



home affairs

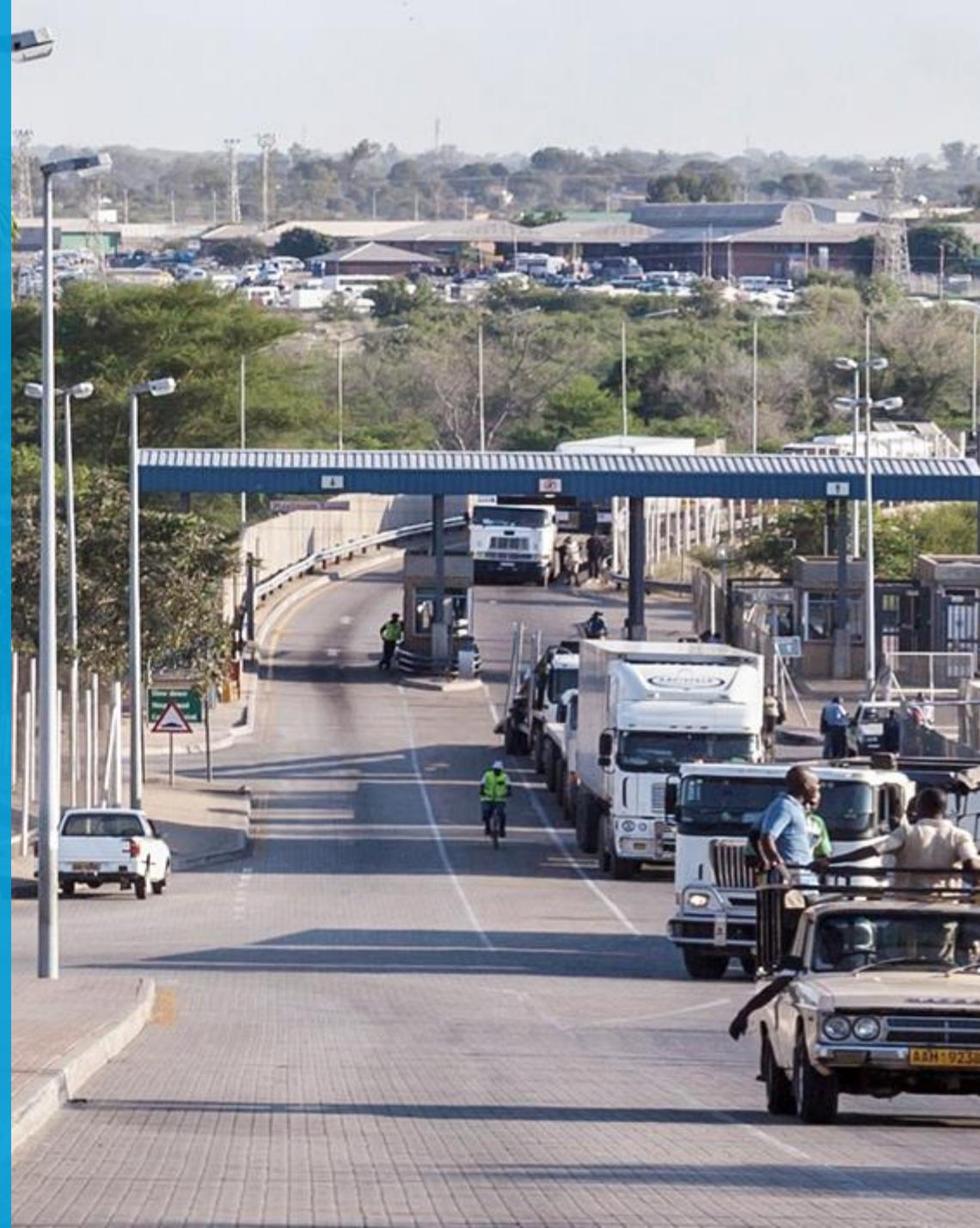
Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

Department of Home Affairs

Development of a Ports of Entry Master Plan
and Funding Model

Project Presentation
Briefing Meeting

09 April 2018





1. The entire session is recorded
2. Cell phones to be switched to Silent
3. Question & Answer session
 - a) Identify yourself before asking a question
 - b) No questions will be allowed in between presentations
 - c) Note your questions for the Q&A
 - d) The questions will be taken in batches
 - e) Some questions may be answered in writing only
 - f) Responses to questions from the briefing session will be placed on the Department's website

