REQUEST FOR PROPOSALS (RFP)

DEVELOPMENT, OPERATION AND MANAGEMENT OF THE SOLID WASTE RECYCLING FACILITY

UNDER A PUBLIC–PRIVATE PARTNERSHIP (PPP) ARRANGEMENT

Burao Municipality, Somaliland

Advertisement Date: 7th September 2026

Last Date for Clarifications: 23rd September 2026

Pre-Bid Meeting: 25th September 2026

Proposal Submission Deadline: 7 October 2026, 5:00 PM East Africa Time

Issued By: Burao Municipality

1. INVITATION TO TENDER

The Ministry of Local Governments and Urban Development together with Burao Municipality hereby invites proposals from qualified private sector investors, recycling companies, waste management operators, consortia, social enterprises and other suitably experienced organisations for the development, operation, management and commercialisation of a Solid Waste Recycling Facility under a Public–Private Partnership (PPP) arrangement.

Under the proposed PPP arrangement, Burao Municipality shall make available the Project Site, specified recycling equipment and agreed institutional support. The selected Private Investor and Operator shall provide the investment, development, operation, maintenance, management and commercial expertise required to establish and operate the Facility.

The Municipality seeks a competent private partner capable of developing the municipal site, establishing operational systems, managing recycling activities, maintaining municipal assets and creating sustainable markets for recovered materials.

Tenderers shall propose, as part of their Financial and Commercial Proposal, a revenue-sharing arrangement under which Burao Municipality receive an agreed percentage of revenue generated by the Project. The proposed revenue-sharing percentage and related commercial terms shall form part of the competitive evaluation and shall be incorporated into the final PPP Agreement.

PPP Term and Oversight

The successful Tenderer shall enter into a ten (10) year PPP Agreement with Burao Municipality, subject to review every five (5) years.

A PPP Oversight Board, comprising representatives of MoLGUD, Burao Municipality and the Private Partner, shall oversee implementation and performance of the partnership.

The Private Partner shall remain responsible for the day-to-day management, operation and commercial activities of the Facility.

The composition, functions, procedures and other governance arrangements of the PPP Oversight Board shall be further specified in the PPP Agreement.

2. BACKGROUND

Rapid urbanisation and population growth in Burao have led to significant increases in municipal solid waste generation. Current waste management practices rely heavily on collection and disposal, with limited resource recovery and recycling activities.

To promote environmental sustainability, circular economy development, job creation and reduced waste disposal requirements, Burao Municipality intends to establish a Solid Waste Recycling Facility. The Municipality has committed substantial public assets towards the Project, including:

- Municipal land valued at approximately USD 15,000;
- Recycling and processing equipment is valued at approximately USD 250,000.

The total estimated value of the public assets being made available to the Project is therefore USD 265,000.

The selected Private Investor and Operator shall be responsible for developing the site, operating the Facility, maintaining the equipment and commercialising recovered materials in accordance with the final PPP Agreement.

The Project shall progressively work towards achieving full recycling and maximum resource recovery in Burao, with the long-term objective of minimising the amount of recyclable and recoverable waste sent for final disposal.

3. OBJECTIVES OF THE ASSIGNMENT

The objectives of this procurement are to:

a) Establish a fully functional Solid Waste Recycling Facility.
b) Promote recycling and circular economy practices.
c) Reduce waste sent to disposal sites.
d) Increase recovery of recyclable materials.
e) Create green jobs and business opportunities.
f) Improve environmental conditions within Burao Municipality.
g) Establish a transparent and commercially sustainable partnership between Burao Municipality and the selected Private Investor and Operator.
h) Progressively work towards achieving full recycling and maximum resource recovery in Burao, with the long-term objective of minimising waste requiring final disposal.

4. PPP TERM AND SET-UP PERIOD

The PPP Agreement shall be for a period of ten (10) years, subject to review every five (5) years. The first twelve (12) months following the Effective Date of the PPP Agreement shall constitute the mobilisation and facility development period (the “Set-Up Period”).

