

ABBREVIATIONS

best and final offer – BAFO
black economic empowerment – BEE
broad-based black economic empowerment – BBBEE
Broad-Based Black Economic Empowerment Act, 2003 – BBBEE Act
Consumer Price Index – CPIX
debt service cover ratio – DSCR
Department of Trade and Industry – DTI
discounted cash flow – DCF
expression of interest – EoI
evaluation co-ordination committee – ECC
Generally Accepted Accounting Practice –GAAP
industrial participation – IP
internal rate of return – IRR
loan life cover ratio – LLCR
Medium-Term Expenditure Framework – MTEF
National Industrial Participation Programme – NIPP
net present value – NPV
Preferential Procurement Policy Framework Act – PPPFA
project life cover ratio – PLCR
Promotion of Administrative Justice Act, 2000 – PAJA
Public Finance Management Act, 1999 – PFMA
public private partnership – PPP
public sector comparator – PSC
Project Development Facility – PDF
project evaluation committee – PEC
record of decision – RoD
request for best and final offers – RfBAFO
request for proposals – RFP
request for qualification – RFQ
service level agreement – SLA
small, medium or micro enterprise – SMME
South African Heritage Resources Agency – SAHRA
special purpose vehicle – SPV
State Information Technology Agency – SITA
technical evaluation teams – TETs
Treasury Approval: I – TA:I
Treasury Approval: IIA – TA:IIA
Treasury Approval: IIB – TA:IIB
Treasury Approval: III – TA:III

INDEX

References are to module number followed by page number

A

abuse of dominance, in competition 5.15

Accountant-General 3.34; 6.14

accounting authorities/officers 1.11; 7.6

application for exemption 1.12

exclusive competency 1.7, 17

feasibility studies, involvement

in 1.7-8, 18-19

management of PPP agreement 6.6

PDF application submission 3.36-38, 41

registration of project 3.3

responsibilities 3.1

PPP agreement management 6.6

role in PPPs 3.1

supervising project officers 3.44

TA: I, involvement in 1.18-19

TA: III, involvement in 1.11, 19-20

Treasury Regulation 16: 1.17

active equity 2.9-11

definition of 2.1

PPP BEE element in 2.27

private party 2.9-11, 21

advertisement/advertise

and distribute in RFQ stage 5.24

of transaction advisor bid

package 3.20-21

template 3.76-77

publish for transaction advisor 3.19-21

advisors and lenders, conflict of interest 5.22

administrative queries 3.22-23

affordability 1.6, 11

definition of 1.3, 16

demonstrate project 4.34-35

PPP feasibility study 4.17-18, 34-35

preliminary analysis to test 4.27-28

solution options analysis stage 4.10

statement, feasibility study 5.4-5

statement in RFP 5.9

TA:III application 5.64

alternative inflation indices 5.10-11

anti-corruption

audit, internal and external 5.43

code of conduct 5.42-43

disclosure 5.42

managing bid process 5.42-43

structured oversight 5.43

assets

existing 5.17

project 5.28

replacement and disposal 5.17

assumptions

construction of base PSC model 4.21-22

in PSC model example 4.49

audit, internal

see internal audit

auditing/audits

see also Auditing PPPs

anti-corruption, internal and external 5.43

forensic 7.4, 7

internal 7.9-10

governance in 7.9

plans 7.9-10

role in PPPs 7.10

scope of 7.9-10

performance 7.3-4,7

regularity 7.2-3, 6

compliance component of 7.5

compliance 7.2

financial component of 7.6

financial 7.3

Auditing PPPs (Module 7) 7.1-13

used for National Treasury PPP Practice

Note Number 08 of 2004

used for Phase V of project term

see also auditing

Auditor-General 7.2-8

application to PPPs 7.4-7

consideration of financial impacts 7.6

powers and functions of 7.2

report 7.7-8

scope of audits 7.2-4

internal audit 7.9-10

governance in 7.9

role of, in PPPs 7.10

scope of 7.9-10

Auditor-General 3.34; 6.14; 7.2-8

application to PPPs 7.4-7

consideration of financial impacts 7.6

powers and functions 7.2

report 7.7-8

formats of modified 7.8

scope of audits 7.2-4

compliance auditing 7.2

- financial auditing 7.3
- forensic auditing 7.4, 7
- performance auditing 7.3-4, 7
- regularity auditing 7.2-3, 6
- Auditor-General Act, 1995 5.83; 7.1, 4**
- Section 3, extracts from 7.2, 13

B

BAFO

- used for best and final offer*
- bidders respond 5.55-56
- choose/evaluate preferred bidders 5.51-56
- clarification, get in BAFO process 5.55
- during bid process 5.51-56
- get TA:IIA in 5.55
- inform bidders 5.53
- lessons from bidders 5.52
- prepare RfBAFO and roadmaps for bidders 5.53-55
- provide clarification 5.55
- RfBAFO

- changes to bidding consortia, during 5.54

- contents of 5.53-55
- distribute RfBAFO and roadmaps 5.55
- prepare during BAFO process 5.53
- roadmaps in 5.53

