



REQUEST FOR PROPOSALS

REQUEST FOR PROPOSALS ISSUED BY

**SOUTH AFRICAN NATIONAL PARKS IN RESPECT OF THE
PROPOSED PUBLIC PRIVATE PARTNERSHIP PROJECT FOR
THE WEST COAST NATIONAL PARK RESTAURANT FACILITY**



REQUEST FOR PROPOSALS

IMPORTANT NOTICE

This Request for Proposals (“**RFP**”) has been produced by South African National Parks (“**SANParks**”), in connection with the tendering of the West Coast National Park (“**WCNP**”) Restaurant Facility.

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

This Request for Proposals has been provided to the recipient to assist in making its own appraisal of the PPP opportunities presented herein and in deciding whether to submit a proposal in connection with the opportunities. However, this RFP is not intended to serve as the basis for an investment decision on the opportunities, and each recipient is expected to make such independent investigation and to obtain such independent advice as he or she may deem necessary for a decision.

SANParks may amend or replace any information contained in this document at any time, without giving any prior notice or providing any reason.

September 2007

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1. INTRODUCTION

1.1 South African National Parks (“**SANParks**”) initiated a PPP Tender process for the WCNP Restaurant Facility (“the **Facility**”) currently known as the Geelbek Restaurant. The opportunity also includes the operation of the shop, which is located adjacent to the Geelbek Restaurant. The outsourcing of this Facility offers an attractive opportunity for the private sector. The Facility will be outsourced as a going concern, under contractual terms that will transfer full operational control to the private operators. 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.

1.2 It is intended that by SANParks entering into the PPP with a private party, the private party will deliver a quality and value-for-money food and beverage service to SANParks’ customers to the WCNP and SANParks will be able to generate additional revenue through PPP fees paid to SANParks by the private party, thus 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 and technical standards maintained by SANParks. SANParks will also place great emphasis on Broad Based Black Economic Empowerment, particularly for individuals from the local communities surrounding the Park. 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.

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

1.4 Value-for-Money Objectives

The following outlines the Value-for-money objectives of the Geelbek Restaurant opportunity:

1.4.1 Quality and Value-for-Money Service Delivery and Tourism Promotion;

1.4.2 Revenue generation for SANParks and possible moderate infrastructure

- upgrades;
- 1.4.3 Enhancement of SANParks' accommodation supply and day-visitor revenue through the satisfying of visitor demand for quality food and beverage products; and
- 1.4.4 BEE and Job creation.
- 1.5 This request for proposals (“**RFP**”) for the tender in respect of the West Coast National Park Restaurant Facility is issued by SANParks in accordance with the guidelines for public private partnerships (“**PPPs**”) contained in *National Treasury's PPP Toolkit for Tourism*, and in compliance with Treasury Regulation 16 issued in terms of the Public Finance Management Act, 1999.

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 19 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 15.

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 Request for Proposal.
- 3.2 Public institutions are specifically excluded from submitting proposals or bidding for the tender.
- 3.3 The Bidder must be a single purpose vehicle (“**SPV**”) constituted for the sole purpose of participating in the PPP Agreement.
- 3.4 In its Bid Submission, the company or unincorporated joint venture or trust must:
- 3.4.1 certify by providing an attestation from the Legal Representative, notarised by a Notary Public, that the company or unincorporated joint venture or trust meets the operational and financial criteria as requested regarding the operational experience and financial prerequisites and provide a summary statement of the operational and financial criteria and how they are met;
- 3.4.2 submit to SANParks the information set out in Annexure 1 in relation to the company, unincorporated joint venture or trust and its shareholders, partners of beneficiaries; and
- 3.4.3 certify to SANParks that the information contained therein is true, accurate and complete in all respects.
- 3.4.4 SANParks reserves the right to request, at any time, additional information or documentation from Bidders.
- 3.5 Where a Bidder is made up of a number of parties, shareholders in one SPV may not be shareholders of other SPV taking part in the tender process.

4. THE PPP OPPORTUNITY

The following outlines all aspects of the PPP opportunity in the WCNP:

4.1 Restaurant

The opportunity comprises of the operation of the restaurant currently known as the Geelbek restaurant for a term of 10 years. The opportunity also includes prospects such as weddings and conferences that may take place in the Park (within the Geelbek restaurant precinct).

4.2 Retail / shop

The opportunity includes a right to operate a shop / retail outlet at the restaurant precinct. It should be noted that SANParks might decide to open an Arts and Crafts studio at the Geelbek (outside of the precinct) and hence exclusivity in terms of curios is not granted.