During the Set-Up Period:

- The Operator shall undertake site development, installation, mobilisation, testing and commissioning activities;
- The revenue-sharing obligations during and following the Set-Up Period shall be determined in accordance with the successful Tenderer's accepted Revenue-Sharing Partnership Arrangement and the final PPP Agreement; and
- The Operator shall work toward commencement of full commercial operations within the Set-Up Period.

5. MUNICIPAL CONTRIBUTION

Burao Municipality shall provide the following public contributions to the Project:

5.1 Land

Municipal land is designated for the Solid Waste Recycling Facility with an estimated value of USD 15,000. Details of the Project Site shall be provided in Annex A.

5.2 Equipment

Recycling equipment with an estimated replacement value of USD 250,000, details of which are provided in Annex B.

5.3 Institutional Support

The Municipality shall:

- Facilitate site access.
- Facilitating municipal approvals where required.
- Support stakeholder engagement.
- Facilitate coordination with waste collection service providers.
- Participate in project monitoring and partnership governance in accordance with the PPP Agreement.

Ownership of all municipal land and equipment shall remain vested in the Parnership arrangement throughout the Contract Period unless agreed otherwise.

6. PRIVATE INVESTOR AND OPERATOR RESPONSIBILITIES

The selected Private Investor and Operator shall, at its own cost and risk, finance, develop, construct, operate, maintain, manage and commercially operate the Facility, except to the extent of the municipal contributions expressly identified in this RFP and the PPP Agreement.

6.1 Site Development

The Operator shall undertake the development of a 400 sqm concrete area and an open processing shed of around 300 sqm, with toilet and changing areas, including:

- Site clearance.
- Land levelling.
- Earthworks and grading.
- Construction of concrete flooring – around 400 sqm for heavy equipment.
- Construction of roofing structures.
- Construction of processing sheds – open structure around 300 sqm.
- Construction of perimeter fencing and gates.
- Internal circulation roads.
- Security facilities.
- Lighting systems.
- Water storage and supply systems.
- Toilet and changing facilities.

6.2 Environmental Infrastructure

The Operator shall provide:

- Surface drainage systems.
- Stormwater management systems.
- Pollution containment measures.
- Wastewater control systems.
- Fire protection systems.
- Environmental monitoring systems.

The Operator shall ensure that no polluted discharge leaves the Facility site under normal operating conditions or during rainfall events.

6.3 Operations and Maintenance

The Operator shall:

- Operate the Facility on a daily basis.
- Maintain all municipal equipment.
- Recruit and supervise staff.
- Implement health and safety procedures.
- Develop recycling markets.
- Maintain operational records.
- Prepare quarterly and annual reports.

7. FACILITY EQUIPMENT

The Municipality shall provide recycling equipment listed in Annex B. Tenderers shall demonstrate their technical capacity to:

- Operate the equipment;
- Maintain the equipment;
- Procure spare parts;
- Maximise equipment utilisation;
- Train operational staff.

8. SITE VISIT

Potential Tenderers are strongly encouraged to visit the Project Site prior to submitting Proposals. Failure to undertake a Site Visit shall not relieve the successful Tenderer of any obligations arising from site conditions.

9. PROCUREMENT SCHEDULE

Activity	**Date**
Advertisement of RFP	7 September 2026
Site Visits	14 September – 23 September 2026
Deadline to receive queries	23rd September 2026
Pre-Bid Meeting and responses to clarifications	25th September 2026
Proposal Submission Deadline	7 October 2026
Technical Evaluation	08 – 19 October 2026
Financial and Commercial Evaluation	21 – 23 October 2026
Preferred Bidder Negotiation	2nd November 2026
Contract Award	7 November 2026

10. REQUEST FOR CLARIFICATIONS AND PRE-BID MEETING

Requests for clarification shall be submitted in writing no later than 23rd September 2026. All requests shall be submitted to:

Procurement Committee, Burao Municipality, Email: mayorburao@gmail.com

A Pre-Bid Meeting is proposed on 25th September 2026 at Burao Municipality. Interested Tenderers must send their names at least one day in advance. Only two participants are allowed per organisation.