- when appropriate 5.51

balanced scorecard 2.5-6

- BEE elements of balanced scorecard* 5.34

- choosing top bidder 3.30
- PPP BEE Balanced Scorecard 2.5, 19, 21, 27; 4.7

- draft a proposed for PPP 4.31

- PPP agreement 2.25

- PPP procurement phase 2.22

- PPP BEE Balanced Scorecard for the project*

- PPP procurement 2.22

- RFP stage 2.23-25

- RFQ state 2.22-23

base PSC model

- characteristics 4.19

- construction of 4.19-23

- assumptions used 4.21-22

- calculation of direct costs 4.20-21

- calculation of indirect costs 4.21

- calculation of revenue 4.21

- results 4.23

- technical definition of project 4.20

- functions 4.19

- PPP feasibility study 4.17-23

- value assessment 4.17-23

BBBEE Act, 2003 1.9; 2.7

- used for Broad-Based Black Economic Empowerment Act, 2003

BBBEE Strategy 2.4, 10, 12

- used for Strategy for Broad-based Black Economic Empowerment*

BEE

- used for black economic empowerment and socio-economic issues*

- 4.10-11, 15-16

- application in PPPs 1.9

- assess, value for money 4.37

- bids

- scorecards (template) 3.63

- scoresheets (template) 3.78-81

- scoring of 3.27-30

- total scores (template) 3.90-91

- challenges for, in PPPs 2.8

- Code of Good Practice for PPPs 2.1-28

- costs 4.20-21

- critical considerations in RFQ 5.20

- elements applied in project

- cycle 2.6, 16-26

- elements in bid evaluation 2.18; 3.27

- elements in PPP agreement 2.27

- elements of balanced scorecard 5.34

- evaluation criteria elements 5.40

- Government's commitment 2.21, 28

- key stages for, in feasibility study 2.19-22

- project due diligence stage 4.14

- solution options analysis stage 4.10-11

- why PPPs are good for 2.7-8

benchmarking 5.77

bid bond 5.20

bid briefing sessions 3.18, 20-23

- during bid preparation 3.20

- role of evaluation secretariat in 3.22

- template 3.61

bidder due diligence

- see due diligence

bidders

- choose preferred bidders 5.51

- BAFO 5.51-56

- management of bid process 5.42

- commitments from, RFQ document

- preparation 5.33-37

- BEE elements of balanced

- scorecard 5.34

- corporate governance 5.34

- financial and project structure 5.35
- financial models, content of 5.35-37
- inform during BAFO process 5.53
- level of funding commitment 5.34
- liquidated damages 5.35
- quality management system 5.34
- security requirements 5.35
- service details 5.33-34
- sign off on competition, NIPP 5.34
- technical aspects 5.33-34
 - communication with, in RFQ stage 5.25
- compensation 5.16-17
- information required in RFQ document
 - preparation 5.24
 - information to, RFP document
 - preparation 5.27-30
 - instructions to, RFQ document
 - preparation 5.28-29
 - interviews 3.29-30
 - notes, managing the bid process 5.44
 - number of pre-qualified 5.19-20
 - overall score formula 2.17-18
 - during RFP stage 2.25; 5.38
 - template 3.61
- bidders' notes, managing the bid process 5.44
- bidders' overall score formula 2.17-18
 - during RFP stage 2.25; 5.38
 - template 3.61
- bidding consortia**
 - changes to, during managing the bid process 5.44
 - changes to, during RfBAFO 5.54
 - members, conflict of interest 5.22
 - parties eligible to participate in 5.21
 - not-for-profit entities 5.21
 - private parties 5.21
 - public entities 5.21-22
 - pre-qualification in BEE component of 5.20
 - RFQ stage requirements 2.23
- bidding process**
 - administration of, by transaction advisor 3.13
 - template 3.51-53
- bidding rules**
 - transaction advisor's terms of reference 3.16
 - template 3.57-63
- bid documentation**
 - close-out report and case study 5.67-68
- bid evaluation 3.24-30; 5.45-51**
 - BEE elements 2.18; 3.27
 - by transaction advisor 3.13, 18
 - choose preferred and reserve bidders 5.51
 - clarification 5.50
 - code of conduct for panel members 3.83-86
 - evaluate variant bids 5.50-51
 - evaluation co-ordination committee 5.49-50
 - evaluation criteria
 - template 3.52, 60-61
 - transaction advisor's terms of reference 3.17-18
 - evaluation panel
 - code of conduct for members 3.83-86; 5.81-84
 - establishment of 3.11
 - interviews 3.29-30
 - reservations 3.28-29
 - responsibilities 3.25
 - technical and BEE evaluation 3.25-29
 - evaluation secretariat 3.24
 - briefing session, role of 3.22
 - establishment of 3.11
 - interviews with top bidders 3.29
 - price envelopes 3.25
 - price evaluation 3.29
 - scoring technical bids 3.26-27
 - technical envelopes 3.25
 - technical threshold score 3.27-29
 - evaluation weighting 2.5, 17, 27
 - formula for transaction advisor bid 3.18
 - preparing for 3.24-25
 - price evaluation 3.29
 - template 3.91
 - project evaluation committee 5.50
 - scoring spreadsheet, example 3.89-91
 - technical evaluation teams 5.45-49
 - template 3.53, 61
 - two-envelope system 3.17-18
- bid evaluation criteria**
 - template 3.52, 60-61
 - transaction advisor's terms of reference 3.17-18
- bid evaluation panel**
 - code of conduct for members 5.81-84
 - breaching the code 5.82
 - template 3.83-86
 - establishment of 3.11
 - interviews 3.29-30
 - reservations 3.28-29
 - responsibilities 3.25
 - technical and BEE evaluation 3.25-29

- confirm bids that may go forward 3.29
- confirm bids that passed technical threshold score 3.26-27
- discuss and record any reservations 3.28-29
- enter scores 3.26
- plenary discussion 3.26
- score BEE bids 3.27-28
- score technical bids 3.26
- sign and hand in scoresheets 3.29
- bid evaluation secretariat 3.24**
 - briefing session, role of 3.22
 - establishment of 3.11
 - interviews with top bidders 3.29
 - price envelopes 3.25
 - price evaluation 3.29
 - scoring technical bids 3.26-27
 - technical envelopes 3.25
 - technical threshold score 3.27-29
- bid evaluation weighting 2.5, 17, 27**
 - formula for transaction advisor bid 3.18
- bid managers**
 - experienced, managing bid process 5.42
- bid package**
 - see *also* transaction advisor bid package
 - institutional endorsement of 3.20-21
 - letter of invitation for 3.20
 - prepare transaction advisor 3.19-21
- bid process**
 - BAFO 5.51-56
 - critical considerations for managing 5.42-44
 - anti-corruption 5.42-43
 - bidders' due diligence 5.44
 - bidders' notes 5.44
 - bid validity period 5.44
 - clarification meetings 5.43
 - experienced bid managers 5.42
 - prohibited suppliers 5.43
 - security environment 5.43
 - evaluate bids 5.43-51
 - preparation time allowed 5.10
 - submission, bid
 - deadline 3.18, 20, 62
 - envelopes (template) 3.62
 - requirements (template) 3.18, 62
 - template 3.51, 57-60
 - transaction advisor's terms of reference 3.17-18
 - template 3.52
 - validity period 5.44
 - value-for-money report 5.56-58
- bid receiving 3.24-25**
 - check technical envelopes 3.25
 - open technical and BEE envelopes 3.25
 - register the bid 3.24
 - separate/secure price envelopes 3.25
- bids**
 - formalities, RFP document
 - preparation 5.41
 - receiving and evaluating 3.24-30
 - interview and final choice 3.29-30
 - prepare for evaluation 3.24
 - price evaluation 3.29
 - receive bids 3.24-25
 - technical and BEE evaluation 3.25-29
 - transaction advisor 2.18-19
- bid submission**
 - deadlines 3.18, 20
 - template 3.62
 - envelopes (template) 3.62
 - requirements (template) 3.62
 - address 3.18
 - template 3.51, 57-60
 - transaction advisor's terms of reference 3.17-18
- bid validity period**
 - managing the bid process 5.44
- black economic empowerment**
 - see BEE
- black enterprise 2.6-11, 14**
 - definition of 2.1
 - funding/financing in RFP stage 2.24
- black equity 2.8-9**
 - cost of 2.9, 11, 27
 - definition of 2.1
 - evaluation of BEE proposals 3.27-28
 - funding/financing in RFP stage 2.24
 - funding for 2.11
 - PPP BEE element in 2.27
 - transaction advisor bids, in 2.18
- black people 2.11, 14**
 - as subcontractors 2.6, 10, 13-14
 - definition of 2.1
 - evaluation of BEE proposals 3.27
 - in management control 2.9, 12, 14, 24
 - subcontracts (first tier) in RFP stage 2.24
 - transaction advisor bids, in 2.18
- black professionals**
 - transaction advisors 2.8; 3.28
- black shareholders 2.10-11**
 - definition of 2.1
 - funding and financing in RFP stage 2.24
 - timing of project cash flows to 2.9, 11
- black women 2.6**
 - as subcontractors 2.6, 14, 24

definition of 2.1
in management control 2.9, 12
broad-based BEE
definition of, in BBBEE Act, No 53
of 2003 2.1
**Broad-Based Black Economic
Empowerment Act, 2003**
see BBBEE Act

C

capital contribution by government
see government funding
capital costs 4.20
cash flow
effect of different cash flows on value
of 4.56
nominal in PSC model, example 4.52
clarification
get in BAFO process 5.55
in bid evaluation 5.50
meetings, managing the bid process 5.43
clarification meetings
managing the bid process 5.43
close-out report and case study
bid documentation 5.67-68
by transaction advisor 3.14; 5.65
template 3.54; 5.65-66
conclusions and recommendations 5.69
feasibility study 5.67
financial closure 5.69
inception 5.67
introduction 5.67
negotiations 5.68
options analysis 5.67
PPP agreement management 5.68
PPP procurement 5.65-69
project summary 5.66
Code of Conduct
for bid evaluation panel
members 3.83-86; 5.81-84
for The Public Service 5.83
project officers 6.10
**Code of Good Practice for BEE in PPPs
(Module 2) 1.9, 12; 2.1-28**
used for National Treasury PPP Practice
Note Number 03 of 2004
applying PPP BEE policy in each phase
of the PPP
project cycle (Part III) 2.16-26

