



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

**TRANSACTION ADVISORY SERVICES FOR THE STATE ASSET OPTIMISATION
NON – COMPULSORY BRIEFING SESSION**

24 MAY 2024

Closing Date

18 June 2024

PRESENTER: MR SIZA SIBANDE (HEAD: PMTE)

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1. PURPOSE

To present to the bidder:

- Overview of the PMTE.
- Vision of PMTE.
- Transaction Advisory bid requirements
 - Focus on developing strategy for the PMTE; and
 - Part Implementation of the strategy via the State Asset Optimisation Programme.
- Governance and contract management.

2. OVERVIEW OF THE PMTE

Head of PMTE

REIS

CPM

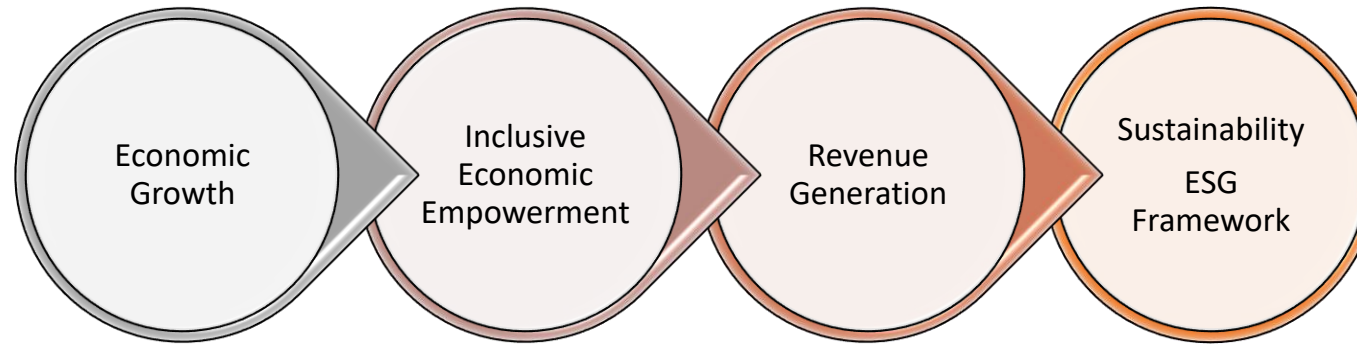
REMS

REI&R

FM

- The Head of PMTE: Provide leadership, strategic management, governance and administrative support to the Property Management Trading Entity (PMTE).
- Real Estate Investment Services (REIS): To optimise utilisation and maximise the value of the State Property Portfolio.
- Construction Project Management (CPM): To provide effective and efficient delivery of accommodation needs for DPWI and User Departments through planning, design and construction of the requisite facilities.
- Real Estate Management Services (REMS): To timeously provide and manage suitable accommodation in support of user needs to meet their service delivery objectives.
- Real Estate Information & Registry: To develop and maintain the Immovable Asset Register (IAR) which supports DPWI/PMTE business requirements and to provide oversight, regulation and monitoring of the IAR for the State.
- Facilities Management (FM): To provide property maintenance and improvement service to the Real Estate Asset Management to meet the requirements of user clients to comply with regulatory and other policy imperatives at an acceptable life