11. PROPOSAL SUBMISSION

Tenderers shall submit:

- Volume I – Technical Proposal
- Volume II – Financial and Commercial Partnership Proposal

Late submissions shall not be accepted.

12. TECHNICAL PROPOSAL REQUIREMENTS

The Technical Proposal shall include:

Form T1 – Letter of Submission

Form T2 – Company Profile

Including:

- Registration documents;
- Ownership structure;
- Years of operation;
- Contact information.

Form T3 – Relevant Experience

Details of experience in one or more of the following:

- Waste management or recycling facilities;
- Waste management operations;
- Industrial processing facilities;
- PPP projects;
- Resource recovery projects;
- Import/Export experience.

Form T4 – Key Personnel

Provide CVs and qualifications for:

- Director(s);
- Facility Manager;
- Operations and Maintenance Supervisor.

Form T5 – Site Development Methodology

Describe:

- Facility layout;
- Construction approach for site;
- Construction schedule.

Form T6 – Operations Plan

Describe:

- Waste sourcing strategy;
- Sorting methodology;
- Processing methodology;
- Equipment maintenance.

Form T7 – Environmental and Social Management Plan

Describe:

- Environmental safeguards;
- Occupational health and safety;
- Gender inclusion measures;
- Community engagement.

Form T8 – Business Plan and Partnership Approach

The Tenderer shall provide:

- A Project Financial Model. The assumptions used in the Financial Model shall be consistent with the technical information, cost estimates, financial assumptions, workings and outputs stated in the Technical Proposal. The Financial Model shall include detailed cash-flow projections, income statements and balance sheets for the Project;
- Employment creation estimates, including the anticipated number and types of direct jobs to be created and maintained by the Facility;
- A description of the Tenderer's proposed partnership approach, including the respective roles and responsibilities of Burao Municipality and the Private Investor and Operator, and the proposed governance, reporting and coordination arrangements; and
- A description of how the Tenderer proposes to implement and manage the Revenue-Sharing Partnership Arrangement, consistent with the detailed revenue-sharing proposal submitted under Form F1, including arrangements for revenue recording, reporting, verification and payment of Burao Municipality's agreed revenue share.

13. FINANCIAL AND COMMERCIAL PARTNERSHIP PROPOSAL REQUIREMENTS

Tenderers shall submit a Financial and Commercial Partnership Proposal demonstrating the financial sustainability of the Project and the value offered to Burao Municipality.

Form F1 – Proposed Partnership Arrangement

The Municipality shall make available to the Project municipal land, recycling equipment and institutional support as specified in this RFP.

The Tenderer shall submit a Proposed Partnership Arrangement setting out the commercial relationship it proposes between the Municipality and the Private Investor and Operator for the duration of the PPP Agreement.

The Proposed Partnership Arrangement shall clearly set out:

a) the respective contributions of the Municipality and the Private Investor and Operator;
b) the proposed revenue-sharing arrangement, under which Burao Municipality shall receive an agreed percentage of the revenue generated by the Project, including the proposed percentage, revenue base, calculation method and payment arrangements;
c) the proposed allocation of key commercial responsibilities and risks; and
d) any other terms proposed by the Tenderer for establishing a transparent, sustainable and mutually beneficial partnership.

The Tenderer shall provide sufficient financial information and assumptions to enable the Municipality to assess the proposed arrangement, including the proposed revenue-sharing percentage, revenue base, calculation method, payment frequency and commencement date.

The Proposed Partnership Arrangement shall form part of the Tenderer's Financial and Commercial Proposal and shall be evaluated in accordance with the Financial and Commercial Evaluation Criteria set out in this RFP.

Following completion of the evaluation process, the Municipality shall negotiate with the Preferred Bidder to clarify and finalise the Proposed Partnership Arrangement. The final agreed revenue-sharing and other partnership arrangements shall be incorporated into the PPP Agreement.

Form F2 – Capital Investment Commitment

Tenderers shall provide detailed cost estimates for:

- Site clearance and levelling;
- Earthworks and grading;
- Construction of concrete flooring – around 400 sqm for heavy equipment;
- Construction of processing sheds – open structure around 300 sqm;
- Construction of perimeter fencing and gates;
- Internal circulation roads;
- Security facilities;
- Lighting systems;
- Water storage and supply systems;
- Toilet and changing facilities.