appointment of transaction
advisor 2.16-19
PPP BEE elements applied in project
cycle 2.6, 16-26
managing the PPP agreement 2.26
PPP feasibility study 2.11, 19-22
PPP procurement 2.22-25
applying PPP BEE policy in the typical
structure of a PPP (Part II) 2.9-15
local socio-economic impact 2.14-15
private party equity 2.10-11
private party management and
employment 2.12-13
subcontracting 2.13-14
Government's commitment to take BEE
in PPPs forward (Part V) 2.6, 11, 28
proactive commitments by
Government to promote BEE in
PPPs 2.6
introduction (Part I) 2.5-8
challenges for BEE in PPPs 2.8
legal basis for PPP BEE policy 2.7
policy on BEE in PPPs 2.5-6
why PPPs are good for BEE 2.7-8
PPP BEE Balanced Scorecard
(Part IV) 2.5, 27
PPP procurement phase 2.22
communication
in PPP partnership management
plan 6.15-17
business level 6.16
channels of 6.16
communication levels 6.15
consistency 6.17
operational level 6.16
physical location of partners 6.17
strategic level 6.16
trust 6.17
Companies Act, 1973 3.64; 5.21
competition 5.14-15
abuse of dominance 5.15
mergers 5.15-16
process for competition filing 5.16
restrictive horizontal practice 5.15
restrictive vertical practice 5.15
Competition Act, 1998 5.14-16
Competition Commission 5.14-16
compliance auditing 7.2
conflict of interest
advisors and lenders 5.22
consortium members 5.22
consortium members
see bidding consortia

Constitution of the Republic of South Africa Act, 1996
procurement policy 2.7
Section 188 7.2, 12
Section 217 2.7; 5.81
construction subcontractors 2.2
corporate finance structure, for structuring PPP projects 4.30
costs
BEE costs 4.20-21
calculate and consolidate all 4.31-32
direct costs
BEE costs 4.20-21
calculation of 4.20-21
capital costs 4.20, 49
maintenance costs 4.20, 49
operating costs 4.20, 49
indirect costs 4.21, 49
pass-through 5.73
shared bid 5.17
CPIX 5.10-11, 32

D

data room, RFQ document preparation 5.29
DCF
used for discounted cash flow
see also discount rate
model, in PSC model example 4.50
declaration of interest
template 5.85-86
statement
template 3.87-88; 5.85-86
depreciation, assumptions PSC model makes about 4.22
detailed analysis
by TETs 5.47-49
BEE 5.49
financial solution 5.48
legal solution 5.48
price 5.49
technical solution 5.47-48
direct costs
BEE costs 4.20-21
calculation of 4.20-21
capital costs 4.20
in PSC model example 4.49
maintenance costs 4.20
in PSC model example 4.49
operating costs 4.20

in PSC model example 4.49
discounted cash flow
see DCF
discount rate
assumptions PSC model makes
about 4.21-22
effect on cash flow 4.56
in calculating NPV 4.36-37, 55
significance of 4.55-58
dispute resolution 2.25; 3.73
in PPP partnership management 6.18
Standardised PPP Provisions
Part S: 86 6.18
dividend distributions 2.8
due diligence
see also project due diligence
bidder, managing the bid process 5.44
bidder's, RFQ document preparation 5.29
legal, complete in TA:III 5.63-64

E

early works 5.11-12
ECC
used for evaluation co-ordination committee
declaration of interest statement 5.85
in bid evaluation 5.49-50
technical evaluation teams reports to 5.49
economic analysis, stage of feasibility study 2.20
economic valuation
Stage 5 of PPP feasibility study 4.40
template 3.50
employment equity 2.6
in private party 2.12
subcontractors 2.9, 14
Employment Equity Act, 1998 2.7, 12, 22; 5.20
empowerment penalties 2.25
envelopes
price 3.25
price proposal 3.25
template 3.59-60
BEE proposal 3.25
template 3.58-59
technical 3.25
technical proposal 3.25
template 3.58-59
two-envelope system 3.17-18
environmental impact assessment 5.13

- data, RFQ document preparation 5.29
- environmental impact assessment, of land 5.13
- in PPP Procurement 5.13
- Environment Conservation Act, 1989** 5.13
- essential minimum requirements**
 - during RFQ document preparation 5.30-31
 - example of signing off 5.47
 - in final RFP document 5.30-31
- evaluation co-ordination committee**
 - see ECC
- excess profits**
 - forms of creating 5.78
 - provisions for 5.77-78
- exemptions**
 - accounting authorities/officers, application for 1.11; 7.6
 - applying for, from Treasury Regulation 16: 1.12
 - conditions set by National Treasury 1.12
 - from Treasury Regulation 16: 1.12-13
 - for an institution, from Treasury Regulation 16: 1.13, 21
 - for a particular PPP, from Treasury Regulation 16: 1.12-13
 - Treasury Regulation 16: 1.21
- expression of interest 5.17-18

F

- Feasibility study**
 - see PPP feasibility study
- financial**
 - administration, category of PPP agreement administration 6.32
 - auditing/audits 7.3, 6
 - closure, by transaction advisor 3.14
 - template 3.54
 - close-out report and case study 5.68
 - impacts
 - consideration by Auditor-General 7.6
 - solution options analysis stage 4.10
 - models, during RFQ document preparation 5.35-37
- financial auditing/audits** 7.3, 6
- financial closure**
 - by transaction advisor 3.14
 - template 3.54
 - close-out report and case study 5.68
- financial impacts**

- consideration by Auditor-General 7.6
- solution options analysis stage 4.10
- financial models, during RFQ document preparation** 5.35-37
- Financial Sector Charter** 2.28
- financing structure**
 - see also funding
 - of PPPs in terms of Treasury Regulation 16: 1.5-6; 5.6
 - during RFQ document preparation 5.34-35
 - in RFP stage 2.24
- foreign exchange risk** 5.11
- forensic auditing/audits** 7.4, 7
- Form ST18**
 - see NIPP form
- funding**
 - see also financing structure
 - government funding in PPPs 4.30-31
 - of transaction advisor 3.32-41
 - agreement 3.41
 - application to PDF 3.7, 35-41, 92-95
 - criteria, PDF 3.40
 - PPP reference model 4.29-31
 - solution options analysis stage 4.10
 - sources, procurement documentation 5.7
 - TA:III application 5.64
 - funding, transaction advisor**
 - agreement 3.41
 - application to PDF 3.35-41
 - template 3.92-95
 - criteria, PDF 3.40

G

- government funding, in PPPs** 4.30-31
- Government Notice 254 of 2001** 5.16
- Government Tender Bulletin** 3.21
- governance, in internal audits** 7.9

H

- heritage assessment** 5.13
- hospital and related services**
 - construction of, value of risk calculation 4.59-62
 - example of PSC model 4.48-54
- hospital construction**
 - calculation of value of risk, example 4.59-62

human resources, solution options
analysis stage 4.12

I

indirect costs

- calculation of 4.21
- in PSC model example 4.49

inflation, assumptions PSC model makes about 4.21

information verification

- in feasibility study 4.37-39
- checklist for legal compliance 4.38
- sign-off 4.38
- used in feasibility study 4.38

initial needs analysis

- see *also* needs analysis
- in PPP Inception 3.2

initial value-for-money test 4.35-37

- see *also* value-for-money test
- assess BEE value for money 4.37
- check models 4.35
- comparison with value-for-money 4.36
- establish indication of value for money 4.36-37

institutional endorsement, of bid package 3.20-21

institutional function, definition of 1.3, 16

institution/s

- applying for exemption from Treasury Regulation 16: 1.12
- definition of, in Treasury Regulation 16: 1.3, 16; 2.1
- roles and responsibilities of, in PPP agreement management 6.6-10
- subjected to Treasury Regulation 16: 1.3