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Introduction

Introduction



- General welcome
- National objectives
- Priority project for Government
- Impact on SADC - importance
- Role of DHA as custodian of the project

Purpose of the Project Briefing Meeting

- a) Inform prospective bidders of the Public Private Partnership (PPP) project
- b) Encourage responses to the RFQ Bid Document
- c) Inform prospective bidders of subsequent planned Respondents Conference(s) *(limited to those that have paid the RFQ Bid Access Document Fee; compulsory attendance)*



Project Background

The Project Background



National context

- DHA has designated **seventy two** Ports of Entry (ports) throughout South Africa (land, air and sea)
- These ports have been increasingly, unable to cope with the volumes of movement of people and goods
- This state of these ports has a huge negative impact on the economies of the participating countries in SADC
- In order to address this situation, the Minister: Home Affairs has identified 6 main land ports to be targeted as a blue print for future port infrastructure improvement
- These 6 ports are South Africa's largest land ports of entry by traffic volume
- The outcome of these 6 ports of entry will be used to formulate the long term solution for all other SA ports

The Project Background



The identified ports are:

- The designated ports are:
 - Beitbridge (bordering Zimbabwe)
 - Lebombo (bordering Mozambique)
 - Maseru Bridge (bordering Lesotho)
 - Kopfontein (bordering Botswana)
 - Ficksburg (bordering Lesotho)
 - Oshoek (bordering Swaziland)



Project Objectives

1. Develop modern (**state of the art**), cost-effective and efficient PoE redevelopment Master Plans that:
 - are in line with **global best practice**;
 - are based on an optimal balance between **infrastructure** and **technology interventions**;
 - enable the organs of state to efficiently carry out their mandates and protect their interests at the PoEs; and
 - **facilitate regional trade**



Project Objectives

2. Determine prospects for **socio-economic development** and job creation that can be implemented for the communities surrounding the PoE;
3. Determine the **institutional mechanisms** to be put in place to implement the project;
4. Develop a land PoE redevelopment model that can be **applied across other land ports** with minor modification;



Project Objectives (continue)

5. Pursue an **integrated border management approach** (Redesign border posts to facilitate/ integrated border post management);
6. Take into account the **corridor development** (linked to access roads to these ports (DOT));
7. Enable & support the optimal functioning of the **Border Management Authority (BMA)**
 - Border Law Enforcement Functions
 - BMA Legislation

The Project Background



Project Objectives (continue)

8. Balance **4 policy** imperatives:
 - Economic development
 - National security
 - Efficient management of people
 - Human Rights and humanitarian approach to dealing with people

The Project Background



Specific Project Goals

1. Procurement of a cost effective, consolidated and compliant working environment within an optimal project structure
2. Ensuring the **continuity** of port of entry operations during the construction period
3. Safe and efficient transitional arrangements
4. Achievement of a **successful long term strategic partnership** between the Department and the Private Party



Specific Project Goals (continue)

5. Maximum involvement of Black People, Youth and Local Communities in the entire life-cycle of the Project
6. Meeting and exceeding the Department's **Economic Development** requirements
7. Promoting sustainable local economic development
8. Successful management of **key stakeholder relationships** in the preparation and implementation of the Project

The Project Background



Specific Project Goals (continue)

9. **Successful achievement** of the output specifications and Service standards for the project
10. Creation of **jobs** during both the construction phase and sustainable jobs during the operational phases of the Project
11. Involve a **broadband connectivity** for all Information Technology systems

The Project Background



Specific Project Goals (continue)

12. Achieve long term maintenance agreements for all new developments and technologies
13. Achievement of **appropriate risk transfer** to the Private Party and real Value for Money for the Department
14. Achieving **Financial Close** within the shortest possible timeframe after Commercial Close



Project Detail

The Invitation



The Department has identified 6 ports of entry for,

- the redevelopment
- finance
- construction
- operation and maintenance
- broadband connectivity

on a PPP basis

The Department anticipates the inclusion of staff housing as part of the Project.

