



# **REQUEST FOR PROPOSALS**

**REQUEST FOR PROPOSALS ISSUED BY  
SOUTH AFRICAN NATIONAL PARKS IN RESPECT OF THE  
PROPOSED PUBLIC PRIVATE PARTNERSHIP PROJECT FOR  
THE LAKE DARLINGTON CONCESSION IN THE ADDO  
ELEPHANT NATIONAL PARK**



**IMPORTANT NOTICE**

This Request for Proposals (RFP), incorporating all its attachments, has been produced by South African National Parks, in connection with the tourism public private partnership (PPP) opportunity available at the Lake Darlington Concession in the Addo Elephant 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 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.

March 2007

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## 1. **INTRODUCTION**

- 1.1 This Request for Proposals ("the 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 has, as part of its Strategic Plan for Commercialisation, identified the tourism PPP opportunity at the Lake Darlington Concession in the Addo Elephant National Park (AENP) ("**the PPP**").
- 1.3 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 community trust partner.
- 1.4 Whilst the feasibility of the current product may seem questionable, it is envisaged that with the increased scope of the project would result in the viability of the concession. SANParks is investigating the introduction of game species such as elephant, buffalo, black rhino and cheetah in the concession. It should be noted that SANParks' core business remain conservation of bio-diversity and therefore introduction of species will be reversed on SANParks' discretion.
- 1.5 The value-for-money objectives for the project are aligned with SANParks' strategic objectives included 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.

## 1.6 Value-for-Money Objectives

- 1.6.1 Revenue generation for SANParks;
- 1.6.2 Infrastructure Upgrades;
- 1.6.3 Tourism Promotion;
- 1.6.4 Enhancement of SANParks' accommodation revenue in terms of:
  - demand, by catering to a diverse market that appreciates the dry and arid landscape;
  - price differentiation. This product aims to fill a gap between the traditional SANParks chalet offering and luxurious lodges that form part of the current offering; and
- 1.6.5 BEE and Job creation.

## 2. GENERAL RULES OF THE TENDER

- 2.1 This RFP supersedes all other SANParks communications 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 duly authorised staff 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 which 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 taking part in the tender process.

#### **4. THE PPP OPPORTUNITY**

4.1 The PPP opportunity consists of a 40-bed accommodation product in the Zuurberg region of the Addo Elephant National Park at the Darlington Lake Lodge which lies within visible distance of the Darlington Lake which is 3000 hectares in size.

4.2 The current Lodge consists of an old farm house which was refurbished into a 6 room (12-bed) lodge. The Lodge consists of the following:

- Four on-suite bedrooms which sleeps two people each;
- A family unit that consists of two two-bed units with shared bathroom;
- In total the lodge consists of three double and three twin rooms.
- Six tents that sleeps two each. However, the tents are not in use as the temperatures in the tents are excessive. Procedures were not followed when the tents were erected and therefore the new operator will be responsible to demolish the tents;
- Reception area;
- Bar area; and
- A restaurant area (adjacent to the kitchen).

4.3 The current occupancies of the Lodge are very low at 12%. However, SANParks has completed fencing for big game and are planning the introduction of the following game species to the area which might lead to higher occupancies in future:

- Elephants;
- Buffalo;
- Cheetah;

- Hippopotamus (in the Darlington Dam); and
- Even though Black Rhino occurs, an expanded roaming area is envisaged.

4.4 It should be noted that SANParks' mandate is the protection of bio-diversity and therefore the introduction of game species to specific areas will be driven by this mandate and not by contractual obligation. In light of this, some species might be de-relocated should the necessity arise.

4.5 Park Management sees the Zuurberg Region as a unique offering because of the arid characteristics of the vegetation (Nama Karoo biome), remoteness and wilderness area, open and starry skies as well as the presence of the dam and adjacent Zuurberg Mountains. In light of this and of the planned game re-location, a great opportunity exists within the vicinity of the lodge.

4.6 It should be noted that the opportunity is not limited to the operation of the current lodge. SANParks seeks private sector involvement and expertise to establish a viable product in the area defined in Section 6 of the Information Memorandum. In light of this, proposals should outline the following:

- What the current farm house / lodge will be used for, i.e. staff accommodation (as SANParks is of the opinion that the current farmhouse / lodge's condition justifies utilization thereof);
- Should the current farm house / lodge not be used for guest accommodation, that the planning and design of a new lodge be outlined in the proposal.

4.7 The bidder will not have exclusive traversing rights within the Zuurberg area and on the Darlington Dam, but will be granted rights to conduct game viewing on Open Safari Vehicle and to make use of the Darlington Dam for various activities which might include but are not limited to:

- Sunset cruises;
- Fishing (until such time that this is prohibited);

- House boats;
- Game viewing from the dam;
- Horse trails;
- Walking trails;
- Mountain biking;
- Canoeing with paddle skis and kayaks; and
- Bird watching.

## **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**

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 R10 million.

As the preferred bidder must be a Special Purpose Vehicle (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**

- 5.2.1 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 one of the following ways:

- 5.2.1.1 The interested bidder must have operated a 20 bed eco-tourism facility of no less than 20 beds, for a period of not less than 3 years;
  - 5.2.1.2 It has one of its shareholders, owning no less than 20% of the shares of the Submitting Company, who has more than 10 years experience in a senior position in the eco-tourism industry, specialising in operation of accommodation facilities; or
  - 5.2.1.3 It has operated a conventional hotel of no less than 50 beds for at least 5 years; provided it submits written evidence of a firm commitment to employ an appropriately qualified eco-tourism lodge operator [as defined in (i) above], to manage and market the facility.
- 5.3 Bidders must provide the information in the format presented in Annexure 1A and label the information as “Qualification Requirements of (bidder name)”. Bidders that fail to conform to the minimum requirements as set out in clause 5; will be disqualified without further evaluation.

## **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 10: 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 information will be provided to Bidders on the 13<sup>th</sup> of March 2007.

7.2.1 A compulsory site visit to Lake Darlington Concession will be arranged for the 13<sup>th</sup> of March 2007. For this purpose, all interested bidders are required to register for this site visit by sending their Names, Contact telephone, fax and e-mail to:

Mr. James Daniels

Tel: (012) 426-5280

Cell: 083 679 0472

E-mail: [jamesd@sanparks.org](mailto:jamesd@sanparks.org).

on or before **Friday 9 March 2007**.

