REQUEST FOR PROPOSALS (RFP)
DEVELOPMENT, LEASE, OPERATION AND MANAGEMENT OF THE SOLID WASTE RECYCLING FACILITY
Burao Municipality, Somaliland

Advertisement Date: 5th September 2026
Last Date for Clarifications: 21st September 2026
Pre-Bid Meeting: 23rd September 2026
Proposal Submission Deadline: 5 October 2026 5:00 PM East Africa Time
Issued By: Burao Municipality
Supported By: Sinaan Programme (FCDO, UK)

1. INVITATION TO TENDER

The Ministry of Local Governments and Urban development together with the 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 PPP, the Municipality shall make available municipal land and specified recycling equipment for lease to the successful Tenderer. The successful Tenderer shall finance, construct, install, operate, maintain and commercially manage the recycling facility and pay an annual lease fee to the Municipality for the duration of the Agreement.

The Municipality seeks to engage a competent private investor and operator to develop the municipal site, establish operational systems, manage recycling activities, and create sustainable markets for recovered materials.

The successful Tenderer shall enter into a ten (10) year Lease, Develop and Operate Agreement with Burao Municipality (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 reduce 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 valued at approximately USD 250,000.

The total value of public assets being made available under this arrangement is therefore estimated at USD 265,000.

The selected Tenderer shall be responsible for developing the site, operating the facility, maintaining equipment, and commercialising recovered materials.

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.

4. LEASE 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 contract award shall be considered a mobilisation and facility development period ("Set-Up Period").

During the Set-Up Period:

- The Operator shall undertake site development and commissioning activities.
- No lease payments shall be payable.

Lease payments shall commence from Month Thirteen (13) of the Agreement.

5. MUNICIPAL CONTRIBUTION

Burao Municipality shall provide:

5.1 Land

Municipal land designated for the Solid Waste Recycling Facility with an estimated value of USD 15,000.

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.
- Facilitate municipal approvals where required.
- Support stakeholder engagement.
- Facilitate coordination with waste collection service providers.

Ownership of all municipal land and equipment shall remain vested in the Municipality throughout the lease period.

6. PRIVATE INVESTOR AND OPERATOR RESPONSIBILITIES

The selected Private Investor and Operator shall, at its own cost and risk, finance, construct, operate, maintain and manage the facility.

6.1 Site Development

The Operator shall undertake the development of a 400 sqm concrete area and open shed of around 300 sqm – with toilet and changing areas

- Site clearance.
- Land levelling.
- Earthworks and grading
- Construction of concrete flooring – around 400sqm for heavy equipment
- Construction of roofing structures
- Construction of processing sheds – open structure around 300sqm
- 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 along with SINAAN Expert who will supply buyer contacts for all materials
- 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	5th September 2026
Site Visits	12 September – 23 September 2026
Deadline to receive queries	21st September 2026
Pre-bid Meeting and responses to clarifications	23 September 2026
Proposal Submission Deadline	5th October 2026
Technical Evaluation	06 – 17 October 2026
Financial Evaluation	18 – 21 October 2026
Contract Negotiation	31 October 2026
Contract Award	5th November 2026

10. REQUEST FOR CLARIFICATIONS AND PRE-BID MEETING

Requests for clarification shall be submitted in writing no later than 21st September 2026. All requests shall be submitted to:

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

A pre-bid meeting is proposed on 23rd September 2026 at the 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 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 below details:

- 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

Provide:

- Bidders to submit a Project Financial Model. The assumptions used in the Bidder's Model must be consistent with all the technical information, cost estimates and financial assumptions, workings and outputs stated in each Bidder's technical proposal. Detailed cashflow, income statement, balance sheet should be included. The model should also clearly show the Project's IRR, Equity IRR, and DSCR.
- Employment creation estimates.

13. FINANCIAL PROPOSAL REQUIREMENTS

Tenderers shall submit:

Form F1 – Annual Lease Fee

The Municipality shall provide public assets with an estimated total value of USD 265,000, comprising:

- Municipal land with an estimated value of USD 15,000, provided under a ten (10) year lease arrangement; and
- Recycling equipment with an estimated replacement value of USD 250,000.

The successful Operator shall benefit from a twelve (12) month rent-free Set-Up Period to enable the development and commissioning of the Solid Waste Recycling Facility. During this period, the Operator shall be responsible for undertaking all site development works, including land levelling, construction of flooring and roofing, installation of perimeter fencing, provision of security infrastructure, connection to electricity and water services, construction of drainage and pollution control systems, installation and commissioning of municipal recycling equipment, recruitment and training of staff, testing of operational systems, establishment of supply chains and off-take agreements, and commencement of commercial operations.

No annual lease payments shall be payable during the twelve-month Set-Up Period. The obligation to pay the Annual Lease Fee shall commence from the Month Thirteen (13) following the Effective Date of the PPP Agreement.

To preserve the real value of the lease over the contract period, the Annual Lease Fee shall be adjusted annually in accordance with the PPP Agreement.

