
1 ITEM NUMBER:

2 SUBJECT

World Cup 2010: Green Point Stadium and Precinct: Appointment of Multi-disciplinary Consultant Design Consortium: Tender No. 273N-2005/06

3 EXECUTIVE SUMMARY

This report seeks approval for the appointment of a multi-disciplinary team of consultants for the planning and design and management of construction of the new Green Point Stadium and immediate precinct.

4 RECOMMENDATION

It is recommended that the Bid Adjudication Committee recommends to the City Manager that:

- 4.1 The Perlemoen (the highest scoring) and MDA (the 2nd highest scoring) consortia be appointment subject to their forming a Joint Venture to the approval of the City Manager for the preparation of a conceptual stadium design and initial project business plan for the Green Point Stadium. MDA will be requested to exclude the international component of their consortium.
- 4.2 Should MDA be unwilling to form a Joint Venture with Perlemoen, then Stewart Scott (the 3rd highest scoring consortium) be requested to enter into a Joint Venture with Perlemoen. This Joint Venture to be to the approval of the City Manger.
- 4.3 This appointment made in 4.1 or 4.2 above must be concluded in two phases. The first phase be limited to an amount of R10m being the extent of funding made available by PGWC. The second phase of this appointment amounting to R30m will be subject to additional funding being obtained from National Government.
- 4.4. The appointment is subject to the consortia registering on Tradeworld within two weeks of their appointment.
- 4.5. The joint venture envisaged in 4.1. and 4.2 above be appointed for the full scope of the work amounting to an estimated R200m which includes detailed design and management of the construction phase of the project. This further appointment is subject

to all funding for the planning, design and construction of the Green Point Stadium being secured.

- 4.6. The Joint Venture must employ the services of an international financial modeling and business planning expert in stadium operation to ensure the sustainability of the Green Point Stadium development. The appointment of this expert shall be to the approval of the City Manager.

5 DISCUSSION/CONTENTS

5.1. BACKGROUND

On 7 February 2006, Minister Pahad, Premier Rasool, MEC Whitey Jacobs and the Mayoral Committee member Councillor Themba Sikhutshwa publicly announced that a new Green Point Stadium would be a match venue for the 2010 World Cup™.

The City initially proposed that the new stadium would be constructed on a turnkey basis. This proposal was presented to the FIFA Local Organising Committee (LOC) who indicated that the proposed turnkey approach would not be suitable as there were some FIFA requirements that were still being negotiated and developed. As a result of this advice, it was decided that a conventional approach (i.e. planning and design as one bid and construction as the other) would be more appropriate.

A Request for Proposal Document (RfP) was then prepared for submissions from consortia of professional consultants for the design and planning of the new Green Point Stadium and precinct. The proposed team was envisaged to include but not be limited to the following professionals:

- Project Manager
- Architect
- Quantity Surveyors
- Structural Engineers
- Civil Engineers
- Mechanical Engineers
- Electrical Engineers
- Occupational Health & Safety
- Artist
- Landscape Architect
- Universal Access Consultant
- Traffic Engineer
- Transport Planner
- Specialised Town Planner
- Environmental Consultant
- Heritage Consultant
- Land Surveyor
- Economic Development Consultant

An advert was placed in the press (Cape Times and Argus, Die Burger, Business Day, Sunday Times and the Star) over the weekend of 22 – 24 February 2006. In the request for proposals document, bidders were required to submit their responses by 12h00 on 27 March 2006.

The RfP allowed for two question and answer sessions. All questions received by due date were responded to with copies sent to all who had drawn documents.

A separate bidding process for the appointment of the contractor will be embarked upon at a later stage once the design process has reached an advanced stage. The funding for the construction of the stadium must still be secured.

5.2 FINANCIAL IMPLICATIONS

The provisional estimated costs of the full scope of the work which includes design, business plan and management of construction phases of the project is envisaged to be of the order of R200m (based on the projected construction cost of R1.2bn). Commitment of the R200m for the full scope of the work is subject to the approval of the business plan by the three spheres of government.

The first phase of this project, which involves the preparation of a conceptual stadium design and initial project business plan is estimated to cost R30m funding for which has been requested from National Government. Discussions with government officials have indicated that the formal allocation of this funding to the City is imminent. This amount together with the R10 Million that PGWC have committed will give the project R40 Million for the planning phase. (Letters of confirmation attached as annexure).

