

REQUEST FOR PROPOSAL (RfP) Innovative E-Bus Procurement Models in South Africa

C40 Cities Climate Leadership Group, Inc. 120 Park Avenue, 23rd Floor New York, NY 10017 United States of America

23-July-2025

1. C40 Cities Climate Leadership Group Inc. ("C40")

C40 is a network of nearly 100 mayors of the world's leading cities, who are working to deliver the urgent action needed right now to confront the climate crisis, and create a future where everyone, everywhere can thrive. Mayors of C40 cities are committed to using a science-based and people-focused approach to limit



global heating in line with the Paris Agreement and build healthy, equitable communities. Driven by the successful delivery of ambitious climate action by C40 cities, mayors are working alongside a broad coalition of representatives from labour, business, the youth climate movement and civil society to go further and faster than ever before.

The strategic direction of the organisation is determined by an elected Steering Committee of C40 mayors which is co-chaired by Mayor Sadiq Khan of London, United Kingdom, and Mayor Yvonne Aki-Sawyerr of Freetown, Sierra Leone. Three term Mayor of New York City Michael R. Bloomberg serves as President of the C40 Board of Directors, which is responsible for operational oversight. A nine-person management team, led by Executive Director, Mark Watts, leads the day-to-day management of C40. C40's three core strategic funders are Bloomberg Philanthropies, the Children's Investment Fund Foundation (CIFF) and Realdania.

To learn more about the work of C40 and our cities, please visit our <u>Website</u>, or follow us on <u>Twitter, Instagram</u>, <u>Facebook</u> and <u>LinkedIn</u>.

2. Summary, Purpose and Background of the Project

C40 Cities Climate Leadership Group (C40) seeks to hire a service provider to develop and assess innovative procurement models for electric buses and minibus taxis from the national government perspective and across the five C40 cities (Cape Town, Johannesburg, Tshwane, eThekwini and Ekurhuleni) and to conduct a comprehensive legal, policy and financial review of these models to determine compatibility with PTNG, PTOG, MFMA, PFMA and national regulations.

South Africa is a signatory to the United Nations Framework Convention on Climate Change and the Paris Agreement. As a developing nation where energy and transport related emissions contribute greatly to the country's carbon footprint, interventions to electrify the public transport sector (both bus and minibus taxi will play a meaningful role in South Africa's commitment to transport decarbonisation.

According to the South African Green Transport Strategy (GTS), published in 2018, emissions from the transport sector account for 10.8% of the country's total greenhouse gas emissions, with road transport being responsible for 91.2% of these GHG emissions (DEA, 2010). The Department of Transport has committed in the GTS to making a significant impact in reducing GHG emissions and contributing to the reduction of South Africa's total GHG emissions by

committing to a 5% reduction of emission in the transport sector by 2050. This is due to be updated to reflect a net-zero emissions target for 2050.

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This is reflected in South Africa's updated Nationally Determined Contributions (NDCs), Climate Change Act, Green Transport Strategy and Just Energy Transition Investment Plan (JET-IP).

Urban public transport systems—particularly bus and minibus taxi fleets—offer a critical opportunity for GHG emissions reductions, improved air quality, and modernised mobility services.

In South Africa, C40 received a grant from the Drive Electric Campaign Opportunity Fund. The Opportunity Fund supports grantees that work at the local, national, or regional level in the Global South – to expand the Drive Electric Campaign impacts while supporting local organisations and it presented a comprehensive examination of bus ownership and service provision models across South Africa and is the culmination of an in-depth evaluation of various aspects, including the market potential for electric buses, city-wise projections up to 2050, and sustainable business and financial models supporting the scaled deployment of electric buses. The report can be found here.

The five C40 cities in South Africa: Cape Town, Johannesburg, Tshwane, eThekwini, and Ekurhuleni, are actively exploring pathways to transition their fleets to electric buses (e-buses). However, existing procurement and financial frameworks under the Public Transport Network Grant (PTNG), Public Transport Operating Grant (PTOG), the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA) pose significant constraints to implementing innovative procurement mechanisms which have shifted the market in other regions. (PFMA) is a national perspective that must also be included in the perspective.

In the South African context, the procurement can take place at both a National or a Local Government level. Procurement at a National level will have to assess the rules and regulations governing both National Department of Transport (NDoT) and National Treasury (NT), as well as the method in which the assets are transferred to the Local Government Authority.

This process needs to be done in a manner that will ensure that the Local Government Authorities and Vehicle Operating Companies are incentivised (positively or negatively) to maintain the assets while also ensuring that provisions are made for asset recapitalisation at the end of the asset life or when contractually required. This is critical to ensure that both a quality service is provided as well as limit the risk to breaks in service.

Alternatively procurement can occur at a Local Government level, in developing this model key to the success of this is understanding the legal and timing limitations of the MFMA and how NDOT and NT will have to assist in these processes. This is a level of added complexity that must be unpacked with a clear process that should be followed that must be documented.