14. EVALUATION METHODOLOGY

The Proposal obtaining the highest combined score shall be recommended as the Preferred Bidder, subject to due diligence, successful negotiations and approval by Burao Municipality.

- Technical Score: 70%
- Financial and Commercial Score: 30%

15. TECHNICAL EVALUATION CRITERIA

Criteria	Points
Relevant Experience	10
Site Development Methodology	10
Operations & Maintenance Plan	10
Environmental & Social Management	10
Business Plan, Market Development & Partnership Approach	10
Key Personnel & Organisation	40
Implementation Schedule	10
Total	100

Minimum Technical Score Required: 70 Points

16. FINANCIAL AND COMMERCIAL EVALUATION CRITERIA

The Financial and Commercial Proposal shall be evaluated to determine the overall financial and commercial value offered to Burao Municipality and the sustainability of the proposed partnership.

The Financial and Commercial Evaluation shall comprise the following:

Criteria	Weight
Revenue-Sharing Partnership Arrangement	60%
Capital Investment Commitment	40%
Total	**100%**

A. Revenue-Sharing Partnership Arrangement – 60%

The Revenue-Sharing Partnership Arrangement submitted under Form F1 shall be evaluated on the basis of the following criteria:

Criteria	Points
Revenue-sharing percentage offered to Burao Municipality	40
Commercial sustainability of the proposed revenue-sharing arrangement	20
Clarity, transparency and practicality of the revenue-sharing mechanism	15
Allocation of commercial responsibilities and risks	15
Overall partnership value and practicality	10
Total	100

Revenue-Sharing Percentage – 40 Points

All Tenderers shall propose a revenue-sharing arrangement under which Burao Municipality shall receive an agreed percentage of Project revenue. Alternative commercial models, including a fixed lease fee or fixed annual payment in place of revenue sharing, shall not be accepted.

The Tenderer offering the highest responsive revenue-sharing percentage (Rmax) shall receive 40 points.

The scores of other responsive Tenderers shall be calculated as follows:

$RS = 40 \times (R / R_{max})$

Where:

- RS = Revenue-Sharing Percentage Score;
- R = revenue-sharing percentage offered to Burao Municipality by the Tenderer being evaluated; and
- Rmax = highest responsive revenue-sharing percentage offered to Burao Municipality.

The remaining 60 points shall be awarded by the Evaluation Committee against the other criteria specified in the table above.

The Revenue-Sharing Partnership Arrangement Score (SP) shall be the total points awarded under all five criteria, to a maximum of 100 points.

B. Capital Investment Commitment – 40%

The Tenderer's Capital Investment Commitment submitted under Form F2 shall be evaluated on the basis of the proposed investment required to develop and establish the Facility.

The Evaluation Committee shall consider:

a) the amount of capital investment committed to the Project;
b) the scope and relevance of the proposed investment;
c) consistency of the proposed investment with the Site Development Methodology, Business Plan and Project Financial Model; and
d) the credibility and deliverability of the proposed investment commitment.

The Tenderer offering the highest responsive and substantiated Capital Investment Commitment (**Imax**) shall receive a Capital Investment Commitment Score of 100 points.

The scores of other responsive Tenderers shall be calculated as follows:

$\mathbf{CI = 100 \times (I / I_{max})}$

Where:

- **CI** = Capital Investment Commitment Score;
- **I** = substantiated Capital Investment Commitment of the Tenderer being evaluated; and
- **Imax** = highest substantiated Capital Investment Commitment among responsive Tenderers.

C. Financial and Commercial Score

The overall Financial and Commercial Score shall be calculated as follows:

Sf = (SP × 0.60) + (CI × 0.40)

Where:

- **Sf** = Financial and Commercial Score;
- **SP** = Revenue-Sharing Partnership Arrangement Score; and
- **CI** = Capital Investment Commitment Score.

The resulting Financial and Commercial Score shall be weighted at **30%** in calculating the Final Combined Score under Section 17.