7.3 Attendance is **compulsory** as this 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.

7.4 This site visit will form part of the due diligence process, is compulsory, and must be attended by the bidders or a duly authorized representative.

The preliminary programme is as follows:

Date	Camp	Time
13 March 2007	Welcoming and introduction	10h30 – 11h00
	Mayibuye Ndlovu Community Trust presentation	11h00 – 11h30
	Refreshments and site inspection - Darlington Lake Lodge	11h30 – 12h30
	Open Safaris vehicle drive: - Possible lodge sites;	12h30 – 15h30

Date	Camp	Time
	<ul style="list-style-type: none"> <li>- Game viewing and vegetation overview;</li> <li>- Obtain insight into similar products and future planning in terms of the area</li> </ul>	

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

Closest commercial airport: Port Elizabeth

Distance from Port Elizabeth to Darlington: 225 km

Closest accommodation in park: Addo Elephant National Park (Please call SANParks Central Reservations in Pretoria at 012-428 9111).

7.6 Should Bidders wish to overnight at the Darlington Lake Lodge, Bidders are required to contact the lodge directly at (042) 243-3673. All accommodation and related costs will be for the bidders account.

7.7 The Mayibuye Ndlovu Community Trust (“**MNCT**”) has been nominated by SANParks as the Private Party’s Mandatory Community Trust for this PPP. A representative of the MNCT will make a presentation to bidders at this site visit. No other contact is allowed between bidders and the MNCT until the announcement of a preferred bidder, who shall then meet with the representative of the MNCT to discuss the details of their involvement in the project. Please refer to the BEE section of the RFP.

7.8 Each Bidder shall be solely responsible for its own due diligence investigation of the investment opportunities, 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 concession opportunities, 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 Staff 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**

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

Mr. James Daniels

Tel: (012) 426-5280

Cell: 083 679 0472

E-mail: [jamesd@sanparks.org](mailto:jamesd@sanparks.org)

### 8. **PPP AGREEMENT**

8.1 A draft PPP Agreement is included in the Tender Documents and will be ready for collection on the 14<sup>th</sup> of March 2007.

8.2 SANParks reserves the right to modify or otherwise amend, supplement or clarify the PPP Agreement 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 Agreement or available under the laws of the Republic of South Africa.

### 9. **BID DATE**

9.1 Bids must be submitted to the Project Officer, James Daniels, South African National Parks, 643 Leyds Street, Muckleneuk, Pretoria, between 08:00 and 12:00 on 20 April 2007 (the “**Bid Date**”).

9.2 Submissions delivered after 12:00 on the 20<sup>th</sup> of April 2007 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 (BEE) and functionality capabilities of the bidder. Bidders are required to submit two sealed Envelopes in accordance with the directions below.

10.3 The first Envelope shall be clearly marked “Technical” 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:

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

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

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

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

10.3.5 Original and Five copies of the Development and Environmental Proposal, in the format given in Annexure 4 - Environmental Proposal;

10.3.6 Original and Five copies of a completed Risk Matrix, in the format given in Annexure 5 - Risk Matrix;

10.3.7 Original and Five copies of a BEE proposal, in the format given in

Annexure 6 - BEE Proposal’;

10.3.8 a 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; and

10.4 The second Envelope shall be clearly marked “Financial” on the outside. The contents of the second Envelope shall contain three copies of the following:

10.4.1 details of the bidder's PPP Fee Offer, in the format in Annexure 7: The PPP Fee Offer;

10.4.2 A signed copy of the final form 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

10.4.3 a Bid Bond from a reputable bank in a form substantially similar to that set out in Annexure 8: Acceptable wording of bid and development bond.

10.5 Envelopes should be clearly marked as to whether they are Envelope 1 or 2, and must have the bid cover letter in the format provided in Annexure 9 attached to the front of each envelope.

10.6 All information provided in the bid must be valid for 90 business days from the Bid Date.

10.7 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 and 2 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 3<sup>rd</sup> of May 2007.

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 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 A bid that is not complete or requires clarification may be disqualified without a request for further information. This is SANParks' decision.

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 The three main elements of the bid and the two-Envelope system

13.1.1 Bids will be evaluated on three main elements: functionality, BEE and the PPP Fee Offer.

13.1.2 Envelope 1 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.

13.1.3 Envelope 2 is for the PPP Fee Offer and will only be opened and evaluated if the minimum thresholds in Article 13.1.2 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 70% 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 (PPPFA) apply); and

13.2.3 The PPP Fee Offer will be weighted at 20% of the overall bid score.

13.3 SANParks will determine 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

#### **14. SCORING FOR FUNCTIONALITY**

14.1 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:

## **14.2 Financing and Capital plan**

- 14.2.1 A bidder is expected to provide financing information in line with the requirements set out in Annexure 1B.
- 14.2.2 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.
- 14.2.3 A maximum total of 15 points has been allocated to the bidders financing plan.

## **14.3 Business and Operational plan**

- 14.3.1 A bidder is expected to provide a business and operational plan in line with the requirements set out in Annexure 2.
- 14.3.2 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.
- 14.3.3 A maximum total of 35 points has been allocated for the business and operational plan.

## **14.4 Development and Environmental plan**

- 14.4.1 SANParks shall review and evaluate the development and environmental plans submitted by bidders in accordance with the specifications and information given in Annexure 3.
- 14.4.2 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 and have factored those issues into their plans.

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

#### 14.5 Risk Matrix

14.5.1 A bidder must indicate the extent to which the bid complies with the risk allocation of the risk matrix given in Annexure 4. 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 for ratification.

16.2 The Financial Envelopes will be opened on the 3<sup>rd</sup> of May 2007, at a public meeting at the headquarters of SANParks, in the presence of:

16.2.1 Bidders' Legal Representatives; and

16.2.2 SANParks' legal and financial advisors.

16.3 At this meeting the authorised representative will announce:

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

16.3.2 The Functionality 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 The PPP fee proposal is scored out of 100 points.

17.5 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
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#### 17.6 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 on the 3<sup>rd</sup> of Mat 2007, the Signature Date of the Agreement.

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 “18 (eighteen) 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 for the amount of R125,000 (one hundred and twenty five thousand Rand) in the format prescribed in Annexure 8.

19.2 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.

19.3 Bid Bonds must be valid for a period of 180 Business Days from the Bid Date. The Bid Bonds of all Bidders other than the Winning Bidder shall be returned to them following Signature by SANParks of the PPP Agreement.

