



REQUEST FOR PROPOSALS

**REQUEST FOR PROPOSALS ISSUED BY SOUTH AFRICAN
NATIONAL PARKS IN RESPECT OF THE PROPOSED PUBLIC
PRIVATE PARTNERSHIP PROJECTS FOR THE MALELANE
HOTEL DEVELOPMENT IN THE KRUGER NATIONAL PARK**



IMPORTANT NOTICE

This Request for Proposals (“**RFP**”), incorporating all its attachments, has been produced by South African National Parks (“**SANParks**”), in connection with the tourism public private partnership opportunity available at the Malelane Hotel Development in the Kruger National Park.

No representation or warranty, express or implied, is made, or responsibility of any kind is or will be accepted, by South African National Parks, with respect to the accuracy and completeness of the RFP, and any liability in connection with the use by any interested party of the information contained in this RFP is hereby disclaimed.

The RFP is provided to the recipient to assist in making its own appraisal of the Public Private Partnership (“**PPP**”) opportunity presented herein and in deciding whether to submit a proposal in connection with the opportunity. However, this RFP is not intended to serve as the basis for an investment decision on the opportunity, and each recipient is expected to make such independent investigation and to obtain such independent advice, as he or she may deem necessary for such a decision.

South African National Parks may amend or replace any information contained in this RFP at any time, without giving any prior notice or providing any reason.

Should this RFP lead to the award of the PPP Project, the award will only become binding after SANParks and the Private Party have signed the agreement.

May 2009

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1. INTRODUCTION

1.1 This Request for Proposals ("**RFP**") is issued by South African National Parks ("**SANParks**") in accordance with the guidelines for Public Private Partnerships ("**PPPs**") contained in National Treasury's Tourism PPP Toolkit, and in compliance with Treasury Regulation 16 issued in terms of the Public Finance Management Act 1999.

1.2 SANParks, as part of its Strategic Plan for Commercialisation, identified the tourism PPP opportunity at the Malelane Hotel Development in the Kruger National Park ("**KNP**").

1.3 It is intended that by SANParks entering into the PPPs with a Private Party, SANParks may be able to generate additional revenue through PPP fees paid to SANParks by the Private Party, while enabling SANParks to focus on its core activity of conservation. It is intended that the project will be developed by the Private Party in compliance with strict environmental standards maintained by SANParks. In keeping with SANParks' objectives, particular attention will be paid to the implementation of broad-based Black Economic Empowerment ("**BEE**"), particularly those from local communities adjacent to the Parks. In addition, private operators will have to respect existing SANParks regulations regarding protection of the environment. In this regard, SANParks will require that Interested Parties confirm their willingness to promote BEE by entering into an agreement with a local community trust partner.

1.4 **Value-for-Money Objectives**

The value-for-money objectives for the project are aligned with SANParks' strategic objectives included in the Strategic Plan for Commercialisation. Setting these objectives at the inception phase are vital as they provide the benchmarks for the feasibility and procurement phases. During the management of the PPP agreement, they are used to measure the success of the project.

The Value-for-Money Objectives for the Malelane Hotel Development project are:

1.4.1 Revenue generation for SANParks;

- 1.4.2 BEE, job creation and community development;
- 1.4.3 Tourism promotion;
- 1.4.4 Optimisation of prime state land; and
- 1.4.5 Biodiversity protection and conservation.

2. GENERAL RULES OF THE TENDER

- 2.1 This RFP supersedes all other SANParks communication to Bidders about this PPP opportunity and the rules and conduct of the bid.
- 2.2 No verbal discussion with any staff or advisor of SANParks can change, add to or clarify any of the terms and conditions contained in this RFP. Bidders should only rely on written changes, additions or clarifications from the duly authorised Project Officer of SANParks, circulated to each bidder. E-mail communications from SANParks to Bidders will count as written communication.
- 2.3 SANParks reserves the right to modify the timetable in Article 20 or otherwise amend, supplement or clarify the RFP at any time. SANParks may cancel the bid at any time without prior notice, and may disqualify any bidder as provided for in this RFP. SANParks shall not incur any liability whatsoever in exercising any rights in this Article 2.3 or otherwise granted in this RFP or available under the laws of the Republic of South Africa.
- 2.4 The bid will be conducted in accordance with, and shall be governed by the laws of the Republic of South Africa and this RFP.
- 2.5 Bids and all correspondence and documents relating to Bids shall be in the English language.
- 2.6 The submission of a Bid by a Bidder implies full knowledge and acceptance of, and submission to, all the terms and conditions set out in this RFP, the PPP Agreement and under the applicable laws of the Republic of South Africa.
- 2.7 Bidders shall be responsible for any and all costs, expenses and losses incurred by them in the preparation and submission of Bids or otherwise in connection with the

Tender. SANParks will not compensate Bidders for any such costs, expenses or losses, regardless of the outcome of the Tender.

- 2.8 Each Bidder must appoint one or more duly authorised representatives (“**Legal Representatives**”), mandated by an executive decision of the project company and legal power of attorney to represent the Bidder. The Legal Representative shall be present for the opening of the Financial Envelopes as defined in Article 16.

3. IDENTITY OF BIDDERS

- 3.1 A Bidder may be a single company or an unincorporated joint venture or a trust. The Bidder must meet the operational and financial criteria as contained in this document.
- 3.2 Public institutions are specifically excluded from submitting proposals or bidding for the tender.
- 3.3 Each submission must set out, in detail, the structure that will be adopted for the entity. The shareholders should be clearly identified, and their roles and responsibilities listed. The submission should list the equity, ownership and directorships held by shareholders. SANParks requires that Interested Parties create a newly formed special purpose vehicle (“**SPV**”) for bidding purposes. The sole purpose of the SPV will be to undertake the PPP Project. Where any parties are not shareholders, but will be integrally involved in the operation of the SPV, such parties should also be listed. It will be expected that the SPV is legally constituted prior to the Bid date.
- 3.4 As the project might require a substantial amount of capital investment, Interested Parties must demonstrate their ability to raise debt and equity and to provide security to SANParks’ satisfaction.
- 3.5 Interested Parties will also be required to provide information on ownership of the entities of which the Interested Parties are comprised, together with organograms reflecting the ownership proportions.
- 3.6 When preparing submissions on the identity of the bidders, Interested Parties are required to structure their submissions following the format:

- 3.6.1 submit to SANParks the information set out in Annexure 1A in relation to the Qualification Criteria;
- 3.6.2 submit to SANParks the information set out in Annexure 1B in relation to the company, unincorporated joint venture or trust and its shareholders, partners of beneficiaries; and
- 3.6.3 certify to SANParks that the information contained therein is true, accurate and complete in all respects.
- 3.7 SANParks reserves the right to request, at any time, additional information or documentation from Bidders.
- 3.8 Where a Bidder is made up of a number of parties, shareholders in one SPV may not in any way be shareholders of other SPV's bidding for the same PPP Opportunity in the tender process.

4. **A DESCRIPTION OF THE PPP OPPORTUNITY FOR THE MALELANE HOTEL DEVELOPMENT IN THE KRUGER NATIONAL PARK**

The Malelane Hotel Development PPP opportunity available to Bidders is discussed in detail in the Information Memorandum provided to Bidders. Herewith summarised as follows:

4.1 **Introduction**

SANParks, as part of its Strategic Plan for Commercialisation, identified the tourism PPP opportunity for the Malelane Hotel Development in the Kruger National Park.

It is intended that by SANParks entering into the PPP with a Private Party, SANParks may be able to generate additional revenue through PPP fees paid to SANParks by the Private Party, while enabling SANParks to focus on its core activity of conservation. It is intended that the project will be developed by the Private Party in compliance with strict environmental standards maintained by SANParks. In keeping with SANParks' objectives, particular attention will be paid to the implementation of broad-based Black Economic Empowerment ("BEE"), particularly those from local communities adjacent to the Parks. In addition, private operators will have to respect existing SANParks regulations regarding protection

of the environment. In this regard, SANParks will require that Interested Parties confirm their willingness to promote BEE by entering into an agreement with a local community trust partner.

4.2 Value for Money Objectives

The value-for-money objectives for the project have to be aligned with SANParks' strategic objectives included in the Strategic Plan for Commercialisation. Setting these objectives at the inception phase are vital as they provide the benchmarks for the feasibility and procurement phases. During the management of the PPP agreement, they are used to measure the success of the project.

The Value-for-Money Objectives for the project are:

- Revenue generation for SANParks;
- BEE, job creation and community development;
- Tourism promotion; and
- Biodiversity protection and conservation.

4.3 Malelane Hotel Minimum Development Specifications

The Private Party Operator will be expected to adhere to the Malelane Hotel Minimum Development Specifications as follows:

Hotel Minimum Development Specifications	
Beds	200 - 240
Conference	180 delegates
Restaurant	A la carte & Buffet
Room Service	Yes
Cocktail Bar	Yes
Spa & Gym	Yes
Outside cultural entertainment & dining area (Boma)	Yes
Pool	Yes

Special Features like Viewing Deck, Bird hide etc	Yes
Covered Parking area	Yes
Reception & Lobby	Yes
Porter service	Yes
Housekeeping	Yes
Laundry / Dry cleaning	Procured from outside the Park
Internal & External Communication systems	Yes
TV/MNet/DSTV	Yes
Air-conditioning	Yes
Safety & Security	Yes
Recognised Operating System & Software	Yes
Business Centre Facilities	Yes

4.4 Malelane Hotel Development Site

SANParks has identified a site in the Kruger National Park for the Malelane Hotel Development. The Bidders will be provided the opportunity to assess the site, the indications of the limitations on developments and activities to be permitted on the site with regard to access, road network, off-road driving, carrying capacity, water, electricity, and telecommunications. Bidders, in their Bid Submission, will include a detailed development and design plan for the development site. However, Bidders should be aware, that should they win the bid, their detailed proposals will still be subject to a full Environmental Impact Assessment (“EIA”) of proposed developments.

EIAs must be prepared for certain prescribed activities, or activities that might affect designated areas such as a national park. All EIAs must be prepared by an independent consultant. Given the financial cost and time required, EIAs will only be undertaken by the successful bidder upon signature of the PPP Agreement. The environmental clearance given by the Evaluation Committee at the time of the bid does not absolve the winning bidder from the need to go through this process, and offers no guarantee that EIA clearance will be given. Any changes to the procedures or design that are required by the EIA process will be at the cost of the

winning bidder – there will be no recourse to SANParks.

4.5 **Project Description/Labelling**

Due to the Malelane Hotel Development being the first PPP hotel development within the boundaries of a National Park and the ecological sensitivities surrounding such, SANParks debated the labelling of the project. Initially it was proposed that the project is labelled as a Safari Lodge opposed to a Hotel. However, subsequently it was felt a Safari Lodge could be viewed to be similar to the concessions lodges, whilst it does not have any exclusivity i.t.o. of traversing or bush activities. Secondly, it could be viewed by the critics as a scope creep on the initial concession programme and thirdly it could be viewed as unfair competition by other especially neighbouring concession holders.

Another option was to use the term Hotel but with an appropriate prefix i.e. Eco-hotel; Wilderness Hotel ; Safari Hotel.

However, SANParks finally determined that Bidders will be requested to suggest an appropriate name for the hotel but SANParks will reserve the final right of approval.

5. **BIDDERS REQUIRED QUALIFICATION CRITERIA**

In order to participate in the bidding process, bidders are required to meet the following qualification criteria:

5.1 **Financial capacity**

5.1.1 Given the fact that the project is of a high value and may entail risk to both the preferred bidder and SANParks, it is important that interested parties demonstrate financial strength. In this regard the asset value of the interested party must be at least R50 million.