Integrated Development Plans 2.14

internal audit 7.9-10

- see *also* PPP auditing
- governance in 7.9
- plans 7.9-10
- role in PPPs 7.10
- scope of 7.9-10

internal controls, in internal audits 7.9-10

J

job creation 2.6, 8

K

key stakeholders

- information on, during feasibility study 4.5

King Code of Corporate Practices and Conduct 6.13-14

King Code on Corporate Governance 2002 5.34

L

land 5.13

- environmental impact assessment 5.13
- heritage assessment 5.13

legislation and regulations

- project due diligence stage 4.14-15
- solution options analysis stage 4.11-12

liquidated damages, during RFQ

document preparation 5.35

M

maintenance costs 4.20

- in PSC model example 4.49

management control 2.6

- definition of 2.2

Managing the PPP Agreement (Module 6)

see PPP agreement, management of (Module 6)

marked-up PPP agreement, in RFP stage 2.24

market capability and appetite

- solution options analysis stage 4.12

mergers 4.15-16

minimum threshold 2.5

- in bid evaluation 2.27

Module 1

see South African Regulations for PPPs

Module 2

see Code of Good Practice for BEE in PPPs

Module 3

see PPP Inception

Module 4

see PPP Feasibility Study

Module 5

see PPP Procurement

Module 6
see Managing the PPP Agreement
Module 7
see Auditing PPPs
Monte Carlo simulation 4.26
MTEF 3.7; 4.21
used for Medium-Term Expenditure Framework
Municipal Finance Management Act, 2003 1.1
municipal government 1.3
legislation governing PPPs in 1.1
Municipal Systems Act, 2000 1.1

N

National Environmental Management Act, 1998 5.13
national government
institutions subjected to Treasury Regulation 16: 1.3
legislation governing PPPs in 1.1
National Industrial Participation Programme
see NIPP
National Treasury, conditions for exemptions set by 1.12
National Treasury's PPP Manual 1.1-2, 12
National Treasury PPP Practice Note Number 02 of 2004
see South African Regulations for PPPs (Module 1)
National Treasury PPP Practice Note Number 03 of 2004
see Code of Good Practice for BEE in PPPs (Module 2)
National Treasury PPP Practice Note Number 04 of 2004
see PPP Inception (Module 3)
National Treasury PPP Practice Note Number 05 of 2004
see PPP Feasibility Study (Module 4)
National Treasury PPP Practice Note Number 06 of 2004
see PPP Procurement (Module 5)
National Treasury PPP Practice Note Number 07 of 2005
see PPP Agreement, management of (Module 6)
National Treasury PPP Practice Note Number 08 of 2004

see Auditing PPPs (Module 7)
negotiations
close-out report and case study 5.68
finalising and signing of contract 3.31-41
stage in PPP Procurement 2.25
Stage 4 of PPP Procurement 5.59-61
engagement 5.60
final bargaining 5.61
formal settlement 5.61
initial contact 5.60
ongoing management 5.60
preparatory work 5-59-60
resolution 5.60-61

needs analysis
feasibility report submission requirements 4.42
initial needs analysis 3.2
Stage 1 of feasibility study 4.3-8
budget 4.4
institutional environment 4.4-6
output specifications 4.6-7
project definition 4.7-8
strategic objectives 4.3-4
PPP feasibility study deliverables template 3.48
net present value
see NPV
NIPP 5.14
used for National Industrial Participation Programme form 5.14
Non Profit Organisations Act, 1997 5.21
not-for-profit entities
parties eligible to participate in bidding 5.21
NPV 4.19, 43
used for net present value
determine cost of a project 4.36-37

O

operating costs 4.20
in PSC model example 4.49
reducing 5.78
operations subcontractors 2.2
options analysis
see also solution options analysis
close-out report and case study 5.67
in PSC model example 4.48
output specifications
during needs analysis 4.6-7
feasibility study and procurement 5.6
in PSC model example 4.48
stage of feasibility study 2.20

P

PAJA

see Promotion of Administrative Justice Act, 2000

partnership management

- in PPP agreement 6.13-19
- tasks and challenges during delivery phase 6.35
- tasks and challenges during development phase 6.34
- tasks and challenges during exit phase 6.36
- tasks and challenges during procurement phase 6.33

pass-through costs 5.73

payment mechanism 5.72-80

- changes to service requirements 5.75-77
- checklist for developing 5.78-80
- core components of 4.31
- during RFQ document preparation 5.32
- elements of 5.73-78
- procurement documentation 5.7
- template 3.52
- transparency 5.79

PDF

used for Project Development Fund

- application process, PDF 3.36-41
 - accounting officer/authority application submission 3.36-38
 - address 3.36
 - funding agreement , preparation and signing 3.41
 - institution meets all conditions 3.41
 - PDF acknowledge receipt of application 3.38
 - PDF evaluates application 3.38-41
 - PDF takes over funding transaction advisor 3.41
 - project advisor informs accounting officer of PDF's decision 3.41
 - project officer makes recommendation 3.38
- application to the, post-TA:
 - checklist for 3.37-38
 - template 3.94-95
- application to the, pre-TA:
 - checklist for 3.36-37
 - template 3.92-93
- applying for funding 3.35-41
- conditions 3.41
- core activities 3.33-34

- evaluation committee 3.39
- evaluation criteria 3.39-40
- evaluation of application 3.38-41
- funding by 3.7
- funding agreement 3.41
- funding, considering 3.7
- funding for, through the PDF 3.32-34
- funding for transaction advisors 3.32-41
- introduction to 3.32-34
- organisational structure of 3.34
- relationships with other institutions 3.33
- risk management 3.40-41
- support for transaction advisor's fees 3.14-15

PEC

- used for* project evaluation committee declaration of interest statement 5.85
- in bid evaluation 5.50

penalty deductions, user-fee PPPs 5.74-75

penalty regime 2.25

performance auditing/audits 7.3-4, 7

performance management

- in PPP agreement 2.25; 6.24-28
 - develop model as part of PPP agreement 6.25
 - develop plan in PPP agreement management plan 6.26
 - performance improvement measures 6.27-28
 - performance monitoring systems 6.26
 - process, diagram 6.25
 - review and take corrective action 6.26-27

PFMA 3.64; 5.81; 7.1

used for Public Finance Management Act, 1999

- Section 10(1) 1.6
- Section 76(4) 1.1-2, 9-10
- Treasury Regulation 16: 1.2, 16-21

PPP Agreement, managing the (Module 6) 2.26; 6.1-39

see also PPP agreements

used for National Treasury PPP Practice Note Number 07 of 2004

used for Phase IV of project term

- administration (Section 6) 2.26; 6.4, 29-32
 - main categories of 6.29-32
 - planning and implementing 6.32
 - tasks and challenges during delivery phase 6.35
 - tasks and challenges during development phase 6.34