19.4 Any of the following shall be grounds for the forfeiture of a Bidder's Bid Bond:

19.4.1 Any material misrepresentation made by the Bidder in its Bid Submission, or any other information and documentation submitted by it under this RFP;

19.4.2 The withdrawal or modification of its Bid during the period of validity;

19.4.3 Failure by the Winning Bidder to assume operations of the Lake Darlington Concession within 18 months from Signature Date.

19.5 The Bid Bond shall be callable upon first demand by SANParks in the event that one or more of the circumstances described at Article 19.4 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.

ACTION	DATE/S
Media Publication of Darlington Lake Concession Tender:	
SANParks website	2 March 2007
Sunday Times	4 March 2007
Herald	5 March 2007
Die Burger	5 March 2007

Publication of RFP and Information Memorandum on SANParks website	7 March 2007
Provision of Agreement to Bidders	13 March 2007
Due diligence site visit	13 March 2007
Submission by Bidders of Comments & Questions on RFP and Agreement	19 March 2007
Distribute Written Answers to Questions	22 March 2007
Final Tender Docs in event of amendments	26 March 2007
<b>Darlington Lake Lodge Bid Submissions</b>	<b>Between 8:00 and 12:00 on 20 April 2007</b>
Tender Adjudication	23 April 2007
Public announcement and preliminary notification of winning bidder per Bid Package & contract signature	3 May 2007
Handover to new Operator	4 – 15 May 2007
New Operator Contract Commences (Effective Date)	15 May 2007

**21. FURTHER INFORMATION**

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

**SOUTH AFRICAN NATIONAL PARKS**

James Daniels

P O Box 787

PRETORIA, 0001

643 Leyds Street

Muckleneuk, Pretoria

Telephone: +27 12 426 5280

Facsimile: +27 12 343 3849

E-mail: [jamesd@sanparks.org](mailto:jamesd@sanparks.org)

21.2 All responses to enquiries may be circulated to other Interested Parties. No other communication with SANParks in respect of the RFQ 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 Eco-tourism Track Record**

22.2.1 The qualifying Eco-tourism Operator(s) or individuals, shareholders or partners, of each Submitting Company, who are being used to meet the criteria regarding eco-tourism experience or the generation of turnover, must provide a general description of the Eco-Tourism/Hotel 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

concession site or sites involved.

**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 Indicate the amounts proposed for capital investment – either to refurbish the lodge or to construct a new lodge that will suite market demand better (through design and quality) and the applicable timing thereof;
- 24.1.3 A recent auditor’s report confirming that all the members of the bidder are solvent and liquid;
- 24.1.4 If a member of the bidder does not produce audited financial statements, it must produce a notarised statement of assets; and
- 24.1.5 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							

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

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

## **25. ANNEXURE 3 – BUSINESS, OPERATIONAL AND DESIGN PLAN**

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

### **25.1 Technical Background (30%)**

The background of the Bidding Company with specific reference of operation of a similar lodge operation as well as a detailed layout of the proposed product.

#### **25.1.1 Current Employees (26%)**

- Current company structure with specific reference to the following expertise (80%)
  - Guiding experience (30%)
    - Water guiding, i.e. boat licenses (33.3%)
    - Vehicle guiding and game experience (33.3%)
    - Guided walks (33.3%)
  - Food and beverage experience (20%)
  - Personnel working in the hospitality industry (50%)
    - Qualifications (40%)
    - Number of personnel (60%)
- Where skills and experience are lacking, outline the strategy to in source these skills (20%)

#### **25.1.2 Current operations (26%)**

- Number of rooms currently in operation (50%)
- Type of operation and similarity to the PPP opportunity (50%)

#### **25.1.3 Track Record (6%)**

- Relevant References (40%)
- Relevant Awards (40%)
- Relevant Association Membership (20%)

#### 25.1.4 Product design (26%)

- Product philosophy (20%)
- Product offered (40%)
- Design of new camp (40%)
  - Visual impact (10%)
  - Esthetical design (20%)
  - Optimal design in terms of location offerings, i.e. close proximity to the dam, placement to enjoy sunsets, remoteness, etc (20%)
  - Creative design to compliment the surroundings (20%)
  - Designed ensures a comfortable stay (within parameters of the harshness of the area) (25%)
  - Eco friendly design (20%)
    - Water usage
    - Electricity
    - Other

#### 25.1.5 Customer Service (3%)

- Guest feedback mechanism (25%)
- Telephone Ethics (25%)
- Reservation/ Booking Policy (25%)
- Group and Conference Procedures & Policy (25%)

#### 25.1.6 Human Resources Processes (3%)

- Training – Induction, career-path (20%)
- Incentives & Bonuses (Equity, Bonus etc) (20%)
- Disciplinary Procedures (20%)
- Staff Transport (20%)
- Staff Housing (20%)

#### 25.1.7 Upgrading of facilities (10%)

- Planned Maintenance Schedule (100%)

**25.2 Institutional Depth to sell the product (50%)**

25.2.1 Understanding of the market (10%)

- Market surveys (50%)
- Differentiation (50%)

25.2.2 Current Sales & Marketing (90%)

- Existing client base and market penetration (25%)
- Existing plans and knowledge of market including existing relationships with tour operators and travel trade plus references (25%)
- Target Market (geographical, income, nature of activity, etc) (5%)
- Current marketing programs (9%)
- Current marketing channels (9%)
- Product and branding plans (9%)
- Pricing Range (1%)
- Sales strategies (5%)
- Data Base Management (10%)
- Discount Policies (2%)

**25.3 Financials (20%)**

- Initial investments to rise the profile of the product (60%)
- Turnovers (20%)
- Sales Policy (20%)

In light of the above, the following table will be used to score the Business, Operations and Design Plan of the Bidder:

		<i>Scoring</i>	<i>Total</i>
<b>1</b>	<b><i>Technical background</i></b>		
1.1	<i>Current Employees</i>		
1.1.1	<i>Current company structure with specific reference to the following expertise</i>		
1.1.1.1	<i>Guiding experience</i>		