5.1.2 As the preferred bidder must be a SPV, it must demonstrate financial strength with reference to the asset value of its shareholders in proportion to their shareholding. The interested party must also demonstrate, to SANParks' satisfaction, that its shareholders are solvent. Audited financial statements, along with a letter confirming that the asset value exceeds the stipulated amount and that the shareholders are solvent, must be provided to illustrate

any assertion made by an interested party in this regard.

5.2 **Tourism experience**

The project is likely to require interested parties with substantial experience and expertise in the tourism market. Interested parties are therefore required to provide examples of similar projects conducted by the interested parties. The interested party must be able to meet this tourism track-record requirement in the following ways:

- 5.2.1 The interested bidder must have proven Hotel Management experience in Africa of no less than 10 to 15 years;
- 5.2.2 The bidding company must presently be operating a minimum number of 1500 rooms; and
- 5.2.3 It must have a well recognised brand in the hotel industry.

6. **ASSISTANCE TO BIDDERS**

- 6.1 The financing institutions and support organisations that could be approached about providing financial, technical and other assistance to Bidders is detailed in Annexure 12: Assistance to Bidders.
- 6.2 Bidders are advised to make use of these financing institutions and support organisations while developing their bids.

7. **SITE VISITS AND DUE DILIGENCE**

- 7.1 The Site Visit and Due Diligence process is being organised for the Bidders with the following objectives:
 - 7.1.1 to provide all Bidders the opportunity to ascertain all information they need to present informed and competitive bids for the sites they are qualified to bid for, including physical facilities; and
 - 7.1.2 to ensure that such access to information is equal for all Bidders.

7.2 Due Diligence site information will be provided to Bidders by means of a site visits to the Malelane Hotel Development PPP Opportunity on Thursday 18th June 2009.

7.3 For this purpose, all interested bidders are required to register for this site visit on or before 9 June 2009, by sending their Names, Company, Contact telephone, fax number and e-mail to as well as the PPP Opportunity interested in to:

Mr. Ibraheem Dockrat

Tel: (012) 426-5138

Fax: 086 514 0283

Cell: 083 571 6178

E-mail: ibraheemd@sanparks.org

7.4 Attendance will inform Bidders of possible challenges and opportunities that may or may not have an impact on the feasibility studies conducted by Bidders and will further serve to ensure the accuracy of viabilities conducted for the facility.

7.5 This site visit will form part of the due diligence process and should be attended by the bidders or a duly authorized representative.

7.6 The programmes will be distributed to interested bidders upon registration.

7.7 Please note that traveling and accommodation costs for this visit will be for your own account.

7.8 Each Bidder shall be solely responsible for its own due diligence investigation of the investment opportunity, the proposed PPP Agreement terms and all matters relating to this RFP. Neither SANParks nor any of their respective officers, employees, agents or advisers makes any representation or warranty, express or implied, concerning any matter affecting the PPP opportunity, except for the representations and warranties of SANParks that will be set out in the PPP Agreement.

7.9 No verbal agreement or conversation with, nor any verbal clarification from, any officer or employee of SANParks or any of their advisers shall affect or modify any of the terms and conditions contained in this RFP. Only written amendments,

supplements or clarifications to this RFP from duly authorised Project Officer of SANParks, circulated to each Bidder, should be relied upon as authorised. For the purposes of this Article 7.9, communications sent from duly authorised staff of SANParks to Bidders via electronic mail shall be deemed as communications in writing.

7.10 **Contact for Due Diligence-related Matters**

The principal contact in SANParks for all matters relating to the Due Diligence process will be:

Mr. Ibraheem Dockrat

Tel: (012) 426-5138

Fax: 086 514 0283

Cell: 083 571 6178

E-mail: ibraheemd@sanparks.org

8. **PPP AGREEMENT**

8.1 The draft PPP Agreements are included in the Tender Documents and will be ready for distribution on or before the 9th June 2009.

8.2 SANParks reserves the right to modify or otherwise amend, supplement or clarify the PPP Agreements at any time. SANParks shall not incur any liability whatsoever in exercising any rights in this Article 8.2 or otherwise granted in this RFP, PPP Agreements or available under the laws of the Republic of South Africa.

9. **BID SUBMISSIONS**

9.1 Bids must be submitted to:

The Project Officer

Annemi van Jaarsveld

South African National Parks

643 Leyds Street,

Muckleneuk,

Pretoria.

9.2 Bid Submissions should be made between 08:00 and 12:00 on **Friday, 28th August 2009** (the “**Bid Date**”).

9.3 Submissions delivered after 12:00 on the Bid Date shall be regarded as invalid, and returned to the Bidder, unopened.

10. CONTENTS OF BID SUBMISSIONS

10.1 Bids and all related correspondence and documents must be in English.

10.2 The bid submission from each bidder must contain all the information necessary for SANParks to evaluate the financial, broad-based black economic empowerment and functionality capabilities of the bidder. Bidders are required to submit three sealed Envelopes in accordance with the directions below.

10.3 The first Envelope shall be clearly marked “Technical Criteria - original” on the outside and shall contain all the original non-financial aspects of the Submission (“**Technical Offer**”). The contents of the Technical Offer shall consist of:

10.3.1 The original of the Bidder Information, in the format given in Annexure 1A – Qualification Criteria;

10.3.2 The original of the Bidder Information, in the format given in Annexure 1B – Information on Bidders;

10.3.3 Original of the Financing and Capital plan, in the format given in Annexure 2 – Financing and Capital Plan;

10.3.4 Original of the Business and Operational plan, in the format given in ‘Annexure 3 – Business and Operational Plan;

10.3.5 Original of the Design plan, in the format given in ‘Annexure 4 – Design Plan;

10.3.6 Original of the Development and Environmental Proposal, in the format given in Annexure 5 - Environmental Proposal;

- 10.3.7 Original of a completed Risk Matrix, in the format given in Annexure 6 - Risk Matrix;
 - 10.3.8 Original of the BEE proposal, in the format given in Annexure 7 - BEE Proposal’;
 - 10.3.9 An original tax clearance certificate, issued by the South African Revenue Service (“**SARS**”) within six months of the bid date, for each South African member of the bidder;
 - 10.3.10 An original signed version of the final PPP Agreement including all the relevant sections the Bid Submission to be included in the PPP Agreement, with each page initialled by the duly authorised representative; and
 - 10.3.11 An original Bid Bond from a reputable bank in a form substantially similar to that set out in Annexure 11: Acceptable Wording of Bid and Development Bond.
- 10.4 The second Envelope shall be clearly marked “Technical criteria - Copies” on the outside and shall contain all the non-financial aspects of the Submission (“Technical Offer”). The contents of the Technical Offer shall consist of:
- 10.4.1 Two copies of the Bidder Information, in the format given in Annexure 1A – Qualification Criteria;
 - 10.4.2 Two copies of the Bidder Information, in the format given in Annexure 1B – Information on Bidders;
 - 10.4.3 Five copies of the Financing and Capital plan, in the format given in Annexure 2 – Financing and Capital Plan;
 - 10.4.4 Five copies of the Business and Operational plan, in the format given in ‘Annexure 3 – Business and Operational plan;
 - 10.4.5 Five copies of the Design plan, in the format given in ‘Annexure 4 – Design plan;
 - 10.4.6 Five copies of the Development and Environmental Proposal, in the format given in Annexure 5 - Environmental Proposal;
 - 10.4.7 Five copies of a completed Risk Matrix, in the format given in Annexure 6 -

Risk Matrix; and

- 10.4.8 Five copies of a BEE proposal, in the format given in Annexure 7 - BEE Proposal'.
- 10.5 The third Envelope shall be clearly marked "Financial" on the outside. The contents of this Envelope shall contain three copies of the details of the bidder's PPP Fee Offer, in the format in Annexure 8: The PPP Fee Offer.
- 10.6 Envelopes should be clearly marked as to whether they are Envelope 1, 2 or 3, and must have the bid cover letter in the format provided in Annexure 10 attached to the front of each envelope.
- 10.7 All information provided in the bid must be valid for 90 business days from the Bid Date.
- 10.8 Submitting a bid implies that the bidder knows and understands all the terms and conditions set out in this RFP and under the applicable laws of the Republic of South Africa, and that the bidder accepts these terms and conditions.

11. HOW THE BIDS WILL BE OPENED

- 11.1 The Project Officer will separate Envelopes 1, 2 and 3 from all the bids. The unopened Financial Envelopes will be locked away in the safekeeping of SANParks' legal advisors until they are opened on the 19th September 2009.
- 11.2 The Technical Envelopes will be opened by members of a bid evaluation committee representing SANParks in the presence of SANParks' Project Officer.
- 11.3 Technical Offers will be evaluated and scored according to the procedure set out in Articles 13 to 15 below.

12. INCOMPLETE BIDS

- 12.1 The bid evaluation committee, in consultation with its financial and legal advisors, will check Envelope 1 and 2 of each bid to see whether the all the documentation that this RFP requires has been submitted correctly.

- 12.2 If a bid is not complete or something in it is not clear, the bid evaluation committee may, but is not obliged to, ask Bidders for more information. Bidders will receive such requests for more information in writing. No substantial changes to the bid will be asked for or allowed, except if there is a clear mistake in the bid.
- 12.3 SANParks may, but is not obliged to, disqualify a bid that is not complete or requires clarification without a request for further information.
- 12.4 SANParks shall not be obliged to reimburse Bidders for any costs and/or damage they incurred during the preparation of Bid Submissions, in the event of cancellation, disqualification, suspension, modification or delay of the Tender.

13. BID EVALUATION METHODOLOGY

- 13.1 Bids will be evaluated on three main elements: functionality, BEE and the PPP Fee Offer.
- 13.1.1 Envelope 1 and 2 (original and copy) is for the functionality and BEE elements and is opened first. Bidders must score at least 65% for functionality and at least 65% for BEE.
- 13.1.2 Envelope 3 is for the PPP Fee Offer and will only be opened and evaluated if the minimum thresholds in Article 13.1.1 are met.
- 13.2 The evaluation of Bid Submissions will take several factors into account, in a scoring methodology that awards points against criteria and quantitative weights.
- 13.2.1 Functionality will be weighted at 60% of the overall bid score.
- 13.2.2 BEE will be weighted at 10% of the overall bid score (The provisions of the Preferential Procurement Policy Framework Act, 2000 (“**PPFA**”) apply); and
- 13.2.3 The PPP Fee Offer will be weighted at 30% of the overall bid score.

14. SCORING FOR FUNCTIONALITY

The functionality aspects of a bid will be scored out of 100 points. A bidder must achieve 65% of the total functionality points in order to pass. Functionality is made up of the following elements, each elaborated in the relevant annexure to this RFP, and each

bid will be scored as indicated in the functionality scorecard below:

14.1 Financing and Capital plan

14.1.1 A bidder is expected to provide financing information in line with the requirements set out in Annexure 2.

14.1.2 The purpose of the Financing and Capital Plan is to assess the ability of the Bidder to secure adequate finance to implement the project and determine the capital investment proposed for the project. It will indicate how much capital will be needed, where it will come from (own capital, grants, loans) and the expected amount and terms (interest rate, repayment period, security) of any proposed loans, whether the necessary financing has been secured and appropriate proof.