R10 Million	PGWC
R30 Million	National Government
R30 Million	Estimated cost: Phase 1 Design & Initial business plan
R200 Million	Estimated Total Fees (based on R1.2 billion stadium cost)

The RfP did not make provision for a penalty clause. At this stage it is impossible to quantify what would be a reasonable penalty to impose on the successful bidder. A penalty clause would be included in the contract between the City and the Joint Venture which would allow either party to claim compensation in the event of breach by the other. The following is an indication of what that clause will contain:

“If either party breaches or fails to comply with any term of this agreement and fails to remedy the breach or non-compliance within the time stated in a notice of demand, being not less than 30 days, the party giving the notice is entitled, without prejudice to its right, to either:

- (a) to enforce specific performance of the obligations of the party in breach and/or claim any damages suffered as a result of the breach or*
- (b) terminate the agreement and claim damages from the party in breach.”*

5.3 LEGAL IMPLICATIONS

Nil.

6 BID EVALUATION COMMITTEE

A Bid Evaluation Committee comprising the following members was established.

Aubrey Manganye	City: Director Strategic Programs (Chair) - Adjudicator
Teral Cullen	City: Director 2010 World Cup - Adjudicator
Dave Hugo	City: Director Programme Management – Adjudicator
Ron Haiden	City Transport Engineer - Observer
Laurine Platzky	PGWC: Acting HOD Sports & Recreation – Adjudicator
Ben Veldman	PGWC: Transport - Adjudicator
David Jack	Private: Retired Planner & Urban Designer – Adjudicator
Abu Varachia	Private: Quantity Surveyor – Adjudicator
Chris Foster	City: Supply Chain Management - Observer
Joey Pillay	PGWC: Finance - Observer
Sanet Botha	PGWC: Legal - Observer
Alex Robertson	Private: Retired expert stadium architect -Observer
Fabio Todeschini	Private: UCT Prof and retired urban designer / architect - Observer

7 TENDER EVALUATION

The unique nature of the RfP document which prescribed evaluation criteria, viz.

concept and connectivity
methodology
quality of team members
local team with international access
innovation, creativity and sustainability
empowerment
fee proposal

precluded the standard methodology for evaluation of tenders being utilised.

7.1 TENDER PROCESS

Public Tenders in accordance with the principles of Council's Procurement Policy were called for on 22-24 February 2006. Thirteen tenders, as listed below, were received by the closing date (12h00 on 27 March 2006):

- Ukhuselelo Health and Safety Executive (Pty) Ltd
- Steer Davies Gleave
- Bentonal International Concrete Technology
- Librex Events Consulting
- Siemens Industrial Solution and Services
- Mirage Consortium and Mirage Leisure & Development
- Perlemoen Project Team

- Lefika Emerging Equity (Pty) Ltd.
- Mitchell Du Plessis Associates (MDA)
- Stadium Cape Town Consultants Team
- The African Renaissance Consortium
- African Renaissance Stadium/Green Point Stadium
- Steward Scott International

7.2 TENDER RESPONSIVENESS

An initial screening for compliance resulted in 5 submissions, as detailed below, being considered non-responsive in that they did not meet minimum submission requirements. A further two bids were received late and were not considered.

- (i) **Ukhuselelo Health and Safety Executive (Pty) Ltd:** The company specialises in health and safety issues and does not possess the required skill mentioned above.
- (ii) **Steer Davies Gleave:** This is an overseas based company (London) and their proposal was for the provision of crowd flow and transport planning. Again this did not meet the required services mentioned above except for transport planning. However during the question and answer session all bidders were advised that no stand alone bid for only one of the required services will be considered.
- (iii) **Bentonal International Concrete Technology:** This is a concrete repair and construction company based overseas (Munich). Although their proposal said design and construction, it was clear from the documentation that their interest was mainly on the construction side. The RFP document was clear that we were not looking for contractors.
- (iv) **Librex Events Consulting:** This is predominantly an overseas company (Belgium) with a South African representation specialising in sports equipment, media technology and lighting which did not meet the required skills.
- (v) **Siemens Industrial Solution and Services:** This is an electrical engineering company mainly focusing on the production and supply of electrical equipment supply and installation.