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This process is required to be implemented in a manner that ensures that Local Government Authorities and Vehicle Operating Companies are incentivised (positively or negatively) to maintain

the assets while also ensuring that provisions are made for asset recapitalisation at the end of the asset life or when contractually required. This again is critical to ensure the quality of services provided as well as limit the risk of a break in the service.

Regulations that need to be assessed will include:

- 1. NLTA
- 2. PTNG Conditions
- 3. PTOG Conditions
- 4. MFMA
- 5. NT regulations into procurement and asset transfer
- 6. SARS regulations in respect of asset transfer or lease

This study is an activity of the Zero Emission Bus Rapid-deployment Accelerator (ZEBRA) Partnership, co-led in collaboration with the International Council on Clean Transportation (ICCT).

Scope of Work

- 1. **Benchmarking:** Identify and analyse global best practices for innovative e-bus procurement (e.g. leasing, as-a-service, Build-Operate-Transfer, PPPs etc).
- 2. **Model Selection:** Propose 2–3 suitable procurement models to be analysed in the South African urban public transport and financial context.
- 3. **Legal, Regulatory, Policy, Financial & Technical Review:** Assess alignment of each model with existing public financial and procurement legislation:
 - PTNG & PTOG grant frameworks
 - MFMA and PFM sections on long-term contracts, conditional grants, and asset management
 - Treasury regulations and municipal supply chain management policies
 - Financial modelling component into the work (understanding the best fit financial models for procurement, operation and sustainability of the system).

3. Proposal Guidelines

This Request for Proposal represents the requirements for an open and competitive process. Proposals will be accepted until **August 15 2025 at 5pm SAST**. Any proposals received after this date and time will not be accepted. All proposals should include clear timetables, how you will work with C40, clear costs and detail on experience in this area. The proposal should be a maximum of



experience in this area. The proposal should be a maximum of 10 pages, in addition to CVs.

The proposal should give C40 evaluators all the information they need to assess your bid. Please clearly indicate where applicable:

- How your proposal is responsive to the Evaluation Criteria;
- The assumptions you are making about the project;
- Risks you have identified and appropriate mitigation measures;
- Proposed timeline of implementation;
- Any additional support that you need to make the project a success, including any inputs you will need from third parties or C40 staff;
- Proposed working partnership with C40, including (as applicable) project governance and management, key personnel, key roles and responsibilities, and escalation procedure for issues.
- Examples of past work;
- Information about the organisation's commitment to equity, diversity and inclusion and ethical alignment with C40;
- Resumes of proposed key personnel in the standard <u>C40 CV Template</u>
- Project management methodology
- List of key personnel who would be working on the contract and their job titles
- Communications strategy for how you will work with C40
- A detailed budget breakdown of costs

The successful candidate will need to:

- Gather and consolidate information from existing research and resources about Innovative electric buses procurement models.
- Identify and analyse global best practices for innovative e-bus procurement (e.g. leasing, as-a-service, Build-Operate-Transfer, PPPs etc).
- Conduct interviews with South African city and national government transport and finance officials selected by C40.
- Select 2–3 suitable procurement models to be analysed in the South African urban public transport and financial context.
- Review the Legal, Policy and Financial, Technical policies and frameworks and Assess alignment of each model with existing public financial and procurement legislation:
 - PTNG & PTOG grant frameworks
 - MFMA and PFM sections on long-term contracts, conditional grants, and asset management
 - Treasury regulations and municipal supply chain management policies

 Financial modelling component into the work (understanding the best fit financial models for procurement, operation and sustainability of the system).



- Host virtual Stakeholder workshops for feedback and refinement of the technical report.
- Write and design a clear and easy-to-follow Google Document report (60 pages maximum) for city and national government transport planning and finance officials, including a succinct, visual-led one or two-page executive summary.
- Design a Google Slides Presentation of the results on the technical report.
- Write and design a clear Policy Brief for National Treasury and DoT (Max 5 pages)
- Support C40 staff to create a dissemination plan for the report and take part in at least 2 follow-up webinars and in-person workshops (organised by C40) to disseminate the findings of the study.

Supplier Diversity

C40 is committed to supplier diversity and inclusive procurement through promoting equity, diversity and inclusivity in our supplier base. We believe that by procuring a diverse range of suppliers, we get a wider range of experiences and thoughts from suppliers and thus are best able to deliver to the whole range of our diverse cities and the contexts that they operate within.

We strongly encourage suppliers (individuals and corporations) that are diverse in size, age, nationality, gender identity, sexual orientation, majority owned and controlled by a minority group, physical or mental ability, ethnicity and perspective to put forward a proposal to work with us.

Feel welcome to refer to <u>C40's Equity, Diversity and Inclusion Statement</u>. Supplier diversity and inclusive procurement is one element of applying equity, diversity and inclusion to help deliver the goals of the Paris Agreement and build healthy, equitable and resilient communities.

Contract

Please note this is a contract for professional services and not a grant opportunity. Organisations unable to accept contracts for professional services should not submit bids. The work will be completed on the <u>C40 Standard Services Contract</u>.