14.1.3 A maximum total of 15 points has been allocated to the bidders financing plan.

14.2 Business and Operational plan

14.2.1 A bidder is expected to provide a business and operational plan in line with the requirements set out in Annexure 3.

14.2.2 The purpose of the evaluation of the business and operational plans is to ensure that the bidder has fully developed all business aspects of the proposed tourism project, and is proposing credible schemes which are based on generally accepted business principles applicable to tourism projects, and which are in line with SANParks' specifications given in this RFP.

14.2.3 A maximum total of 35 points has been allocated for the business and operational plan.

14.3 Development and Environmental plan

14.3.1 SANParks shall review and evaluate the development and environmental plans submitted by bidders in accordance with the specifications and information given in Annexure 4.

14.3.2 The purpose of the evaluation of development and environmental proposals is to ensure that bidders understand and have fully planned for the prevailing

environmental issues that apply to the investment area as well as the Environmental Guidelines and have factored those issues into their plans.

14.3.3 Approval by the evaluation committee of such plans will not be taken to mean that the individual details of the proposal can be implemented – in all cases, the proposal must go through the Environmental Impact Assessment process.

14.3.4 Bidders will at a minimum be expected to provide:

14.3.4.1 A map showing location of Development Site within the Concession Area;

14.3.4.2 A photograph or architect's drawing of Development 'footprint;'

14.3.4.3 Architect's drawings of all structures and associated infrastructure;

14.3.4.4 A description of building materials to be used in construction of all structures;

14.3.4.5 A description of additional efforts Bidder intends to undertake to minimise visual impacts of Development, including lighting;

14.3.4.6 The location of lightning arrestors and radio masts within Development Site and how visual impacts of these structures will be minimised; and

14.3.4.7 Sketch drawings showing the overall appearance, the planned theme of the facilities, and the internal and external décor, soft furnishings and signage.

14.3.5 A score out of 40 will be awarded for the environmental competence of the bidder.

14.4 **Risk Matrix**

14.4.1 A bidder must indicate the extent to which the bid complies with the risk allocation of the risk matrix given in Annexure 5.

14.4.2 A maximum of 10 points has been allocated to assessing compliance with risk allocation.

15. **HOW BEE IS EVALUATED**

15.1 SANParks will evaluate the bidder's BEE proposal (details of the format and information required are in Annexure 6 - BEE proposal) and will allocate scores

according to the methodology and weightings in the BEE scorecard in Annexure 6.

- 15.2 BEE is scored out of 100 points and the minimum threshold a bidder must score is 65%. In the event of failure by the Bidder to meet the minimum threshold, the BEE Proposal shall be declared non-compliant. This shall result in the Bidder's entire Bid Submission be declared non-compliant, and the Bidder's Financial Envelope shall be returned unopened.

16. OPENING OF FINANCIAL ENVELOPES

- 16.1 If the minimum thresholds for both functionality and BEE are met by the Bidders, the Technical scores will be presented to the SANParks Board or other body as determined and approved by SANParks for ratification;

- 16.2 Should the bids not be ratified, SANParks reserves the right to withdraw from the process and not open any financial bids;

- 16.3 Should the Technical scores be ratified, the Financial Envelopes will be opened on the 19th of September 2009 subsequent to ratification at a public meeting in the presence of:

- 16.3.1 Bidders' Authorised Representatives; and

- 16.3.2 SANParks' legal and financial advisors.

- 16.4 At this meeting the Project Officer will announce:

- 16.4.1 Whether the Functional and BEE offers for each Bidder conform to the terms of this RFP; and

- 16.4.2 The Functionality and BEE Scores allocated to each of the Bidders.

17. EVALUATION OF PPP FEE OFFERS AND ANNOUNCEMENT OF WINNING BIDDERS

- 17.1 Under the PPP Agreement, the PPP fee income to SANParks shall be, as per the schedule set out in Annexure 7 - PPP Fee Offer, the higher of:

- 17.1.1 the Minimum PPP Fee indicated in Annexure 7 increased annually by CPIX; or
- 17.1.2 the Variable PPP Fee (a flat percentage of gross revenue earned by the private party in each project year).
- 17.2 Each PPP Fee Offer will be inspected by SANParks' financial and legal advisors to verify that it has been submitted in the form corresponding to the requirements set out in Annexure 7. A PPP Fee Offer that does not conform to the requirements of Annexure 7: PPP Fee Offer may result in disqualification of the bid.
- 17.3 The points for the PPP Fee Offer are calculated using the prescribed price formula in the regulations to the PPPFA. The maximum points will be awarded to the qualified bidder which makes the highest PPP Fee Offer and the remaining points being allocated pro rata to the remaining qualified Bidders.
- 17.4 SANParks retains the right not to award the Bid in the unlikely event that only one Bid is received and the PPP Fee Offer does not meet SANParks' minimum requirements.
- 17.5 The PPP fee proposal is scored out of 100 points.
- 17.6 SANParks will calculate the overall score of each qualified bid, using the following formula:

$$a*(\text{functionality score}/100) + b*(\text{BEE score}/100) + c*(\text{PPP fee score}/100) = d$$

a is the weighting (70%) for functionality

b is the weighting (10%) for BEE

c is the weighting (20%) for PPP fee

d is the bidder's overall score

17.7 **Selection of preferred bidder**

SANParks shall calculate the scores of each bid to calculate an overall bid score. The bidder that receives the highest overall bid score will be declared the preferred bidder; and the bidder that receives the second highest overall bid score will be declared the reserve bidder.

18. SIGNATURE AND EFFECTIVENESS OF PPP AGREEMENT

- 18.1 The PPP Agreement of the Preferred Bidder will be countersigned by SANParks within 1 month from the opening of the PPP fee offer.
- 18.2 The PPP Agreement becomes legally binding and enforceable from the Signature Date. Only after completion of certain Compliance Events can construction commence.
- 18.3 There will be no PPP Fees payable before Effective Date with Effective Date defined as “12 (twelve) months after the Signature Date or Operation Commencement Date, whichever comes earlier”.

19. BID BOND

- 19.1 At the time of submitting its Bid, each Bidder for Bid Package 1 must submit a single Bid Bond (“**Bid Bond**”) payable to SANParks in the format prescribed in Annexure 10 - Acceptable wording of bid and development bond.
- 19.2 Bid Bonds should be for the amount of R250,000 (Two Hundred and Fifty Thousand Rand).
- 19.3 The posting of the Bid Bond is for the purpose of ensuring that the all Bidders present valid and serious bids, and that the Winning Bidder subsequently executes the PPP Agreement.
- 19.4 Bid Bonds must be valid until the Effective Date which shall not be later than 12 months from signature date.
- 19.5 The Bid Bonds of all Bidders other than the Winning Bidder shall be returned to them following signature by SANParks of the PPP Agreement.
- 19.6 Any of the following shall be grounds for the forfeiture of a Bidder’s Bid Bond:
- 19.6.1 Any material misrepresentation made by the Bidder in its Bid Submission, or any other information and documentation submitted by it under this RFP;
- 19.6.2 The withdrawal or modification of its Bid during the period of validity;

19.6.3 Failure by the preferred bidder to furnish the required Performance Bond under the PPP Agreement in accordance with the provisions of the PPP Agreement.

19.7 The Bid Bond shall be callable upon first demand by SANParks in the event that one or more of the circumstances described at Article 19.6 above has occurred. Forfeiture of the Bid Bond shall not preclude SANParks from pursuing any other remedies it may have against the Bidder under the laws of South Africa.

20. BID TIMETABLE

The Tender shall take place in accordance with the timetable set out in this Article 20. SANParks reserves the right to modify the timetable at any time. SANParks shall not incur any liability whatsoever in exercising any rights in this Article 20 or otherwise granted in this RFP or available under the laws of the Republic of South Africa.

Summary Project Timetable	
Action	Dates
Public Advertisements for Malelane Hotel Development	31 May 2009
Provide Information Memorandum and RFP to Interested Parties	1 June 2009
Provide PPP Agreement to Interested Bidders	8 June 2009
Interested Parties Registration for Site Visit	12 June 2009
Due Diligence Site Visit	18 June 2009
Receive Bidders Comments and Questions	26 Jun 2009
Registration of Interested Bidders for Bidders Conference	26 Jun 2009
Facilitate Bidders Conference	9 Jul 2009
Facilitate and distribute minutes of Conference Qs and As	17 Jul 2009

Summary Project Timetable	
Action	Dates
Tender Submissions	28 Aug 2009
Tender Adjudication of Technical Scores	1 – 2 Sep 2009
EXCO Ratification of Technical Scores	17 Sep 2009
Board Ratification of Technical Scores	23 Sep 2009
Opening of Financial Envelopes and notification of winning bidder	28 Sep 2009
Contract Award	1 Oct 2009

21. FURTHER INFORMATION

- 21.1 All enquiries and requests for further information in respect of the RFP must be in writing, and directed to SANParks at the following address:

SOUTH AFRICAN NATIONAL PARKS

Annemi van Jaarsveld

P O Box 787

PRETORIA, 0001

643 Leyds Street

Muckleneuk, Pretoria

Telephone: +27 12 426 5027

Facsimile: +27 12 343 3849

E-mail: annemiv@sanparks.org

- 21.2 All responses to enquiries may be circulated to other Interested Parties. No other communication with SANParks in respect of the RFP will be permitted.

22. ANNEXURE 1A – QUALIFICATION SUBMISSIONS

22.1 Financial Requirements

22.1.1 The Submitting Company shall submit the following economic and financial documentation:

22.1.1.1 audited financial statements corresponding to the last two (2) years;

22.1.1.2 annual reports for the last two (2) years;

22.1.2 If the qualification criteria are being met by reference to any other companies, whether current or intended Shareholders or partners, then these companies must submit the same information.

22.1.3 If the financial criteria are being met by companies which are privately held, and do not produce audited statements, or by private individuals, then these companies or individuals must produce a statement of assets, with confirmation of ownership, certified by a qualified auditor.

22.2 Tourism Track Record

22.2.1 The qualifying tourism Operator(s) or individuals, shareholders or partners, of each Submitting Company, who are being used to meet the criteria regarding tourism experience or the generation of turnover, must provide a general description of the Tourism facilities and services they have operated, including, (i) the number of years in active existence; (ii) the nature of the product sold; and (iii) the total number of beds such facilities or services comprised.

22.2.2 In the event that the Submitting Company is satisfying the requirements under this Section by using the qualifications of a Partner, Shareholder or parent, these indicators must also be certified in the above-mentioned manner. Additionally, each of the members of the Partnership, or the Shareholder or subsidiary as the case may be, must demonstrate that such Shareholder, parent or partner is willing and able to support the technical operations of the Submitting Company for the PPP Project.

23. ANNEXURE 1B – INFORMATION ON BIDDERS

Bidders must provide the following information labelled as “**Information on (Bidder Name)**”;

23.1 Special purpose vehicle constitutional information

A bidder must form a specific company, or special purpose vehicle (“**SPV**”), for the purposes of bidding for this PPP opportunity. Failure to do so may result in the bid being disqualified. The following must be specified:

- 23.1.1 The name, address, telephones and fax numbers of Bidder, and the trading name of the Bidder if different from the registered name.
 - 23.1.2 Directors/Partners/Trustees and their responsibilities.
 - 23.1.3 Place of registration.
 - 23.1.4 Registration number.
 - 23.1.5 Memorandum and Articles of Association (or equivalent constitutive documents).
 - 23.1.6 Shareholders Agreement/Partnership or Joint Venture Agreement/Trust Deed.
 - 23.1.7 Direct shareholder(s) joint venture, partner or beneficiary and percentage shareholding or other beneficial interest or participation held by each; if there is more than one class or share or funding the percentages held by each.
- 23.2 A letter confirming that the Bidder and each of its members has irrevocably waived any right it may have to seek and obtain a writ of injunction or prohibition or restraining order against SANParks to prevent or restrain the Tender or any proceedings related to it. However, such waiver shall be without prejudice to the right of a disqualified or losing Bidder to question the lawfulness of their disqualification or the rejection of its Bid by appropriate administrative or judicial processes not involving the issuance of a writ or injunction or prohibition or restraining order.