The Invitation



The Department invites interested parties

- with the relevant competencies
- capacity
- experience

To submit Bid Responses to be selected as Pre-qualified Bidders for the Project

Pre-qualified bidders will be invited to submit fully funded bids i.t.o the Request for Proposal (RFP) phase to follow

Preferred bidder and the Department (future BMA) will conclude the PPP Agreement with the Private Party



Project Financing

- The redevelopment at an estimated **R6 billion** is expected to result in measurable improvements in the effective and secure movement of people and goods across the 6 identified Ports of Entry
- A key benefit of the improvements will be the reduction of the significant delays currently experienced by all users at the Ports of Entry
- Slow freight processing times result in various delay-related and substantial opportunity costs for commercial users
- Consequently, the commercial users will be charged a fee when using the redeveloped Ports of Entry



Project Financing (continue)

- These user fees will fund the redevelopment and operations of the Ports of Entry
- The user fee structure and unitary payment mechanism will be confirmed in the Phase I RFP
- Similarly, the mechanisms (and parameters) for fee collection, payment of the Private Party and the allowable return on investment, will be defined in the Phase I RFP

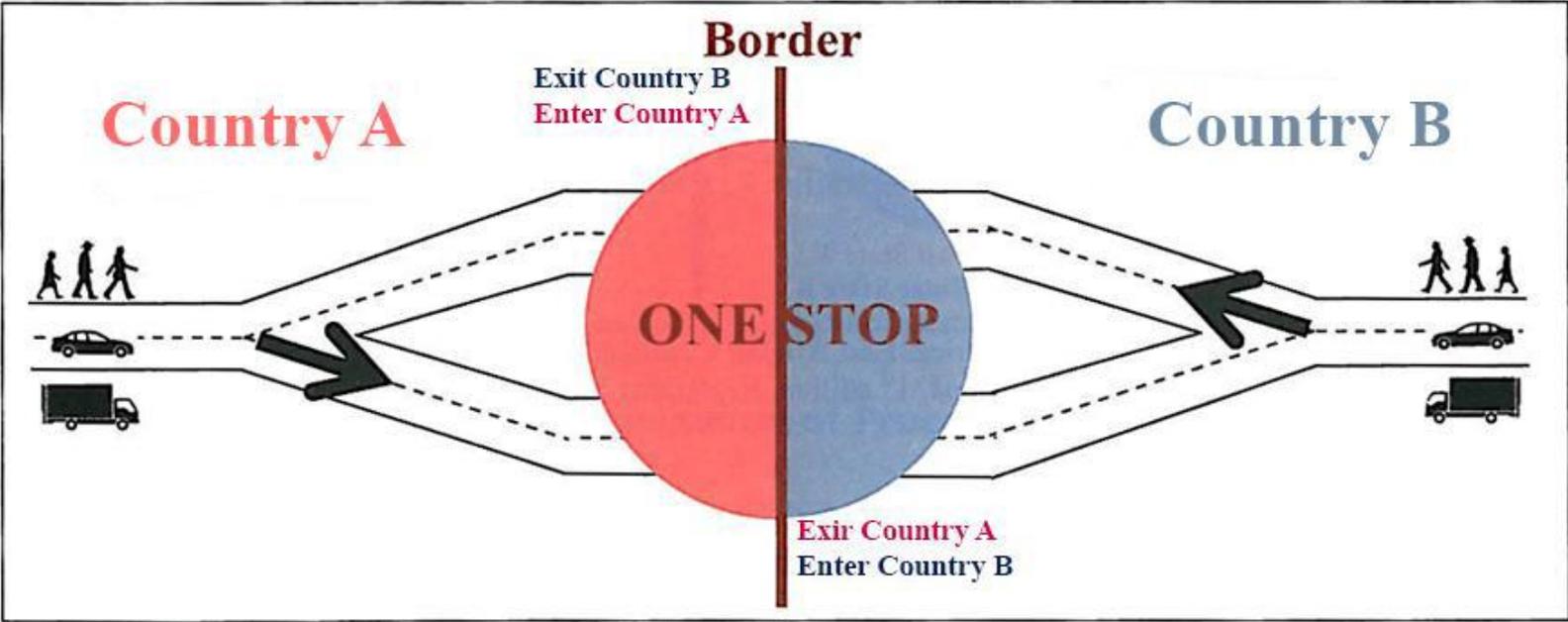
One Stop Border Post (OSBP)