- tasks and challenges during exit phase 6.36
- tasks and challenges during procurement phase 6.33
- approach to (Section 3) 6.11-12
 - critical success factors 6.11-12
 - what can go wrong and why 6.12
- close-out report and case study 5.68
- contract administration 6.2
 - contract maintenance 6.2
 - financial administration 6.2
 - variation management 6.2
- framework 6.3-5
- functions of 6.1-2
 - contract administration 6.2
 - partnership management 6.1-2, 13-19
 - performance management 6.2
 - PPP agreement
 - administration 6.1, 29-32
 - service delivery management 6.1, 20-28
- in terms of Treasury Regulation 16: 1.20
- key challenges and tasks (Section 7) 6.33-36
 - delivery phase 6.35
 - development phase 6.34
 - exit phase 6.36
 - procurement phase 6.33
- partnership management (Section 4) 2.26; 6.4, 13-19
 - communication and information sharing 6.2
 - corporate governance 6.2
 - development of plan 6.18-19
 - dispute resolution 6.2
 - relationship assessment 6.2
 - trust and attitude 6.2
- performance management 6.2
 - performance improvement 6.2
 - quality 6.2
 - risk management 6.2
 - service delivery 6.2
 - value for money 6.2
- phases of 6.2-4
 - delivery phase 6.3-4, 35, 38
 - development phase 6.3-4, 34, 38
 - exit phase 6.3-4, 36, 38
 - feasibility phase 6.2-3
 - inception phase 6.2-3
 - procurement phase 6.2-3, 33
- plan and manual (Section 8) 6.37-39
- exit strategy 6.5, 38
 - implementation of, template 6.38
 - template 6.38
- roles and responsibilities of institution (Section 2) 6.6-10
 - accounting officer/authority 6.6
 - project officer 6.7-10
- service delivery management (Section 5) 2.26; 6.4, 20-28
 - performance management 6.24-28
 - risk management 6.20-24
- PPP agreements 2.9**
 - see also PPP agreement, managing the (Module 6)
 - amendments and variation of, in terms of Treasury Regulation 16: 1.11, 20-21
 - binding on the state, in terms of Treasury Regulation 16: 1.11, 21
 - contracting 1.10, 19-20
 - definition 1.6, 17
 - draft
 - during RFQ document preparation 5.32-33
 - template 3.52
 - in PPP project cycle 2.6
 - maintenance, category of PPP agreement administration 6.31
 - management of 1.10-11, 20; 2.26
 - management plans, involving transaction advisor 3.14
 - template 5.53-54
 - negotiations by transaction advisor 3.14
 - template 3.53-54
 - PPP BEE elements 2.27
 - signature, by transaction advisor 3.14
 - template 3.54
 - stage in PPP procurement 2.25-26
- PPP BEE Balanced Scorecard 2.5, 19, 21, 27; 4.7**
 - draft a proposed, for PPP 4.31
 - PPP agreement 2.25
 - PPP procurement phase 2.22
- PPP BEE Balanced Scorecard for the project**
 - PPP procurement 2.22
 - RFP stage 2.23-25
 - RFQ state 2.22-23
- PPP BEE elements 2.9-15, 27**
 - feasibility study considerations 2.21
 - local socio-economic impact 2.9, 14-15, 21, 27
 - private party equity 2.9-11, 21, 27
 - private party management and employment 2.9, 12-13, 21, 27
 - subcontracting 2.9, 13-14, 21, 27

PPP BEE policy 2.5-6
 application in typical PPP structure 2.9-15
 legal basis for 2.7

PPPFA 1.9; 2.5
used for Preferential Procurement Policy Framework Act, 2000
 government procurement 2.7
 PPPFA 90:10 formula 2.19; 4.21

PPP Feasibility Study (Module 4) 2.9-11, 19-22; 4.1-66
used for National Treasury PPP Practice Note Number 05 of 2004
used for Phase II of project preparation period
see also TA:I
 close-out report and case study 5.67
 definition of, in Treasury Regulation 16: 2.1
 economic evaluation (Stage 5) 4.40
 template 3.50
 for TA:I (Stage 7) 4.42-44
 for TA:III, revisiting (Stage 8) 4.45
 in terms of Treasury Regulation 16 1.7-9, 18-19
 key outcomes of, for solid PPP procurement 5.4-8
 key stages for BEE 2.19-22
 needs analysis (Stage 1) 4.3-8
 budget 4.4
 institutional environment 4.4-6
 output specifications 4.6-7
 project definition 4.7-8
 strategic objectives 4.3-4
 template 3.49

PPP BEE elements 2.19-22
 PPP procurement links to 5.4-8
 PPP project cycle 2.6
 procurement plan
 Stage 6 of 4.41
 template 3.50

project due diligence (Stage 3) 4.14-16
 BEE and socio-economic issues 4.15-16
 legal issues 4.14-15
 procurement 5.7-8
 site enablement issues 4.15
 template 3.49

report (Stage 7) 4.42-44
 contents of 4.42-44
 requirements 4.42-44
 submission of 4.42-44
 template 3.51

requirements for report 4.39
 electronic format requirements 4.44
 revisiting 4.45
 solution options analysis (Stage 2) 4.9-13
 output analysis 4.10-13
 output selection 4.13
 template 3.49

stages of 4.1-2
 submission of report
 Stage 7 of 3.51; 4.42-44

transaction advisor
 scope of work in 3.13
 template 3.47
 set out deliverables for 3.13
 template 3.48-51

value assessment (Stage 4) 4.17-39
 affordability 4.17-18, 34-35
 base PSC model 4.17-23
 information verification 4.37-39
 PPP reference model 4.17-18, 28-32
 procurement choice 4.37
 risk-adjusted PPP reference model 4.17-18, 32-33
 risk-adjusted PSC model 4.17-18, 23-28
 sensitivity analysis 4.33-34
 template 3.49-50
 value-for-money test 4.17, 35-37

PPP Inception (Module 3) 3.1-95
used for National Treasury PPP Practice Note Number 04 of 2004
used for Phase I of project preparation period
 accounting officer/authority's role 3.1
 close-out report and case study 5.67
 code of conduct for bid evaluation panel members 3.83-86
 declaration of interest statement (template) 3.87-88
 PDF application – post-TA:I (template) 3.94-95
 PDF application – pre-TA:I (template) 3.92-93
 project officer duties and responsibilities (template) 3.44-45
 required competencies 6.7
 Stage 1: 3.2-8
 appoint project officer 3.4-7
 assess project budgets and consider

PDF funding 3.7
 initial needs analysis 3.2
 register with relevant treasury 3.2-4
 set up/appoint project team 3.7-8

- Stage 2: 3.9-23
 - attracting transaction advisor 3.9-23
 - brief bidders and respond to queries 3.20-23
 - draft contract, transaction advisor 3.20
 - define transaction advisor terms of reference (Part 3) 3.11-18
 - establish bid evaluation panel and bid secretariat (Part 1) 3.11
 - prepare rest of bid package (Part 3) 3.19-21
 - publish advertisement for transaction advisors 3.19-21
- Stage 3: 3.24-30
 - interview and make final choice (Part 5) 3.29-30
 - prepare for evaluation (Part 1) 3.24-25
 - price evaluation (Part 4) 3.29
 - receive and evaluate bids 3.24-30
 - receive the bids (Part 2) 3.24-25
 - technical and BEE evaluation (Part 3) 3.25-29
- Stage 4: 3.31-41
 - apply for funding 3.35-41
 - finalise and sign contract 3.31-41
 - introduction to PDF 3.32-34
 - PDF funding for transaction advisors 3.32-41
- PPP partnership management**
 - in PPP agreement 6.13-19
 - communication and information sharing 6.15-17
 - corporate governance 6.13-14
 - development of plan 6.18-19
 - dispute resolution 6.18-19
 - relationship assessment 6.17
 - trust and attitudes 6.14
 - tasks and challenges during procurement phase 6.33
- PPP Procurement (Module 5) 2.5, 22-25; 5.1-86**
 - used for National Treasury PPP Practice Note Number 06 of 2004*
 - used for Phase III of project preparation period*
 - see also TA:IIA; TA:II B*
 - see also procurement*
 - choice, making the 4.37
 - choose preferred bidder (Stage 3) 5.42-58
 - close-out report and case study (Stage 6) 5.65-69
 - critical considerations in 5.9-18
 - abuse of dominance 5.15
 - affordability statement in RFP 5.9
 - alternative inflation indices 5.10-11
 - assets 5.17
 - bidder compensation 5.16
 - competition 5.14-16
 - early works 5.11-12
 - environmental impact assessment 5.13
 - expression of interest 5.17-18
 - foreign exchange risk 5.11
 - heritage assessment 5.13
 - land 5.13
 - mergers 4.15-16
 - NIPP, and form 5.14
 - restrictive horizontal practice 5.15
 - restrictive vertical practice 5.15
 - shared bid costs 5.17
 - shared interest rate 5.11
 - staff 5.14
 - time allowed for bid preparation 5.10
 - value for money in risk 5.10-11
 - variant bids 5.9-10
- critical considerations in RFQ 5.19-22
 - BEE 5.20
 - bid bond 5.20
 - conflict of interest 5.22
 - number of pre-qualified bidders 5.19-20
 - parties eligible to participate in bidding consortia 5.21-22
 - template 3.52
- deliverables
 - template 3.51-54
- links to feasibility study 5.4-8
- negotiations (Stage 4) 5.59-61
 - engagement 5.60
 - final bargaining 5.61
 - formal settlement 5.61
 - initial contact 5.60
 - ongoing management 5.60
 - preparatory work 5.59-60
 - resolution 5.60-61
- plan (Stage 6 of PPP feasibility study) 4.41
- RFQ (Stage 1) 5.19-25
 - BEE 5.20
 - bid bond 5.20
 - conflict of interest 5.22
 - number of pre-qualified bidders 5.19-20
 - parties eligible to participate in bidding consortia 5.21-22
 - template 3.52