24. ANNEXURE 2 - FINANCING AND CAPITAL PLAN

24.1 The Bidder should provide the following information:

24.1.1 Indicate how much capital will be needed, where it will come from (own capital, grants, loans) and the expected amount and terms (interest rate, repayment period, security) of any proposed loans. Specify whether the necessary financing has been secured, and provide appropriate proof;

24.1.2 A recent auditor’s report confirming that all the members of the bidder are solvent and liquid; if a member of the bidder does not produce audited financial statements, it must produce a notarised statement of assets; and

24.1.3 A cash flow forecast (net of VAT) for the proposed term (number of years) of the PPP agreement. This may be in a spreadsheet format of the bidder’s choice, but must at least present the following:

	Start-up R'000	Year 1 R'000	Year 2 R'000	Year 3 R'000	Year 4 R'000	Year 5* R'000
Cash inflows						
Owners' capital						
Loans received						
Grants received						
Cash from sales and other operating revenue						
Cash from other sources						
<i>Total cash inflow (A)</i>						
Cash outflows						
Project costs and start-up expenses						
Salaries, wages and staff costs						
All other operating costs and expenses						
Loan repayments						
Infrastructure upgrades/Building additions/ internal décor etc.						
Replacement of equipment and vehicles						
<i>Total cash outflow (B)</i>						

	Start-up R'000	Year 1 R'000	Year 2 R'000	Year 3 R'000	Year 4 R'000	Year 5* R'000
Net cash flow [A – B] before PPP fees and tax						

* Adapt for the applicable term of the PPP Opportunity

25. ANNEXURE 3 – BUSINESS AND OPERATIONAL PLAN

Bidders should provide the following information, with back-up evidence where possible.

25.1 Background of Bidding Company

25.1.1 Rationale

25.1.1.1 The bidder's objectives, the company, the concept and product and service to be offered.

25.1.2 Current Operations

25.1.2.1 Size of current operations i.e. Number of rooms/Number of Seats/Current Turnover

25.1.2.2 Type of operation and similarity to the PPP opportunity

25.1.3 Track Record

25.1.3.1 The bidder's track record on and knowledge of existing products or activities offered in the tourism industry

25.1.3.2 Memberships and registrations (list any awards, accolades or ratings)

25.1.4 Operating standards

25.1.4.1 Current operating standards, including an outline of any operations and procedures manuals;

25.1.5 Management/Employees

25.1.5.1 Current company structure with specific reference to the expertise required for the relevant PPP Opportunity

25.1.5.2 Number of personnel working in the hospitality industry and their qualifications

25.1.5.3 Curriculum vitae of shareholders, directors, management and staff

25.1.5.4 Where skills and experience are lacking, outline the strategy to in source these skills

25.2 Operational Vision, Plan and Service Standards

25.2.1 Products/Activities

25.2.1.1 Detailed description of products or activities envisaged for the Malelane Hotel Development and the how these will be managed

25.2.2 Operating Standards

25.2.2.1 Proposed Operating Standards for Malelane Hotel Development, including an outline of the operations and procedures manuals;

25.2.3 Hygiene/Service Standards

25.2.3.1 Detail description of how hygiene and service standards will be maintained;

25.2.4 Proposed organisational and staffing structures, including:

25.2.4.1 Management policies;

25.2.4.2 Measures to transfer knowledge and expertise;

25.2.4.3 Labour plan, including details of numbers of permanent and part-time staff that will be employed, staff recruitment policies, employment policies and socio-economic goals with employment;

25.2.4.4 Incentives & Bonuses (Equity, Bonus etc)

25.2.4.5 Disciplinary Procedures

25.2.4.6 Staff Transport

25.2.4.7 Staff Housing

25.2.4.8 HIV Aids Policy

25.2.5 Proposed Style of Service

25.2.5.1 Restaurant

25.2.5.2 Seasonal menus

25.2.5.3 Tour groups

25.2.5.4 Events

25.2.5.5 Other

25.2.6 **Menu**

- 25.2.6.1 Food Philosophy – values/commitment freshness and uniqueness
- 25.2.6.2 Value for Money
- 25.2.6.3 Variety – vegetarian/non vegetarian, choice of meats, choice of courses, Health Options, Halaal etc
- 25.2.6.4 Ambience and atmosphere
- 25.2.6.5 Wine List, Cultivar selection, value for money
- 25.2.6.6 Beverage Service

25.2.7 **Customer Service**

- 25.2.7.1 Guest feedback mechanism
- 25.2.7.2 Guest complaints procedure
- 25.2.7.3 Telephone Ethics
- 25.2.7.4 Reservation/ Booking Policy
- 25.2.7.5 Group and Conference Procedures & Policy

25.2.8 **Proposed Health & Safety**

- 25.2.8.1 Hygiene Policies
- 25.2.8.2 Emergency evacuation plans
- 25.2.8.3 Waste Management / Recycling
- 25.2.8.4 Extraction Cleaning Processes (where applicable)
- 25.2.8.5 Operational Procedure
- 25.2.8.6 Cleaning procedures
- 25.2.8.7 Guest Payment, Cash-up and Banking procedures
- 25.2.8.8 IT Operating Systems
- 25.2.8.9 Procurement Policies – Supply Chain

25.2.9 **Proposed Distribution Channels**

- 25.2.9.1 Stock storage and rotation procedures
- 25.2.9.2 Stock control measures

25.3 Institutional Depth to sell the Product

25.3.1 Current Sales & Marketing

- 25.3.1.1 Bidders existing client base and market penetration
- 25.3.1.2 Existing plans and knowledge of market including existing relationships with tour operators and travel trade (include references)
- 25.3.1.3 Time taken to establish market
- 25.3.1.4 Current marketing programs
- 25.3.1.5 Current marketing channels
- 25.3.1.6 Data Base Management
- 25.3.1.7 Discount Policies

25.3.2 Understanding of the market for PPP Opportunity

- 25.3.2.1 Market surveys
- 25.3.2.2 Differentiation
- 25.3.2.3 Target Market (geographical, income, nature of activity, etc)
- 25.3.2.4 Product branding plans
- 25.3.2.5 Pricing Range
- 25.3.2.6 Revenue growth strategy
- 25.3.2.7 Competitive analysis
- 25.3.2.8 Ongoing market evaluation

25.4 The Economics of the Business

- 25.4.1 Initial investments
- 25.4.2 Turnovers
- 25.4.3 Gross and operating margins
- 25.4.4 Fixed, variable and semi variable costs

26. ANNEXURE 4 – DEVELOPMENT AND ENVIRONMENTAL PROPOSAL

Items to address in Development and Environmental Proposals.

26.1 Legislative Requirements

- 26.1.1 Confirmation that all legislative requirements including the EIA requirement is understood and will be complied with.
- 26.1.2 Acknowledgement that Development and Environment Proposals lacking sufficient detail may be disqualified.

26.2 SANParks Requirements

- 26.2.1 Acknowledgement that the Private Party must comply at all times with SANParks Environmental Guidelines as they may change from time to time.
- 26.2.2 Acknowledgement that the Private Party must comply at all times with KNP Code of Conduct as it may change from time to time.
- 26.2.3 Acknowledgement that the Private Party will comply with the accreditation in terms of the National Standard for Responsible Tourism, once complete as well as any other applicable Responsible Tourism Standards as stipulated in sections 5.6.2; 5.6.3 and 5.6.4 of the Information Memorandum.

26.3 Appointment of Environmental Control Officer

- 26.3.1 Acknowledgement by the Private Party that an Environmental Control Officer (“ECO”) will be appointed for both Construction and Operational Phases.

26.4 Cultural, Archaeological and Natural Resources

- 26.4.1 Agreement to conduct pre-construction ‘walk through’ of Development Site by qualified archaeologist to identify undocumented cultural/archaeological resources.
- 26.4.2 Confirmation that construction supervisors and crews will be trained to recognise ‘chance finds’ during construction, and that all such finds during the Construction and Operational Phases (i) will not be disturbed, damaged or

removed and (ii) will be brought to immediate attention of the Section Ranger or other SANParks staff.

26.4.3 Acknowledge the National Heritage Resources Act and the requirements of a Heritage Impact Assessment.

26.5 **Natural Environment Manipulation**

26.5.1 PPP Project Site developments and activities must adhere to all relevant SANParks rules regarding natural environment modification and habitat manipulation. In the context of commercial tourism developments, several requirements must be emphasised. No bush clearing is allowed, either to enhance game viewing, obtain firewood, or for any other purpose. Limited bush clearing will be allowed within the Development Site for the purposes of clearing and levelling prior to the Construction Phase, subject to any restrictions identified by the EIA and included in the EMP. Introduction of alien vegetation is not permitted under any circumstances. Baiting of wildlife is not permitted.

26.5.2 The Private Party must provide an agreement to abide by provisions of Article 26.5.1 above.

26.6 **Carrying Capacity**

26.6.1 The Private Party must agree to adhere to the bed limit that SANParks has established for the particular Project Site. It must be noted that the bed limit **includes** all staff beds used in the Park, and relates to the **maximum number of persons on the Project Site at any point in time**. The Development and Environment Proposal must include (i) the number of guest and staff beds the Private Party intends to have within the Project Site, and (ii) the number of staff the Private Party intends to house elsewhere.

26.6.2 SANParks acknowledges that tourism operations of the type to be operated in these PPPs generally have approximately 25% of their resident staff on leave at any given time. SANParks will take this 25% leave factor into account in determining the actual number of beds at the Project Site. In other words, *if a site has a carrying capacity of 100, of which 70 beds are allocated to guests and 30 to staff, then a design that proposes 40 staff beds (to accommodate the 25% leave factor) will be acceptable*. SANParks will expect that the limit of

100 persons is respected, however, and failure to respect it will constitute a breach of the contract.

26.7 **Visual Impacts**

The Development and Environmental Proposal must contain sufficient detail regarding the design, location and orientation of structures to enable evaluation.

26.7.1 Minimum requirements:

- 26.7.1.1 map showing location of development area within the Project Site;
 - 26.7.1.2 photograph or architect's drawing of development 'footprint;'
 - 26.7.1.3 conceptual and layout architect's drawings of all structures and associated infrastructure; and
 - 26.7.1.4 description of building materials to be used in construction of all structures.
- 26.7.2 Description of additional efforts Private Party intends to undertake to minimise visual impacts of development, including lighting.
- 26.7.3 Location of lightning arrestors and radio masts within Project Site and how visual impacts of these structures will be minimised.

26.8 **Bulk Infrastructure**

26.8.1 Electricity:

- 26.8.1.1 Identification of source(s) to be used during both Construction and Operation.
- 26.8.1.2 Location of requisite infrastructure needed for these source(s), including approximate alignment of supply and reticulation networks, and efforts to be taken to ensure they comply with national and SANParks requirements.

