other formal communications at any time before the Closing Date.

(b) Any such document formally issued by the Department will form part of the procurement documentation and must be taken into account by Respondents in preparing their Responses.

(c) Where an amendment is material and, in the Department's assessment, Respondents reasonably require additional time to accommodate it, the Department may extend the Closing Date.

(d) Respondents are responsible for ensuring that they have received and considered all formal communications issued by the Department before submitting their Responses.

7.4 Changes to the Composition of Consortia

7.4.1 **General Principle**

(a) The composition, ownership, control and structure of each Respondent and, following pre-qualification, each Pre-qualified Bidder, are material to the Department's assessment of its capability and suitability to participate in the Procurement Process.

(b) Accordingly, a Respondent or Pre-qualified Bidder may not make any material change to its composition, ownership, control or structure, or to that of any Member whose credentials were material to its qualification, without the prior written consent of the Department.

(c) This requirement applies, without limitation, to the admission, withdrawal, replacement or substitution of a Member; a material change in the ownership or control of a Member; a change affecting a Key Contractor or other material participant; or any restructuring which may affect the technical, operational, financial, legal or B-BBEE credentials upon which the Respondent was evaluated.

7.4.2 **Proposed Changes**

(a) A Respondent or Pre-qualified Bidder proposing a change contemplated in this clause 7.4.2 must apply to the Department for written approval before implementing the proposed change.

(b) The application must contain full particulars of:

(i) the proposed change;

(ii) the reasons for the proposed change;

(iii) the effective date of the proposed change;

(iv) the identity, legal status, ownership and control of any proposed replacement or additional Member;

(v) the role and responsibilities to be assumed by that entity;

(vi) the effect of the proposed change upon the Respondent's or Pre-qualified Bidder's technical capability, financial capacity, experience, B-BBEE status and other qualification credentials;

(vii) any consequential change to the allocation of responsibilities between Members; and

(viii) such additional information as the Department may reasonably require.

7.4.3 **Assessment of Proposed Changes**

(a) In determining whether to approve a proposed change, the Department may assess the Respondent or Pre-qualified Bidder as reconstituted against the qualification criteria and requirements applicable when the original Respondent was evaluated.

(b) The Department will not approve a proposed change where doing so would:

(i) result in the reconstituted Respondent or Pre-qualified Bidder failing a qualification requirement;

(ii) materially diminish the capability, capacity or experience upon which pre-qualification was based;

(iii) materially diminish or circumvent a B-BBEE or socio-economic requirement applicable to the Procurement Process;

(iv) create an actual or unacceptable potential conflict of interest;

(v) materially affect the competitive position upon which the Respondent was originally evaluated;

(vi) undermine the fairness, transparency, competitiveness or integrity of the Procurement Process; or

(vii) otherwise be inconsistent with Applicable Law or the requirements governing the Project.

7.4.4 **Post-qualification of New Members**

(a) Where a Pre-qualified Bidder proposes to introduce a new Member whose credentials are relevant to the continued satisfaction of the qualification requirements, the Department may require that entity to undergo a post-qualification assessment.

(b) The proposed new Member may be required to provide the same or substantially equivalent information and supporting documentation that would have been required had it participated as a Member at the RFQ Closing Date, including the relevant information prescribed in the Pre-qualification Questionnaire and Response Forms.

(c) The Department may request clarification or additional information from the proposed Member and the Pre-qualified Bidder for purposes of conducting the post-qualification assessment.

(d) Approval of a new Member will not entitle a Pre-qualified Bidder to an extension of any procurement deadline.

7.4.5 **Withdrawal of a Member**

Where a Member proposes to withdraw from a Respondent or Pre-qualified Bidder, the Department may require:

(a) written confirmation from the withdrawing Member of its withdrawal and the proposed effective date;

(b) details of the effect of the withdrawal upon the ownership and structure of the Respondent or Pre-qualified Bidder;

(c) identification of the remaining or replacement Member that will assume the roles, responsibilities and obligations previously allocated to the withdrawing Member;

(d) an updated consortium or members' agreement, where applicable;

(e) updated B-BBEE information; and

(f) any further information reasonably required by the Department to establish that the Respondent or Pre-qualified Bidder continues to satisfy the applicable qualification requirements.

7.4.6 **Unauthorised Changes**

If a material change contemplated in this section is implemented without the Department's prior written consent, the Department may, having regard to the nature and consequences of the change and subject to Applicable Law, disqualify the Respondent or Pre-qualified Bidder or impose such lawful conditions as the Department considers necessary to protect the integrity of the Procurement Process.

7.5 Participation in more than one Consortia

7.5.1 **General Restriction**

(a) No Member of a Respondent may be a Member of, or directly or indirectly participate in, another Respondent in respect of the Project.

(b) The restriction applies throughout the Procurement Process and is intended to prevent conflicts of interest, inappropriate sharing of confidential or competitively

sensitive information and conduct capable of undermining genuine competition between Respondents.

7.5.2 **Advisers and Lenders**

(a) An adviser to a Respondent or Member must not simultaneously act as arranger, underwriter or lead bank to that Respondent where such roles would create an actual or unacceptable potential conflict of interest.

(b) Respondents must disclose the identity and role of their material advisers and, where required by the Department, their proposed financing participants.

(c) Nothing in this RFQ requires Respondents to associate with a particular Lender at RFQ stage unless expressly provided otherwise in the qualification requirements. Detailed requirements regarding financing commitments and lender participation will, where applicable, be prescribed in the RFP.

7.5.3 **Department's Project Team and Transaction Advisers**

No member of the Department's Project Team, Transaction Adviser or other adviser appointed by or on behalf of the Department in connection with the Project may participate in, advise, hold an interest in or otherwise assist a Respondent or Pre-qualified Bidder in connection with the Procurement Process.

7.5.4 **Disclosure and Consequences**

(a) Respondents must disclose promptly any actual, potential or perceived conflict of interest arising during the Procurement Process.

(b) Government officials are prohibited to do business with the State. No quotation or Response obtained through the Procurement Process and/or any other competitive process submitted by government officials and/or employees will be accepted.

(c) The Department may require appropriate measures to manage a disclosed conflict and may, where a conflict cannot adequately be managed without compromising the fairness, competitiveness or integrity of the Procurement Process, disqualify the relevant Respondent or Pre-qualified Bidder, subject to Applicable Law.

7.6 Bid Bond

7.6.1 **Requirement for Bid Bond**

(a) In order to mitigate the risk of Pre-qualified Bidders withdrawing from the Procurement Process following pre-qualification and thereby adversely affecting competition or requiring the Department to repeat or recommence material aspects of the procurement, the Department requires the Respondent, along with its RFQ Response, to submit an original Bid Bond that is compliant with and in accordance with the requirements and wording set out in Annexure D.

(b) Formal appointment as a Pre-qualified Bidder and entitlement to receive the RFP may accordingly be made conditional upon the Pre-qualified Bidder procuring an extension of the validity period of the Bid Bond submitted as part of its RFQ Response. Any such extension shall be on the same terms and conditions, and for the same amount as the Bid Bond originally submitted in accordance with Annexure D, and shall not amend, vary, replace or otherwise qualify the terms of that Bid Bond, save only for the extension of the validity period for such further period as may be required under the RFP phase.

7.6.2 **Amount and Form**

(a) The amount of the Bid Bond will be R5 000 000.00 (five million Rand), or such other amount as may be determined and communicated by the Department in accordance with the applicable procurement requirements.

