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**MEDIA STATEMENT BY MINISTER OF PUBLIC WORKS AND
INFRASTRUCTURE, PATRICIA DE LILLE, MP**

**Outcomes on the Request for Information (RFI) evaluation for the Integrated
Renewable Energy and Resource Efficiency Programme (iREREP) to generate
revenue and savings across the Department of Public Works and
Infrastructure (DPWI) property portfolio.**

On 20 September 2021, I announced the opening of the Request for Information (RFI) process for the Integrated Renewable Energy and Resource Efficiency Programme (iREREP), aimed at evaluating the market for additional ideas and information which comprehensively looks at ways to deliver mutual value through strong partnerships across Government and the private sector.

The programme will be the largest programme for the procurement of renewable energy and resource efficiency for public facilities.

The DPWI as the largest landlord and facilities manager in the country, has a responsibility to not only deliver and manage quality infrastructure but to combat climate change and sustainable development through its mandate - such as providing buildings for government service delivery.

Also known as the Photovoltaic (PV) and Water Savings on Government Buildings Programme (SIP28), this project was gazetted as a Strategic Integrated Project (SIP) in July 2020 as part of the Infrastructure Investment Plan which was approved by Cabinet in May 2020.

The DPWI property portfolio as the largest property portfolio in the country is responsible for the consumption of a significant amount of electricity and water and generation of a significant amount of waste. Recent studies places annual electricity and water consumption at an estimated 4021 Gigawatt hours 39 million kilolitres respectively, with over 822 kilotons of waste generated. This equates to an average annual expenditure on electricity and water of R2.4 billion and R1.8 billion respectively.

The RFI process for ideas from the market opened on 20 September and by the closing date on 27 October, 58 submissions had been received.

The proposed solutions from the responses are varied, as one would expect from a wide-ranging call for information and ideas.

Through this RFI process, the Department wanted to gain additional market insights that will feed into the Request for Proposals (RFP) process, further structuring the implementation of the Programme, as well as providing an understanding of the appetite and readiness of the market to participate in this Programme.

To ensure the successful roll-out, we wanted to encourage interested parties to share information that may be relevant to the structuring and implementation of the Programme on topics raised in the RFI.

We also sought to obtain a high-level understanding of optimal technical solutions that are available in relation to the Programme and the capacity of the private sector to deliver on such solutions. This process has been valuable in doing so.

As government, our role ultimately is to create the conditions conducive for economic growth and job creation by the private sector and ensuring that specific targets are set for the employment of women, youth, and people with disabilities.

Over the months of November and December, the Department of Public Works and Infrastructure (DPWI), supported by National Treasury's Government Technical Advisory Centre's (GTAC) scrutinised the submissions, and were able to determine the local content and local manufacturing, small to medium enterprises (SME) participation, job creation, skills development, enterprise and supplier development and socio-economic development.

Importantly, the technical experts were also able to gain a better understanding of the concerns raised by the market.

I am delighted to announce the outcomes of the work performed by the RFI Evaluation Committee, following the information received from the RFI, and the plan to expand on the Request for Proposal (RFP) using the feedback received from the market over the months ahead.

RFI OUTCOME

Overall, we are delighted with the level and quality of responses we received in this phase of the programme. It is evident that we will be able to find companies or consortiums with the requisite capability to deliver on the programme.

Although the RFI phase was not a compulsory requisite to submit in the RFP phase, we are grateful to the all the bidders who submitted, allowing us to ensure a robust roll-out of the iREREP.

From information obtained from the RFI, we can confirm that:

- There is an eagerness for collaboration amongst players from various sectors that have indicated they would want to participate (Agriculture, ICT, Services, Marketing and Communications).

Local content

- The majority of respondents believe the Programme can achieve the local content thresholds set for the Programme, a big positive on the manufacturing side is that 12% of the respondents were local companies currently providing locally manufactured components that can be utilized in the Programme, including solar PV modules, lamps, fixtures, ballasts, lighting, HVAC control systems, electric motors, heat pumps, sensors, batteries, charging infrastructure, transformers, compensation systems, smart meters, sprinkler control devices, boilers, and low flow faucets with aerators.
- There was good response from the respondents to support the achievement of both South African entity participation and Black ownership entity participation.