26.8.2 Water:

- 26.8.2.1 Identification of water source(s) for both Construction and Operational Phases.
- 26.8.2.2 Estimates of total extraction requirements for Construction and

Operational Phases and confirmation that, during Operational Phase, total water extraction from any and all sources inside the Park will be limited to the KNP water policy for concessionaires.

26.8.2.3 Description of water conservation and recycling measures Private Party intends to take in designing and operating the Project Site.

26.8.3 Water Sources for Attracting Wildlife:

26.8.3.1 Architect's drawings required in section 26.7 above must include location, design, and approximate size of artificial water feature.

26.9 Waste Management

26.9.1 Liquid Wastes:

26.9.1.1 Details of proposed wastewater management system capable of ensuring that liquid wastes meet or exceed South African water quality regulations prior to discharge or reuse. These shall include an estimate of approximate volume of wastewater the development will produce daily, and description of method of treatment and recycling the Private Party intends to install. *NB:* SANParks prohibits the use of either (i) French drains or (ii) French drains used in conjunction with septic tanks at any Project Site.

26.9.1.2 Confirmation that monthly wastewater monitoring will be undertaken and these reports made available to SANParks.

26.9.1.3 Confirmation that fuels, solvents, other wastes will be stored in vessels equipped with secondary containment structures, removed from the Project Site and Park, and disposed of in compliance with national, local and SANParks requirements.

26.9.2 Solid Wastes:

26.9.2.1 Estimates of volumes of solid waste, by different waste categories, that the development is expected to generate.

26.9.2.2 Description of Private Party's proposed methods for recycling solid wastes.

26.9.2.3 Acknowledgement that landfills are not permitted in any Project Sites.

26.9.2.4 Solid waste will be recycled on site and transported to an approved landfill

site outside the Kruger National Park and approved re-cycling depots.

26.10 **Roads and Tracks**

26.10.1 SANParks will allow the construction of one road to the Project Site, both for access to and from the Project Site for guests and supplies, as well as for guided game viewing for guests. The Private Party must take responsibility for maintaining same to SANParks' satisfaction as per the KNP Roads Manual.

26.10.2 Bidders must provide detailed information pertaining to the following:

26.10.2.1 The number of kilometres of roads/tracks to be constructed, including type and quantity of traffic expected on these roads.

26.10.2.2 Location and size of Project Site access road must be indicated on the maps and drawings required under section 26.7 above.

26.10.3 Bidders must provide detailed information on how the Park and Ride facility at the Malelane Gate will be developed, managed and maintained.

26.11 **Fire Management**

26.11.1 Acknowledgement that Private Parties may not control natural fires occurring in a Project Site, except in the immediate surrounds of the Development Site and/or to save human life or property.

26.11.2 Acknowledgement that control of natural fires elsewhere in the Project Site is the responsibility of SANParks and that Private Party may not attempt to control natural fires without SANParks consent and direction.

26.11.3 Agreement to subject final designs and safety specifications of all structures to a 'fire safety audit' carried out by a qualified fire safety expert.

26.12 **Staff Accommodation and Safety**

26.12.1 Estimate of total number of Private Party staff, including number to be (i) accommodated on-site (including family members) and (ii) accommodated off site. Cognisance should be taken of the fact that SANParks is of the belief that this specific opportunity does not require staff accommodated on site. However, where the Private Party disagrees, justification should be submitted and numbers included as requested.

26.12.2 Design and location of on-site accommodation units must be included in the drawings specified in section 26.7 above.

26.12.3 Acknowledgement that Private Parties must implement a staff medical plan that complies with the Health and Safety Act, and an emergency medical evacuation policy that covers both guests and staff.

26.13 **Private Party Vehicles**

26.13.1 Total number of Private Party vehicles that the Private Party intends to have based within the Project Site. At the Park and Ride Facility and/or other location inside the Park, including use for which each is intended.

26.13.2 Agreement to abide by vehicle standards presented in the Environmental Guidelines for Private Party's Operation within SANParks.

26.14 **Guest Activities**

26.14.1 Off-road driving

26.14.1.1 Acknowledgment that no off-road driving will be permitted.

26.14.2 Game Drives/Walks

26.14.2.1 Acknowledgement that Game Drives and Guided Walks will not be operated by the Private Party but by using SANParks' vehicles and guides to provide this service to their guests

26.14.2.2 Agreement that guests to the hotel are not permitted to conduct game drives in their private vehicles.

26.14.3 Monitoring of Compliance with Codes of Conduct:

26.14.3.1 Agreement to post Codes of Conduct in guest rooms and other areas where they will be visible, and to distribute a letter from SANParks to guests advising them of relevant Park rules and regulations.

26.14.3.2 Agreement to provide guests with a means to provide feedback (e.g., an evaluation form, the results of which will be reviewed by both SANParks and the Private Party.

26.15 **Monitoring**

- 26.15.1 Acknowledgement of SANParks' right to undertake necessary conservation management activities in all of the Project Sites.
- 26.15.2 Confirmation of willingness to participate in a SANParks-Private Parties forum, and to comply with any standards thereby agreed or established.

27. ANNEXURE 5 – RISK MATRIX

MALELANE HOTEL DEVELOPMENT RISK MATRIX				
Type of risk	General description of risk	Project-specific risk	Mitigation measures	Allocation of risk (SANParks/ private party/ shared)
Financing	The risk that the required capital for capex and opex may not be able to be raised; loans may not be able to be repaid; tax obligations may not have been fully taken into account or may change; fluctuating inflation, interest rates, and currencies may affect assumptions			
EIA Risk	The risk that the consent required from DEAT is not obtained to continue with the construction of the project			
Construction completion risk	The risk that the construction of the physical asset is not completed on time			
Design risk	The possibility that the Private Party's design may not achieve the required output specifications			
Availability risk	The possibility that the service provided by the Private Parties do not meet the output specifications			
Cost over-run risk	The possibility that during the design and construction phase, the actual project costs will exceed projected costs			
Environmental risk	The risk of liability for losses caused by environmental damage arising during the construction and operational phases of the project			
Exchange rate risk	The possibility that exchange rate fluctuations will impact on the affordability of the project			
Force Majeure risks	The possibility that the occurrence of unexpected events beyond the control of either parties effect the operation of the project			
Inflation risk	The possibility that the actual inflation rate may exceed the projected inflation rate			
Insurance risk	The risk of substantial increases in insurance premiums and/or costs related to excess payments			

MALELANE HOTEL DEVELOPMENT RISK MATRIX				
Type of risk	General description of risk	Project-specific risk	Mitigation measures	Allocation of risk (SANParks/ private party/ shared)
Insolvency risk	The possibility of insolvency of a Private Party			
Interest rate risk	The possibility of interest rate fluctuations affecting the availability and cost of funding			
Maintenance risk	The possibility that the cost of maintenance exceeds the projected maintenance costs			
Market, demand or volume risk	The possibility that the demand for the service generated by the project may be less than anticipated			
Operating risk	Factors impacting on the operating requirements of the project and related expenditure			
Planning risk	The possibility that the proposed use of the State Asset will not comply to the applicable legislation			
Political risk	The possibility of unforeseeable conduct by SANParks or expropriation of the assets			
Subcontractor risk	The risk of subcontractor defaults or insolvency			
Resource or input risk	The possibility of a failure or shortage in the supply of resources			
Residual value risk	The risk that the assets will not be in the prescribed condition for hand back to SANParks			
Tax rate change risk	The possibility that changes in applicable tax laws decrease the anticipated return on investment			
Utilities risk	The possibility that the utilities required for construction or operation may not be available			

28. ANNEXURE 6 – BEE PROPOSAL

Bidders should provide the following information, with back-up evidence wherever possible.

28.1 Commitments and Scoring

Make commitments in the 'bid offered' column in the BEE scorecard below. SANParks will provide the scoring on the basis of supporting information provided, and may use an accredited BEE rating agency for this purpose.

28.2 Supporting information

28.2.1 Bidders are responsible for providing information to support their commitments.

28.2.2 Provide names, BEE credentials and contact details of black shareholders, black managers and black women managers.

28.2.3 Provide details of the Local Community Trust Ownership with names and contact details.

28.2.4 Where possible, provide these details for black enterprises or black people targeted for subcontracting and procurement.

28.2.5 Give the actual anticipated number of construction and operating jobs.

28.2.6 Bidders should provide a detailed Skills Development Plan referring to the investment in skills development initiatives through both external training providers and the quantifiable costs of accredited internal training programmes.

28.3 Definitions

In this Section any term, defined in the Broad-based Black Economic Empowerment Act, No. 53 of 2003 ("**BEE Act**"), or in terms of any Codes of Good Practice issued in terms of Section 9 of the BEE Act, when used in the scorecard below shall have the same meaning as there defined, save where such meaning may be in conflict with the provisions of the Tourism BEE Charter and Scorecard, in

which case the provisions of the Tourism BEE Charter and Scorecard will prevail.

The following terms, as used herein, shall have the following meanings:

- 28.3.1 "**Black Empowered SMME**" means a small, medium or micro enterprise (with a turnover of up to R10 million per annum) which has between 25 percent and 50 per cent direct ownership and management by Black People;
- 28.3.2 "**Black Owned SMME**" means a small, medium or micro enterprise (with a turnover of up to R10 million per annum) which has more than 50 per cent direct ownership and management by black people;
- 28.3.3 "**Black People**" is as defined in the BEE Act, save that it is limited to South African citizens. In other words, Black People are Africans, Coloureds and Indians who are South African citizens. For avoidance of doubt, this term does not include juristic persons or any form of enterprise other than a sole proprietor.
- 28.3.4 "**Black Person**" means any such citizen;
- 28.3.5 "**Black Women**" means female Black People;
- 28.3.6 "**Board Representation**" refers to membership by Black People of the duly constituted board of directors (or equivalent structure) of an enterprise and is calculated upon the basis of the percentage that black directors hold to the total number of directors of that enterprise;
- 28.3.7 "**Community Trust**" means the a trust registered in terms of the Trust Property Control Act;
- 28.3.8 "**Direct Ownership**" means ownership of an equity interest in an enterprise where such equity interest comprises:
- 28.3.8.1 the right to participate in the voting rights in that enterprise;
- 28.3.8.2 the right to receive unencumbered economic interest (such as dividends) flowing to the shareholders of that enterprise; and
- 28.3.8.3 Broad-based BEE schemes, employee share option schemes (ESOPs) and other employee share schemes, where the beneficiaries have the unconditional right to receive economic benefits and the capacity to elect

- and remove trustees, are specifically recognised as direct ownership. The flow-through principle will be applied to determine the level of black ownership represented by the employee share option scheme;
- 28.3.8.4 Direct ownership is measured as being the lower of the level of black participation in voting rights and black participation in the unencumbered economic interest of an enterprise, measured using the flow-through principle;
- 28.3.9 "**Discretionary Procurement**" includes all amounts expended by an enterprise subject to measurement. Discretionary procurement excludes:
- 28.3.9.1 employment related expenditure;
- 28.3.9.2 procurement from public utilities and natural monopolies; and
- 28.3.9.3 facilitated procurement by travel agencies or other travel distribution providers where the choice of service providers remains with the consumer;
- 28.3.10 "**Employees with no prior working experience**" refers to those employees who have no formal employment experience prior to joining an enterprise in tourism. Formal employment does not include learnerships, traineeships or short-term and temporary assignments;
- 28.3.11 "**Enterprise Development**" may take a variety of forms, including:
- 28.3.11.1 direct investment in Black Owned and Black Empowered SMMEs;
- 28.3.11.2 joint ventures with Black Owned and Black Empowered SMMEs that result in "substantive" skills transfer;
- 28.3.11.3 support and funding for the grading of emerging tourism companies, as well as providing mentorship, business relationships and linkages which, in turn, provide business opportunities to these enterprises; and
- 28.3.11.4 twinning initiatives with Black Owned and Black Empowered SMMEs which result in cost savings or revenue generation for those SMMEs;
- 28.3.12 "**Executive Representation**" refers to the participation by Black People in the senior non-board level management of an enterprise and more specifically, targets management levels which influence the strategic and operational management of an enterprise. Participation is measured upon the basis of the percentage that black executive managers hold to the total number of

executive managers of that enterprise;