(b) The amount will be determined having regard to the nature, scale and complexity of the Project and the potential costs and consequences to the Department of a withdrawal that requires the Procurement Process, or a material portion thereof, to be recommenced.

(c) The Bid Bond must:

(i) be issued by a financial institution acceptable to the Department;

(ii) be in the form prescribed in, or in a form substantially similar to, the Bid Bond attached as Annexure D or approved by the Department;

(iii) remain valid until the completion of the pre-qualification process and for such period thereafter as may be required to give effect to the extension of the Bid Bond in accordance with clause 7.6; and

(iv) be unconditional and enforceable in accordance with its terms, subject to the requirements stipulated in the prescribed form.

7.6.3 **Condition of Pre-qualification**

(a) Notification that a Respondent has satisfied the substantive qualification requirements will not, where a Bid Bond is required, constitute an unconditional entitlement to participate in the RFP.

(b) The Department may make formal appointment as a Pre-qualified Bidder conditional upon receipt and acceptance of the required Bid Bond.

(c) Failure to provide a compliant Bid Bond within the prescribed period may result in the relevant Respondent not being formally appointed as a Pre-qualified Bidder and not being invited to participate in the RFP stage.

7.6.4 **Enforcement and Release**

(a) The circumstances in which the Department may call upon the Bid Bond, and the circumstances and timing applicable to its release or expiry, will be specified in the prescribed Bid Bond and/or the applicable procurement documentation.

(b) The Bid Bond requirement will be administered consistently amongst Pre-qualified Bidders and in accordance with Applicable Law and the requirements applicable to the Procurement Process.

(c) Respondents that are not pre-qualified (the "**Unsuccessful Bidder**") will, upon notification by the Department of the outcome of the pre-qualification process, be released from the obligation to maintain the Bid Bond and may thereafter take such steps as may be required by the issuing financial institution to cancel, discharge or otherwise release the Bid Bond. Any costs, fees or expenses associated with the cancellation, discharge or release of the Bid Bond shall be for the sole account of the relevant Respondent, and the Department shall have no liability in respect thereof.

8 INSTRUCTIONS TO RESPONDENTS

8.1 General

8.1.1 This section sets out the requirements applicable to the preparation, completion and submission of Responses to this RFQ. Each Respondent must comply with this section, the Response Forms, the Pre-qualification Questionnaire and all other requirements contained in this RFQ.

8.1.2 Each Respondent is responsible for familiarising itself fully with the RFQ and all information made available by the Department in connection with the Project and for ensuring that its Response is complete, accurate and responsive to the requirements of the RFQ.

8.1.3 The Project concerns the procurement of the Successor PPP in respect of existing operational Hospitals Facilities at which services are presently provided under the Existing PPP arrangements. Respondents must accordingly approach this RFQ on the basis that the Successor PPP will involve, amongst other things, in the Transition from the Existing PPP arrangements to the Successor PPP, continuity of the relevant Services and the assumption by the Successor Private Party of the responsibilities allocated to it under the Successor PPP Agreement.

8.1.4 The Department places particular importance on continuity of operations and the avoidance of disruption to the delivery of healthcare services during the Transition and Handback process. Respondents must therefore demonstrate, to the extent required at RFQ stage, that they possess the experience, organisational capacity, resources and capability necessary to participate in a procurement involving existing operational facilities and the transition from an incumbent Private Party to a Successor Private Party.

8.1.5 Nothing in this RFQ constitutes a representation or warranty by the Department regarding the condition of the Project Assets, the performance of the Existing PPP, the extent of any Handback obligations, the condition in which any asset will be made available to the Successor Private Party or any other matter that will be subject to Due Diligence or further information during the RFP process.

8.2 Format and Submission of Responses

8.2.1 **General Requirements**

(a) Responses must be prepared and submitted strictly in accordance with this RFQ and the applicable Response Forms.

(b) A Respondent must provide all information requested by the Department and must respond fully to each applicable requirement. Where a particular requirement is not applicable to a Respondent, the Respondent must state this expressly and provide a brief explanation.

(c) Information provided elsewhere in a Response will not be regarded as having been provided in response to a particular requirement merely because that information appears elsewhere in the Response. Cross-references should be used where appropriate.

8.2.2 **Compulsory Response Forms**

(a) The prescribed Response Forms annexed hereto as **Annexure F** are intended to facilitate the consistent evaluation of Responses and must be completed in accordance with the instructions accompanying them.

(b) Respondents must not materially amend, qualify or restructure any compulsory Response Form except where expressly permitted by the RFQ.

(c) Where additional information is necessary to explain a response, the Respondent may provide supplementary information, clearly identified and cross-referenced to the relevant Response Form.

8.2.3 **Information Required about Respondents**

8.2.3.1 Each Respondent must provide sufficient information to enable the Department to assess the Respondent's eligibility, capability, capacity, experience, financial standing and overall suitability to be pre-qualified for participation in the RFP stage of the Procurement Process.

8.2.3.2 Without limiting any more specific requirements contained elsewhere in this RFQ, each Respondent must provide information addressing the following:

(a) the overall capability and strength of the Respondent and, where the Respondent comprises a consortium, the collective capability and strength of the consortium;

(b) the proposed composition and structure of the Respondent, including the identity of each Member and the respective roles, responsibilities and proposed participation of each Member in the Project;

(c) the current workload and existing material commitments of each Member, to the extent relevant to assessing its capacity to undertake the responsibilities proposed to be allocated to it under the Project;

(d) the skills, qualifications, experience and track record of the Respondent, its Members, Relevant Organisations and Key Contractors in projects of a similar nature, scale and complexity;

(e) where applicable, the nature and strength of the contractual or other commitments between Members, Key Contractors, subcontractors and proposed Lenders, to the extent relevant at RFQ stage;

(f) the financial capacity, financial standing and market standing of the Respondent and its Members;

(g) the proposed equity participation, ownership and control structure of the Respondent, including the identity of the persons or entities that ultimately own or control each Member, where required by the RFQ;

(h) the ownership, governance and directorship of each relevant Member;

(i) the Respondent's ability to meet the B-BBEE and socio-economic requirements and objectives applicable to the Project;

(j) the historical and current approach of the Respondent and its Members to social responsibility, transformation and socio-economic development, where relevant to the requirements of the Project;

(k) the Respondent's organisational, technical, operational and financial capacity to deliver the Project;

(l) the Respondent's commitment and capacity to meet the anticipated Project timetable, including its capacity to mobilise within the periods contemplated for the transition from the Existing PPP to the Successor PPP;

(m) the Respondent's ability to raise the debt and equity funding required for the Project and, where applicable, to provide or procure appropriate security;

(n) the Respondent's project management capability and experience;

(o) the Respondent's risk management capability and its experience in identifying, allocating, mitigating and managing risks associated with PPP projects or projects of a comparable nature;

(p) the Respondent's understanding of the principal demands, complexities and interfaces associated with the Project;

(q) any material issues identified by the Respondent arising from its review of the Project information made available at RFQ stage which, in its view, may require consideration during the subsequent stages of the Procurement Process;

(r) details of the Respondent's and its Members' previous material contractual relationships with government, public Departments or organs of state, particularly in relation to PPPs, healthcare infrastructure or comparable long-term service arrangements;

(s) the quality assurance, compliance and performance-management systems maintained or proposed by the Respondent and the Members responsible for material Project functions; and

(t) the Respondent's proposed overall approach to the Successor PPP and its ability to integrate the different Project functions and deliverables into a coherent and sustainable operating model.