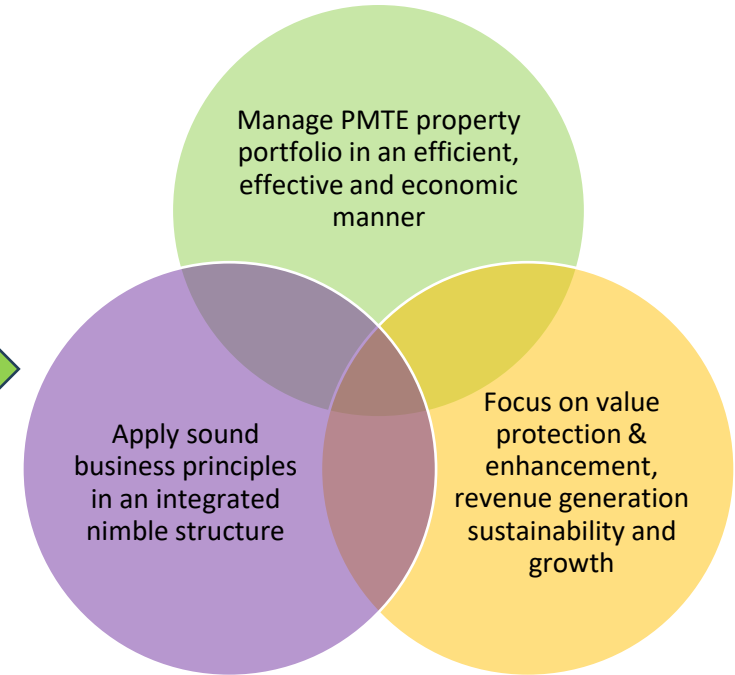
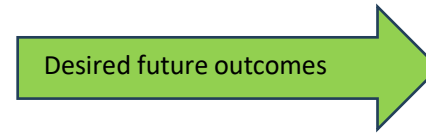
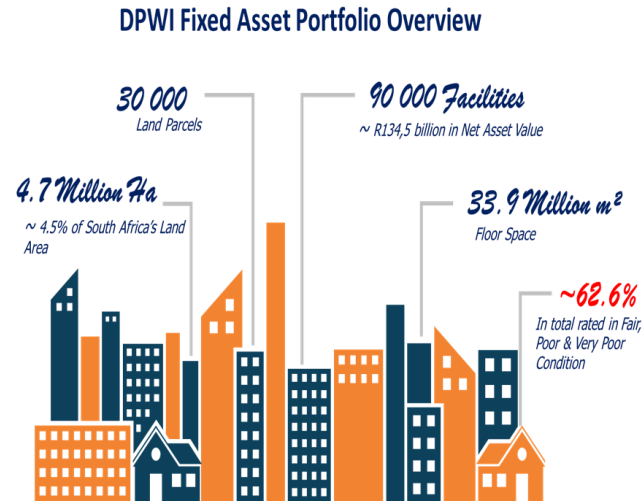
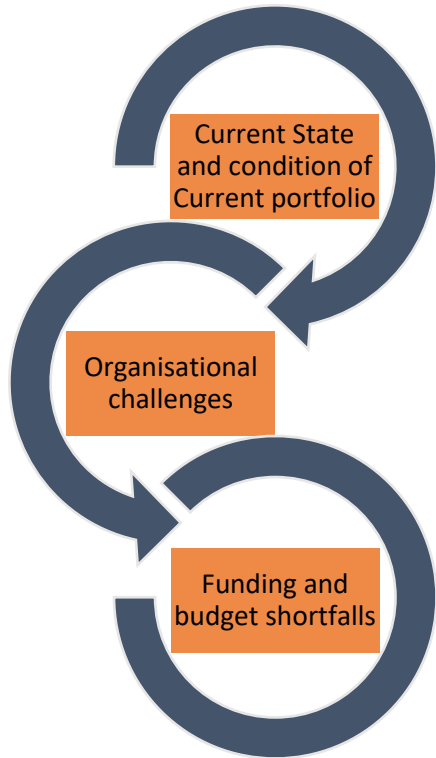
Strategic Objectives: 4 Pillars



- To un-lock value creation and reposition the PMTE as an implementing agent of choice and repute through the introduction and application of new operational models not previously utilised to unlock portfolio value which contributes towards job creation.
- To develop models which will include a comprehensive life-cycle maintenance solution as part of the development proposals to ensure sustainability of the asset condition and performance which fosters compliance with the ESG framework.
- To repurpose and reposition the PMTE as a viable and efficient vehicle to deliver a comprehensive value creation through the state immovable asset portfolio which significantly contributes towards economic growth.
- To attract direct private sector investment, projected over R10 billion in the next term of administration within the State Property Portfolio, which significantly has a potential to contributes revenue generation and building state capacity.