28.3.13 "**Learnership**" refers to learnerships as defined in the Skills Development Act, No. 97 of 1998, amended in 2003;

28.3.14 "**Local**" means the geographic area being within a 50 km kilometre radius of the Project Site;

28.3.15 "**Local Community Trust Ownership**" means Equity in the Private Party which must, as a mandatory provision of the Project, be acquired by a Local Community Trust;

28.3.16 "**Management**" refers to all senior and middle management who do not form part of the executive management of the board of directors of the Private Party;

28.3.17 "**Ownership**" refers to equity participation and the ability to exercise rights and obligations, including voting rights and the rights to the flow of economic benefits, which accrue under such ownership;

28.3.18 "**Preferential Procurement**" refers to all spend with BEE compliant suppliers, to be calculated as follows:

28.3.18.1 one Rand (R1) for every one Rand (R1) spent with Excellent BEE Contributors, Good BEE Contributors, BEE Compliant SMMEs and Black Women Owned BEE Contributors; and

28.3.18.2 fifty cents (50c) for every one Rand (R1) spent with Satisfactory BEE Contributors;

all of which terms are defined as follows:

28.3.18.3 an Excellent BEE Contributor means a company which has scored in excess of 90 percent on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;

28.3.18.4 a Good BEE Contributor means a company which has scored in excess of 65 percent, but less than 90 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;

- 28.3.18.5 a Satisfactory BEE Contributor means a company which has scored in excess of 40 percent but less than 65 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;
- 28.3.18.6 a Limited BEE Contributor means a company which has scored less than 40 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;
- 28.3.18.7 a BEE Compliant SMME means a small, medium or micro enterprise (with a turnover of up to R10 million per annum) which is either an Excellent, Good or Satisfactory Contributor to BEE; and
- 28.3.18.8 a Black Women Owned BEE Contributor is a company which is more than 30 percent owned by black women and which is also an Excellent, Good or Satisfactory contributor to BEE;
- 28.3.19 "**Skills Development Spend**" refers to investment in skills development initiatives through both external training providers and the quantifiable costs of accredited internal training programmes. Internal training spend does not include the opportunity cost of employees attending the skills development initiatives;
- 28.3.20 "**Supervisory**" refers to the junior management and professional staff;
- 28.3.21 "**TOMSA (Tourism Marketing South Africa) Levy Collectors**" refers to tourism enterprises who are registered to raise funds on behalf of the trust;
- 28.3.22 "**Total Employee Time**" refers to the total working hours calculated as the product of the total number of employees and their standard working hours;
- 28.3.23 "**Total Staff**" refers to all employees and/or contractors, excluding those accounted for under Strategic Representation, from whom the tourism enterprise is responsible for the collection and payment of applicable employee tax. The intention of the scorecard below is to include temporary staff in the definition of total staff, since tourism is an industry that relies heavily on temporary, casual and seasonal staff.
- 28.4 SANParks will evaluate the bidder's BEE proposal and will allocate scores according to the methodology and weightings in the BEE scorecard detailed below:

Indicator	Weighting		Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	A	B		Target			
	A	B		C			
Ownership	20%	13%	Percentage share of economic benefits as reflected by direct shareholding by black people	20%		Meets target – 13 Less than target - 0	
		7%	Local Community Trust Ownership	10%		Meets target – 7 Less than target - 0	
				Score out of 20			
Strategic representation	12%	2.5%	Black people as a percentage of board of directors	50%		Meets target – 2.5 Less than target - 0	
		2.5%	Black women as a percentage of board of directors	25%		Meets target – 2.5 Less than target – 0	
		2.0%	Local people as a percentage of board of directors	20%		Meets target – 2 Less than target – 0	
		2.5%	Black people as a percentage of executive management	50%		Meets target – 2.5 Less than target - 0	
		2.5%	Black women as a percentage of executive management	25%		Meets target– 2.5 Less than target – 0	
					Score out of 12		
Employment equity	12%	1.0%	Black people as a percentage of management	50%		Meets target –1.0 Less than target – 0	

Indicator			Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
		1.0%	Black women as a percentage of management	25%		Meets target– 1.0 Less than target – 0	
		2.0%	Local people as a percentage of management	25%		Meets target – 2.0 Less than target – 0	
		1.0%	Black people as a percentage of supervisors, junior and skilled employees	65%		Meets target – 1.0 Less than target – 0	
		1.0%	Black women as a percentage of supervisors, junior and skilled employees	35%		Meets target – 1.0 Less than target – 0	
		2.0%	Local people as a percentage of supervisors, junior and skilled employees	45%		Meets target – 2.0 Less than target – 0	
		1.0%	Black people as a percentage of total staff	75%		Meets target – 1.0 Less than target – 0	
		1.0%	Black women as a percentage of total staff	40%		Meets target– 1.0 Less than target – 0	
		2.0%	Local people as a percentage of total staff	60%		Meets target – 2 Less than target – 0	
				Score out of 12			
Skills development	18%	4.5%	Percentage of payroll spend on skills development (including skills development levy)	3%		Meets target – 4.5 Less than	

Indicator			Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
			on all accredited training			target – 0	
		4.5%	Percentage of skills development spend on all black employees	75%		Meets target – 4.5 Less than target - 0	
		4.5%	Number of learnerships as a percentage of total employees	2%		Meets target – 4.5 Less than target – 0	
		4.5%	Number of black learners as a percentage of total learners	80%		Meets target – 4.5 Less than target - 0	
				Score out of 18			
Preferential procurement	18%	12%	Spend on BEE compliant companies as a percentage of total procurement spend	50%		Meets target – 12 Less than target - 0	
		6%	Spend on local BEE compliant companies as a percentage of total procurement spend	25%		Meets target – 6 Less than target - 0	
				Score out of 18			
Enterprise development	10%	5%	The sum of percentage spend of post-tax profits on enterprise development and percentage employee time contributed to enterprise development over total management time	1%		Meets target – 5 Less than target - 0	
		5%	Enhanced revenue and/or cost savings and/or twining initiatives facilitated for black owned SMMEs, as a percentage	1%		Meets target – 5 Less than target - 0	

Indicator			Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
			of revenue				
				Score out of 10			
Social development and industry specific	10%	6%	Percentage CSI spend of post-tax profits on education, community programmes, job creation, training, health, conservation, community tourism and marketing activities to develop local black tourist market (or percentage management time over total employee time)	1%		Meets target – 6 Less than target - 0	
		1%	Percentage of new recruits with no prior work experience	10%		Meets target – 1 Less than target - 0	
		3%	Status of TOMSA levy collector	Yes		Meets target – 3 Less than target - 0	
				Score out of 10			
Total BEE points	100	100		Score out of 100			
Minimum threshold						65	

29. ANNEXURE 7 – PPP FEE OFFER

29.1 Important note to Bidders

29.1.1 Information on the PPP Fee Offer must be contained in Envelope 3 and is **not** to be submitted in Envelope 1 and Envelope 2 (with the functionality and BEE proposals).

29.1.2 Bidders must present the PPP Fee Offer in the form of a letter on the bidder's letterhead as follows, inserting the bidder's name and the percentage of gross revenue for the variable PPP bid as indicated:

29.2 Form of Letter

To: South African National Parks

[Name of bidder] hereby commits to pay to SANParks the higher of:

(a) the minimum PPP fee and

(b) the Variable PPP Fee, expressed as a percentage of aggregate gross revenue as defined in the PPP agreement for the relevant project year.

The minimum PPP fee which will be adjusted annually by CPIX is as follows:

MALELANE HOTEL DEVELOPMENT MINIMUM PPP FEE	
Malelane Hotel Development	Per Annum
Year 1	R 600,000
Year 2	R 800,000
Year 3	R 1,000,000
Year 4	R 1,300,000
Years 5 - 30	R 1,500,000

The Variable PPP Fee bid by [name of bidder] is _____[percentage]% of gross revenue. [Name of bidder] hereby warrants that the committed minimum PPP fee and the Variable PPP Fee shall be included in the PPP agreement, if accepted by SANParks.

For indicative purposes only, our projection of fees payable to SANParks is:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7*
Gross revenue (net of VAT)							
Percentage of gross revenue due as Variable PPP Fee (same for each year)							
PPP fee due							
Minimum PPP fee or Variable PPP Fee, whichever is greater							

* Adapt for the 20-year term of the PPP.

The person signing below is a duly authorised representative of the bidder with full power and authority to submit this financial offer and commit the bidder to its terms.

Signed: _____

Name: _____

Title: _____

30. ANNEXURE 8 - PPP AGREEMENT

The PPP Agreement does not form part of the RFP but will be available on the SANParks website: www.sanparks.org on or before 9th June 2009.

31. ANNEXURE 9 – BID COVER SHEETS

Cover sheets which include the following information must be attached to each Envelope:

Bid for the commercial use of the Malelane Hotel Development in the Kruger National Park through a PPP Agreement (ORIGINALS).

ENVELOPE 1: TECHNICAL BIDS

Name of bidder:

Postal address:

Street address:

Telephone:

Cell phone:

Fax:

Contact person:

Email address:

Signature of bidder:

Date:

Capacity under which bid is signed:

Signature of this document means that the bidder accepts the terms and conditions of this bid. Failure by the bidder to sign this form may disqualify the bid.

Bid for the commercial use of the Malelane Hotel Development in the Kruger National Park through a PPP agreement (COPIES).

ENVELOPE 2: TECHNICAL BIDS

Name of bidder:

Postal address:

Street address:

Telephone:

Cell phone:

Fax:

Contact person:

Email address:

Signature of bidder:

Date:

Capacity under which bid is signed:

Signature of this document means that the bidder accepts the terms and conditions of this bid. Failure by the bidder to sign this form may disqualify the bid.

Bid for the commercial use of the Malelane Hotel Development in the Kruger National Park through a PPP agreement.

ENVELOPE 3: PPP FEE OFFER

Name of bidder:

Postal address:

Street address:

Telephone:

Cell phone:

Fax:

Contact person:

Email address:

Signature of bidder:

Date:

Capacity under which bid is signed:

Signature of this document means that the bidder accepts the terms and conditions of this bid. Failure by the bidder to sign this form may disqualify the bid.

32. ANNEXURE 10 - ACCEPTABLE WORDING OF BID AND DEVELOPMENT BOND

To: South African National Parks

[Name of bidder] (“the bidder”) is to submit to SANParks a bid to enter into PPP agreement with SANParks for the purpose of the development and operation of the Malelane Hotel Development in the Kruger National Park;

And you require the bidder to include in the bid a bid bond for the amount of R250,000 (Two Hundred and Fifty Thousand Rand);

And we have agreed to give you such a bid bond.