1. OSBP best practice has informed this PPP project
2. Master Plans for the 6 Ports have incorporated key aspects of flexibility to enable the future development of OSBPs at these 6 ports
3. Different one stop border post models:
 - Straddle
 - Single country
 - Juxtapose/ hybrid solution



Straddle model

The straddle model has been identified for the Lebombo Port of Entry

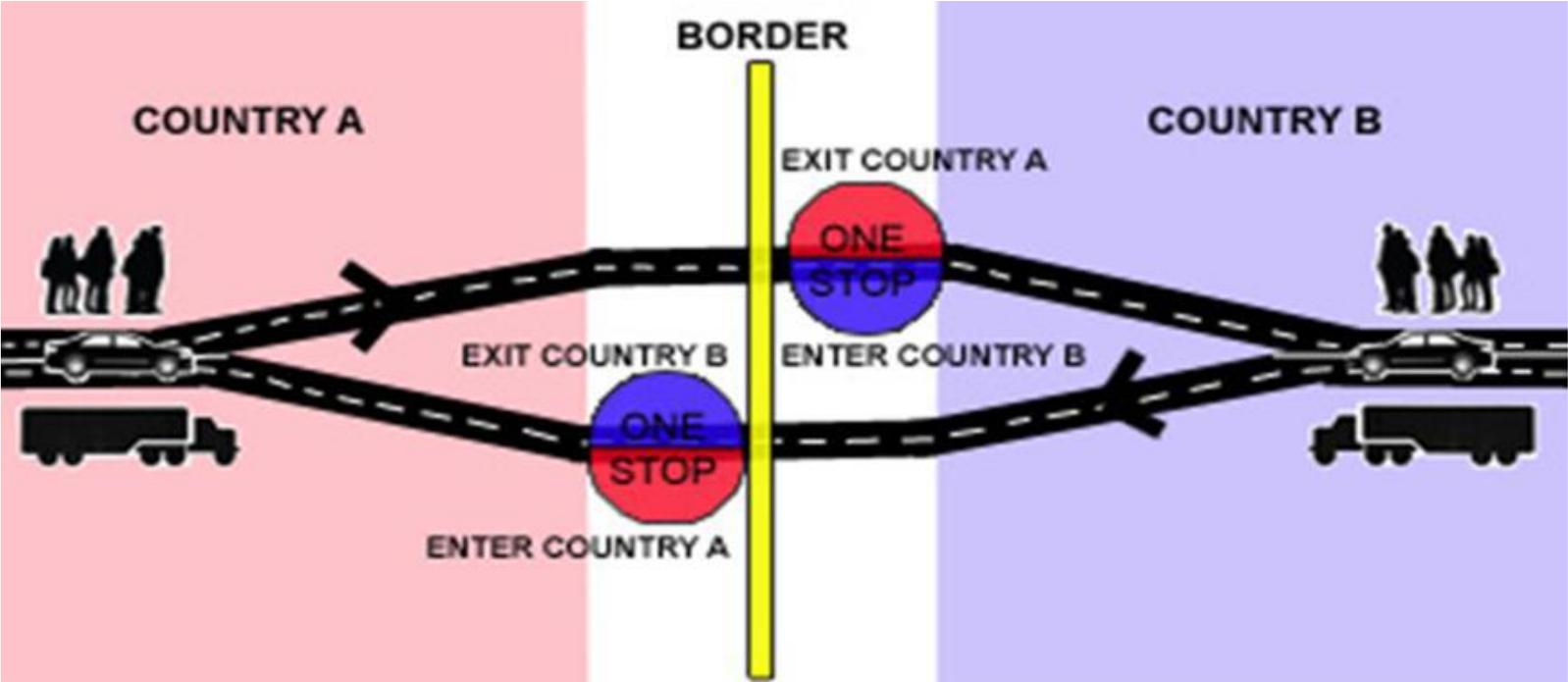


The Project Detail



Juxtapose

The juxtapose model has been identified for all the other Ports of Entry





Single Country

This model has the Port of Entry entirely located within one country.

Border officials of both countries will undertake their responsibilities at this single Port of Entry that is located in one country.