The purpose of the Financial and Commercial Evaluation is to identify the Proposal that offers the Municipality the **best overall partnership value**, taking into account financial return, commercial sustainability, private investment and appropriate allocation of commercial responsibilities and risks.

17. COMBINED SCORE

The Final Combined Score for each responsive Proposal shall be calculated by combining the Technical Score and the Financial and Commercial Score using the following formula:

Final Score (S) = (St × 0.70) + (Sf × 0.30)

Where:

- **S** = Final Combined Score;
- **St** = Technical Score obtained by the Proposal; and
- **Sf** = Financial and Commercial Score obtained by the Proposal.

The Technical Score shall account for **70%** of the Final Combined Score, while the Financial and Commercial Score shall account for **30%**.

The Proposal obtaining the highest Final Combined Score shall be ranked first and designated as the **Preferred Bidder**, subject to due diligence, successful negotiations and approval by Burao Municipality.

18. FINAL RANKING AND PREFERRED BIDDER NEGOTIATION

The Proposal obtaining the highest Final Combined Score shall be ranked first and designated as the **Preferred Bidder**, subject to due diligence, successful negotiations and approval by Burao Municipality.

Negotiations with the Preferred Bidder shall be conducted to clarify and finalise:

- the Proposed Partnership Arrangement;
- the respective contributions and obligations of the Municipality and the Private Investor and Operator;
- the financial and commercial arrangements;
- the allocation of project risks and responsibilities;
- the governance, monitoring and reporting arrangements;

- the performance requirements and key performance indicators; and
- the other terms and conditions necessary for finalisation of the PPP Agreement.

Negotiations shall not materially alter the scope or objectives of the Project, undermine the basis upon which Proposals were competitively evaluated, or materially reduce the financial, investment, technical or other commitments contained in the Preferred Bidder's Proposal.

Upon successful conclusion of negotiations and approval by Burao Municipality, the Preferred Bidder shall be invited to enter into the final **PPP Agreement**.

If negotiations with the Preferred Bidder are unsuccessful, the Municipality may discontinue those negotiations and, subject to applicable procurement requirements and approvals, invite the next highest-ranked Tenderer to enter into negotiations.

In the event of a tie in the Final Combined Score, the Proposal obtaining the higher **Financial and Commercial Score** shall be ranked higher.

19. PERFORMANCE REQUIREMENTS

The successful **Private Investor and Operator** shall, throughout the Contract Period:

- operate the Facility continuously, efficiently and in accordance with the PPP Agreement;
- operate, maintain and keep all municipal equipment and other Project assets in good working condition;
- comply with the performance standards and Key Performance Indicators specified in the PPP Agreement;
- submit quarterly operational and performance reports to the Municipality;
- submit annual audited financial statements and such other financial reports as may be required under the PPP Agreement;
- comply with all applicable environmental, social, occupational health and safety requirements;
- comply with all applicable municipal laws, regulations and requirements;
- maintain throughout the Contract Period all insurance required under the PPP Agreement, including insurance covering project assets, third-party liability, employer's liability and construction risks, where applicable;
- maintain an accurate and up-to-date asset register for all project assets made available for the Project;
- be responsible for the repair or replacement of any project asset damaged or lost as a result of its negligence, wilful misconduct or breach of the PPP Agreement;
- permit the Municipality or its authorised representatives to inspect the Facility, Project operations, relevant records and project assets upon reasonable notice;
- comply with all asset management, maintenance and handback obligations specified in the PPP Agreement;
- comply with the financial and commercial obligations established under the agreed Revenue-Sharing Partnership Arrangement, including revenue-sharing payments, financial reporting, accounting, audit and verification requirements.; and
- comply with all other performance obligations specified in the PPP Agreement.