RFP (Stage 2) 5.26-41
 template 3.52
 stages of, with indicative timelines 5.2-3
 TA:III (Stage 5) 5.62-64
 compile and submit TA:III report 5.63-64
 complete legal due diligence 5.63
 prepare PPP agreement management plan 5.62-63
 transaction advisor, setting out deliverables 3.13-14
 template 3.47, 51-54

PPP project cycle
 BEE PPP elements applied to project cycle 2.6, 16-26
 four stages of inception 3.1-95
 in terms of Treasury Regulation 16: 1.7
 Phase I (Inception) 3.1-95
 Phase II (Feasibility Study) 4.1-66
 Phase III (Procurement)
 Treasury approvals 7.5-6

PPP project officers
 see project officers

PPP project finance structure 4.29
 relationships in 4.29

PPP reference model
 construction 4.28-32
 calculate and consolidate all costs 4.31-32
 confirm PPP type 4.28
 core components of payment mechanism 4.31
 explain assumptions and indicators 4.32
 proposed PPP project structure and sources of funding 4.29-31
 set and cost BEE targets 4.31
 stage of feasibility study 2.20
 template 3.49-50

PPPs
used for public private partnerships
 application of BEE in terms of Treasury Regulation 16: 1.9
 application of PPP BEE policy in the typical structure of a PPP 2.9-15
 challenges for BEE in 2.4, 8
 Code of Good Practice for BEE in 2.1-28
 definition of, in Treasury Regulation 16: 1.4, 17; 2.2
 exemption from Treasury Regulation 16: 1.12-13
 feasibility study of proposed 1.7-8, 18-19
 funding/financing structures in terms of Treasury Regulation 16: 1.5-6
 Government's commitment to take BEE in PPPs forward 2.28
 legal basis for PPP BEE policy 2.7
 policy on BEE in 2.5-6
 project inception in terms of Treasury Regulation 16: 1.7, 18
 role of accounting officer/authority in 3.1
 role of internal audit 7.10
 South African Regulations for 1.1-21
 subcontracting 2.13-14
 tests for, in terms of Treasury Regulation 16: 1.8-9
 Treasury Regulation 16: 1.16-21
 types 1.5
 typical PPP structure 1.6
 what does PPP entail in terms of Treasury Regulation 16: 1.4-5
 why PPPs are good for BEE 2.7-8

PPP Unit, National Treasury 3.2-4
 address 3.36
 core activities 3.33-34
 core functions 3.2
 meeting with 3.3
 project advisor assigned by 3.4

Preferential Procurement Policy Framework Act, 2000
 see PPPFA

preferred bidders
 definition of 1.6, 17
 BAFO 5.51-56
 choosing and evaluation in BAFO process 5.56
 choosing of 5.42-58
 in bid evaluation 5.51
 critical considerations, managing bid process 5.42-44
 anti-corruption 5.42-43
 bidders' due diligence 5.44
 bidders' notes 5.44
 bid validity period 5.44
 clarification meetings 5.43
 experienced bid managers 5.42
 prohibited suppliers 5.43
 security environment 5.43
 evaluate the bids 5.45-51
 value-for-money report 5.56-58

preliminary work
 check for completeness 5.46
 example of signing off 5.46
 check for compliance 5.46

- of technical evaluation teams 5.46-47
- preparatory work**
 - negotiations during PPP Procurement phase 5.59-60
- pre-qualified bidders**
 - see bidders
- private party/parties 1.11; 2.6-7**
 - black equity in 2.10
 - definition of, in Treasury Regulation 16: 1.4, 16; 2.1
 - eligible to participate in bidding 5.21
 - how it is chosen, in terms of Treasury Regulation 16: 1.9
 - management and employment 2.12-13, 21
 - assess project budgets and consider PDF funding (Part 4) 3.7
 - black management control in 2.9, 12, 21, 27
 - black women in management control 2.9, 12, 21, 27
 - employment equity 2.9, 12, 21, 27
 - PPP BEE element in 2.27
 - skills development 2.9, 12-13, 21, 27
 - reporting 2.25
 - special purpose vehicle 2.10
 - subcontracting and procurement 2.6, 13-14
- private party equity 2.6, 9-11, 21**
 - active equity 2.9-10, 21
 - black equity 2.9-10, 21
 - cost of black equity 2.9, 11, 21
 - PPP BEE elements in 2.27
 - timing of cash flows to black shareholders 2.9, 11, 21, 27
- procurement**
 - see *also* PPP procurement
 - framework and timelines, RFQ document preparation 5.28
 - in terms of Treasury Regulation 16: 1.19
 - plan
 - feasibility report submission requirements 4.42
 - feasibility study 5.6
 - Stage 6 of PPP feasibility study 4.41
 - template 3.50
 - procedure/process
 - in terms of Treasury Regulation 16: 1.9-10, 19; 2.7
 - RFQ document preparation 5.23
- prohibited suppliers, managing the bid process 5.43**
- project advisor**
 - used for* PPP project advisor
 - assigned by PPP Unit 3.4
 - managing the transaction advisor 3.10
 - PDF application process 3.36, 38, 41
- project assets, RFQ document preparation 5.28**
- project budgets**
 - analysis of, in PPP feasibility study 4.4
 - assessment of, in PPP inception 3.7
 - template 3.48
 - compare with risk-adjusted PPP reference model 4.35
 - determine 4.34-35
- Project Development Facility**
 - see PDF
- project due diligence**
 - feasibility report submission requirements 4.43
 - stage of feasibility study 2.20
 - Stage 3 of PPP feasibility study 4.14-16
 - BEE and socio-economic issues 4.15-16
 - legal issues 4.14-15
 - site enablement issues 4.15
 - template 3.49
- project evaluation committee**
 - see PEC
- project framework, RFQ document preparation 5.28**
- project inception, in terms of Treasury Regulation 16: 1.7, 18**
- project officers**
 - used for* PPP project officers
 - appointment of 1.7; 3.4-7; 7.5
 - briefing session, role of 3.22
 - competencies needed 3.5-6; 6.7
 - definition of 1.4, 16
 - dispute resolution, role in 6.18
 - duties and responsibilities 3.4-5; 6.7-10
 - template 3.44-45
 - ethics 6.10
 - expertise 6.8-9
 - information on, during feasibility study 4.4
 - letter of invitation for bid package 3.20
 - preparation of transaction advisor bid package 3.19-21
 - responsibilities, PPP agreement management 6.7-10
- project preparation period**
 - see PPP Inception for Phase I

- see PPP Feasibility Study for Phase II
- see PPP Procurement for Phase III
- project secretariat**
 - functions of 3.8
 - set up/appointment in PPP Inception phase 3.7-8
- project teams**
 - functions 3.8
 - template 3.68
 - information on, during feasibility study 4.4
 - in procurement 5.6
 - managing the transaction advisor 3.10
 - set up/appointment in PPP Inception phase 3.7-8
- project term**
 - see Auditing PPPs for Phase V
 - see Managing the PPP Agreement for Phase IV
- project type and participants**
 - procurement documentation 5.6
- Promotion of Access to Information Act, 2000 5.82; 6.14; 7.4**
- Promotion of Administrative Justice Act, 2000 1.9; 5.45; 6.14**
- provincial government**
 - institutions subjected to Treasury Regulation 16: 1.3
 - legislation governing PPPs in 1.1
- PSC model 2.19**
 - example of 4.48-54
 - value assessment (template) 3.49
- public entities**
 - parties eligible to participate in bidding 5.21-22
- Public Finance Management Act, 1999**
 - see PFMA
- public private partnerships**
 - see PPPs
- Public Services Act, 1994 3.44; 5.82**
- PSC**
 - used for public sector comparator stage of feasibility study 2.20