		Scoring	Total
		Fully = 5	
1.1.1.1.1	Water guiding, i.e. boat licenses	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.1.1.1.2	Vehicle guiding and game experience	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.1.1.1.3	Guided walks	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.1.1.2	Food and beverage experience	Partially = 3	
1.1.1.3	Personnel working in the hospitality industry	Not at all = 0	
		Fully = 5	
1.1.1.3.1	Qualifications	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.1.1.3.2	Number of personnel	Partially = 3	
	Where skills and experience are lacking, outline the strategy to in source these skills	Not at all = 0	
1.1.2			
1.1.2.1	Strategy to in source skills (100% if skills exist)	Fully = 5	
1.2	Current Operations	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.2.1	Number of rooms currently in operation	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.2.2	Type of operation and similarity to the PPP opportunity	Partially = 3	
1.3	Track record	Not at all = 0	
		Fully = 5	
1.3.1	Relevant references	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.3.2	Relevant awards	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.3.3	Relevant Association Membership	Partially = 3	
1.4	Product Design	Not at all = 0	
		Fully = 5	
1.4.1	Product philosophy	Partially = 3	
		Not at all = 0	

		Scoring	Total
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.2	Product offered		
1.4.3	Design of new camp		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.1	Visual impact		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.2	Esthetical design		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.3	Optimal design in terms of location offerings		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.4	Creative design to compliment the surroundings		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.5	Designed ensures a comfortable stay (within parameters of the harshness of the area)		
1.4.3.6	Eco Friendly design		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.6.1	Water Usage		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.6.2	Electricity		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.4.3.6.3	Other		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.5	Customer Service		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.5.1	Guest feedback mechanism		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.5.2	Telephone Ethics		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.5.3	Reservation/booking policy		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.5.4	Group and Conference Procedures & Policy		
1.6	Human Resources Processes		
		Fully = 5	
		Partially = 3	
		Not at all = 0	
1.6.1	Training – Induction, career-path		
		Fully = 5	
		Partially = 3	
		Not at all = 0	

		Scoring	Total
		Fully = 5	
1.6.2	Incentives & Bonuses (Equity, Bonus etc)	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.6.3	Disciplinary Procedures	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.6.4	Staff Transport	Partially = 3	
		Not at all = 0	
		Fully = 5	
1.6.5	Staff Housing	Partially = 3	
1.7	Upgrading of facilities	Not at all = 0	
		Fully = 5	
		Partially = 3	
1.7.1	Planned Maintenance Schedule	Not at all = 0	
<b>2</b>	<b>Institutional Depth to sell the product</b>		
2.1	Understanding of the market		
		Fully = 5	
		Partially = 3	
2.1.1	Market surveys	Not at all = 0	
		Fully = 5	
		Partially = 3	
2.1.2	Differentiation	Not at all = 0	
2.2	Current sales and marketing		
		Fully = 5	
		Partially = 3	
2.2.1	Existing client base and market penetration	Not at all = 0	
		Fully = 5	
		Partially = 3	
2.2.2	Existing plans and knowledge of market including existing relationships with tour operators and travel trade plus references	Not at all = 0	
		Fully = 5	
		Partially = 3	
2.2.3	Target Market (Geographical, income, nature of activity, etc)	Not at all = 0	
		Fully = 5	
		Partially = 3	
2.2.4	Current marketing programs	Not at all = 0	
		Fully = 5	
		Partially = 3	
2.2.5	Current marketing channels	Not at all = 0	
		Fully = 5	
		Partially = 3	
2.2.6	Product and branding plans	Not at all = 0	
		Fully = 5	
		Partially = 3	
2.2.7	Pricing range	Not at all = 0	

		<b>Scoring</b>	<b>Total</b>
		Fully = 5 Partially = 3 Not at all = 0	
2.2.8	Sales strategies	Fully = 5 Partially = 3 Not at all = 0	
2.2.9	Data Base management	Fully = 5 Partially = 3 Not at all = 0	
2.2.10	Discount policies	Fully = 5 Partially = 3 Not at all = 0	
<b>3</b>	<b>Financials</b>		
3.1	Initial investment to raise the profile of the product	Fully = 5 Partially = 3 Not at all = 0	
3.2	<b>Turnovers</b>	Fully = 5 Partially = 3 Not at all = 0	
3.3	<b>Sales policy</b>	Fully = 5 Partially = 3 Not at all = 0	
	<b>TOTAL FUNCTIONALITY POINTS</b>		
	<b>MINIMUM THRESHOLD</b>		65%

**26. ANNEXURE 4 – DEVELOPMENT AND ENVIRONMENTAL PROPOSAL**

Items to address in Development and Environmental Proposals.

**26.1 Legislative Requirements**

26.1.1 Confirmation that 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.

**26.3 Appointment of Environmental Control Officer**

26.3.1 Acknowledgement of requirement to appoint Environmental Control Officer (ECO) during 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 Biosphere Manipulation

- 26.5.1 Agreement to abide by provisions of Environmental Guidelines section 2.4.

## 26.6 Carrying Capacity

- 26.6.1 Number of (i) guest beds and (ii) staff beds the Private Party intends for the Development, consistent with provisions of the PPP Agreement Annexure V Environmental Guidelines section 2.5 and Schedule B.

## 26.7 Visual Impacts

- 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.
- 26.8 Description of additional efforts Private Party intends to undertake to minimise visual impacts of development, including lighting.
- 26.9 Location of lightning arrestors and radio masts within Project Site and how visual impacts of these structures will be minimised.

## 26.10 Bulk Infrastructure

- 26.10.1 Electricity:
- 26.10.1.1 Identification of source(s) to be used during both Construction and Operation.
  - 26.10.1.2 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.

26.10.2 Water:

26.10.2.1 Identification of water source(s) for both Construction and Operational Phases.

26.10.2.2 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 not more than 350 litres (l) per bed per day.

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

26.10.3 Water Sources for Attracting Wildlife:

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

**26.11 Waste Management**

26.11.1 Liquid Wastes:

26.11.1.1 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.

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

26.11.1.3 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.

26.11.2 Solid Wastes:

- 26.11.2.1 Estimates of volumes of solid waste, by different waste categories, that the development is expected to generate.
- 26.11.2.2 Description of Private Party's proposed methods for recycling solid wastes.
- 26.11.2.3 Acknowledgement that landfills are not permitted in any Project Sites.
- 26.11.2.4 If applicable, request to utilise SANParks incinerator located at nearby SANParks rest camp.
- 26.11.2.5 Alternatively, request to construct an incinerator within the Project Site, if applicable, with understanding that this will be subject to the findings of the EIA.