3. VISION OF THE PMTE

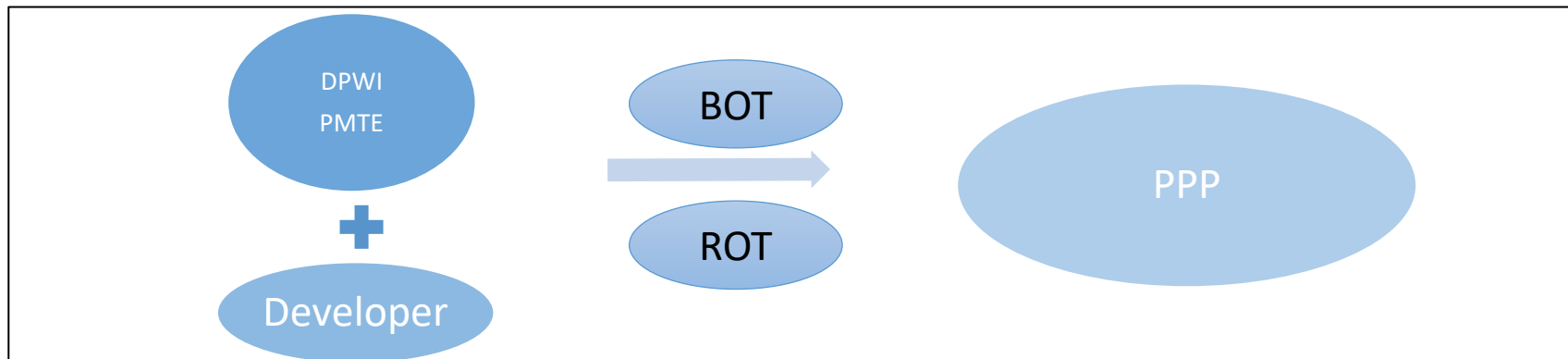
Problem Statement



Asset Optimization Business Model

- PMTE through its portfolio of assets identify several strategic assets with high commercial potential suitable for various economic activities which encapsulate the department objectives towards urban regeneration and precinct development. To reduce private lease by 50% in the next MTEF period:

Product Delivery	Operating Vehicle	Other Assets
<ul style="list-style-type: none">•Precinct Development•Mixed Use Development•Focus on:•Office Park•Residential nodes•Student Accommodation•Retail•Storage & warehousing facilities	<ul style="list-style-type: none">•Public Private Partnership•Built Operate and Transfer (BOT)•Refurbish Operate and Transfer (ROT)• Lease To Own Projects (LTO)	<ul style="list-style-type: none">•Small Harbours Strategy•Free-hold Leases land•Agriculture Assets•Renewable Energy•Advertising using public space• Repurpose of certain inner-city properties for social housing schemes

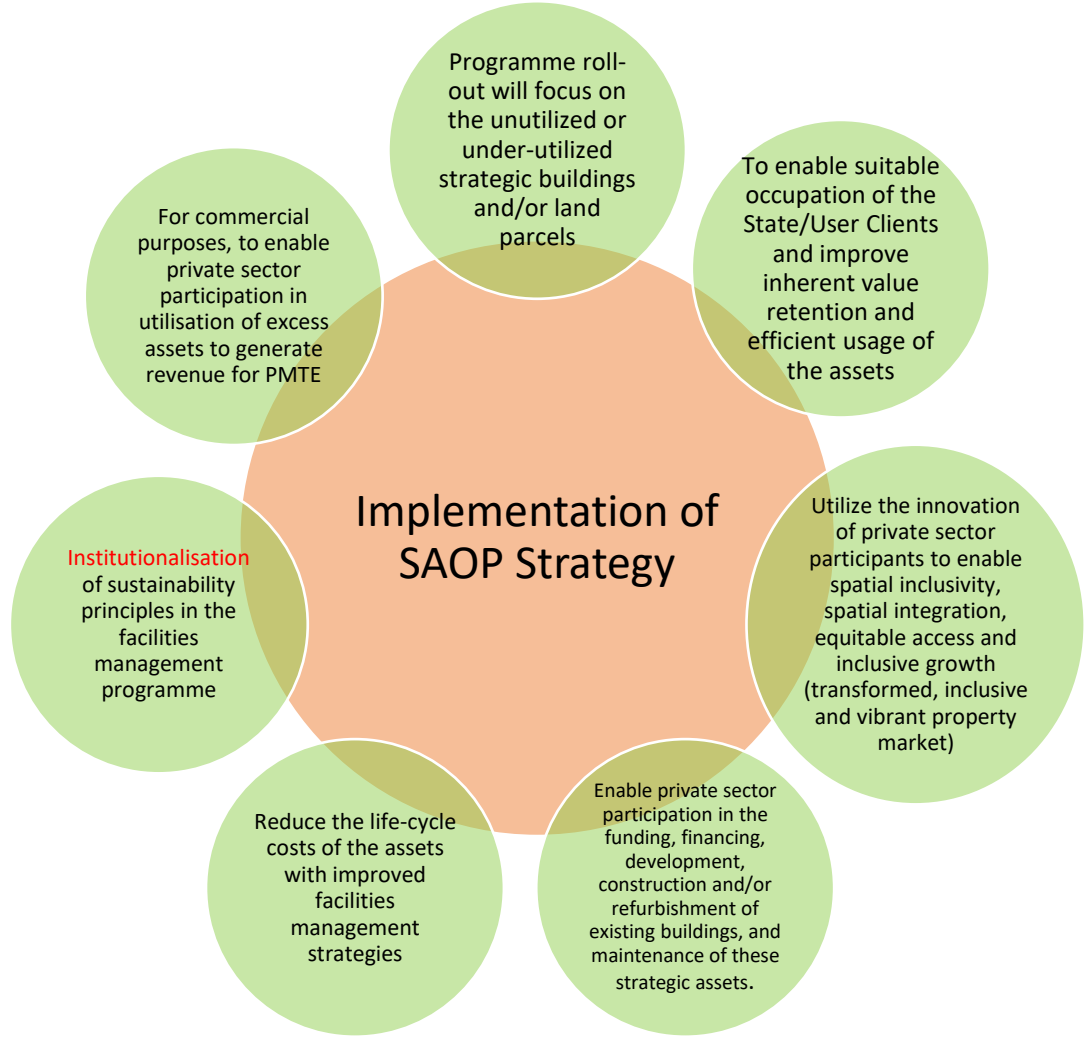
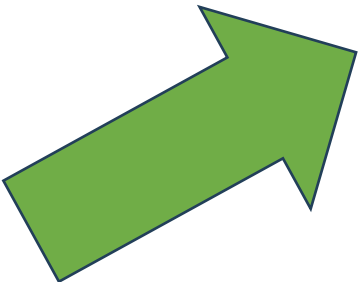