5. ASSISTANCE TO BIDDERS

5.1 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.

5.2 Bidders are advised to make use of these financing institutions and support organisations while developing their bids.

6. SITE VISITS AND DUE DILIGENCE

6.1 A site visit is being organised for the Bidders with the following objectives:

6.1.1 to provide all prequalified Bidders the opportunity to ascertain all information they require to present informed and competitive bids for the sites they are qualified to bid for, including physical facility. The site visit could be used by interested parties to gather information as part of the due diligence process; and

6.1.2 to ensure that such access to information is equal for all prequalified Bidders.

6.2 The site visit will be conducted on the 4th of October 2007. A detailed schedule of the visit will be communicated to all parties that register for the visit. It should be

noted that the visit on the 4th of October will be the only formal visit arranged by SANParks. The objective of the site visit is to 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.

- 6.3 Each bidder will be responsible for its own due diligence investigation of the investment opportunities, environmental compliance requirements, proposed contractual terms and anything else relating to this RFP.
- 6.4 Neither SANParks nor any of its staff or advisors makes any suggestions or guarantees, directly or indirectly, about anything affecting this RFP, the project site, or the tourism opportunities, except for those set out in the PPP Agreement provided to Bidders with the RFP.
- 6.5 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 6.5, communications sent from duly authorised staff of SANParks to Bidders via electronic mail shall be deemed as communications in writing.

6.6 **Contact for Due Diligence-related Matters and to register for the site visit**

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.

Please note that interested parties should register with Mr. James Daniels by latest 26 September 2007.

7. PPP AGREEMENT

- 7.1 A PPP Agreement will be distributed to each interested party prior to the site visit scheduled for the 4th of October 2007.

7.2 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 7.2 or otherwise granted in this RFP, PPP Agreement or available under the laws of the Republic of South Africa.

8. BID DATE

8.1 Bids must be submitted to the Project Manager, James Daniels, South African National Parks, 643 Leyds Street, Muckleneuk, Pretoria, **not later than 12:00 on Friday, 9 November 2007** (the “**Bid Date**”).

8.2 Submissions delivered after 12:00 on 9 November 2007 shall be regarded as invalid, and returned to the Bidder, unopened.

9. CONTENT OF BID SUBMISSIONS

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

9.2 The Bid Submission from each Bidder shall contain three sealed Envelopes.

9.3 Attach the bid cover sheet, in the format given in ‘Annexure 9: Bid cover sheets’, to the front of each Envelope.

9.4 The first Envelope shall be clearly marked “Technical - Original” 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:

9.4.1 **The original 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;

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

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

9.4.4 **Original of the Business, Operational and Design plan**, in the format given in ‘Annexure 3 – Business, Operational and Design plan’;

9.4.5 **Original of a Design Plan**, indicating the planned theme of the Restaurant Facility, and sketch drawings showing the overall appearance, including plans

- for the internal and external décor, soft furnishings and signage;
- 9.4.6 **Original of an Environmental Proposal**, in the format given in Annexure 4 - Environmental Proposal;
- 9.4.7 **Original of a completed Risk Matrix**, in the format given in Annexure 5 - Risk Matrix;
- 9.4.8 **Original of a BEE proposal**, in the format given in Annexure 6 - BEE Proposal’;
- 9.4.9 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
- 9.4.10 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.
- 9.5 The second Envelope shall be clearly marked “Technical - Copies” on the outside and shall contain all the non-financial aspects of the Submission (“**Technical Offer**”). The contents of the Technical Offer shall consist of:
- 9.5.1 **One copy of the Bidder Information**, in the format given in Annexure 1 – Information on Bidders;
- 9.5.2 **Three copies of the Financing and Capital plan**, in the format given in Annexure 2 – Financing and Capital Plan;
- 9.5.3 **Three copies of the Business, Operational and Design Plan**, in the format given in ‘Annexure 3 - Business, Operational and Design Plan;
- 9.5.4 **Three copies of a Design Plan**, indicating the planned theme of the Restaurant Facility, and sketch drawings showing the overall appearance, including plans for the internal and external décor, soft furnishings and signage;
- 9.5.5 **Three copies of a Environmental Proposal**, in the format given in Annexure 4 - Environmental Proposal;
- 9.5.6 **Three copies of a completed Risk Matrix**, in the format given in Annexure 5 - Risk Matrix;

- 9.5.7 **Three copies of a BEE proposal**, in the format given in Annexure 6 - BEE Proposal';
- 9.6 The third Envelope shall be clearly marked "Financial" on the outside. The contents of the third Envelope shall consist of the details of the bidder's PPP Fee Offer, in the format in Annexure 7: **The PPP Fee Offer**.
- 9.7 All information provided in the bid must be valid for 90 business days from the Bid Date.
- 9.8 Submitting a bid implies that the bidder knows and understands all the terms and conditions set out in this RFP and under the applicable laws of the Republic of South Africa, and that the bidder accepts these terms and conditions.