We hereby irrevocably and unconditionally undertake to pay you, upon your first written demand and without objection or argument, the sum of R R250,000 (Two Hundred and Fifty Thousand Rand), upon any or all of the following occurrences:

- any material misrepresentation made by the bidder in its bid submission or any other information and documentation submitted by it under the request for qualifications or the request for proposals;
- the withdrawal or modification of its bid during the period of bid validity;
- failure by the preferred bidder to furnish the required performance bond under the PPP agreement in accordance with the provisions of the PPP agreement.

This bid bond shall be valid until operation commences which should not be more than 12 months after the signature date.

This bid bond shall be governed by the laws of the Republic of South Africa.

SIGNATURE AND SEAL

Name of bank_____

Address_____

Date_____

33. ANNEXURE 11 – ASSISTANCE TO BIDDERS

33.1 Financing Packages through State Institutions

A number of financing packages are available through state institutions to support tourism development. Applications are evaluated on a case-by-case basis against the specific criteria of the various schemes. Among other things, an applicant must demonstrate its financial capacity to undertake the development, as well as its track record, operational capability and market presence. In many instances, criteria are also applied to promote black economic empowerment. The list below provides a quick overview of incentive and loan schemes available to prospective tourism investors and institutions initiating PPPs. It is not exhaustive and private parties should undertake their own research.

33.1.1 Department of Trade and Industry investment grants

There are three principal grants available from the Department of Trade and Industry (DTI) to support investment in new private sector tourism.

Critical Infrastructure Programme	
Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies	Scheme aims to improve competitiveness of South African industries, stimulate economic growth and employment, and spread economic activity to rural areas.
Scale	Up to 30% of the development costs in qualifying infrastructure
Contact details	Tel: 0861 843 384 or CIP Secretariat 012 394 1223 Fax: 012 394-1424 Email: cip@thedti.gov.za Website: http://www.dti.gov.za

Foreign Investment Grant	
Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies	Aims to encourage foreign entrepreneurs to invest in new manufacturing concerns in South Africa by compensating them for

	the qualifying costs of moving new machinery and equipment from abroad. The manufacturing and tourism sectors qualify. The condition for manufacturing is that the sub-sector not be over saturated in terms of a DTI evaluation.
Scale	Approved qualifying foreign entities may qualify for up to a maximum of R3 million. The grant is only available to new qualifying investments and is offered once only to any foreign single entity. The grant will be the lower of the actual cost or 15% of the value of new machinery and equipment relocated from abroad.
Contact details	DTI Customer Contact Centre: 0861 843 384 Email: contactus@thedti.gov.za Website: www.thedti.gov.za

33.1.2 Concessionary loan finance

Concessionary loan finance for the tourism sector is available from the Industrial Development Corporation (IDC) and the Development Bank of South Africa (DBSA). Both institutions have dedicated capacity to deal with tourism applications.

Industrial Development Corporation	
Provider	IDC Tourism Strategic Business Unit
Type	Medium- to long-term loans, with 5–10 year repayment terms and variable interest rates. In unusual circumstances, may consider risk participation in the form of equity or quasi-equity (mainly for large-scale or special projects such as strategically important BEE ventures).
Who qualifies	Local and foreign investors, developing new or expanding their current tourism operations. Focus has traditionally been on tourism accommodation, but has recently broadened.
Details	Minimum loan size is R1-million. Minimum contribution of 40% required in owner's equity, but less may be accepted from historically disadvantaged entrepreneurs. Interest rates vary but are linked to prime and vary depending on the profile of the project. Under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments.
Contact details	Tel: 011 269-3472 Email: callcentre@idc.co.za Website: http://www.idc.co.za

Development Bank of Southern Africa	
Provider	Development Bank of Southern Africa (DBSA)
Type	Medium- to long-term loans, with variable repayment terms and interest rates. May also consider equity participation and providing guarantees to leverage private sector support by reducing the perceived risk of investment. Mainly functions as a supply infrastructure funder, but will consider commercial infrastructure.
Who qualifies	Local investors developing new tourism infrastructure or expanding their current tourism operations.
Details	Significant owner's equity (30%+) required. Capital grace period may be negotiated to accommodate cash flow needs during start-up period. Interest rates are linked to prime and vary depending on the profile of the project. Under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments.
Contact details	Tel: 011 313 3911 Fax: 011 313 3086 Website: http://www.dbsa.org

33.1.3 Empowerment funds

These funds are to facilitate BEE in the tourism industry.

Land Reform Credit Facility	
Provider	Department of Land Affairs administered by Khula Finance Enterprise Ltd
Type	Loan finance for empowerment joint ventures
Who qualifies	Local investors developing new tourism infrastructure or expanding their current tourism operations
Details	Medium- to long-term loans, with variable repayment terms and discounted interest rates wholesaled via the commercial banking sector. Applicants must approach a commercial bank with a viable business proposition. The bank then sources the funds from Khula at discounted rates and on-lends to the applicant. Khula has also administered equity grants matched to Land Reform Credit Facility (LRCF) loans. This means that projects with the right empowerment

	profile can source 50% of their capital funding via an LRCF loan and 50% via an equity grant.
Contact details	Tel: 0860054852 Also have regional administration offices country wide E-mail: helpline@khula.org.za Website: http://www.khula.org.za

Credit guarantee	
Provider	Khula Finance Enterprise Ltd
Details	<p>Three schemes are available:</p> <p>The standard scheme provides cover up to R1 million of the bank facility at 80%, with the fee payable at 3% per year in advance. The duration of the scheme is 36 months initially, but can be extended twice for periods of 12 months each time.</p> <p>The emerging entrepreneur scheme provides up to R100 000 with the fee payable at 4% per year in advance. The duration is 24 months initially, but can be extended three times for periods of 12 months each time.</p> <p>The empowerment scheme provides cover up to R5 million of bank facility at 60%, with the fee payable at 2, 5% per year in advance. Duration is 36 months initially, but can be extended twice for a period of 12 months each time.</p>
Contact details	Tel : 0860054852 Also have regional administration offices country wide E-mail: helpline@khula.org.za Website: http://www.khula.org.za

Entrepreneur support	
Provider	National Empowerment Fund

Details	<p>The National Empowerment Fund’s (NEF) entrepreneur support programme helps black enterprises expand and grow, and facilitates transformation in white-owned and operated enterprises. Targeted at SMMEs and provides a combination of debt and equity funding. The NEF seeks a commercial return on all finance supplied. Three products offered:</p> <p>Generator provides investment between R250 000 and R1 million for the creation of new black-owned businesses with the capacity to become sustainable SMMEs. 75% of the equity must be controlled by black people.</p> <p>Accelerator provides investment between R1 million and R3 million as expansion capital aimed at stimulating the growth of black-owned enterprises. 51% of the equity must be controlled by black people.</p> <p>Transformer provides between R3 million and R10 million towards the transformation of enterprises at the ownership, decision-making and control levels, and to encourage employee ownership of businesses. 26% of the equity must be controlled by black people.</p>
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Community and rural development	
Provider	National Empowerment Fund
Details	<p>The community and rural development programme enables communities to acquire equity in an income-generating project that will result in social upliftment in historically marginalised economic areas. Support available to groups comprising black people. There must be a project champion and co-funding by other investors or financiers. Funding limited to the community investment portion of the project. Equity funding can be provided where investment ranges from R2 million to R10 million. Projects must be undertaken in conjunction with a partner recognised by the NEF. The project proposal must include detailed information on the business, owners, leadership and management before the NEF will meet the applicants. The NEF seeks a commercial return on all finance supplied.</p>
Contact details	<p>Tel: 011 305 8000 / 0861 843 633 Fax: 011 305 8001 Email: info2@necorp.co.za Website: www.necorp.co.za Address: West Block, 187 Rivonia Road, Morningside, 2057 Postal address: Box 31, Melrose Arch, 2076</p>

Youth development	
Provider	Umsombovu Youth Fund
Details	<p>The Umsombovu Youth Fund (UYF) supports youth development for sustainable livelihoods through two schemes:</p> <p>The Youth Entrepreneurship Programme provides access to finance and business development services for small businesses through two schemes:</p> <ul style="list-style-type: none"> - Micro finance provides funding to unemployed, under-employed or self-employed youth to establish new businesses or expand existing businesses via two micro finance providers: the Nations Trust Youth Enterprise Finance Company, which provides loans up to R40 000 and Nicro Enterprise Finance for former prisoners. - SMME finance provides development capital funds aimed at increasing the number of black youth-owned and managed SMMEs. Through loans or equity. UYF has entered into joint ventures to create two separate development capital funds: FNB-Momentum-UYF Progress Fund and Umsombovu Youth Fund-Business Partners Franchise Fund. - The Business Development Services Voucher Programme gives entrepreneurs access to business services such as bookkeeping, marketing and developing business plans. Young entrepreneurs access the services through vouchers, which range in value from R1 500 to R23 000. Recipients themselves are required to make contributions on a progressive basis as they benefit from additional vouchers. A young person will pay 10% of the value of the first voucher received, 20% of the value of the second voucher, up to 40%.
Contact details	<p>Tel: 011 651 7000 Fax: 011 8059709</p> <p>Email: info@uyf.org.za Website: www.uyf.org.za</p> <p>Address: Umsombovu House, 11 Broadwalk Avenue, Halfway House, Midrand</p> <p>Postal address: PO Box 982, Halfway House, 1685</p> <p>Regional Offices countrywide refer to website</p>

Black Business Supplier Development Programme	
Provider	Department of Trade and Industry
Details	The Black Business Supplier Development Programme (BBSDP) is

	<p>a cash grant incentive scheme that aims to fast track existing SMMEs that exhibit a good potential for growth into the mainstream formal economy and to foster linkages between black-owned SMMEs and corporate and public sector enterprises. Companies that qualify include majority black-owned companies (51% or more) with significant numbers of black managers. Grants are limited to companies with a maximum R12 million per year and which have been trading for a minimum of one year.</p> <p>Cost sharing grant: Maximum grant is R100 000. A company may apply for multiple projects provided that the cumulative grants awarded do not exceed this sum. All business development costs including travel and subsistence qualify for cost sharing assistance.</p> <p>The grant supports projects that:</p> <ul style="list-style-type: none"> - improve effectiveness of management systems, for example, production planning and control systems, quality management systems - impart specialised, enterprise-specific skills to employees, for example, specialised technical courses - upgrade management capability, for example, executive and financial management programmes and seminars on preparation of bids for tenders - assist the entry of a firm into targeted markets, for example, market research and the development of marketing plans, design and development of marketing materials, website design (limited support for printing marketing materials).
Contact details	<p>BBSDP Secretariat Tel 012 394-1444 Fax 012 394-1426 DTI Customer Contact Centre: 0861 843 384 email: contactus@thedti.gov.za Website: www.thedti.gov.za</p>

Tourism Enterprise Programme	
Provider	Tourism Enterprise Programme (managed by ECI Africa)
Details	<p>The Tourism Enterprise Programme (TEP) is a joint initiative of the Business Trust and the Department of Environment Affairs and Tourism. TEP fosters viable business transactions between established industry players and SMMEs in the tourism sector. TEP can provide grants to support tourism SMMEs in: marketing assistance for events; development of business and marketing plans; preparation of and submission of tenders; training and skills</p>