4. TRANSACTION ADVISORY SERVICES BID REQUIREMENTS

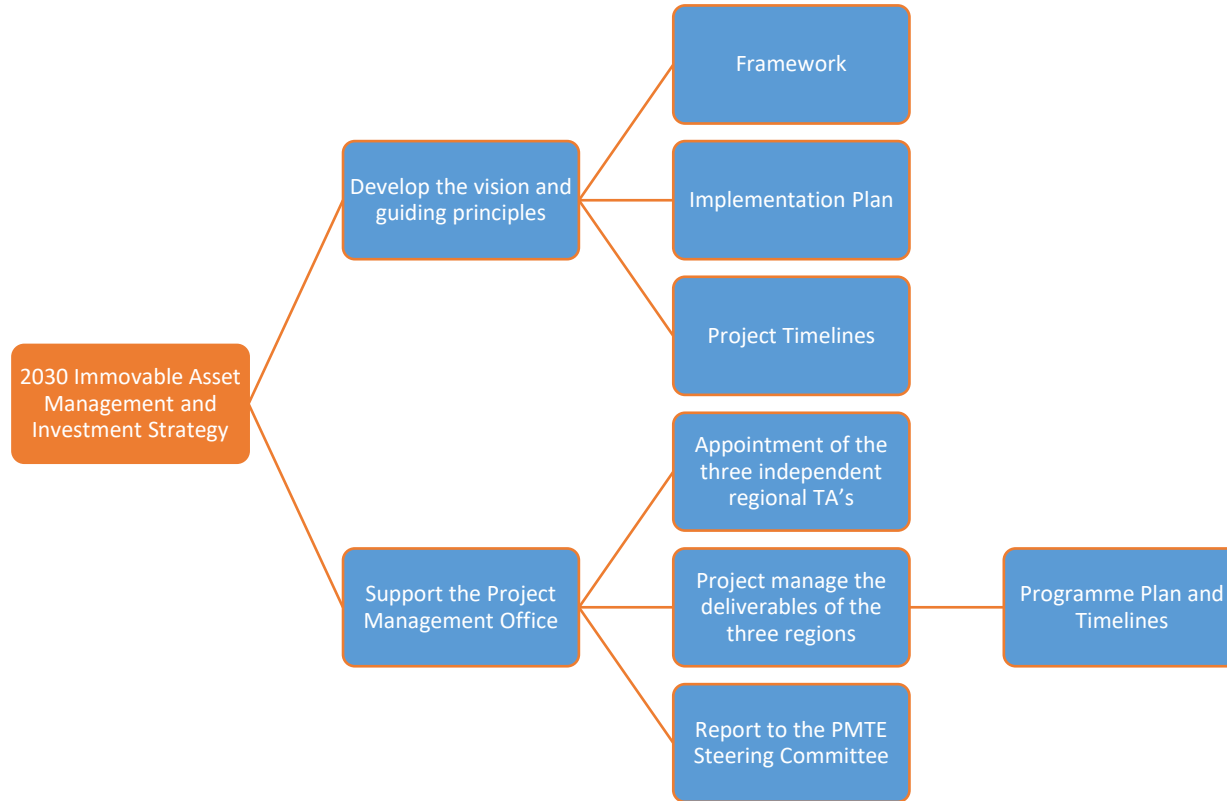
Scope of Work for the PMTE State Asset Optimisation Programme (36 Months)