If C40 are unable to execute a contract with the winner of this competitive process, we reserve the right to award the contract to the second highest Potential Supplier

Subcontracting

If the organisation submitting a proposal needs to subcontract any work to meet the requirements of the proposal, this must be clearly stated. All costs included in proposals must be all-inclusive of any outsourced or contracted work. Any proposals which call for outsourcing or contracting work must include a name and description of the organisations being contracted.



4. RfP and Project Timeline

RfP Timeline:

RFP Timeline	Due Date
Request for Proposals sent out	July 23, 2025
Questions submitted to C40	August 01, 2025
C40 responds to questions	August 06, 2025
Deadline for receiving Offers	August 15, 2025, 5pm SAST
Clarification of Offers	August 18, 2025 - August 19, 2025
Evaluation of Proposal	August 20, 2025 - August 22, 2025
Presentation on Proposal	August 25, 2025 (Optional)
Selection decision made	August 26, 2025
All Potential Suppliers notified of outcome	August 29, 2025



Project Timeline:

Project Timeline: 6 Months (01 September 2025- 28 February 2026)

Activity Number #	Key Deliverables	Duration	Cumulative
01.	Inception Report: report structure, brief content description for each section, and sources of information to be used.	September 12, 2025	2 Weeks
02.	Draft Benchmark report	September 19, 2025	3 Weeks
03.	Draft Model selection	October 10, 2025	6 Weeks
04.	Legal, Policy and Financial, Technical Review	October 24, 2025	8 Weeks
O5.	Government Consultations and consultations draft report	October 06-October 31, 2025	9 Weeks
06.	Host virtual Stakeholder workshops for feedback and refinement of the technical report	October 31, - November 14, 2025	11 Weeks
07.	Draft Technical Report with procurement model options and legal and policy, financial models at national vs local level review (60 pages max), Policy Brief for National Treasury and DoT (Max 5 pages) and PPT Presentation of the results on the technical report	January 09, 2026	19 Weeks
08.	Final Technical Report with procurement model options and legal and policy, financial models at national vs local level review (60 pages max), Policy Brief for National Treasury and DoT (Max 5 pages) and PPT Presentation of the results on the technical report and webinar launch	January 30, 2026	22 Weeks
09.	Report launch webinar	February 20, 2026	25 Weeks

5. Proposal Evaluation Criteria

C40 will evaluate all proposals based on the following criteria:

- Overall proposal suitability: ability to meet the scope and needs included in this document
- Organisational/Individual experience
- Value and cost
- Equity & Ethics Policy
- Expertise (technical, experience, etc.)

C40 will evaluate all proposals based on the following criteria:

Criteria	Weighting
Overall compliance with the Request for Proposals and Interpretation of the brief	10%
Relevant experience and expertise	30%
A project proposal that demonstrates the bidder's understanding of the South African transport/public transport landscape and public transport operations and financing	40%
Equity and Ethics Policy Alignment	10%
Value for money (efficiency, time, budget, value-add, etc.) and overall price	10%

Note that C40 may/ may not choose to conduct interviews with shortlisted consultants to ask more detailed questions about the proposed approach, and expertise, and to clarify any remaining questions.

6. Project Budget

The maximum budget allocated to this project is **USD 30,000.**

Payment will be made according to meeting project milestones as approved by the C40 point of contact, via bank transfer by C40 directly to the indicated bank account.

All proposals must include proposed costs to complete the tasks described in the project scope, including all VAT and taxes. Costs should be stated as one-time or non-recurring costs or monthly recurring costs. All costs incurred in connection with the submission of this RfP are non-refundable by C40.



All proposals must include proposed costs to complete the tasks described in the project scope, including all VAT and taxes. Costs should be stated as one-time or non-recurring costs or monthly recurring costs. All costs incurred in connection with the submission of this RfP are non-refundable by C40.



7 C40 Policies

C40 expects third parties to able to abide by these C40 policies

- Non-Staff Code of Conduct Policy here
- Equity, Diversity and Inclusion Policy here

8. Submissions

Each Potential Supplier must submit 1 copy of their proposal to the email address below by **August 15 2025 at 5pm SAST**:

Tenele Ndlovu, C40 Zero Emission Buses Project Manager tndlovu@c40.org and copy Prian Reddy, Senior Programme Manager: Zero Emission Buses (Africa) preddy@c40.org and Thomas Maltese, Head of ZEBRA, <a href="mailto:tmailto

Anonymised responses to questions will be provided here (<u>link</u>) when the Q&A period closes.

Based on the submissions received, C40 reserves the right to promote the establishment of consortium relationships or request potential suppliers refine their submission after receipt.

Disclaimer

C40 will not accept any liability or be responsible for any costs incurred by Potential Suppliers in preparing a response for this RFP. Responses submitted will be accessible by all C40 staff and external evaluators (if any).

Neither the issue of the RFP, nor any of the information presented in it, should be regarded as a commitment or representation on the part of C40 (or any of its partners) to enter into a contractual arrangement. Nothing in this RFP should be interpreted as a commitment by C40 to award a contract to a Potential Supplier as a result of this procurement, nor to accept the lowest price or any tender.