**26.12 Roads and Tracks**

- 26.12.1 Number of kilometres of roads/tracks to be constructed, including type and quantity of traffic expected on these roads. Importantly this number must be within limits SANParks has set for each Project Site, as set forth in the PPP Agreement Schedule B.
- 26.12.2 Location and size of Project Site access road must be indicated on the maps and drawings required under section 26.7 above.
- 26.12.3 Acknowledgement that tracks for game viewing purposes must be kept to the narrowest width possible to accommodate one vehicle at a time.

**26.13 Fire Management**

- 26.13.1 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.
- 26.13.2 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.

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

**26.14 Staff Accommodation and Safety**

- 26.14.1 Estimate of total number of Private Party staff, including number to be (i) accommodated on-site (including family members) and (ii) accommodated off site.

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

- 26.14.3 If Private Party is requesting that staff be housed at SANParks rest camps in the Park, this request must be included, indicating the number of staff for which request is made. SANParks will undertake its best efforts to house such staff, or to enable the Private Parties to develop housing for such staff at the rest camps, but SANParks makes no undertaking thereto. SANParks' inability to meet the Private Party's request will not be accepted as a valid reason for changes in the conditions of the Private Party's bid.

- 26.14.4 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.

**26.15 Access**

- 26.15.1 Acceptance of the terms and conditions for controlling access into and out of the Park as set forth in section 2.13 of the Environmental Guidelines.

**26.16 Private Party Vehicles**

- 26.16.1 Total number of Private Party vehicles that the Private Party intends to have based within the Project Site and/or other location inside the Park, including use for which each is intended.
- 26.16.2 Agreement to abide by vehicle standards presented in Environmental Guidelines section 2.14.

**26.17 Guest Activities**

- 26.17.1 Game Drives
  - 26.17.1.1 Agreement to adhere to rules for game drives and sightings specified in Environmental Guidelines (sections 2.15.1 and 2.15.2)
- 26.17.2 Off-road driving
  - 26.17.2.1 No off-road driving will be permitted.
- 26.17.3 Walks
  - 26.17.3.1 Agreement to abide by rules presented in Environmental Guidelines section 2.15.4.
  - 26.17.3.2 Monitoring of Compliance with Codes of Conduct:
  - 26.17.3.3 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.
  - 26.17.3.4 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.

**26.18 Monitoring**

- 26.18.1 Acknowledgement of SANParks' right to undertake necessary conservation management activities in all of the Project Sites.

26.18.2 Confirmation of willingness to participate in a SANParks-Private Parties forum, and to comply with any standards thereby agreed established

**27. ANNEXURE 5 – RISK MATRIX**

Type of risk	General description of risk	Project-specific risk	Mitigation measures	Allocation of risk (institution/ private party/ shared)
Financing	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			
Supporting infrastructure	Supporting infrastructure may be inadequate to sustain the enterprise			
Planning, design and construction	Planning consents may not be acquired or granted; the design may not be fit for the purpose; construction may not be completed on time and in budget			
Utilities	Utilities may not be fully available or may cause delays			
Environment and heritage	Liability for losses caused by environmental or heritage damage or delays			
Maintenance	The costs of maintenance to required standards may vary from projections or maintenance may not be carried out			
Operations	Any factors (other than force majeure) that may impact on operations			
Market, demand, volume	The demand for the product may be less than projected			
Political	Unforeseeable conduct by any government institution may adversely affect the project, or the government may expropriate private party assets			
Force majeure	Unexpected events beyond either party's control			

## 28. **ANNEXURE 6 – BEE PROPOSAL**

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

### 28.1 **Commitments**

Make commitments in the 'bid offered' column in the BEE scorecard below. These will become binding in the PPP agreement.

### 28.2 **Scores**

SANParks will provide the scoring on the basis of supporting information provided, and may use an accredited BEE rating agency for this purpose.

### 28.3 **Supporting information**

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

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

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

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

28.4 All BEE definitions are consistent with those used in the *Tourism BEE Charter and Scorecard, 2005* with the following additions, where applicable:

- **Community trust** – The Mayibuye Ndlovu Community Trust - A not-for-profit trust created in terms of applicable law by volunteer members for channelling the proceeds of various activities and investments for the common good of persons ordinarily resident within a specific town, village or settlement.

- **Local** - the geographic area specified by SANParks in this Request for Proposals issued by SANParks in respect of the Project, being within 70 kilometres from any point on the AENP border (as per the border line on 1 March 2007).
- **Mandatory Community Trust** - Equity in the Private Party which must, as a mandatory provision of the PPP, be acquired by the Community Trust defined above.

28.5 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			Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
<b>Ownership</b>	15%	10%	Percentage share of economic benefits as reflected by direct shareholding by black people	14%		Meets target – 10 Less than target - 0	
		5%	Community trust ownership	7%		Meets target – 5 Less than target - 0	
						<b>Score out of 15</b>	
<b>Strategic representation</b>	14%	3.0%	Black people as a percentage of board of directors	30%		Meets target – 3 Less than target - 0	
		3.0%	Black women as a percentage of board of directors	15%		Meets target – 3 Less than target – 0	
		2.0%	Local people as a percentage of board of directors	15%		Meets target – 2 Less than target – 0	
		3.0%	Black people as a percentage of executive management	30%		Meets target – 3 Less than target - 0	
		3.0%	Black women as a	15%		Meets	

Indicator			Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
			percentage of executive management			target– 3 Less than target – 0	
						<b>Score out of 14</b>	
<b>Employment equity</b>	14%	1.5%	Black people as a percentage of management	35%		Meets target –1.5 Less than target – 0	
		1.5%	Black women as a percentage of management	18%		Meets target– 1.5 Less than target – 0	
		1.5%	Local people as a percentage of management	15%		Meets target – 1.5 Less than target – 0	
		1.5%	Black people as a percentage of supervisors, junior and skilled employees	45%		Meets target – 1.5 Less than target – 0	
		1.5%	Black women as a percentage of supervisors, junior and skilled employees	23%		Meets target – 1.5 Less than target – 0	
		1.5%	Local people as a percentage of supervisors, junior and skilled employees	35%		Meets target – 1.5 Less than target – 0	
		1.5%	Black people as a percentage of total staff	53%		Meets target – 1.5 Less than target – 0	
		1.5%	Black women as a percentage of total staff	28%		Meets target– 1.5 Less than target – 0	
		2%	Local people as a percentage of total staff	50%		Meets target – 2 Less than target – 0	
						<b>Score out of 14</b>	
<b>Skills development</b>	20%	5%	Percentage of payroll spend on skills development (including	3%		Meets target – 5	