Unless otherwise agreed in the PPP Agreement, the Annual Lease Fee shall increase by five percent (5%) per annum, compounded annually, commencing on the first anniversary of the Lease Commencement Date.

For evaluation purposes, the Base Annual Lease Fee (year 1) submitted in Annex E shall be used.

Accordingly, the Municipality has established the following guidance:

- Minimum Acceptable Annual Lease Fee: USD 12,000 per annum
- Expected Competitive Lease Range: USD 12,000 - USD 18,000 per annum

Any proposal with an annual lease fee below USD 12,000 may be considered non-responsive and not evaluated further.

Form F2 – Capital Investment Commitment

Tenderers shall provide detailed cost estimates for:

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

The proposal obtaining the highest combined score shall be recommended for award.

- Technical Score: 70%
- Financial 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	10
Key Personnel & Organisation	40
Implementation Schedule	10
Total	**100**

Minimum Technical Score Required: 70 Points

16. FINANCIAL EVALUATION CRITERIA

Criteria	**Weight**
Annual Lease Fee Offered	60%
Capital Investment Commitment	40%
Total	**100%**

The objective of the financial evaluation is to identify the proposal that provides the highest value to the Municipality through a combination of lease payments and private sector investment.

A. Annual Lease Fee Score (60%)

The Tenderer offering the highest Annual Lease Fee (H) shall receive the maximum score of 100 points.

The scores of all other proposals shall be calculated proportionately using the following formula:

SL = 100 × (L / H)

Where:

- SL = Lease Fee Score of the proposal being evaluated
- L = Annual Lease Fee offered by the proposal being evaluated

- H = Highest Annual Lease Fee offered among all responsive proposals

B. Capital Investment Commitment Score (40%)

The Tenderer committing the highest capital investment amount (Imax) for site development and facility establishment shall receive the maximum score of 100 points.

The scores of all other proposals shall be calculated proportionately using the following formula:

SI = 100 × (I / Imax)

Where:

- SI = Capital Investment Score
- I = Capital Investment Commitment of the proposal being evaluated
- Imax = Highest Capital Investment Commitment among all responsive proposals

C. Financial Score

The overall Financial Score shall be calculated as:

Sf = (SL × 0.60) + (SI × 0.40)

Where:

- Sf = Financial Score
- SL = Lease Fee Score
- SI = Capital Investment Score

The proposal obtaining the highest Financial Score shall receive a Financial Score of 100 points, and all other proposals shall be normalised proportionately.

17. COMBINED SCORE

The final combined score shall be calculated 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
- Sf = Financial Score obtained by the proposal

18. FINAL RANKING

The proposal with the highest Final Combined Score shall be ranked first and recommended for contract award, subject to successful negotiations and approval by Burao Municipality.

In the event of a tie in the Final Combined Score, preference shall be given to the proposal offering the higher Annual Lease Fee.

19. PERFORMANCE REQUIREMENTS

The successful Operator shall:

- Maintain continuous operation of the facility;
- Maintain all equipment in operational condition
- Submit quarterly operational reports;
- Submit annual audited financial statements;
- Comply with environmental regulations captured but not limited to in the PPP Agreement ;
- Comply with municipal regulations.

- Maintain throughout the Contract Period all insurance required under the PPP Agreement, including insurance in respect of municipal assets, third-party liability, employer's liability and construction risks, where applicable;
- Maintain an up-to-date asset register for all municipal assets provided under the PPP Agreement;
- Be responsible for the repair or replacement of municipal assets damaged as a result of the Operator's negligence, wilful misconduct or breach of the Agreement;
- Permit the Municipality, or its authorised representatives, to inspect the Facility and municipal assets upon reasonable notice and during normal business hours;
- Comply with the asset management, maintenance and handback obligations set out in the PPP Agreement.

20. KEY PERFORMANCE INDICATORS

The Operator shall report quarterly on:

- Quantity of waste received (tons);
- Quantity of recyclables recovered (tons);
- Quantity of residual waste disposed (tons);
- Revenue generated from recycling;
- Number of jobs created;
- Number of informal collectors purchased from;
- Percentage equipment availability;
- Country, type and sector of customers of output material
- Environmental compliance performance;
- Occupational health and safety incidents.

21. CONTRACT CONDITIONS

The successful bidder shall enter into a PPP Agreement with the Contracting Authority. The PPP Agreement shall include, among other things, provisions relating to the following:

- Lease and Development;
- Operations and Maintenance;
- Environmental and Social Compliance.

The Municipality reserves the right to terminate the PPP Agreement in the event of:

- Persistent non-performance;
- Environmental violations;
- Failure to make lease payments;
- Unauthorised transfer of rights.

22. ANNEXES

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 Proposal Forms
Annex F: Site Visit Registration Form
Annex G: List of Material Purchasers and Contact Details
Annex H: Waste Composition/Generation Studies
Annex I: Environmental and Social Compliance Requirements

Tenderers are strongly encouraged to attend the Pre-Bid Meeting and undertake a Site Visit. All Annexes and relevant supporting documents shall be provided at the Pre-Bid Meeting and/or Site Visit and shall be reviewed by Tenderers before submission of their Proposals.