20. KEY PERFORMANCE INDICATORS

The successful Private Investor and Operator shall monitor and report quarterly to the Municipality on the following Key Performance Indicators:

- quantity of waste received at the Facility, measured in tonnes;
- quantity of recyclable materials recovered and processed, measured in tonnes;
- quantity of residual waste transferred for final disposal, measured in tonnes;
- total revenue generated from recycling and other Project activities;
- revenue share payable and paid to Burao Municipality in accordance with the agreed Revenue-Sharing Arrangement;
- number of direct jobs created and maintained by the Facility;
- number of informal waste collectors and other waste suppliers engaged by or supplying materials to the Facility;
- percentage availability and operational status of municipal recycling equipment;
- quantity and type of recycled materials sold, including the country, type and sector of customers or off-takers;
- progress towards achieving maximum resource recovery and the long-term objective of full recycling, including the percentage of waste recovered, recycled or otherwise diverted from final disposal;
- environmental compliance performance, including incidents, non-compliance and corrective actions taken; and
- occupational health and safety performance, including incidents, injuries and corrective actions taken.
- The detailed definitions, calculation methods, revenue verification and reporting requirements, performance targets and monitoring arrangements for the Key Performance Indicators shall be specified in the PPP Agreement.

21. PPP AGREEMENT AND CONTRACT CONDITIONS

The successful Private Investor and Operator shall enter into a PPP Agreement with Burao Municipality. The PPP Agreement shall reflect the successful Proposal and the terms agreed during Preferred Bidder negotiations.

The PPP Agreement shall include, among other matters, provisions relating to:

- the Project Site and rights of access and use;
- municipal assets and recycling equipment made available for the Project;
- the respective contributions, rights and obligations of Burao Municipality and the Private Investor and Operator;
- site development, installation, testing and commissioning of the Facility;
- operation, management and maintenance of the Facility and Project assets;
- the agreed Revenue-Sharing Partnership Arrangement, including the revenue-sharing percentage, applicable revenue streams, calculation methodology, payment arrangements and commencement date;
- financial reporting, accounting, audit and verification arrangements necessary to ensure transparency and accurate calculation of the Municipality's revenue share;

- the PPP Oversight Board, including its composition, functions, procedures, reporting and oversight arrangements, while preserving the Private Investor and Operator's responsibility for day-to-day management and operation of the Facility;
- environmental, social, occupational health and safety requirements;
- performance standards and Key Performance Indicators, including progress towards maximum resource recovery and the long-term objective of full recycling;
- insurance, indemnities and allocation of Project risks;
- ownership, use, protection, maintenance, repair and replacement of municipal assets;
- term, periodic review and any conditions governing extension or renewal;
- events of default, remedies and termination;
- expiry, asset handback and other end-of-contract arrangements;
- force majeure and change in law; and
- dispute resolution.

The PPP Agreement shall provide Burao Municipality with appropriate contractual rights and remedies in the event of persistent non-performance, failure to account for or pay the Municipality's agreed share of Project revenue, environmental or other material non-compliance, misuse or unauthorised disposal of municipal assets, unauthorised transfer or assignment of contractual rights, or any other material breach of the PPP Agreement.

The final PPP Agreement shall not materially alter the scope of the Project or materially reduce the revenue-sharing, investment, technical, operational or performance commitments upon which the successful Tenderer's Proposal was evaluated and selected.

22. ANNEXES

The following Annexes form part of this RFP:

Annex A: Land Details and Site Information

Annex B: Equipment Inventory and Technical Specifications

Annex C: Prototype Solid Waste Recycling Facility Design Drawings

Annex D: Technical Proposal Forms

Annex E: Financial and Partnership Proposal Forms

Annex F: Site Visit Registration Form

Annex G: List of Material Purchasers and Contact Details

Annex H: Waste Composition and Generation Studies

Annex I: Environmental and Social Compliance Requirements

Tenderers are strongly encouraged to attend the Pre-Bid Meeting and undertake a Site Visit before submitting their Proposals.

All Annexes and relevant supporting documents shall be made available to Tenderers at the Pre-Bid Meeting and/or during the Site Visit. Any Annex or supporting document that may materially affect the preparation or evaluation of Proposals shall be made available on an equal basis to all Tenderers.

Tenderers shall review the RFP, all Annexes and relevant supporting documents before submitting their Proposals. Participation in a Site Visit shall not relieve a Tenderer of its responsibility to undertake its own assessment and due diligence in preparing its Proposal.