8.2.3.3 Given that the Project concerns the procurement of a Successor PPP in respect of existing operational hospital Facilities, the information contemplated in clause 8.2 must, where relevant, demonstrate the Respondent's experience and capability in relation to the assumption, transition, mobilisation, operation and maintenance of existing operational facilities, rather than being confined to experience in the development or maintenance of infrastructure.

8.2.3.4 Where a Respondent relies upon the qualifications, experience, financial standing, technical capability or other credentials of a particular Member, Relevant Organisation or Key Contractor to satisfy any pre-qualification requirement, the Respondent must clearly identify:

(a) the entity upon whose credentials it relies;

(b) the particular qualification or capability for which reliance is placed upon that entity;

(c) the role that the entity is proposed to perform in relation to the Project; and

(d) the nature of the commitment by which the relevant capability will be made available to the Respondent for purposes of the Project.

8.2.3.5 The information required under this section must be provided in the manner prescribed in the applicable Response Forms and Pre-qualification Questionnaire forming part of, or appended to, this RFQ. To the extent that a matter required under this section is addressed in a prescribed Response Form, the Respondent need not duplicate that information elsewhere in its Response unless expressly required to do so.

8.2.3.6 The Department reserves the right, during the evaluation of Responses and subject to Applicable Law and the requirements of fairness and equal treatment, to seek clarification or verification of information submitted by a Respondent in accordance with clause 8.8.

8.2.4 **Submission**

(a) Unless otherwise provided in this RFQ, all Responses and supporting documentation must be submitted in English.

(b) Responses must be submitted electronically through the Ansarada Data Room, in the manner prescribed in this RFQ, by no later than the Closing Date and Closing Time.

(c) Each Respondent shall bear sole responsibility for ensuring that its complete Response, including all required supporting documentation and returnable documents, is successfully uploaded to and received through the Ansarada Data Room by the Closing Date and Closing Time.

8.2.5 **List of Mandatory Documents**

Each Respondent must submit, as part of its Response, the mandatory documents listed in the table below. **Failure to submit any mandatory document shall result in the RFQ Response being regarded as non-responsive and disqualified from further consideration**. For the avoidance of doubt, the list below does not relieve a Respondent of its obligation to submit any other information, supporting documentation or returnable documents required elsewhere in this RFQ.

TABLE 1: CHECKLIST OF MANDATORY DOCUMENTS

NO.	MANDATORY DOCUMENT	PROVIDED (Y/N)
1.	Covering Letter signed by authorised representative	
2.	Current CSD registration	
3.	Company registration documents (CIPC)	
4.	Tax Compliance	
5.	Bid Bond	
6.	SBD Forms	
7.	Consortium Agreement/ MoU	
8.	Power of Attorney	
9.	B-BBEE sworn affidavit or certificate	
10.	Certified copies of identity documents and proof of residence (no later than 6 months)	
11.	Authority / resolution to sign	

8.3 Late Submissions

8.3.1 Responses must be received by the Department through the Ansarada Data Room, in the manner prescribed in this RFQ, by no later than the Closing Date and Closing Time.

8.3.2 A Response received after the Closing Date and Closing Time will be regarded as a late submission and will not be considered and will result in the disqualification of the Respondent from the Procurement Process.

8.3.3 It is the sole responsibility of each Respondent to ensure that its Response is submitted and received by the Department in accordance with the requirements of this RFQ before

the Closing Date and Closing Time. The Department will not assume responsibility for any delay in the transmission, delivery or receipt of a Response, including any delay attributable to a Respondent's courier, service provider, electronic transmission arrangements or other delivery arrangements.

8.4 Status and Composition of Respondents

8.4.1 Status of Respondent

(a) A Respondent may comprise a single legal entity or a consortium of entities, subject to the requirements of this RFQ.

(b) Where a Respondent comprises a consortium, the consortium must identify each Member and the respective role proposed for each Member in relation to the Project.

(c) The legal and commercial arrangements proposed between Members must be sufficiently developed at RFQ stage to enable the Department to determine the identity, composition, responsibilities and capability of the Respondent.

8.4.2 Consortium Arrangements

(a) A consortium Respondent must identify a Designated Member authorised to represent the consortium for purposes of the Procurement Process.

(b) The Designate Member will be the principal point of accountability for communications with the Department, without limiting the obligations of any other Member under the RFQ.

(c) The Response must include evidence satisfactory to the Department that each Member has authorised its participation in the consortium and the submission of the Response.

8.4.3 Roles and Responsibilities

(a) The Respondent must clearly identify the proposed allocation of roles and responsibilities between its Members and, where applicable, Key Contractors.

(b) This must include sufficient information to enable the Department to understand which entities will be responsible for the material elements of the Successor PPP, including, as applicable:

(i) Equity participation and sponsorship;

(ii) financing;

(iii) facilities management;

(iv) operation and maintenance;

(v) lifecycle and asset management;

(vi) transition and mobilisation;

(vii) management of Project Assets and infrastructure;

(viii) B-BBEE and socio-economic obligations; and

(ix) other material obligations contemplated for the Successor Private Party.

8.5 Successor PPP Capability

8.5.1 Given the nature of the Project, Respondents should demonstrate relevant experience and capability not merely in the development of new infrastructure but, where applicable, in taking over, mobilising, operating and maintaining existing operational facilities.

8.5.2 Relevant experience may include experience relating to:

(a) transition from an incumbent operator or service provider;

(b) mobilisation within an operating hospital or similarly sensitive operational environment;

(c) asset verification and condition assessment;

(d) implementation of planned and lifecycle maintenance arrangements;

(e) continuity of services during transition;

(f) integration or replacement of existing systems and operational arrangements; and

(g) management of interfaces between outgoing and incoming service providers.

8.5.3 The detailed requirements relating to transition and Handback will be provided at RFP stage.

8.6 Changes in Composition

8.6.1 Any change in the composition, ownership, control or structure of a Respondent or Pre-qualified Bidder will be governed by section 7.4 of this RFQ.

8.6.2 No Respondent should assume that approval will be granted for a subsequent change merely because an alternative entity possesses similar qualifications.

8.7 No Contact Policy

8.7.1 To preserve the fairness, transparency and integrity of the Procurement Process, all communications concerning the RFQ and the Project must take place through the communication procedures prescribed by the Department.

8.7.2 Except where expressly authorised by the Department, no Respondent, Member, employee, representative, adviser or person acting on behalf of a Respondent may, for purposes connected with the Procurement Process, directly or indirectly contact:

(a) any official or employee of the Department other than the designated contact person;

(b) any member of the Project team;

(c) any Transaction Adviser or other adviser to the Department;

(d) any member of an evaluation committee, including the BEC, BSC, DBAC and SCM Directorate ;

(e) any other organ of state or official involved in the approval or evaluation of the Project, for purposes of influencing the Procurement Process; or

(f) any person involved in the Procurement Process where such contact is intended or reasonably capable of providing the Respondent with an unfair advantage.

8.7.3 For the avoidance of doubt, the restriction does not prohibit ordinary-course interactions that a Respondent or Member may independently have with the Department or other organs of state, and which are demonstrably unrelated to this Procurement Process.

8.7.4 Given that the Project relates to existing operational facilities, Respondents must not independently approach the incumbent Private Party, Hospital management, employees,

service providers, patients or other persons associated with the Existing PPP for the purpose of obtaining Project information, conducting inspections or undertaking Due Diligence unless expressly authorised by the Department.

8.7.5 A breach of this clause constitutes a ground for disqualification.

8.8 Further Information

8.8.1 The Department may at any time during the evaluation of Responses request a Respondent to clarify or supplement information contained in its Response where permitted by Applicable Law and consistent with the requirements of a fair and competitive procurement process.

