

## SUMMARY TERMS OF REFERENCE

### APPOINTMENT OF A CONSULTING FIRM FOR TRANSACTION ADVISORY SERVICES FOR THE MINISTRY OF JUSTICE OFFICE REDEVELOPMENT PPP PROJECT

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#### 1. Background

Ministry of Justice's head office is situated in the Central of Business District area of Windhoek along the Independence Avenue, it is a low rise building with a lot of unused or underutilized space. The current head office building is deemed old and reaching its life span, which presents a challenge for renovations and maintenance works for the ministry. The ministry has a Windhoek based staff complement of ~565 of which around 370 are accommodated at the head office building and the rest are dispersed in other rented offices in Windhoek.

The ministry has an existing budget line for the payment of rent of about N\$1 million per month or N\$12 million per annum and given that the building is quite old, the maintenance is a challenge. The maintenance budget for the ministry for the 2015/16 and 2016/17 financial years were N\$907 thousand and N\$664 thousand respectively and for the next three financial years the maintenance budget is estimated to be N\$2.1 million. These budget allocations are understood to be insufficient and the required maintenance works outstrip the available budgetary resources.

In view of the afore mentioned, the Ministry of Justice is exploring a PPP solution to build a new and modern office building which can house close to 600 staff members, through the redevelopment of its current head office into a commercialized office building with surplus commercial space which can be created, to reduce the fiscal requirement for government (Ministry of Justice) and reduce high cost of maintenance currently incurred by ministry. The Ministry of Justice who shall be the Client, with the collaboration of the PPP Unit at the Ministry of Finance (MOF) wishes to examine the feasibility of this project as a PPP and thus intends to procure the services of an experienced transaction advisor (firm / consortium) to assist in the Ministry of Justice in the preparation (feasibility) and throughout the procurement phases of the project up to selection of the developer. The appropriate transaction advisor shall be responsible for bringing together a team of suitably qualified and experienced financial, technical and legal advisors to assist the Client in achieving the assignment objectives.

The Government of Namibia has received funding from the African Development Bank (AfDB) towards the Institutional Strengthening for a Public-Private Partnerships Project (ISPPP), and intends to apply part of the funds for the procurement of the transaction advisory services for the procurement of a private developer for the Ministry of Justice office redevelopment PPP project

#### 2. Project objectives and key features

A PPP project is contemplated in order to catalyse private investment in the redevelopment of the MoJ office building and operation of the same including the surplus commercial space, for a certain

period of time before transferring it back to the state. The planned PPP initiative is with the following core objectives:

- Developing functional, modern head office space for the MoJ to accommodate approximately 600 staff members at a single location
- Undertake a development through a revenue generating and commercially viable project structure such that private investment is possible while minimizing the draw on budgetary resources of the Ministry of justice

### **3. Objectives and scope of works for the consultancy:**

The overall objective of the consulting assignment shall be for the selected consultant(s) to provide transaction advisory services for the redevelopment of the Ministry of Justice office building through a PPP mode. The selected consultants shall be required to work with MoJ and MoF teams through the stages of project feasibility assessment, project structuring, undertaking the procurement process including developing the procurement documents & the draft PPP agreement, and running the procurement process – up to developer selection.

#### **a. The specific roles of the consultant shall be:**

- **Preparation of detailed techno-economic feasibility report**, including:
  - Office facility development standards – working closely with the MoJ task team to come up with capacity requirements, minimum design and quality specifications for the office facility
  - Market assessment – including demand for office and commercial space and revenue projections;
  - Infrastructure / facilities planning – recommendation on technical scope and phasing (if relevant) of the project; capital and operational cost estimates
  - Financial feasibility analysis – including estimates of financial returns, sensitivity analysis, risk analysis
  - Project structuring – affordability analysis, value for money analysis and recommended PPP structure
- **Transaction / procurement support**
  - Development of procurement documents: Project Information Memorandum (based on feasibility analysis), Request for Qualification (RFQ) and Request for Proposal (RFP)
  - Development of draft PPP agreement (including roles and responsibilities of the contracting parties, performance obligations and penalty provisions for non-performance)
  - Assistance in marketing of project to target private sector participants
  - Assistance in interaction with bidders including holding pre-bid meetings, resolving bidder queries
  - Assistance in shortlisting of bidders and evaluation of proposals – recommendation of preferred bidder
  - Assistance in contract negotiation and signing of concession agreement with selected bidder

Note: the outputs produced by the consultant should confirm to the requirements as per the national PPP policy (2013) and provisions of the PPP Act 2017 (No.4 of 2017). This will be in order to enable the various transaction approvals from the PPP Committee (MoF).

## **b. Key deliverables of the consulting exercise shall be:**

The envisaged consulting assignment shall be completed over a total duration of 11 months with the following milestones:

### **[1] Project Inception Report**

### **[2] Phase One: Feasibility Study and Project Implementation Schedule**

- Project development standards, in line with Activity 1 and 2 of Annexure I in the concept note,
- Detailed techno economic feasibility for the envisaged PPP project, in line with Activity 3,4 and 5 of Annexure I in the concept note,
- Summary of recommendations, Project Implementation Plan and Feasibility Study Report; Support to MoJ on securing PPP Committee approvals and all other Government Approvals.

### **[3] Phase Two: PPP procurement**

Procurement documents & draft concession agreement (including required quality standards of items and other performance parameters), in line with Activity 6 of Annexure I in the concept note

- Evaluation reports recommending shortlisted applicants and preferred bidder, in line with Activity 6 of Annexure I in the Concept Note
- Assistance in negotiations with selected bidder and signing of concession agreement; and submission of the project close-out report, in line with Activity 6 of the Annexure I in the Concept Note

## **4. DELIVERABLES EXPECTED FROM CONSULTANT**

<b>Milestone</b>	<b>Indicative timelines following Contract Signing</b>
Inception Report	4 weeks
Interim Presentation on Feasibility Study	12 weeks
Final Feasibility Study with Procurement Plan	16 weeks
Request For Qualification (RFQ) Package	18 weeks
Market Sounding Report	21 weeks
Draft Request for Proposal (RFP) Package including draft PPP Agreement	22 weeks
Evaluation of RFQ Applications – Prequalification Report	26 weeks
Evaluation of Bids – Bid Evaluation Report	40 weeks
Participation in Contract Negotiations with Preferred Bidder and Project Closeout Report	44 weeks

## **5. TIMEFRAME**

The assignment is expected to conclude in a period of 11 months.