Indicator			Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
			skills development levy) on all accredited training			Less than target – 0	
		5%	Percentage of skills development spend on all black employees	75%		Meets target – 5 Less than target - 0	
		5%	Number of learner ships as a percentage of total employees	2%		Meets target – 5 Less than target – 0	
		5%	Number of black learners as a percentage of total learners	80%		Meets target – 5 Less than target - 0	
						<b>Score out of 20</b>	
<b>Preferential procurement</b>	15%	10%	Spend on BEE compliant companies as a percentage of total procurement spend	40%		Meets target – 10 Less than target - 0	
		5%	Spend on local BEE compliant companies as a percentage of total procurement spend	20%		Meets target – 5 Less than target - 0	
						<b>Score out of 15</b>	
<b>Enterprise development</b>	14%	7%	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 – 7 Less than target - 0	
		7%	Enhanced revenue and/or cost savings and/or twinning initiatives facilitated for black owned SMMEs, as a percentage of revenue	1%		Meets target – 7 Less than target - 0	
						<b>Score out of 14</b>	

Indicator			Indicators to measure BEE achievement	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
<b>Social development and industry specific</b>	8%	3%	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 – 3 Less than target - 0	
		2%	Percentage of new recruits with no prior work experience	10%		Meets target – 2 Less than target - 0	
		3%	Status of TOMSA levy collector	Yes		Meets target – 3 Less than target - 0	
						<b>Score out of 8</b>	
<b>Total BEE points</b>	<b>100</b>	<b>100</b>				<b>Score out of 100</b>	
<b>Minimum threshold</b>						<b>65</b>	

**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 2 and is **not** to be submitted in Envelope 1 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 from year 6 is:

<b>PPP Year</b>	<b>Annual Amount</b>
PPP Year 1	R 100,000
PPP Year 2	R 150,000
PPP Year 3	R 200,000
PPP Year 4	R 250,000
PPP Year 5	R 300,000
PPP Year 6	R 350,000

PPP Year	Annual Amount
PPP Year 7-10 (if existing Darlington Lodge is operated)	Year 6 adjusted annually by CPIX
PPP Year 7-20 (if new lodge is built)	Year 6 adjusted annually by CPIX

Term of the contract – Investment of new 40 bed lodge – 20 years

No investment – 10 years

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)							
<b>PPP fee due</b> 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 - MARKED-UP PPP AGREEMENT**

The PPP Agreement does not form part of the RFP but will be available on the SANParks website : [www.sanparks.org](http://www.sanparks.org) on or before 13 March 2007

**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 Lake Darlington Concession in the Addo Elephant National Park through a PPP agreement.

**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 Lake Darlington Concession in the Addo Elephant National Park through a PPP agreement.

**ENVELOPE 2: 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 you a bid to enter into PPP agreement with SANParks for the purpose of [PPP opportunity];

And you require the bidder to include in the bid a bid bond for R [amount of bid bond];

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 [amount of bid bond], 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 [date 180 business days after the bid 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 (BEE). 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.

<b>Small and Medium Enterprises Development Programme (SMEDP)</b>	
<b>Provider</b>	Department of Trade and Industry
<b>Type</b>	Tax-free cash grant incentive
<b>Who qualifies</b>	Local and foreign investors developing new or expanding their current tourism operations
<b>Scale</b>	Payable over two years in quarterly tranches. Third- year grant available provided certain special qualifying criteria are met. Annual grant payment calculated as follows: R0+ – R5m = 10% per year R5m+ – R15m = 6% per year R15m+ – R30m = 4% per year R30m+ – R50m = 3% per year Maximum cumulative payment is R3 million.
<b>Other details</b>	Excludes infrastructure qualifying for the Critical Infrastructure

<b>Small and Medium Enterprises Development Programme (SMEDP)</b>	
	Programme (CIP) grant, but includes investment in land, buildings and capital equipment.
<b>Contact details</b>	Tel: 0861 843 38 or 011 254 9405 Fax: 0861 843 888 Email: <a href="mailto:cip@thedti.gov.za">cip@thedti.gov.za</a> Website: <a href="http://www.dti.gov.za">http://www.dti.gov.za</a>

<b>Critical Infrastructure Programme</b>	
<b>Provider</b>	Department of Trade and Industry
<b>Type</b>	Tax-free cash grant incentive
<b>Who qualifies</b>	Scheme aims to improve competitiveness of South African industries, stimulate economic growth and employment, and spread economic activity to rural areas.
<b>Scale</b>	Up to 30% of the development costs in qualifying infrastructure
<b>Contact details</b>	Tel: 0861 843 384or 011 254 9405 Fax: 0861 843 888 Email: <a href="mailto:cip@thedti.gov.za">cip@thedti.gov.za</a> Website: <a href="http://www.dti.gov.za">http://www.dti.gov.za</a>

<b>Foreign Investment Grant</b>	
<b>Provider</b>	Department of Trade and Industry
<b>Type</b>	Tax-free cash grant incentive
<b>Who qualifies</b>	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.
<b>Scale</b>	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.
<b>Contact details</b>	Gideon Rossouw Tel: 012 310 9592 Fax: 012 320 0115 Email: <a href="mailto:grossouw@dti.pwv.gov.za">grossouw@dti.pwv.gov.za</a>

	DTI Customer Contact Centre: 0861 843 384 Email: <a href="mailto:contactus@thedti.gov.za">contactus@thedti.gov.za</a> Website: <a href="http://www.thedti.gov.za">www.thedti.gov.za</a>
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**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.

<b>Industrial Development Corporation</b>	
<b>Provider</b>	IDC Tourism Strategic Business Unit
<b>Type</b>	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).
<b>Who qualifies</b>	Local and foreign investors, developing new or expanding their current tourism operations. Focus has traditionally been on tourism accommodation, but has recently broadened.
<b>Details</b>	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.
<b>Contact details</b>	Tel: 011 269-3000 Fax: 011 269 3116 Call Centre: 0860 693 888 Email: <a href="mailto:callcentre@idc.co.za">callcentre@idc.co.za</a> Website: <a href="http://www.idc.co.za">http://www.idc.co.za</a>

<b>Development Bank of Southern Africa</b>	
<b>Provider</b>	Development Bank of Southern Africa (DBSA)
<b>Type</b>	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.
<b>Who qualifies</b>	Local investors developing new tourism infrastructure or expanding their current tourism operations.
<b>Details</b>	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.
<b>Contact details</b>	Tel: 011 269 3000 Fax: 011 269 3116 Website: <a href="http://www.dbsa.org">http://www.dbsa.org</a>

**33.1.3****Empowerment funds**

These funds are to facilitate BEE in the tourism industry.