8.8.2 A request for clarification will not afford a Respondent an opportunity to submit a materially different Response, cure a substantive failure to satisfy a mandatory requirement where this would be impermissible, alter its competitive position or introduce material information that ought properly to have formed part of its Response.

8.8.3 A Respondent must provide any clarification or further information requested by the Department within the period stipulated in the request.

8.8.4 The Department may verify any information supplied by a Respondent and may contact references, regulatory authorities or other relevant persons for that purpose, subject to Applicable Law.

8.8.5 The Department may require documentary evidence supporting any statement, representation, qualification, credential or experience claimed by a Respondent.

8.8.6 Respondents must promptly notify the Department if, after submission of a Response but before completion of the Procurement Process, any information contained in the Response becomes materially inaccurate, incomplete or misleading.

8.9 Disclosure of Legal Processes Affecting Respondents and Bidding Consortia

8.9.1 Each Respondent must disclose any existing, pending or, to its knowledge, threatened legal, regulatory, administrative, insolvency or other proceedings involving the Respondent or a Member which may reasonably be expected materially to affect:

(a) its legal capacity or eligibility to participate in the Procurement Process;

(b) its financial standing;

(c) its ability to perform the role proposed for it in the Project;

(d) the continued availability of resources upon which the Respondent relies;

(e) its professional standing or regulatory authorisations; or

(f) the ability of the Respondent, if successful, to implement the Project.

8.9.2 The disclosure must provide sufficient information to enable the Department to assess the nature and potential effect of the relevant proceeding.

8.9.3 The existence of litigation or another legal process will not, merely by reason of its existence, result in automatic disqualification. The Department will consider its nature, materiality and potential consequences in accordance with the requirements of this RFQ and Applicable Law.

8.9.4 The disclosure obligation is continuing throughout the Procurement Process. A Respondent must promptly notify the Department of any material legal or regulatory process arising after submission of its Response.

8.10 Grounds for Disqualification

8.10.1 Without limiting any other right available to the Department under this RFQ or Applicable Law, a Respondent may be disqualified where:

(a) its Response is materially non-responsive to a mandatory requirement of this RFQ;

(b) it provides information that is materially false, inaccurate or misleading;

(c) it fails to disclose information required under the RFQ where that failure is material to the evaluation or integrity of the Procurement Process;

(d) it engages in fraud, corruption, collusion, bid-rigging or other prohibited conduct;

(e) it attempts improperly to influence the evaluation or outcome of the Procurement Process;

(f) it breaches the No Contact Policy;

(g) it has an actual conflict of interest which cannot appropriately be managed;

(h) it participates in more than one Respondent contrary to clause 7.5;

(i) it makes an unauthorised material change to its composition, ownership, control or structure;

(j) it fails to satisfy a material eligibility or pre-qualification requirement;

(k) it is prohibited under Applicable Law from conducting business with the State;

(l) a Member upon whose credentials the Respondent materially relies on withdraws or ceases to be available and the Respondent no longer satisfies the applicable qualification requirements;

(m) it fails to provide a required clarification or further information within the period prescribed by the Department, where that failure prevents the proper evaluation of the Response; or

(n) its continued participation would otherwise materially compromise the legality, fairness, competitiveness or integrity of the Procurement Process.

8.10.2 Any decision concerning disqualification will be taken in accordance with Applicable Law and the requirements of procedural fairness applicable to the Procurement Process.

8.10.3 Nothing in this Section obliges the Department to overlook or permit the rectification of a failure that, under Applicable Law or the express terms of the RFQ, renders a Response unacceptable or non-responsive.

8.11 Department Contact Details

8.11.1 All correspondence, requests for clarification and other authorised communications relating to this RFQ must be addressed to:

Supply Chain Management: Adv. Kaydee S Mokgobo

Email: MokgoboKS@fshealth.gov.za

Legal Department: Mr Lerato Mabuya

Email: MabuyaLPM@fshealth.gov.za

PPPMU - Project Officer: Ms Nwabisa Jumba

Email: JumbaN@fshealth.gov.za

or to such other person or address as the Department may notify to Respondents in writing.

8.11.2 A communication addressed to any other person will not constitute formal communication with the Department for purposes of this RFQ unless the Department expressly confirms otherwise.

8.11.3 Respondents are responsible for ensuring that the contact details supplied in their Responses remain current throughout the Procurement Process and must notify the Department promptly of any change.

9 THE EVALUATION PROCESS

9.1 Evaluation Criteria

9.1.1 The main objective of the evaluation of Responses is to identify those Respondents that demonstrate the requisite technical and operational capability, financial and funding capacity, B-BBEE contribution and Project-specific understanding to be pre-qualified to participate in the RFP stage of the Procurement Process and to submit credible and competitive Proposals for the Project.

9.1.2 The evaluation conducted at the RFQ stage is a **pre-qualification assessment**. Respondents are not required at this stage to submit a detailed or priced Project solution, binding financing arrangements or an executable mobilisation or Transition plan, except to the extent expressly required under the Pre-Qualification Requirements. These matters will be developed and evaluated in greater detail during the RFP stage.

9.1.3 Subject to a Response having satisfied the applicable mandatory and administrative compliance requirements of this RFQ, each compliant Response will be evaluated and scored out of a total of **100 points** against the following Evaluation Criteria:

Criterion	Evaluation Criterion	Maximum Points	Weighting
Criterion 1	Technical and Operational Capability	30	30%
Criterion 2	Financial and Funding Capacity	30	30%
Criterion 3	B-BBEE and socio-economic Transformation	20	20%
Criterion 4	PPP and Co-location Project Awareness	20	20%
TOTAL		**100**	**100%**

9.1.4 Each Evaluation Criterion comprises the sub criteria and individual evaluation items prescribed in the **Evaluation Criteria and Scoring Matrix contained in Annexure B** to this RFQ. Each individual evaluation item will be scored once, in accordance with the applicable scoring methodology prescribed in that matrix, and the points awarded will be aggregated to determine the Respondent's total evaluation score out of 100.

9.1.5 In order to be eligible for a ranking, a Respondent must score a minimum of seventy per cent (70%) in respect of each Evaluation Criterion, with the result that if a Respondent fails to achieve the minimum threshold of seventy per cent (70%) on any of the Evaluation Criterion, such Respondent shall be deemed to have failed and therefore, shall not be considered for pre-qualification.

9.1.6 The information and supporting documentation required for purposes of the evaluation must be provided by Respondents, and where applicable their respective Members, Relevant Organisations, Key Contractors and Designated Member, through the **Pre-Qualification Questionnaire contained in Annexure F** and the other Response Forms and supporting documentation prescribed in this RFQ.

9.1.7 Information in relation to each of these categories will be obtained from Respondents, and their respective Relevant Organisations and Key Contractors (and Designated Member, if any) by way of the questionnaire in Annexure F (*Pre-qualification Questionnaire*). The nature of each category is summarised below.

9.1.8 **Healthcare Operational, Technical, Clinical and Management Capabilities**

(a) The purpose of the assessment is to determine whether the respondent and its members possess the requisite Technical, Clinical, Operational and management capabilities to equip, commission operate and manage healthcare services within existing hospital facilities, including the provision and maintenance of health technology, medical equipment and supporting systems.

(b) The Respondent must demonstrate the capacity to coordinate and manage the contractors, suppliers' healthcare professionals and public sector stakeholders including the implementation of any necessary alterations, refurbishments and specialist installations required for effective healthcare service delivery.