2030 Immovable Asset Management and Investment Strategy

Implementation of State Asset Optimisation Programme



5. TRANSACTION ADVISORY SERVICES BID REQUIREMENTS



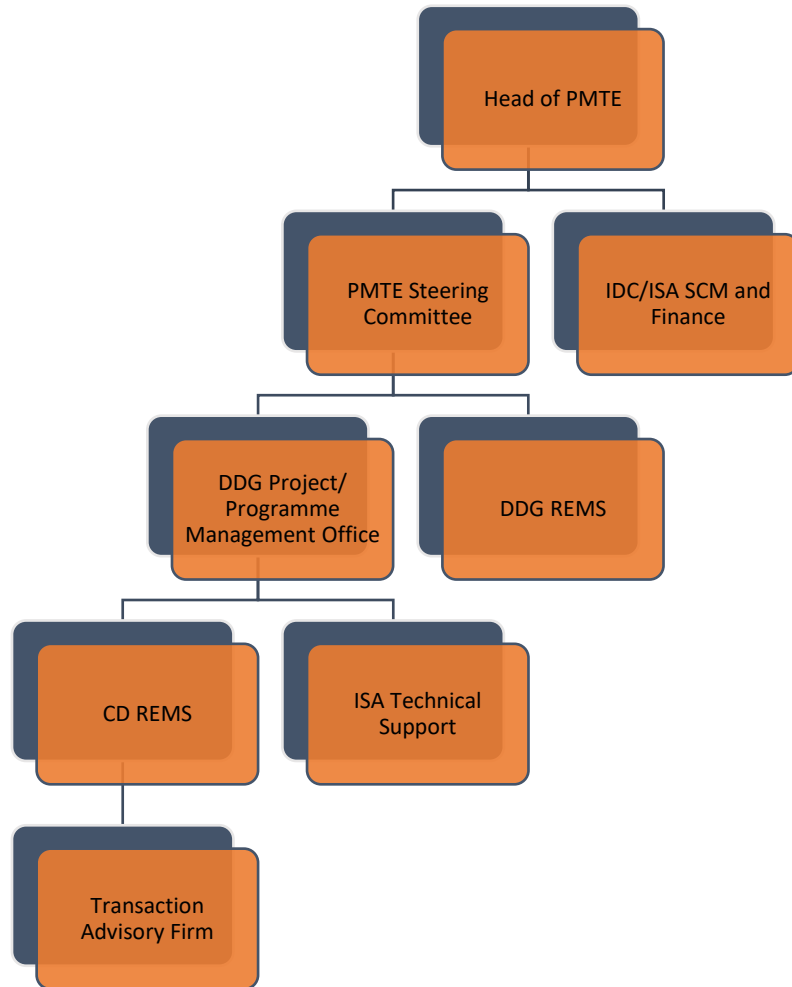
- Assess and analyse the operational status quo considering the organisational structure/organogram of both DPWI and PMTE
- Understand the problem statement
- Unpack the current business model process
- Define the parameters within the ambit of the legal framework
- Due diligence
- Develop business model
- Provide clear programme and timelines for both the Strategy Development and PMO support

6. TRANSACTION ADVISORY SERVICES BID REQUIREMENTS

Implementation of the SAOP	Region 1	Gauteng
		Mpumalanga
		Limpopo
	Region 2	KwaZulu-Natal
		Free State
		North-West
	Region 3	Eastern Cape
		Northern Cape
		Western Cape