- The layout of the of the PoEs will be based on the **island concept** in which different types of traffic are separated
- The design of each of the PoEs will vary significantly based on:
 - Traffic volumes and modality
 - Traffic flow design principles
 - Facility requirements per vehicle type
 - Availability of land/ Geographical constraints
 - Facilities for disabled persons
 - Service delivery standards



- Creation / maintenance of a **sterile environment**, including:
 - Separation of incoming and outgoing traffic
 - Separation of traffic by modality
 - Strict management of entry and exit of people and vehicles through the sterile areas
 - Designated search areas
 - Provision of a buffer zone



- **Traffic projections:**

- A **traffic growth rate of 3%** has been assumed based on available information per border post. We believe that the growth rate is conservative based on historic values.
- The growth rate is applied for a **15-year period** up to 2031. The length of the cycle reflects, the border posts could all operate on a full 24-hour basis.
- Technology development will assist in improving processing and enforcement in much shorter periods to accommodate the more general accepted life cycles of 20 -25 years.



- Parking and processing requirements are a function of traffic flow and the desired average processing times for each individual traffic mode
- The annual average hourly traffic per operating hour was calculated from the annual traffic volume projections



Number of Packages

- Intends to appoint **1 Preferred Bidder** for all 6 Ports of Entry
- To undertake the design, redevelopment, finance, construction, operation, maintenance, facility management and provision of broadband connectivity



Project Structure

1. **Substantial funding** for the Project will be provided by limited-recourse debt from the **Lenders**
2. Based on Unitary Payments to be made by the Department for the delivery of the Project, underpinned by a **long term supply arrangement**
3. Unitary payments against agreed services at the **prescribed performance levels**
4. Unitary payment will be subject to **penalty deductions** for non-performance
5. **Respondents will not be entitled to encumber the Land** or any of the Departments' properties or assets to finance the Project



Broadband connectivity

1. Stable and sustainable **fibre optic broadband** connectivity
2. Active redundancy to enable the efficient transfer of data and required service uptime
3. Appropriate security policy
4. Operating protocols in place for each organ of state
5. Support and maintenance for the broadband infrastructure and equipment

Project Term

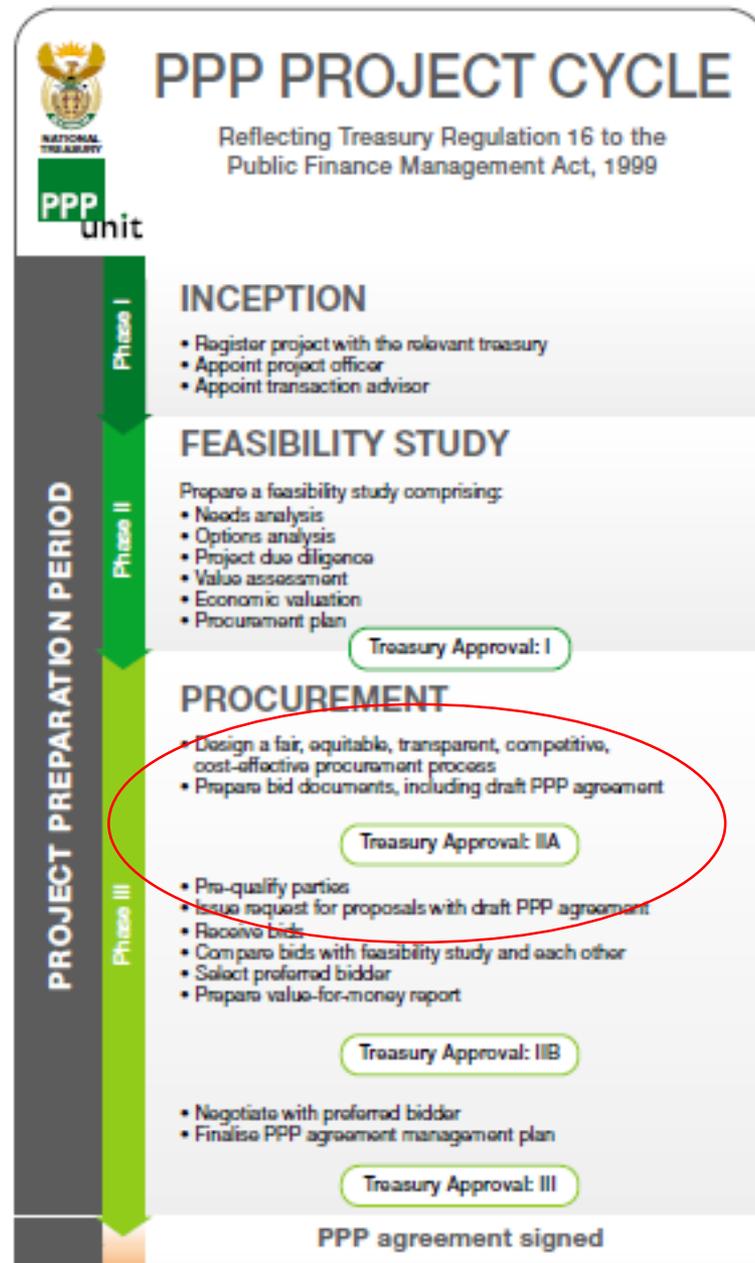
1. The construction of each of the Ports of Entry
 - Between twenty four (24) and thirty six (36) months
 - Construction of the Ports of Entry will, as far possible, be constructed concurrently with transitional operating arrangements
2. All Ports of Entry to be operational at the same time.
3. The operations period will be twenty 20 years
4. The PPP Agreement will be for a period of 23 years.