9.1.9 **Experience of Working on Similar Projects**

The purpose of this assessment is to establish whether the Respondent and its Members have relevant experience in delivering and managing comparable healthcare projects, particularly in hospital operations, clinical service planning, health technology and medical equipment management, healthcare information systems, stakeholder coordination, and SPV management, including financial, insurance and risk management. Experience in hospital refurbishment and clinical fit-out may also be considered where relevant to the Project scope.

9.1.10 **Financial Standing**

(a) This category relates to the financial resources of the Respondent and their robustness to undertake the Project.

(b) Respondents will be required to provide the most recent audited financial statement for each Relevant Organisations and Key Contractors, as well as other supporting information. Where an organisation will be supported by a parent company or ultimate holding company by means of guarantee, indemnity or other undertakings, then the information required must be supplied both for the Relevant Organisation or Key Contractor and its parent or ultimate holding company.

(c) Respondents will also be required to provide letters to their auditors and principal bank authorising the Department and its advisors to request references.

(d) Analysis will be carried out in respect of the information provided to assess the Respondent's financial standing.

(e) Maximum points will be awarded where the Respondent exceeds the solvency, liquidity and turnover qualifying thresholds.

(f) Qualified audits, endorsements or lack of trading history will prejudice the Respondents.

9.1.11 **Financing**

(a) This category relates to the Respondent's experience, history and success in sponsoring projects, providing Equity and raising project finance debt or corporate finance debt for similar transactions. Respondents are also expected to set out whether they have selected a funding route, or if not, how they propose to go about it.

(b) Respondents will be required to demonstrate, at the least that:-

(i) they have a process for the selection of Lenders and will be willing to undertake a debt funding competition; and

(ii) they have extensive experience in sponsoring projects, providing equity and raising project finance debt or corporate finance debt for similar transactions.

9.1.12 **Insurance**

(a) This category relates to the mechanisms which the Respondent proposes to put in place to manage and mitigate project risks through the provision of parent company guarantees, performance bonds and insurance.

(b) Respondents will be required to demonstrate that they have public liability insurance, employers' liability insurance, professional liability insurance (PI) cover and the ability to provide project specific contractors all risk (CAR) insurance.

(c) Respondents will be required to demonstrate that they have a general understanding of PPP risk insurance principles as well as an understanding of the unique insurance requirements and ability to provide contractors all risk (CAR) insurance for a PPP project.

9.1.13 **PPP and Co-location Project Awareness**

(a) This category relates to the mechanisms which the Respondent has or proposes to put in place to structure its consortium. Project awareness concerns the degree to which the Respondent demonstrates a general understanding of PPPs and the dynamics of the Project.

(b) Analysis will be carried out in respect of the information provided under the structure capability and strength of the Respondent (including technical and financing capability of the Respondent).

9.1.14 **B-BBEE and Socio-Economic Transformation**

(a) This category concerns the assessment of the Respondent's existing B-BBEE status level and demonstrated experience in implementing socio-economic transformation initiatives, having regard to the evaluation criteria set out in Annexure B and the Department's B-BBEE and socio-economic transformation objectives contemplated in Annexure A.

(b) For purposes of evaluation at the RFQ stage, Respondent's will be required to demonstrate that:-

(i) they hold a verifiable B-BBEE status level, supported by a valid B-BBEE certificate or, where applicable, a sworn affidavit. Where the Respondent comprises a Consortium, the B-BBEE status level of the Designated Member shall be used for purposes of evaluation and scoring under Criterion 3.1.1 of Annexure B;

(ii) they have the ability to secure the targets of management control required for the Successor Private Party and the first-tier subcontracts, attaching curriculum vitae of key personnel;

(iii) relevant Members of the Respondent have demonstrable track records devising and implementing local socio-economic programmes as part of their operations;

(iv) relevant Members of the Respondent individually are compliant with the provisions of the Employment Equity Act, 1998, and can demonstrate their own track record in BBBEE as well as the Skills Development Act, 1998, and

(v) they have the relevant skill, knowledge and expertise to give effect to the B-BBEE legislation, sector codes and the Department's B-BBEE and socio-economic transformation objectives contemplated in Annexure A.

(c) Respondents are further referred to Annexure A, which sets out the Department's B-BBEE and socio-economic transformation objectives for the Project, including objectives relating to Black Equity participation, management control, skills

development, enterprise and supplier development and local economic participation. Respondents are encouraged to submit an indicative proposal outlining how they envisage giving effect to these objectives in the implementation of the successor PPP.

(d) The indicative proposal contemplated in clause 9.1.14(c) shall be submitted for information purposes only and shall not be evaluated or allocated points at the RFQ stage. Accordingly, Respondents shall not be required at this stage to provide binding commitments, final ownership structures or definitive contractual arrangements in respect of the proposed Successor Private Party.

(e) The Department's B-BBEE and socio-economic transformation objectives set out in Annexure A shall inform the requirements applicable at the RFP stage, at which Pre-qualified Respondents will be required to submit detailed proposals, and commitments demonstrating how those objectives will be achieved, including the proposed Black Equity ownership, management control and consolidated B-BBEE status of the Successor Private Party, in accordance with the requirements prescribed in the RFP.

9.2 Evaluation and Scoring Methodology

9.2.1 The evaluation will be undertaken on the basis of the information and supporting documentation submitted by the Respondent in its Response, including information submitted through the Pre-Qualification Questionnaire and any clarification properly requested and received in accordance with this RFQ.

9.2.2 The Evaluation Criteria comprise both:

(a) **objectively measurable evaluation items**, for which points will be awarded by applying the specific numerical scale, formula or other objective methodology prescribed in the Evaluation Criteria and Scoring Matrix; and

(b) **qualitative evaluation items**, for which the TET will exercise professional judgment in assessing the quality, credibility, relevance and adequacy of the information and supporting evidence submitted by the Respondent against the requirements of the relevant evaluation item.

9.2.3 Where an evaluation item is objectively measurable, the points awarded will be determined strictly in accordance with the scoring methodology prescribed for that item in the Evaluation Criteria and Scoring Matrix. A qualitative assessment will not be used to override or alter a score determined in accordance with an expressly prescribed objective scoring methodology. In applying the assessments, the following descriptors will guide the evaluation:

(a) **Good** - the Response demonstrates a clear, credible and well-supported capability or understanding relevant to the evaluation item; materially addresses the requirements of the evaluation item; is supported by appropriate and verifiable evidence; and contains no material weakness that would reasonably call into question the Respondent's ability to satisfy the relevant requirement;

(b) **Adequate** - the Response demonstrates a sufficient and generally credible capability or understanding relevant to the evaluation item and substantially addresses the relevant requirement, but contains one or more limitations, omissions or weaknesses which do not fundamentally undermine the Respondent's demonstrated ability to satisfy that requirement; and

(c) **Poor** - the Response does not adequately demonstrate the capability or understanding required by the evaluation item, is materially incomplete or insufficiently supported, contains significant weaknesses or omissions, or otherwise

provides insufficient assurance that the Respondent is capable of satisfying the relevant requirement.