<b>Land Reform Credit Facility</b>	
<b>Provider</b>	Department of Land Affairs administered by Khula Finance Enterprise Ltd
<b>Type</b>	Loan finance for empowerment joint ventures
<b>Who qualifies</b>	Local investors developing new tourism infrastructure or expanding their current tourism operations
<b>Details</b>	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.
<b>Contact details</b>	Tel: 011 807 8464 Fax: 011 807 9023 Toll free help line: 0800 11 8815

E-mail: <a href="mailto:helpline@khula.org.za">helpline@khula.org.za</a> Website: <a href="http://www.khula.org.za">http://www.khula.org.za</a>
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<b>Credit guarantee</b>	
<b>Provider</b>	Khula Finance Enterprise Ltd
<b>Details</b>	<p>Three schemes are available:</p> <p><b>The standard scheme</b> 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><b>The emerging entrepreneur scheme</b> 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><b>The empowerment scheme</b> 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>
<b>Contact details</b>	<p>Tel: 011 807 8464 Fax: 011 807 9023</p> <p>Toll free help line: 0800 11 8815</p> <p>E-mail: <a href="mailto:helpline@khula.org.za">helpline@khula.org.za</a> Website: <a href="http://www.khula.org.za">http://www.khula.org.za</a></p>

<b>Entrepreneur support</b>	
<b>Provider</b>	National Empowerment Fund
<b>Details</b>	<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</p>

	<p>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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<b>Community and rural development</b>	
<b>Provider</b>	National Empowerment Fund
<b>Details</b>	<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>
<b>Contact details</b>	<p>Tel: 011 731 9000 Fax: 011 447 4859</p> <p>Email: <a href="mailto:info2@nefcorp.co.za">info2@nefcorp.co.za</a> Website: <a href="http://www.nefcorp.co.za">www.nefcorp.co.za</a></p> <p>Address: 230 Jan Smuts Avenue (cnr Bompas Road), Dunkeld West, 2196, Johannesburg</p>

<b>Youth development</b>	
<b>Provider</b>	Umsombovu Youth Fund
<b>Details</b>	<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"> <li>- 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 Micro Enterprise Finance for former prisoners.</li> <li>- 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.</li> <li>- 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%.</li> </ul>
<b>Contact details</b>	<p>Tel: 011 651 7000 Fax: 011 8059709          Email: <a href="mailto:info@uyf.org.za">info@uyf.org.za</a> Website: <a href="http://www.uyf.org.za">www.uyf.org.za</a>          Address: Umsombovu House, 11 Broadwalk Avenue, Halfway House, Midrand          Postal address: PO Box 982, Halfway House, 1685</p>

<b>Black Business Supplier Development Programme</b>	
<b>Provider</b>	Department of Trade and Industry
<b>Details</b>	<p>The Black Business Supplier Development Programme (BBSDP) is 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</p>

	<p>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"> <li>- improve effectiveness of management systems, for example, production planning and control systems, quality management systems</li> <li>- impart specialised, enterprise-specific skills to employees, for example, specialised technical courses</li> <li>- upgrade management capability, for example, executive and financial management programmes and seminars on preparation of bids for tenders</li> <li>- 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).</li> </ul>
<b>Contact details</b>	<p>DTI Customer Contact Centre: 0861 843 384</p> <p>email: <a href="mailto:contactus@thedti.gov.za">contactus@thedti.gov.za</a> Website: <a href="http://www.thedti.gov.za">www.thedti.gov.za</a></p>

<b>Tourism Enterprise Programme</b>	
<b>Provider</b>	Tourism Enterprise Programme (managed by ECI Africa)
<b>Details</b>	<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 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</p>

	<p>R25 000. SMMEs that operate as tourism enterprises (for example lodge, hotel, B&amp;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><b>Contact details</b></p>	<p>Tel: 011 804 5750 Fax: 011 8028448                  Email: <a href="mailto:Nomsa.Ngwenya@eciafrica.com">Nomsa.Ngwenya@eciafrica.com</a>                  Website: <a href="http://www.tep.co.za">www.tep.co.za</a>                  Address: ECI Africa, Momentum Office Park, 145 Western Service Road, Woodmead, Johannesburg                  Postal Address: PO Box 409, Woodmead, 2144                  TEP also has offices and management agencies in KwaZulu-Natal, Western Cape, Mpumalanga, Free State, Northern Cape, Eastern Cape and Limpopo. Details from the above ECI Africa contacts.</p>

<p><b>Business Partners</b></p>	
<p><b>Provider</b></p>	<p>Business Partner Tourism Fund</p>
<p><b>Details</b></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.
<b>Contact details</b>	Nikita Mfenyana (COO Tourism Fund) at (021) 464-3682 email: <a href="mailto:enquiries@businesspartners.co.za">enquiries@businesspartners.co.za</a> Website: <a href="http://www.businesspartners.co.za">www.businesspartners.co.za</a>

**33.1.4****Training grants and incentives**

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

<b>Skills Support Programme</b>	
<b>Provider</b>	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
<b>Contact details</b>	Derrick Hobbs: Tel: 012 310 1043 Fax: 012 322 0115 Email: <a href="mailto:dhobbs@dti.pwv.gov.za">dhobbs@dti.pwv.gov.za</a> Antjie Potgieter: Tel: 012 310 1031 Fax: +27 12 320 0115 Email: <a href="mailto:antjiep@dti.pwv.gov.za">antjiep@dti.pwv.gov.za</a> Or Email: <a href="mailto:enterprise@dti.pwv.gov.za">enterprise@dti.pwv.gov.za</a> Or

	DTI Customer Contact Centre: 0861 843 384 Email: <a href="mailto:contactus@thedti.gov.za">contactus@thedti.gov.za</a> Website: <a href="http://www.thedti.gov.za">www.thedti.gov.za</a>
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<b>Tourism, Hospitality and Sport Education and Training Authority</b>	
<b>Provider</b>	The Tourism, Hospitality and Sport Education and Training Authority (Theta)
<b>Details</b>	<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>
<b>Contact details</b>	Call Centre: 0860 100 221: Tel: 011 803 6010 Fax: 011 803 6702 Email: <a href="mailto:info@theta.org.za">info@theta.org.za</a> Address: 38 Homestead Road, Rivonia, Johannesburg Postal address: PO Box 1329, Rivonia, 2128