Project Status

Project Status

- Project is registered with PPP unit at National Treasury
- Feasibility Study concluded following PPP regulations
- (Conditional) TAlIA received from National Treasury
- Resolution of issues underlying TAlIA conditions in progress
- RFQ issued to the market
- RFP in process



1. Responses to the RFQ
 - will be evaluated
 - a shortlist of Pre-qualified Bidders to be recommended and approved
2. Draft RFP issued to the Pre-qualified Bidders
3. Optimization process during RFP process
4. Final RFP issued to the Pre-qualified Bidders (comments from Pre-qualified Bidders)
5. Select 1 Preferred Bidder and identify 1 Reserve Bidder

Timeframes for the RFQ



MILESTONE	ANTICIPATED DATE
1. Issue of RFQ	29 March 2018
2. RFQ Briefing Session	9 April 2018
3. Last Date to buy the RFQ Bid Documents	26 April 2018
4. RFQ <u>Respondents</u> Conference (<i>tentative</i>) <ul style="list-style-type: none"><i>More than one Respondent's Conferences may be convened after this period</i>	2 May 2018

Timeframes for the RFQ



MILESTONE	ANTICIPATED DATE
5. Last date for <u>Respondents</u> to submit written questions	2 May 2018
6. Response Submission Date	11 May 2018
6. Announcement of Pre-qualified Bidders	August 2018



Activities to facilitate project



Project site activities undertaken by the Department to facilitate the project:

- Site clearance
- Town planning
- Land procurement
- Environmental permitting arrangements
- Engagement with neighbouring countries
- Enabling legislation for user fees



Project team





Project Steering Committee

1. DHA

- BMA Project Management Office
- Finance
- Immigration Management Services
- Facilities
- Legal Services

2. NT GTAC

3. DPW

4. DoH

5. Transaction Advisors



Transaction Advisors

1. KPMG

- Lead Transaction Advisor
- Financial Advisor
- Economic Advisor
- IT Advisor

2. SFM

- Architects

3. Ledwaba Mazwai

- Legal Advisor
- B-BBEE Advisor

4. GIBB Engineering

- Technical Advisor



Administrative issues



1. RFQ document available at the DHA at the Hallmark Building, 230 Johannes Ramokhoase Street, Pretoria
2. RFQ Bid Document Fee R50,000,00
3. Bank details on the advert
4. RFQ document will only be provided after the proof of payment was received and verified
5. Proof of payment to be emailed to Vukani.Nxasana@dha.gov.za
6. Respondents can submit enquiries relating to the bid to Elroy.Africa@dha.gov.za and Vukani.Nxasana@dha.gov.za
7. **Last date to buy RFQ bid document: 26 April 2018**

8. All enquiries should be titled “*RFQ No:DHA06-2018 Request for Qualification (“RFQ”) Redevelopment of Six Ports of Entry through a Public Private Partnership (“PPP”) ”*”
9. **RFQ Respondents Conference** will be convened on (tentative) **2 May 2018**. More than one Respondents Conference *may* be convened after this period.
10. Last date for Respondents to submit written question is 2 May 2018
11. Sealed documents must be submitted to the tender box at the DHA Hallmark building
12. Facsimile or e-mail bids are not acceptable
13. **Response Submission Date: 11 May 2018 at 11:00AM**

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