	<p>development; attending exhibitions and conferences; and certification and licensing. Grants made on a cost-sharing basis, typically 50-50 but can be negotiated. Average grant is about R25 000. SMMEs that operate as tourism enterprises (for example lodge, hotel, B&B, tour guiding company) or SMMEs that are formal suppliers of goods and services which derive at least 50% of their income from tourism-related activities can apply. TEP will only support SMMEs that demonstrate a potential to grow and create jobs. TEP does not provide start-up costs, operational capital, or contributions to equity or infrastructure.</p>
<p>Contact details</p>	<p>Tel: 011 718-2000 Fax: 011 483-0049 Email: info@tep.co.za Website: www.tep.co.za Head Office Address: 53 Central Street, Houghton Postal Address: PO BOX 1650, Houghton, 2041 TEP also has offices and management agencies in all provinces, details on website.</p>

<p>Business Partners</p>	
<p>Provider</p>	<p>Business Partner Tourism Fund</p>
<p>Details</p>	<p>The Business Partner Tourism Fund is a R 200 million specialist investment fund that has been created to enable and empower entrepreneurs in the travel and tourism industry.</p> <p>Business Partners is South Africa's leading investment company for small and medium enterprises and the fund offers qualifying entrepreneurs all the benefits of its infrastructure and expertise.</p> <p>Using an internationally-recognised investment model developed by the company, Business Partners provides integrated investment and added-value solutions for small and medium enterprises, from single-owner businesses to partnerships and multi-owner ventures.</p> <p>In consultation with the entrepreneur, an appropriate repayment period is established during the initial investment negotiations. This is usually five years and is never longer than 10 years. In some cases, the fund takes minority shareholding in the business for the duration of the repayment period, after which Business Partners may wish to sell its shares in the business at market value. The</p>

	entrepreneur is always offered the right of first refusal on these shares.
Contact details	Business Partners Centre – Tel 011 480-8700 Fax 642-2791 email: enquiries@businesspartners.co.za Website: www.businesspartners.co.za Regional offices countrywide details on Website

33.1.4 Training grants and incentives

Various other forms of assistance are available, especially in the field of training and skills development:

Skills Support Programme	
Provider	Department of Trade and Industry
	The DTI's Skills Support Programme (SSP) is a cash grant to encourage investment in skills development. Covers all sectors, including tourism, that qualify for the Small and Medium Enterprises Development Programme. Payable to new projects or for the expansion of existing projects. Training equipment, upgrading instructor competence, training in-house assessors, printing of learner materials and designing learning programmes, material and curricula all qualify. Maximum of 50% of training costs, development of training curricula and or land and buildings related to training. Up to 30% of total salaries for companies where the training programme is approved. Following activities supported for up to three years: procuring training equipment; upgrading instructor competence; training in-house assessors; printing learner materials; and designing learning programmes, materials and curricula
Contact details	DTI Customer Contact Centre: 0861 843 384 or Fax 0861 843 888 Email: contactus@thedti.gov.za Website: www.thedti.gov.za DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria

Tourism, Hospitality and Sport Education and Training Authority	
Provider	The Tourism, Hospitality and Sport Education and Training Authority (Theta)

Details	<p>The Theta offers a range of support services as well as grants and levies to tourism operators. Also administers the National Skills Funding for the tourism sector. Two specialist programmes, the Tourism Learnership Project and the Integrated Nature Tourism and Conservation programme, offer grants and levies to tourism enterprises.</p> <p>The Theta aims to: develop worker skills; increase levels of investment in education and training; encourage employers to train their employees, provide opportunities for work experience and employ new staff; encourage workers to participate in learnership and other training programmes; improve the employment prospects of disadvantaged people; ensure the quality of education and training in and for workplaces; assist work seekers to find work and employers to find qualified employees; and encourage providers to deliver education and training in and for the workplace.</p>
Contact details	<p>Call Centre: 0860 100 221: Tel: 011 217-0600 Fax: 011 783-7745 Email: theta@theta.org.za Address: 3rd Floor, Block E, Sandhurst Office Park, Cnr Rivonia & Katherine Street, Sandton Postal address: PO Box 1329, Rivonia, 2128</p>

33.1.5 **Marketing support**

The DTI offers support for South African companies in the tourism (and other) sectors for activities aimed at developing export markets, attracting foreign tourists to the country, and recruiting foreign direct investment into South Africa.

Export Marketing and Investment Assistance Scheme	
Provider	The Department of Trade and Industry via Trade and Industry South Africa (TISA)
Details	<p>The Export Marketing and Investment Assistance Scheme provides partial compensation to exporters for certain costs in developing export markets for South African products and recruiting new foreign direct investment, specifically: primary export market research; foreign direct investment research; exhibition assistance; outward investment recruitment missions; inward investment missions; primary market research; between 50% and 100% of cost of economy class return airfare; subsistence allowance for up to 15 days (weekends may be included depending on appointments) –</p>

	<p>max R1 350 a day; marketing materials (designing and printing of export brochures, promotional video or CD) – max R10 000 a year.</p> <p>TISA will cover 80% of the cost of the following items to a maximum of R45 000: rental of exhibition space; construction of stand, excluding interior design; telephone installation, excluding phone calls; rental of essential furniture; listing in official exhibition directory; electrical costs; interpreting fees; cleaning and security fees.</p>
Contact details	<p>DTI Customer Contact Centre: 0861 843 384</p> <p>Email: contactus@thedti.gov.za</p> <p>Website: www.thedti.gov.za</p>

33.1.6 Poverty relief funds

The Department of Tourism administers a number of poverty relief funds.

Poverty Relief Programme	
Provider	Department of Tourism
Details	<p>The Poverty Relief Programme in the tourism and environment sectors has a special focus on infrastructure investment and product development (such as heritage sites, rock art and conservation) at emerging tourism growth points, and priorities such as transfrontier conservation areas. Aims to alleviate poverty through long-term sustainable work opportunities, using grant facilities:</p> <p>Sustainable Land Based Livelihoods includes funding of Working for Water, Working for Wetlands, Working for the Land, and Community Based Natural Resource Management programmes.</p> <p>Working for Tourism funds tourism enterprises that create jobs and benefit local communities.</p> <p>People and Parks focuses on projects that involve communities in conservation of protected areas and maximise benefits to the poor.</p> <p>Working for the Coast supports programmes that use coastal resources for the benefit of coastal communities.</p> <p>Working for Waste supports SMMEs involved in waste management and recycling.</p> <p>The programme also funds the purchase of community equity in tourism enterprises, especially those partnering with a private party.</p> <p>These grants include components for technical support.</p>

	Each poverty relief project must have an implementing agency (IA). Can be a government department, a municipality or local council, a non-governmental organisation (NGO), a community-based organisation (CBO) or a private company. Primary consideration is that the IA must be legally constituted, able to open a bank account, and have a history of sound financial management.
Contact details	Poverty Relief Unit Tel: 012 310 3837 Fax: 012 320 6906 Email: ndyantvi@deat.gov.za Website: www.deat.gov.za Address: 15th Floor, Fedsure Forum, corner Pretorius and Van der Walt Streets, Pretoria Postal address: Private Bag X447, Pretoria, 0001

33.2 Non-government Support Organisations

There are a number of skilled and experienced non-government organisations (NGOs) working in South Africa to support local economic development, poverty alleviation and the empowerment of the poor through tourism. They are able to assist and pass on skills to public institutions, community organisations, new black-owned enterprises and SMMEs at various stages of the PPP project cycle. Many are funded by aid agencies or philanthropic foundations and are thus able to provide support at low cost. By obtaining assistance from these NGOs, public institutions and private parties may reduce their reliance on consultants. Following is a list of some of these organisations. It is not exhaustive and private parties should undertake their own research.

African Wildlife Foundation	
Type of work	Large international NGO dedicated to sustainable forms of wildlife conservation. South Africa office, based in Mpumalanga, seeks to consolidate the rights of communities living in or adjacent to protected areas. Especially supports transfrontier conservation programmes. Provides support for joint ventures in nature tourism between rural communities, the private sector and government agencies in Mpumalanga and Limpopo.
Contact details	Tel: 011 447-2399 Fax: 011 447-7293 Email: africanwildlife@awfsa.org Website: www.awf.org Address: African Wildlife Foundation, 26 Barker Street, South Entrance,

	Ground Floor, Rosebank, 2196
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Business Linkages in Tourism

Type of work	Consulting agency that seeks to create and strengthen business linkages between the tourism industry and local enterprises in ways that make business sense to companies and open up opportunities for black people and the poor in tourism-related business. Focuses on planning and implementing: product development based on local business linkages; procurement of goods and services locally; cultural and heritage product development; and sustainable local partnerships for tourism development.
Contact details	Tel: 012 654 7525 Fax: 012 654 7349 Email: bizlink@tbcsa.org.za Address: 245 End Street, Clubview, Centurion Postal address: PO Box 11655, Clubview, 0157, Centurion

ComMark Trust

Type of work	Supports and promotes policy, institutional and operational initiatives to improve the operation of markets, including tourism markets, for the poor in Southern Africa. Identifies areas of market failure and supports measures to correct these in favour of the poor. Seeks to overcome barriers to entry for new businesses, facilitate linkages between large and small enterprises, and enable community PPPs.
Contact details	Tel: 012 431-7900 Fax: 012 431 7910 Email: commark@commark.org Website: www.commark.org Address: 826 Government Avenue, Arcadia, 0083

Fair Trade in Tourism South Africa (FTTSA)

Type of work	Encourages and publicises fair and responsible business practice by South African tourism establishments through the FTTSA trademark, an independent symbol of fairness in the tourism industry. The trademark is awarded to tourism establishments that meet stringent criteria including: fair wages and working conditions, fair operations, purchasing and distribution of benefits; ethical business practice; and respect for human rights, culture and the environment
Contact details	Tel: 012 342 2945/3642 Fax: 012 342 2946 Email: info@fairtourismsa.org.za Website: www.fairtourismsa.org.za

	Address: 34A Hatfield Corner, 1270 Church Street, Colbyn, Pretoria Postal address: PO Box 12844, Queenswood, 0121

GTZ Transform	
Type of work	GTZ runs the Transform partnership programme with the Department of Environmental Affairs and Tourism and South African National Parks. Supports joint management of conservation, community-based natural resource management, and joint venture tourism in South Africa. Experience includes the Makuleke Region of the Kruger National Park, the Richtersveld, Riemvasmaak, the Blyde River Canyon in Mpumalanga, Maputaland in KwaZulu-Natal and the Wild Coast of the Eastern Cape.
Contact details	Tel: 012 342 3174 Fax: 012 342 3178 Email: johannesbaumgart@gtz.de website: www.gtz.de

Wildlands Conservation Trust	
Type of work	Promotes community-based conservation and partnerships in nature tourism in KwaZulu-Natal, Mpumalanga and Eastern Cape. Works closely with conservation agencies, local authorities and other public institutions.
Contact details	Tel: 033 343 6380 Fax: 033 343 1976 Website: www.wildlands.co.za Postal address: PO Box 1138, Hilton, 3245

World Conservation Union (IUCN)	
Type of work	One of the world's largest conservation organisations. Promotes nature tourism that alleviates poverty. Plays key role in people and parks conferences for organisations representing communities on the borders of protected areas. Focus areas: integration of human development and the environment, poverty alleviation and sustainable livelihoods. South Africa office: promotes conservation of biological diversity through the sustainable use of natural resources, facilitates resolution of resource-based conflicts, advocates for policy changes, promotes a participatory approach to community-based natural resource management and advocates for sustainable land use and effective environmental management.

Contact details	IUCN-ESARO - IUCN Regional Office for Eastern and Southern Africa Kenya Tel: ++254 (20) 890-606/07/08.../13 Fax: ++254 (20) 890-615 Email: earo@iucn.org www.iucn.org/esaro/
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