### 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.

<b>Export Marketing and Investment Assistance Scheme</b>	
<b>Provider</b>	The Department of Trade and Industry via Trade and Industry

	South Africa (TISA)
<b>Details</b>	<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) – 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>
<b>Contact details</b>	<p>Christiaan Saaiman Tel: 012 428 4677 Fax: 012 428 7892 Email: <a href="mailto:christiaans@isa.org.za">christiaans@isa.org.za</a></p> <p>James Koko Tel: 012 428 7863 Fax: 012 428 7852/3 Email: <a href="mailto:jamesk@isa.org.za">jamesk@isa.org.za</a></p> <p>Ricardo Andrews Tel: 012 428 7684 Fax: 012 428 7852/3 Email: <a href="mailto:ricardoa@isa.org.za">ricardoa@isa.org.za</a></p> <p>DTI Customer Contact Centre: 0861 843 384 Email: <a href="mailto:contactus@thedti.gov.za">contactus@thedti.gov.za</a> Website: <a href="http://www.thedti.gov.za">www.thedti.gov.za</a></p>

**33.1.6****Poverty relief funds**

The Department of Environment Affairs and Tourism (DEAT) administers a number of poverty relief funds.

<b>Poverty Relief Programme</b>
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<b>Provider</b>	Department of Environment Affairs and Tourism
<b>Details</b>	<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. These grants include components for technical support.</p> <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.</p>
<b>Contact details</b>	<p>Poverty Relief Unit of DEAT          Tel: 012 310 3017 Fax: 012 329 1135          Email: <a href="mailto:hullah@deat.gov.za">hullah@deat.gov.za</a>          Website: <a href="http://www.deat.gov.za">www.deat.gov.za</a> and <a href="http://www.thelapha.com">www.thelapha.com</a>          Address: 15th Floor, Fedsure Forum, corner Pretorius and Van der Walt streets, Pretoria          Postal address: Private Bag X447, Pretoria, 0001</p>

### 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.

<b>African Safari Lodge and Sustainable Rural Development Programme</b>	
<b>Type of work</b>	Assists rural communities, public institutions and private parties to design or modify game lodges in support of local economic development. The programme operates in Southern Africa and is especially active in South Africa. The programme is managed by Mafisa Research and Planning in partnership with GTZ Transform and the Ford Foundation.
<b>Contact details</b>	Tel: 011 447 8509 Fax: 011 447 0385 Email: <a href="mailto:mafisa@icon.co.za">mafisa@icon.co.za</a> Website: <a href="http://www.mafisa.co.za">www.mafisa.co.za</a> Address: 23 Rosebank Road, Dunkeld, 2196, Johannesburg

<b>African Wildlife Foundation</b>	
<b>Type of work</b>	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.
<b>Contact details</b>	Tel: 013 751 2483 Fax: 013 751 3258 Email: <a href="mailto:smunthali@awfsa.org">smunthali@awfsa.org</a> Website: <a href="http://www.awf.org">www.awf.org</a> Address: 21 Allie van Bergen Street, White River Postal address: PO Box 2977, White River, 1240

<b>Business Linkages in Tourism</b>	
<b>Type of work</b>	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.
<b>Contact details</b>	Tel: 012 654 7525 Fax: 012 654 7349 Email: <a href="mailto:bizlink@tbcsa.org.za">bizlink@tbcsa.org.za</a> Address: 245 End Street, Clubview, Centurion Postal address: PO Box 11655, Clubview, 0157, Centurion

<b>ComMark Trust</b>	
<b>Type of work</b>	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.
<b>Contact details</b>	Tel: 011 802 0785 Fax: 011 802 0798 Email: <a href="mailto:commark@commark.org">commark@commark.org</a> Website: <a href="http://www.commark.org">www.commark.org</a> Address: Maple Place South, 145 Western Service Road, Woodmead, Johannesburg Postal address: Postnet Suite 598, Private Bag X29, Gallo Manor, 2052

<b>Fair Trade in Tourism South Africa (FTTSA)</b>	
<b>Type of work</b>	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

<b>Contact details</b>	<p>Tel: 012 342 8307/8 Fax: 012 342 8289</p> <p>Email: <a href="mailto:info@fairtourismsa.org.za">info@fairtourismsa.org.za</a> Website: <a href="http://www.fairtourismsa.org.za">www.fairtourismsa.org.za</a></p> <p>Address: Hatfield Forum West, 3rd Floor North Wing, 1067 Arcadia Street, Pretoria</p> <p>Postal address: PO Box 11536, Hatfield, 0028</p>
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<b>GTZ Transform</b>	
<b>Type of work</b>	<p>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.</p>
<b>Contact details</b>	<p>Tel: 012 342 3174 Fax: 012 342 3178</p> <p>Email: <a href="mailto:Anel.Massyn@gtz.de">Anel.Massyn@gtz.de</a></p> <p>Address: 333 Grosvenor Street, Hatfield Gardens, Block C, Hatfield, Pretoria</p> <p>Postal address: PO Box 13732, Hatfield, 0028</p>

<b>Wildlands Conservation Trust</b>	
<b>Type of work</b>	<p>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.</p>
<b>Contact details</b>	<p>Tel: 033 343 1975 Fax: 033 343 1976</p> <p>Email: <a href="mailto:ecopart@iafrica.com">ecopart@iafrica.com</a> Website: <a href="http://www.wildlands.co.za">www.wildlands.co.za</a></p> <p>Postal address: PO Box 1138, Hilton, 3245</p>

<b>World Conservation Union (IUCN)</b>	
<b>Type of work</b>	<p>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,</p>

	advocates for policy changes, promotes a participatory approach to community-based natural resource management and advocates for sustainable land use and effective environmental management.
<b>Contact details</b>	Tel: 012 342 8304/5/6 Fax: 012 342 8289 Email: <a href="mailto:iucnsa@iucn.org">iucnsa@iucn.org</a> Website: <a href="http://www.iucnsa.org.za">www.iucnsa.org.za</a> Address: 3rd Floor North Wing, Hatfield Forum West, 1067 Arcadia Street, Hatfield, Pretoria. Postal address: PO Box 11536, Hatfield, 0028