SMME Participation

- Encouragingly, there is high interest from SMMEs who want to participate in the Programme and have experience on various aspects of the Programme, 36% of respondents are Exempt Micro Enterprises (EMEs); 17% of respondents Qualifying Small Enterprises (QSEs); 53% of respondents Small to medium enterprises (SMEs); 29% of respondents large enterprises.

Job Creation and Skills Development

- It is satisfying to see many of the responses believe that the Programme can be used to create jobs, develop the skills base of South African citizens, previously disadvantaged persons, youth and people living with disabilities, and meet the socio-economic development targets and related spend, contributing immensely to local communities.
- Furthermore, on youth development, respondents indicated that they would like to partner up with the Department in ensuring and providing:
 - accredited training initiatives in respect of Solar PV, Energy Efficiency, ICT, project management, electrical and mechanical, financial modelling, and maintenance of renewable energy systems;
 - fast-tracking the accreditation of existing professionals;

- increasing the number of Economic Development points available allowing for Job Creation and Skills Development on the Programme;
- increasing the involvement of previously disadvantaged persons in the manufacturing and assembling of components and equipment;
- driving strategic partnerships with existing skills development institutions, TVET colleges, Sector Education and Training Authority (“SETAs”), the Public Administration Leadership and Management Academy and other learning institutions;
- partnering with the Department’s Expanded Public Works Programme;
- rolling out and using online learning platforms
- promoting apprenticeships, learnerships and on the job training;
- partnering with other complementary programmes;
- hiring and training semi-skilled staff and previously disadvantaged youth

We have already started the process of unlocking private sector funding and narrowing the funding gap through catalysing dedicated funding mechanisms created to assist small businesses. The Programme has engaged various local, regional and international funding institutions and there is already strong appetite from various funding institution who have expressed their interest in participating in this Programme by providing funding for technical assistance, debt and equity.

Through a dedicated office, the Innovation Project Preparation and Development Office (IPPDO) supported by the Government Technical Advisory Centre (GTAC) and appointed Transaction Advisors who have experience in developing various renewable energy projects and resource efficiency projects, we are confident that we have the required capacity to run this process.

It is also our aim to continue to further strengthen this Programme in our quest to putting the Infrastructure Investment Plan in action and contribute to our goals of achieving the Economic Reconstruction and Recovery Plan to revive our economy.

In taking our work to the next level, we want to widen our collaborative process.

Over the next couple of months building up to the Request for Proposals (RFP) announcement, the DPWI, supported by National Treasury’s Government Technical Advisory Centre’s (GTAC), will host a series of information workshops meant for further engagement with government and private sector.

The workshops will focus on the themes and pertinent questions raised in the RFI allowing us to design a more responsive RFP.

We encourage private sector participants across renewable energy, energy efficiency, water efficiency and alternative waste management and through their various roles including prospective bidders, prospective sponsors, lenders, local manufacturers, prospective suppliers, prospective advisors and other interested parties as we further cement partnerships between Government and the Private Sector, to join us for the sessions and look out for the invitation and dates for their respective sector engagement.

The RFP will be released in the first quarter of 2022.

We would also like to see possible partnerships and collaboration by private parties to enable them to deliver an integrated solution.

The Department will also host a bidder's conference following the opening of the RFP and will announce details on this in the coming weeks.

As we continue the road to economic recovery, there is an even greater need to partner in the investment and implementation of South Africa's Infrastructure Investment Plan to facilitate social and economic development in an effective and purposeful way.

See link to initial RFI statement here for more background details and what the iREREP programme aims to achieve:

[http://www.publicworks.gov.za/PDFs/Press%20Releases/2021PressRelease/Request_for_Information\(RFI\)_open_for_the_Integrated_Renewable_Energy.pdf](http://www.publicworks.gov.za/PDFs/Press%20Releases/2021PressRelease/Request_for_Information(RFI)_open_for_the_Integrated_Renewable_Energy.pdf)

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