Q

- qualitative factors**
 - solution options analysis stage 4.12
- quality management system**
 - during RFQ document preparation 5.30

R

- rate-card charges 5.72**
- register**
 - bids 3.24
 - with relevant Treasury in PPP Inception 1.7; 3.2-4
- regularity auditing/audits 7.2-3, 6**
 - compliance audit component of 7.5
 - compliance auditing 7.2
 - financial audit component of 7.6
 - financial auditing 7.3
- relevant Treasury 1.7**
 - definition of 1.6, 17
- request for best and final offer**
 - see RfBAFO
- Request for Qualification**
 - see RFQ
- restrictive horizontal practice, in competition 5.15**
- restrictive vertical practice, in competition 5.15**
- revenue**
 - calculation of 4.21
 - project generating excess 4.58
 - project generating insufficient 4.57-58
- RfBAFO**
 - used for request for best and final offer changes to bidding consortia, during 5.54
 - contents of 5.53-55
 - distribute RfBAFO and roadmaps 5.55
 - prepare during BAFO process 5.53
 - roadmaps in 5.53
- RFP 4.31**
 - used for request for proposals
 - bidder participation in preparing 5.26-27
 - get feedback from bidders 5.26-27
 - get TA:IIA 5.26
 - prepare draft RFP 5.26
 - final document 5.27-41
 - bid formalities 5.41
 - commitments from bidders 5.33-37
 - essential minimum requirements 5.30-31
 - evaluation criteria 5.37-41
 - get TA:IIA 5.41
 - information to bidders 5.27-30
 - legal requirements and draft PPP agreement 5.32-33
 - payment mechanism and penalty regime 5.32

- service specifications 5.31-32
- standard specifications 5.32
- request for proposals (template) 3.52
- stage in PPP procurement 2.23-25
- Stage 2 of PPP procurement 5.26-41
- RFQ (Stage 1 of PPP procurement)**
 - 5.19-25**
 - used for* request for qualification
 - advertise and distribute 5.24
 - communicate with bidders 5.25
 - critical considerations in (Stage 1) 5.19-22
 - BEE 5.20
 - bid bond 5.20
 - conflict of interest 5.22
 - number of pre-qualified bidders 5.19-20
 - parties eligible to participate in bidding consortia 5.21-22
 - template 3.52
 - evaluation criteria 5.25
 - evaluation criteria, during RFQ document preparation 5.37-42
 - BEE elements 5.40
 - BEE scorecard 5.40
 - bidder's overall score, formula 5.38
 - financial solution 5.39-42
 - legal solution 5.39
 - price 5.40-41
 - technical solution 5.38-39
 - evaluate responses 5.25
 - financial models in 2.24
 - funding/financing in 2.24
 - get TA:IIA 5.24
 - prepare RFQ document 5.23-24
 - stage in PPP procurement 2.22-23
 - template 3.52
- risk**
 - and the private sector 4.32
 - assessment, stage of feasibility study (template) 3.50
 - calculation of hospital construction risk 4.60-62
 - identification, stage of feasibility study 2.20
 - management
 - in internal audits 7.9
 - in PPP agreement management 6.20-24
 - solutions options analysis stage 4.10
 - transfer, TA:III application 5.64
 - valuation
 - construction risk calculation 4.60-62
 - in PSC model example 4.51
 - workshops 4.24
- risk-adjusted PPP reference model**
 - construction of 4.32-33
- risk-adjusted PSC model**
 - construction of 4.23-28
 - allocate risk 4.27
 - construct risk matrix 4.27
 - estimate cost of each risk 4.26
 - estimate likelihood of risks occurring 4.25-26
 - formula 4.27
 - identify the impacts of each risk 4.25
 - identify risks 4.24-25
 - identify strategies for mitigating risks 4.27
 - preliminary analysis to test affordability 4.27-28
 - in PSC model example 4.52
- risk assessment**
 - stage of feasibility study (template) 3.50
- risk identification**
 - stage of feasibility study 2.20
- risk management**
 - in internal audits 7.9
 - in PPP agreement management 6.20-24
 - effectiveness of mitigation measures 6.24
 - embed and review 6.24
 - framework for after signing PPP agreement 6.20
 - plan 6.21
 - risk matrix development 6.21
 - risk mitigation procedures 6.22
 - risk ownership structure and consolidation 6.21
 - risk register and example 6.22
 - summary risk profile and example 6.22-23
- risk matrix**
 - development 6.21
 - hospital construction 4.62
 - in PSC model example 4.53-54
 - procurement 5.8
- risk valuation**
 - construction risk calculation 4.60-62
 - in PSC model example 4.51
- risk workshops 4.24**
- roadmaps**
 - in RfBAFO 5.53
- RoD 5.13**
 - used for* record of decision

S

SAHRA 4.5

used for South African Heritage Resources Agency

scoring

- BEE bids 3.27-29
- criteria 3.27
- sheets/cards 3.28-30
- technical bids 3.26-27

security environment

- managing the bid process 5.43

security requirements

- during RFQ document preparation 5.35

sensitivity analysis 4.33-34

- stage of feasibility study 2.20

service delivery

- arrangements, solutions options analysis stage 4.11

management

- in PPP agreement management 6.20-28

tasks and challenges during delivery

phase 6.35

tasks and challenges during

development phase 6.34

tasks and challenges during exit

phase 6.36

tasks and challenges during

procurement phase 6.33

service delivery management

- in PPP agreement management 6.20-28

performance management 6.24-28

risk management 6.20-24

tasks and challenges during delivery

phase 6.35

tasks and challenges during development

phase 6.34

tasks and challenges during exit

phase 6.36

tasks and challenges during

procurement phase 6.33

service specifications

- during RFQ document preparation

5.31-32

conditions-of-asset-specifications 5.32

expressed as outputs 5.31

input specifications 5.31-32

specific outputs 5.31

example of how to set out a system for

evaluation 5.47-48

shared bid costs 5.17

shared interest rate 5.11

shareholders' agreements, in RFP

stage 2.24

SITA 4.5

used for State Information Technology Agency

site enablement issues

project due diligence stage 4.15

solution options analysis stage 4.11

skills development 2.6, 8

in private party 2.12-13

subcontracting 2.9

Skills Development Levies Act, 1999 2.13

skills transfer plans

evaluation of BEE proposals 3.27

transaction advisor bids, in 2.18-19

small, medium or micro enterprise

see SMME

SMME 2.6

used for small, medium or micro enterprise

definition of 2.3

socio-economic aspects

example of how to do BEE and socio-economic evaluation 5.49

project due diligence stage 4.14

solution options analysis stage 4.10-11

solution options

affordability 4.10

BEE and other socio-economic aspects

4.10-11

choosing 4.13

financial impact 4.10

funding 4.10

human resources 4.12

legislation and regulations 4.11-12

market capability and appetite 4.12

qualitative factors 4.12

risk 4.10

service delivery arrangements 4.11

site issues 4.11

suitability for a PPP 4.13

technical analysis 4.11

transitional management 4.11

solution options analysis

feasibility report submission

requirements 4.42

stage of feasibility study 2.20

Stage 2 of PPP feasibility study 4.9-13

output analysis 4.10-13

output selection 4.13

template 3.49

South African Excellence Foundation

Public Service Excellence Model 6.27

South African Heritage Resources Agency
see SAHRA

South African Regulations for PPPs
(Module 1) 1.1-21
used for National Treasury PPP Practice
Note Number 02 of 2004
see also Treasury Regulation 16

special purpose vehicle 2.2, 7
black equity in 2.11-12
in private party 2.10
PPP project structure 4.29

sponsor security 2.8

staff 5.14

Standardised PPP Provisions 1.1, 5, 12;
5.32, 35, 61, 73
Part F: 33 6.25
Part H: 38 6.8, 14
Part K: 50 6.30
Part M 2.25
Part P: 75 7.4
PPP agreement 2.25-26
PPP procurement phase 2.22