7.3 TENDER ADJUDICATION

The 8 responsive tenders were forwarded to three technical advisory teams of the Bid Evaluation Committee for assessment. These advisory teams comprised a design and environment sub-group, transportation and environment sub-group and a financial sub-group and were made up as follows:

Design & Environment – convened by David Jack

Alex Robertson - Retired expert stadium architect
 Fabio Todeschini - UCT Prof and retired urban designer / architect
 Ron Haiden - City Transport Engineer)

Transport and Environment – convened by L Platzky

Ron Haiden – City Transport Engineer
Keith Wiseman – City: Manager Environmental Planning
Ben Veldman – PGWC: Transport Engineer

Financial Sustainability convened by Aubrey Manganye

Johan Steyl - City: Manager Budgets
Joey Pillay – PGWC: Finance

Sub-group assessments were carried out from 29 to 31 March 2006.

A letter was sent on 31 March 2006 to the eight bidders requesting them to make presentations to the Bid Evaluation Committee on 3 and 4 April 2006. These presentations took place and were followed by an evaluation process by the Bid Evaluation Committee who considered feedback from the sub-groups and scored the responsive tenders as follows:

ALTERNATIVES/OPTIONS UNDER CONSIDERATION (SUPPLIERS) :-		
(a)	Mirage	(g) The African Renaissance Stadium
(b)	Perlemoen	(h) Steward Scott
(c)	Lefika	
(d)	MDA	
(e)	Stadium Cape Town	
(f)	The African Renaissance Consortium	

VITAL FACTORS/CRITERIA (Described more fully in attached schedule)		WEIGHT	AVERAGE SCORES FOR EACH CONSORTIA							
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Concept and connectivity	15	2.6	12.7	5.6	10.2	9.9	7.4	7.0	11.1
2	Soundness of Methodology	15	9.1	12.6	7.2	11.5	10.1	11.3	10.4	11.5
3	Quality of Team members	20	13.9	15.3	10.7	15.6	14.9	14.0	13.1	13.1
4	Extent of local team and international access	10	4.7	8.2	5.9	9.0	8.4	6.1	6.9	6.1
5	Innovation, Creativity and sustainability	20	6.9	15.7	6.9	12.3	11.7	11.5	11.8	15.2
6	Empowerment	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
7	Fee Proposal	10	8.2	8.7	9.6	8.2	7.5	7.3	10.0	9.2
TOTAL		55	83	56	77	72	68	69	76	

Criteria relating to concept/connectivity, methodology, quality of team, local team with international access, and innovation / creativity / sustainability are all subjective and were accordingly scored by individual adjudicators and averaged with an average score taken forward to the evaluation matrix.

The RfP document called for a minimum 30% HDI compliance which was met by all tenderers who were accordingly awarded maximum points (10) for this criteria.

Given that the site for the development of the stadium has as yet not been finalized and that no detailed designs for the stadium have as yet been prepared, it was found to be impractical to evaluate on an equitable basis the provisional cost estimates as submitted by some of the respondents for various stages of the design appointment. Pricing was accordingly scored on the basis of fee percentages submitted or fee percentages calculated from statutory or governing body fees.

The Bid Evaluation Committee, after careful deliberation, unanimously agreed that to enhance skills development and capacity and to augment capability, given the scale of the work and the speed at which it needs to be done that the appointment not be made to one consortium but that rather the top two scoring consortia be combined with the proviso that MDA (the 2nd highest scoring consortium) drop their international partner in favour of Perlemoen's (the top scoring consortium) excellent international partner. This recommendation was also arrived at in order to try and retain these critical skills within the City and Province as MDA has extensive locally-based companies and also has a high content of empowerment and woman-owned companies.

The bid evaluation committee further recommended that the business planning and financial modeling expertise of the two consortia needed augmentation from an international source.

The Bid Evaluation Committee further identified the following critical success factors:

- Appointment of stadium operator as soon as possible
- Appointment of contractor as soon as possible to afford them the opportunity of inputting into the design process
- Fast track decision making process by client
- Timeous seaming of funding
- Establishment of Institutional framework
- Establishment of Corporate (3 spheres of government) Communication Medium

ANNEXURES

Copy of letter of confirmation of available funding from PGWC.

FOR FURTHER DETAILS CONTACT:

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