9.3 Evaluation Process

9.3.1 The Department has established an evaluation and approval process for the assessment of the Responses comprising of the following:

(a) one or more **Technical Evaluation Teams**, constituted according to the relevant areas of expertise, which will evaluate and score the Responses against the applicable Evaluation Criteria and Scoring Matrix and record the reasons for the scores awarded;

(b) the **Evaluation Co-ordination Committee**, which will coordinate and review the evaluation undertaken by the TETs, ensure consistency and completeness in the application of the Evaluation Criteria and Scoring Matrix, and consolidate the evaluation results;

(c) a **Project Evaluation Committee ("PEC")**, which will consider the consolidated evaluation results and recommendations of the ECC and make a recommendation to the Accounting Officer regarding the Respondents to be pre-qualified; and

(d) the **Accounting Officer**, who will consider the recommendation of the PEC and make the final determination as to the Respondents, if any, to be selected as Pre-qualified Respondents.

9.3.2 The Transaction Adviser and other appropriately qualified advisers or specialists may provide professional, technical, financial, legal, B-BBEE or other specialist advice to the TETs, ECC and PEC, as required, but will not independently determine the outcome of the evaluation.

9.3.3 The decision of the Accounting Officer in respect of each Respondent will be communicated to the relevant Respondents on conclusion of the RFQ evaluation process. It must be noted that Respondents have the right, in terms of section 5 of the Promotion of Access to Justice Act, 2000 ("**PAJA**") read together with Regulation 23 of the Regulations promulgated in terms of PAJA, to request reasons for the decision of the Accounting Officer.

ANNEXURES

ANNEXURE A: B-BBEE AND SOCIO-ECONOMIC TRANSFORMATION OBLIGATIONS

1. Introduction and Background

1.1 The Department recognises the role that the Project can play in advancing broad-based black economic empowerment, economic transformation, skills development, enterprise development, employment creation and sustainable local socio-economic development within the Free State Province.

1.2 The Department further recognises that the success and sustainability of the Project are closely linked to the continued availability, attraction and retention of appropriately qualified clinical professionals and specialists within the Free State Province. The participation of such clinical professionals and specialists in the Project is accordingly an important strategic objective of the Department and is intended to support continuity of specialist clinical capacity, the provision of tertiary and specialised healthcare services and the strengthening of the academic health platform.

1.3 Accordingly, the Department intends that B-BBEE and socio-economic transformation and the the meaningful participation of appropriately qualified clinical professionals and specialists will constitute integral components of the structure, procurement, implementation and operation of the Project.

1.4 The Project's transformation framework will therefore seek to promote meaningful participation by Black People, Black Women, Black Enterprises, appropriately qualified clinical professionals and specialists within the Free State Province, Qualifying Small Enterprises and Exempted Micro Enterprises across the Project value chain, including through:

(a) ownership and Active Equity participation in the Successor Private Party;

(b) management and employment within the Successor Private Party;

(c) participation in the operation, maintenance, refurbishment, renewal and, where applicable, construction and commissioning activities undertaken in connection with the Project;

(d) subcontracting and procurement opportunities;

(e) skills development, training and capacity building;

(f) enterprise and supplier development;

(g) employment creation; and

(h) sustainable local socio-economic developments and benefits within the Free State Province.

1.5 The Department's approach recognises that a PPP provides opportunities for transformation at several levels of the Project structure, including through the Successor Private Party itself and through the construction, operations, facilities management and other subcontracting and procurement arrangements associated with the Project.

1.6 The Department therefore seeks Respondents that are able to demonstrate both the capacity and the commitment to incorporate meaningful and sustainable B-BBEE participation into the structure and implementation of the Project.

2. Policy and Regulatory Framework

2.1 The B-BBEE and socio-economic transformation requirements for the Project will be developed and implemented having regard to Applicable Law and the applicable policy and regulatory framework, including, where applicable:

(a) the Constitution of the Republic of South Africa, 1996;

(b) the Public Finance Management Act, 1999;

(c) Treasury Regulation 16;

(d) the Broad-Based Black Economic Empowerment Act, 2003, as amended;

(e) the applicable Codes of Good Practice issued under the B-BBEE Act;

(f) Module 2: Code of Good Practice for BEE in PPPs;

(g) the Preferential Procurement Policy Framework Act and applicable regulations, to the extent applicable to the procurement at the relevant stage;

(h) the Preferential Procurement Policy Framework Act, 2000, and applicable regulations, to the extent applicable to the procurement at the relevant stage;

(i) the Public Administration Management Act, 2014, and regulations issued thereunder, to the extent applicable to employees of the Department and their participation in or relationship with the Successor Private Party or the Project;

(j) the Public Service Act, 1994, including the requirements applicable to outside remunerative work by employees of the Department;

(k) the Public Service Regulations, 2016, as amended, including the provisions regulating the conduct of public-service employees, financial interests, outside remunerative work and the conduct of business with organs of state;

(l) the Directive on Conducting Business with an Organ of State, issued by the Minister for the Public Service and Administration on 21 February 2024;

(m) the Health Professions Act, 1974, together with the ethical rules, professional standards and applicable guidance issued by the Health Professions Council of South Africa, to the extent applicable to healthcare professionals participating in or providing services in connection with the Project;

(n) the Employment Equity Act, 1998, as amended;

(o) the Skills Development Act, 1998 and the Skills Development Levies Act, 1999;

(p) the National Treasury PPP Manual and applicable PPP guidance; and

(q) any other legislation, regulations, directives, codes, standards, policies or regulatory requirements applicable to the Department, the Successor Private Party, the Project or any person participating in the Project.

2.2 Where the applicable legislative or regulatory framework is amended during the procurement process, the Department may amend or refine the requirements of this Annexure to ensure consistency with Applicable Law.

3. B-BBEE and Socio- Economic Transformation Objectives

3.1 The Department's principal B-BBEE and socio-economic transformation objectives for the Project are to:

(a) facilitate meaningful and beneficial Black ownership and participation in the Successor Private Party;

(b) promote Active Equity participation and ensure that Black Equity participation is substantive and sustainable;

(c) promote meaningful participation by Black People and Black Women in the management and control of the Successor Private Party;

(d) promote employment equity and skills development throughout the Project Term;

(e) create meaningful opportunities for Black Enterprises, Qualifying Small Enterprises (QSEs), Exempted Micro-Enterprises (EMEs) and other qualifying enterprises through subcontracting and procurement;

(f) encourage sustainable enterprise and supplier development;

(g) maximise opportunities for local employment, empower appropriately qualified clinical professionals and specialists within the Free State Province, training and skills transfer arising from the construction and operational phases of the Project;

(h) promote meaningful participation by local enterprises in the Project supply chain;

(i) facilitate sustainable economic participation rather than arrangements that result only in nominal or passive participation; and

(j) ensure that the Project contributes positively to the socio-economic development of the communities and areas within which the Hospitals are situated.

3.2 The Department regards empowerment and socio-economic transformation as important objectives of the Project. The Department accordingly intends, through the procurement, implementation and operation of the Project, to promote meaningful and sustainable B-BBEE and socio-economic outcomes over the Project Term.

3.3 Accordingly, Respondents are expected to demonstrate a commitment to supporting the Department in achieving these objectives over the Project Term, including through the achievement of the specific empowerment and socio-economic goals identified in the table below, in accordance with the applicable policy, legislative and regulatory framework.

3.4 The Department intends that these objectives. will at RFP stage, be developed into appropriate, measurable and, where applicable, quantifiable Project commitments, which will be capable of implementation and monitoring over the Project Term.

3.5 For the avoidance of doubt, the assessment undertaken at the RFQ stage concerns the Respondent's existing B-BBEE credentials and its proposed approach to achieving the Department's transformation and Black equity participation objectives. The proposed equity participation arrangements shall be developed and substantiated during the RFP stage, at which stage the Department shall assess the proposed ownership structure of the Successor Private Party against the applicable B-BBEE and Equity participation requirements prescribed in the RFP.