Standardised PPP Risk Matrix 4.24,
33, 63-66

standard specifications
during RFQ document preparation 5.32

State Information Technology Agency
see SITA

state property, definition of 1.7, 17

statistical risk measures 4.26

Strategy for Broad-based Black Economic
Empowerment
see *BBBEE Strategy*

subcontracting 2.9, 13-14
see also subcontractors; subcontracts
black management control 2.9, 14,
21, 27
black women in management control
2.9, 15, 21, 27
Capex cash flow to black people/
enterprises 2.9, 14, 21, 27
employment equity 2.9, 14, 21, 27
open cash flow to black people/
enterprises 2.9, 14, 21
private party's 2.6
procurement to black enterprise SMMEs
2.9, 14, 21, 27
skills development 2.9, 14, 21, 27

subcontractors 2.6-7
see also subcontracting; subcontracts
construction 2.2, 9
definition of 2.2
operations 2.2, 9

subcontracts (first tier)
see also subcontracting; subcontractors
in RFP stage 2.24

suitability for a PPP
solution options analysis stage 4.13

T

TA:I
used for Treasury Approval: I
see also PPP Feasibility Study
affordability statement 5.4-5
applying for PDF funding pre-TA:I 3.35-
37, 92-93
applying for PDF funding post-TA:I 3.35,
37-38, 94-95
in PPP project cycle 2.6
in terms of Treasury Regulation 16:
1.7-9, 18-19
template 3.51
feasibility study for TA:I (Stage 7) 4.42-44
requirements for 4.1-66

TA:IIA
used for Treasury Approval: IIA
see also PPP procurement
get in BAFO process 5.55
get in RFQ stage 5.24
in PPP project cycle 2.6
in terms of Treasury Regulation 16:
1.9-10, 19
template 3.53
PPP procurement 2.22
deliverables set out by transaction
advisor 3.13
template 3.51-53
process and timelines 5.2

TA:IIIB
used for Treasury Approval: IIB
see also PPP procurement
by transaction advisor 3.13
in PPP project cycle 2.6
in terms of Treasury Regulation 16:
1.9-10, 19
template 3.53
PPP procurement 2.22
process and timelines 5.2
value-for-money report 5.58

TA:III
used for Treasury Approval: III
see also PPP agreements, contracting
by transaction advisor 3.14
template 3.53-54

- contents of application for 5.63-64
- in PPP project cycle 2.6
- in terms of Treasury Regulation 16: 1.10, 19-20
 - template 3.53-54
- PPP procurement 2.22
- process and timelines 5.3
- Stage 5 in PPP procurement process 5.62-64
- technical analysis**
 - solution options analysis stage 4.11
- technical bids**
 - evaluation 3.26-29
 - scoresheets (template) 3.78-81
 - plenary discussion 3.26
 - scorecard (template) 3.62
 - scoring of 3.26-28
 - total scores (template) 3.90-91
- technical evaluation teams**
 - see TETs
- TETs**
 - used for* technical evaluation teams
 - declaration of interest statement 5.85
 - in bid evaluation 5.45-49
 - detailed analysis 5.47-49
 - preliminary work 5.46
 - reports to ECC 5.49
- termination 2.25**
- third parties**
 - procurement plan 5.6
 - requirements related to, RFQ document preparation 5.29
- transaction advisor**
 - advantages of using a 3.9-10
 - advertisement 3.20-21
 - advertisement (template) 3.76-77
 - appointment of/attracting 1.7; 2.16-19; 3.9-23; 7.5
 - background 3.12-13
 - bid evaluation 3.12, 16, 18
 - template 3.61
 - bid evaluation BEE elements 2.18; 3.27
 - bid evaluation criteria 3.17-18
 - template 3.52
 - bid evaluation scoring spreadsheet (example) 3.89-91
 - bids 2.18-19; 5.81
 - bid submission
 - requirements 3.12, 16-17
 - template 3.57-63
 - black professionals as 2.8, 19
 - briefing session, role of 3.22
 - consortia 3.28
 - contract, draft 3.20
 - template 3.64-75
 - contract, finalising and signing of 3.31-42
 - definition of 1.7, 17; 2.3; 3.9
 - disbursement arrangements 3.16
 - template 3.56
 - fees, budgets 3.14-15
 - functions of 3.9
 - funding for, through the PDF 3.32-41
 - information on, during feasibility study 4.5
 - interviews with top bidders 3.29-30
 - managing the 3.10, 12, 16
 - template 3.56-57
 - PPP feasibility study deliverables 3.12-13
 - template 3.48-51
 - PPP procurement deliverables 3.12-14
 - template 3.51-54
 - procurement 2.5
 - remuneration 3.12, 14-16
 - template 3.55-56
 - rules of bidding 3.12, 16-17
 - scope of work 3.12-13
 - template 3.47
 - skills/experience 3.9, 12, 14
 - template 3.54-57
 - support in PPP projects 2.6
 - technical and BEE evaluation 3.25-29
 - technical and BEE evaluation scoresheet (template) 3.78-82
 - terms of reference 3.11-18
 - template 3.46-63
- transitional management issues**
 - solution options analysis stage 4.11
- Treasury Guidelines: Preparing Budget Submissions 3.36***
- Treasury Regulation 16: 1.16-21**
 - see also South African Regulations for PPPs
 - contracting PPP agreements 5.1-86
 - PPP funding and financing structures provided by 5.6
 - PPP types cater for by 1.5
 - procurement 5.1-86
 - project inception 3.1-95
 - tests for a PPP 1.8
 - to the PFMA 1.2-13
 - TA: I 1.7-9, 18-19
 - TA: IIA 1.9-10
 - TA: IIB 1.9-10
 - TA: III 1.10, 19-20
 - what does a PPP entail, according to 1.4-5

what is a PPP not 1.5
two-envelope system 3.17-18

U

unitary payments 5.72
methodologies for amending 5.77
unsolicited bids
in terms of Treasury Regulation 16:
1.11-12

V

value assessment
feasibility report submission
requirements 4.43-44
Stage 4 of PPP feasibility study 4.17-39
affordability 4.17-18, 34-35
base PSC model 4.17-23
information verification 4.37-39
PPP reference model 4.17-18, 28-32
procurement choice 4.37
risk-adjusted PPP reference model
4.32-33
risk-adjusted PSC model 4.23-28
sensitivity analysis 4.33-34
value-for-money test 4.17-18, 35-37
template 3.49-50
value for money 1.6, 11; 2.22
see also value-for-money test
assess BEE 4.37
definition of 1.7, 17

demonstration by transaction
advisor 3.13
feasibility study 5.5
in risk: issues and mitigations 5.10
alternative inflation indices 5.10-11
foreign exchange risk 5.11
shared interest rate 5.11
procurement documentation 5.5
report 5.56-58
get TA:IB 5.58
template 3.53
write report 5.56-58
TA:III application 5.64
value-for-money test
see also value for money
compare with initial value-for-money 4.36
initial value-for-money test 4.35-37
assess BEE value for money 4.37
check models 4.35
comparison with value for money 4.36
establish indication of value for money
4.36-37
stage of feasibility study 2.20
value of risk, calculation of 4.59-62
construction of a hospital, example
4.59-62
variant bids 5.9-10
evaluation in bid evaluation 5.50-51
variation management
category of PPP agreement
administration 6.29-31
institutional variations 6.31
private party variations 6.31
small works variations 6.30-31
variations with no additional costs 6.30