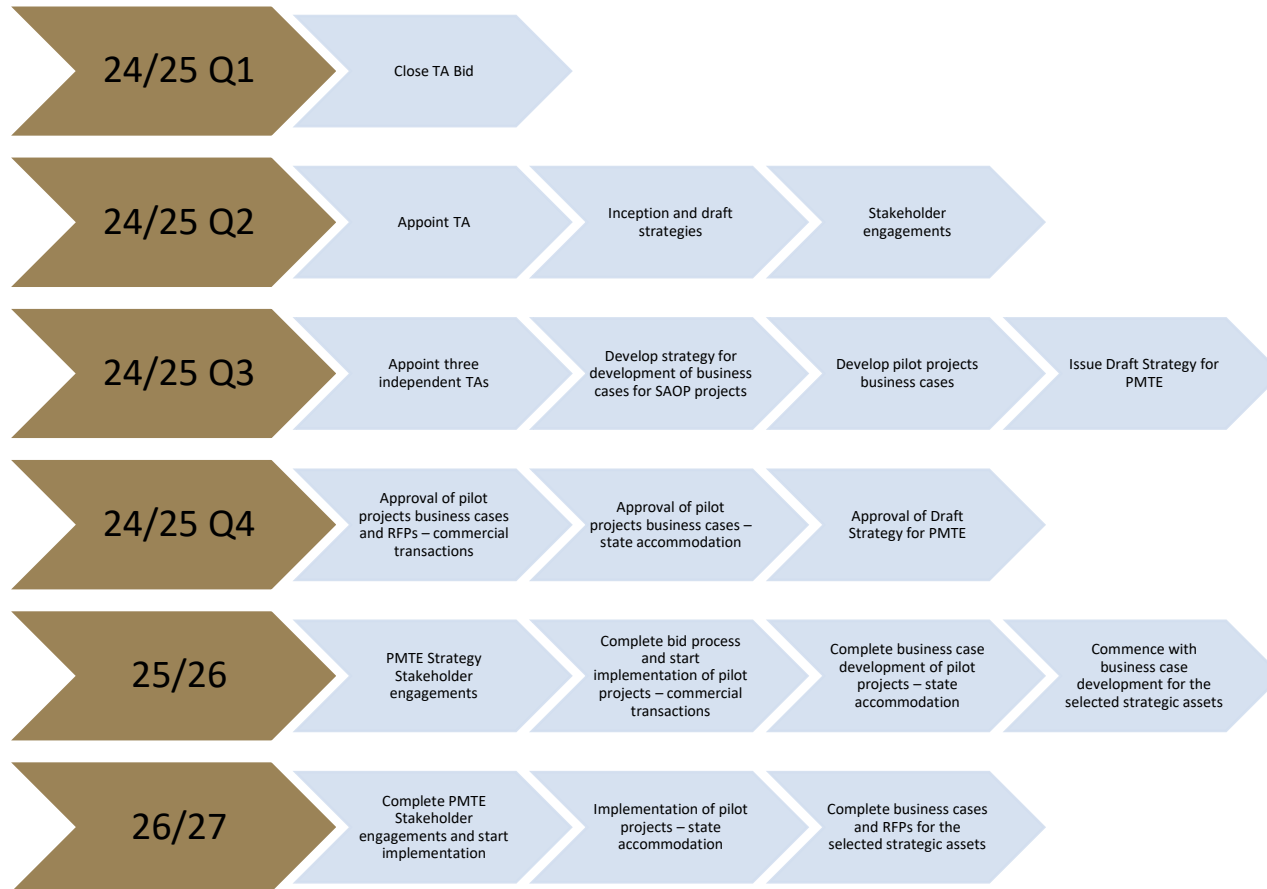
- Develop innovative financing and funding models to support the PMTE-SAOP revenue generation strategy and support service delivery imperatives.
- Develop an implementation plan including a detailed programme.
- Develop full options analysis including exploration of, but not limited to, the Public-Private Partnership, Turnkey, Long term leasing and Lease to Own, etc. procurement options including Asset Life Cycle Costing associated with each.
- Recommend the appropriate procurement options to pursue in line with the current legal framework and logistics associated with this procurement;
- Develop various bankable feasibility studies and project execution plans for the recommended and approved projects or programmes.
- Programme manage and support the PMTE with the implementation, procurement and delivery of the approved projects and/or programmes.

7. GOVERNANCE AND CONTRACT MANAGEMENT



- The Head of PMTE retains oversight of the assignment and carries the ultimate responsibility for the assignment.
- The PMTE Steering Committee, to provide strategic guidance on the assignment and monitor the progress of the associated work.
- The DDG: PMO and DDG: REMS; appointed to adjudicate and to provide oversight, monitor, and evaluate with appropriate linkages to relevant stakeholders, Co-Chair Steering Committee and strategy formulation for the SAOP
- The Chief Director: Real Estate is responsible for the SAOP and also works with appointed firms in terms of time, budget and standards set which includes co-ordination and managing the associated work assignments, supported by the ISA Technical Support from the State Asset Optimisation Programme
- The Transaction Advisory professional consultants spanning economical, technical, financial, environmental, social facilitation and legal advisory is expected to deliver on the relevant scope of work

8. PROPOSED PROGRAMME TIMELINES



Note: Discussion between DPWI and National Treasury will impact the proposed timelines.