3.6 Accordingly, the submission of proposed Equity participation arrangements at RFQ stage shall not constitute final verification or approval of the Black Equity ownership of the Successor Private Party.

3.7 The table below sets out the Department's indicative B-BBEE and socio-economic transformation goals from for the Project in accordance with the provisions stipulated under the Code of Good Practice for BEE in PPPs. This Annexure is intended, at this RFQ stage, to inform Respondents of the principal transformation outcomes which the Department intends to pursue through the Project and which Respondents should take into account in considering their proposed approach to the Project.

TABLE: B-BBEE SPECIFIC GOALS – PREFERENCE POINTS ALLOCATION

BEE SCORECARD	
BEE ELEMENT	**PPP INDICATIIVE TARGET**
A: Successor Private Party Equity	
A1: Black Equity	**30%** of the Equity in the Successor Private Party
A2: Active Equity	55% in A1
A3: Cost of Black Equity	Value for money and a sustainable funding structure

BEE SCORECARD	
A4: Timing of Project cash flows to Black Shareholders	Early and ongoing
B: Successor Private Party Management and Employment	
B1: Black Management Control	Commensurate with A1 and A2
B2: Black Women in Management Control	15% of B1
B3: Employment Equity plan	Compliance with the applicable law
B4: Percentage of payroll on Skills Development	1%
C: Subcontracting and Procurement	
C1: Percentage participation by Black People and/or Black Enterprises in the capital expenditure forecast to be incurred by the Successor Private Party under the Subcontracts[1]	30%
C2: Percentage participation by Black People and/or Black Enterprises in the Operating expenditure forecast to be incurred by the Successor Private Party under the Subcontracts[2]	30%
C3: Percentage of Black Management Control in the Subcontractors	25%
C4: Percentage of Black Women in Management Control in the Subcontractors	15% of C3
C5: Employment equity plans of the Subcontractor	Compliance with the applicable law
C6: Percentage of Subcontractors' payrolls to be spent on skills development per annum[3]	1%
C7: Percentage of procurement budget committed by the Subcontractors to Black Enterprise SMMEs	30%
D: Local Socio-Economic impact	Sustainable and effective plan demonstrating local socio-economic benefits arising from the Project

NOTE: The targets and requirements set out above are indicative for purposes of this RFQ. Except where expressly stated in the RFQ as a minimum qualification requirement, they do not constitute final minimum thresholds or binding Project commitments at this stage. The Department reserves the right, subject to Applicable Law and the applicable PPP procurement requirements, to refine and prescribe the Project-specific targets, minimum thresholds, evaluation criteria, implementation arrangements and contractual commitments at RFP stage.

4. The Funding Structure and Contractual Matrix

4.1 It is anticipated that substantial funding for the Project will be provided by limited-recourse debt to be made available by Lenders (other than the Shareholders or related parties of the Successor Private Party) who will look primarily to the cash flows generated from the Project to service that debt. Since the cash flows generated in the Project will depend on the sustained delivery by the

[1] This participation may involve, amongst other things, a direct equity participation by Black People and/or Black Enterprises in the assignment of a percentage of the entire capital expenditure subcontract value to Black People and/or Black Enterprises and/or a combination of these.
[2] This participation may involve, amongst other things, a direct equity participation by Black People and/or Black Enterprises in the Operations Subcontractor, or the assignment of a percentage of the entire capital expenditure subcontract value to Black People and/or Black Enterprises and/or a combination of these.
[3] This minimum sum is additional to the skills development levy prescribed by the Skills Development Levies Act, 1999 and is to be applied to the skills development of staff employed in the PPP Project itself

Successor Private Party of the agreed services at the prescribed performance levels, poor performance by the Successor Private Party will put the servicing of such debt at risk. These Lenders will be able to mitigate such risk in part through step-in and substitution mechanisms provided for in terms of a direct agreement to be concluded between them, the Successor Private Party and the Department.

4.2 The financial commitments in the PPP Agreement shall be denominated in Rands. The Successor Private Party will be responsible for and take the risk of currency, interest rate, and other fluctuations and will to that extent make provision within its costs to the Departments for any hedging arrangements which the Successor Private Party may require in relation to its obligations under the PPP Agreement.

4.3 Department's Planned Rehabilitation Works

(a) The Department is presently pursuing a BFI, a separate programme for the rehabilitation and refurbishment of certain public-side infrastructure at the Hospitals, including associated ICT, health technology and medical equipment requirements. The BFI is being progressed separately from the Successor PPP and remains subject to the applicable approvals and the availability of public-sector funding.

(b) Respondents are advised of the BFI for information purposes, as rehabilitation or refurbishment works undertaken at UAH and PTH during the term of the Successor PPP may interface with, or temporarily affect, the operation of the private hospital Facilities, including through shared engineering, mechanical and other hospital infrastructure and services.

(c) The Department will, in the planning and implementation of any such works, seek to manage the interface with the Successor PPP so as to minimise disruption to the Successor Private Party's operations and to protect continuity of healthcare services.

(d) Respondents should therefore not assume, for purposes of their Responses, that the Department will provide a capital contribution towards the financing of the Successor Private Party's obligations under the Successor PPP. Any Departmental funding, contribution or other financial support ultimately contemplated in respect of the Successor PPP will be expressly identified in the RFP and will remain subject to the applicable approvals.

4.4 Private Sector Opportunities

(a) The Project provides an opportunity for a private-sector participant to operate and manage the private-wing co-location arrangements at the Hospitals within an established public hospital environment, while supporting continuity of private-sector participation, shared clinical-service arrangements and the efficient utilisation of public-sector assets.

(b) The Successor PPP is intended to be structured as a revenue-supporting, concession-style co-location arrangement rather than as a conventional capital-intensive unitary-payment PPP. The Successor Private Party will be expected to assume responsibility for the financing of its obligations under the Successor PPP and to assume meaningful operational, commercial, maintenance, compliance, Transition and Handback risks associated with the private-wing operations.

(c) The commercial arrangements are expected to include revenue generated from the operation of the private-wing business, together with appropriate arrangements relating to shared clinical services, tariffs, billing, verification, settlement and cost recovery. The Successor PPP will also provide for concession, co-location or other revenue payable to or accruing for the benefit of the Department, as more fully specified in the RFP and the Successor PPP Agreement.

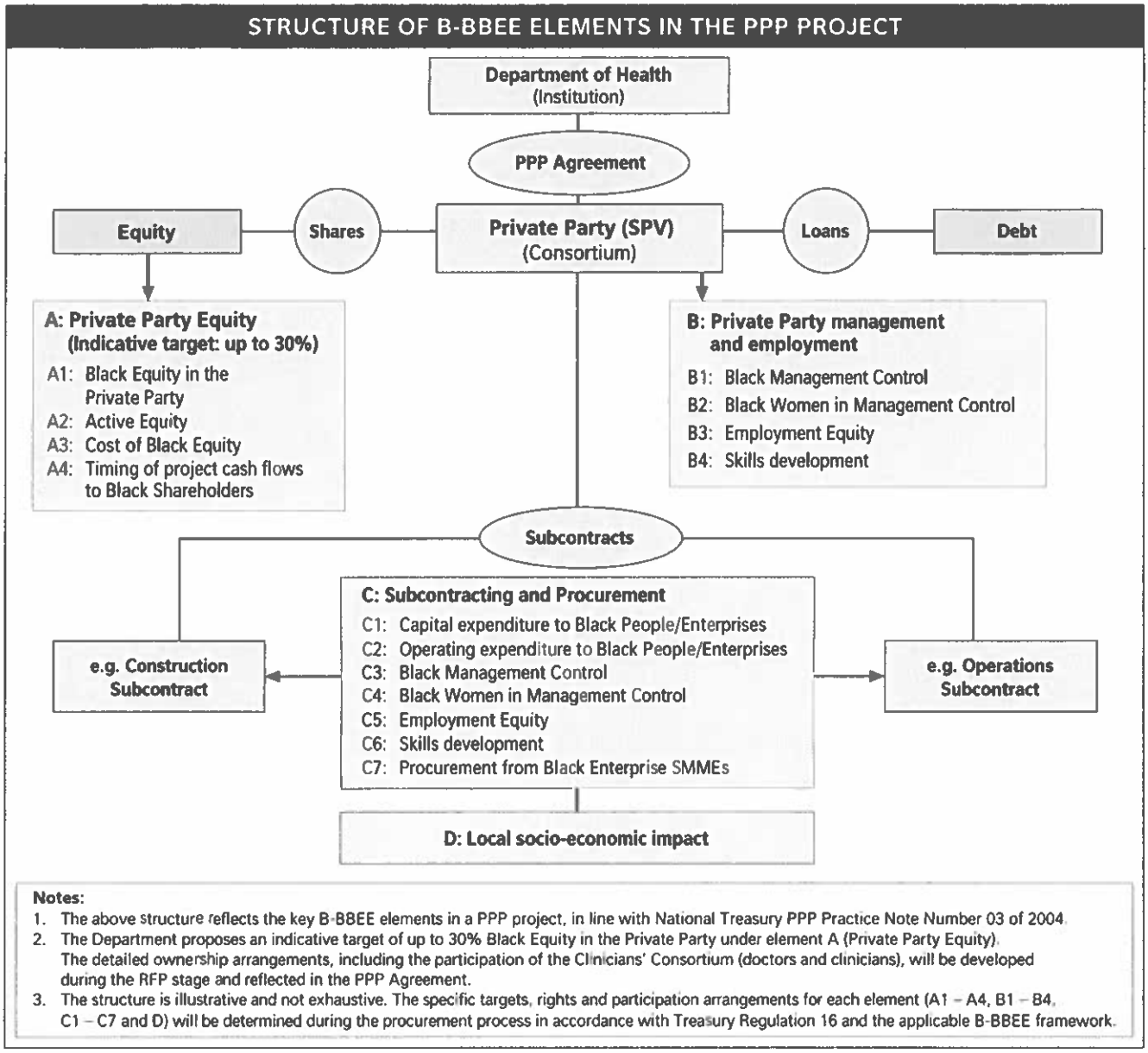
(d) The Department does not presently contemplate that the Successor Private Party will be required to pay rental merely for the opportunity to undertake the Project. Rather, the

financial arrangements between the Department and the Successor Private Party will be structured having regard to the PPP co-location model, the use of the Concession Area, applicable revenue arrangements, shared services and the allocation of commercial and operational risk. The detailed payment and revenue mechanism will be set out in the RFP and the PPP Agreement.

(e) The Successor Private Party will be required to assume those lifecycle, maintenance, operational, commercial, compliance and Handback risks allocated to it under the PPP Agreement. Risks associated with the broader public-side infrastructure rehabilitation, ICT and health technology capital programme will not be transferred to the Successor Private Party simply by virtue of the Successor PPP, except to the extent expressly provided for in the RFP and the PPP Agreement.

(f) The Successor PPP will be structured to preserve the Department's public healthcare mandate and public patient access while providing an appropriate framework for the operation of the private wings, shared clinical services and the interface between the public and private hospital environments.

4.5 The basic contractual arrangements posed by the funding structure referred to above are reflected in the below organogram (*Structure of B-BBEE Elements in the PPP Project*).



A. Successor Private Party Equity

The participation of Black People and Black Enterprises in the ownership of the Successor Private Party is an important component of the B-BBEE objectives applicable to the Project. The Department intends that such participation should constitute meaningful and sustainable economic participation in the Successor PPP and should be capable of being maintained over the Project Term.

The Department also seeks, as a distinct Project objective, to support the attraction, retention and meaningful participation of appropriately qualified clinical professionals and other specialists within the Free State. The Department recognises, however, that the mechanism through which such participation may lawfully be achieved will depend, amongst other things, on whether the relevant professionals or specialists are State employees and on the nature of the ownership, governance, management, operational or other rights proposed to be conferred upon them.

Accordingly, nothing in this Annexure requires or should be construed as requiring a State-employed professional or specialist to hold equity, Active Equity, a directorship, management rights or any other interest in the Successor Private Party where such participation would be prohibited or restricted under Applicable Laws.

At this RFQ stage, Respondents are required to demonstrate their commitment to developing an appropriate, sustainable and legally compliant Equity and participation structure which supports the Department's B-BBEE, transformation and clinical skills retention objectives. The detailed ownership and participation arrangements will be further developed and evaluated at RFP stage, having regard to the applicable legislative and regulatory framework and the requisite Treasury and other approvals.

For purposes of this Project, the following four elements of Successor Private Party Equity will be considered:

A1: Black Equity in the Successor Private Party;
A2: Active Equity;
A3: Cost of Black Equity; and
A4: Timing of Project cash flows to Black Shareholders.

These elements must be read subject to the Applicable Laws governing the persons proposed to participate in the Successor Private Party and must not be interpreted as requiring any ownership, management or governance arrangement that would be unlawful.

A1: Black Equity in the Successor Private Party

Black Equity refers to the effective equity ownership in the Successor Private Party held by Black People and/or Black Enterprises in accordance with the applicable B-BBEE framework.

The Department's objective is to secure meaningful and sustainable Black Equity participation in the Successor Private Party over the Project Term. Respondents should therefore demonstrate their commitment to developing an ownership structure capable of achieving the Department's B-BBEE and transformation objectives and maintaining such participation over the Project Term.

The Department has identified an indicative Project Target of 30% Black Equity in the Successor Private Party. This target is indicative at RFQ stage and remains subject to confirmation through the procurement process, the applicable B-BBEE and PPP framework, the Project's affordability and bankability requirements and the requisite Treasury and other approvals.

Where a Respondent proposes that appropriately qualified clinical professionals or other specialists participate in the Equity of the Successor Private Party, the proposed structure must distinguish, where relevant, between State-employed and non-State-employed participants and must demonstrate how such participation can be implemented in compliance with Applicable Laws.

IMPORTANT NOTE: this RFQ does not require State-employed clinical professionals or specialists to acquire or hold Equity in the Successor Private Party. Respondents should instead demonstrate a commitment to developing an appropriate and legally compliant mechanism through which the Department's broader objective of attracting, retaining and facilitating meaningful participation by appropriately qualified clinical professionals and specialists may be achieved over the Project Term.

A2: Active Equity

For purposes of the Project, Active Equity refers to equity participation which is accompanied by meaningful involvement by the relevant shareholder in the governance, management, strategic direction or other substantive activities of the Successor Private Party, as contemplated under the applicable PPP B-BBEE framework.

The Department's objective is that, to the extent legally permissible and commercially appropriate, Black Equity participation should provide opportunities for meaningful economic and operational participation in the Successor Private Party and should not be structured merely to achieve nominal compliance with applicable B-BBEE requirements.

Respondents should demonstrate their commitment to developing an appropriate Active Equity structure at RFP stage, having regard to the proposed shareholders, the rights attaching to their interests, the governance arrangements of the Successor Private Party and Applicable Laws.