10. HOW THE BIDS WILL BE OPENED

- 10.1 The Project Officer will separate Envelopes 1, 2 and 3 from all the bids. The unopened Financial Envelopes will be locked away in the safekeeping of SANParks' legal advisors until they are opened on Friday the 23rd of November 2007. Envelope 1 (original) will form part of the contract.
- 10.2 The Technical Envelopes will be opened by members of a bid evaluation committee representing SANParks in the presence of SANParks' project officer.
- 10.3 Technical Offers will be evaluated and scored according to the procedure set out in Articles 11 to 13 below.

11. INCOMPLETE BIDS

- 11.1 The bid evaluation committee, in consultation with its financial and legal advisors, will check Envelope 2 of each bid to see whether all the documentation that this RFP requires has been submitted correctly.
- 11.2 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.
- 11.3 A bid that is not complete or requires clarification or a bid found where the originals and copies differ substantially (in terms of contents) may be disqualified without a request for further information. This is SANParks' decision.

- 11.4 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.

12. BID EVALUATION METHODOLOGY

- 12.1 The three main elements of the bid and the three-Envelope system
- 12.1.1 Bids will be evaluated on three main elements: functionality, BEE and the PPP Fee Offer.
- 12.1.2 Envelope 1 is for the functionality and BEE elements (original) and will form part of the contract. Information contained in this document should be the same as the copies as contained in envelope 2;
- 12.1.3 Envelope 2 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.
- 12.1.4 Envelope 3 is for the PPP Fee Offer and will only be opened and evaluated if the minimum thresholds in Article 12.1.3 are met.
- 12.2 The evaluation of Bid Submissions will take several factors into account, in a scoring methodology that awards points against criteria and quantitative weights.
- 12.2.1 Functionality will be weighted at 70% of the overall bid score.
- 12.2.2 BEE will be weighted at 10% of the overall bid score (The provisions of the Preferential Procurement Policy Framework Act, 2000 (PPPFA) apply); and
- 12.2.3 The PPP Fee Offer will be weighted at 20% of the overall bid score.
- 12.3 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

12.4 SANParks will evaluate the Functionality element using the following relative weightings:

12.4.1 Finance and Capital Plan – 5%

12.4.2 Business, Operational and Design Plan – 80%

12.4.3 Environmental Plan – 5%

12.4.4 Risk Transfer – 10%

13. HOW FUNCTIONALITY IS EVALUATED

13.1 Details of the format and information required for each element are contained in Annexures 1 to 6.

13.2 The functionality of a bid is scored out of 100 points. A bidder must score 65% or more for functionality or the bid will be disqualified.

13.3 Financing and Capital Plan

13.3.1 SANParks shall, with its technical and financial advisors, convene an Evaluation Committee to review evaluate the Financing and Capital Plans submitted by Bidders.

13.3.2 The Finance and Capital Plan will have a weighting of 5% of the Functionality adjudication and should compliment the Business, Operational and Design Plan in order to achieve maximum scoring;

13.3.3 The Financing Plan that should be based on the following will indicate how much capital will be needed, where it will come from (own capital, grants, loans) and the expected amount and terms (interest rate, repayment period, security) of any proposed loans, whether the necessary financing has been secured and appropriate proof:

13.3.3.1 Seating plan of the restaurant;

13.3.3.2 Refurbishment of the restaurant;

13.3.3.3 Construction to move the Information Centre in order to increase the restaurant size;

- 13.3.3.4 Upgrade of certain facilities, i.e. parking area; and
- 13.3.3.5 Planned activities at the restaurant, i.e. marquee tent for events, etc
- 13.3.4 The purpose of the evaluation of 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 and the applicable timing thereof. The format to be followed by Bidders for the preparation of Financing and Capital Plan is shown in Annexure 2.
- 13.3.5 In the case of failure by the Bidder to submit a comprehensive and credible Financing and Capital Plan, the Evaluation Committee shall be entitled, in its sole and absolute discretion, to declare the Financing and Capital Plan non-compliant with the terms of this RFP. The minimum scoring threshold is 60 out of 100 points.
- 13.3.6 In the event of a Financing and Capital Plan being declared non-compliant, that Bidder's entire Bid Submission shall be declared non-compliant, and the Bidder's Financial Envelope shall be returned unopened.
- 13.3.7 The Financing and Capital Plan submitted by the Winning Bidder will be annexed to the PPP Agreement which will be a record of the Bidder's intent to deliver on issues covered in Annexure 2.
- 13.4 **Business, Operational and Design Plan**
 - 13.4.1 SANParks shall, with its technical and financial advisors, convene an Evaluation Committee to review and evaluate the Business, Operational and Plans submitted by Bidders.
 - 13.4.2 The purpose of the evaluation of Business, Operational and Design Plans is to assess the ability of the Bidder to improve and/or maintain the operations and quality of service of the Restaurant Facility, and increase the revenue of the facility. The format to be followed by Bidders for the preparation of Business, Operational and Design Plans is shown in Annexure 3.
 - 13.4.3 In the case of failure by the Bidder to submit a comprehensive and credible Business, Operational and Design Plan, the Evaluation Committee shall be entitled, in its sole and absolute discretion, to declare the Business, Operational and Design Plan non-compliant with the terms of this RFP. The

minimum scoring threshold is 60 out of 100 points.

13.4.4 In the event of a Business, Operational and Design Plan being declared non-compliant, that Bidder's entire Bid Submission shall be declared non-compliant, and the Bidder's Financial Envelope shall be returned unopened.

13.4.5 The Business, Operational and Design Plan submitted by the Winning Bidder will be annexed to the PPP Agreement which will be a record of the Bidder's intent to deliver on issues covered in Annexure 3.

13.5 **Environmental Plan**

13.5.1 SANParks shall, with its technical and financial advisors, convene an Evaluation Committee to review and evaluate the Environmental Plan submitted by Bidders.

13.5.2 The purpose of the evaluation of the Environmental Plan is to assess the ability of the Bidder to operate the proposed activities within the environmental guidelines set by SANParks and also acknowledge the sensitivity of the surrounds. The format to be followed by Bidders for the preparation of the Environmental Plan is shown in Annexure 4.

13.5.3 In the case of failure by the Bidder to submit a comprehensive and credible Environmental Plan, the Evaluation Committee shall be entitled, in its sole and absolute discretion, to declare the Environmental Plan non-compliant with the terms of this RFP. The minimum scoring threshold is 60 out of 100 points.

13.5.4 In the event of the Environmental Plan being declared non-compliant, that Bidder's entire Bid Submission shall be declared non-compliant, and the Bidder's Financial Envelope shall be returned unopened.

13.5.5 The Environmental Plan submitted by the Winning Bidder will be annexed to the PPP Agreement which will be a record of the Bidder's intent to deliver on issues covered in Annexure 4.

13.6 **Risk Matrix**

13.6.1 SANParks shall, with its technical and financial advisors, convene an Evaluation Committee to review evaluate the Risk Matrix submitted by Bidders.

13.6.2 The purpose of the evaluation of the Risk Matrix is to assess the commitment of the Bidder to the RFP's required risk allocation for the project. The format to be followed by Bidders for the preparation of the Risk Matrix is shown in Annexure 5.

13.6.3 The Risk Matrix submitted by the Winning Bidder will be annexed to the PPP Agreement which will be a record of the Bidder's intent to deliver on issues covered in Annexure 5.

14. HOW BEE IS EVALUATED

14.1 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.

14.2 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.

15. OPENING OF FINANCIAL ENVELOPES

15.1 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.

15.2 Subject to the Board Ratification of the Technical scores on the 21st of November 2007, the Financial Envelopes will be opened on Friday the 23rd of November 2007 at 10:00, at a public meeting at the headquarters of SANParks, in the presence of:

15.2.1 Bidders' Legal Representatives; and

15.2.2 SANParks' legal and financial advisors.

15.3 At this meeting the SANParks Project Officer will announce:

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

15.3.2 The Functionality Scores allocated to each of the Bidders.

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

- 16.1 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:
- 16.1.1 the Minimum PPP Fee indicated in Annexure 7 increased annually by CPIX;
or
- 16.1.2 the Variable PPP Fee (a flat percentage of gross revenue earned by the private party in each project year).
- 16.2 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.
- 16.3 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.
- 16.4 The PPP fee proposal is scored out of 100 points.
- 16.5 SANParks will aggregate the Functionality, BEE and Financial scores and calculate an overall bid score and the bidder that receives the highest overall score will be appointed the Winning Bidder.
- 16.6 In the case where only one bid is received and where the bid has passed, the PPP fee will not be accepted automatically. In such an instance a minimum PPP fee will be determined by SANParks and will be based on similar outsourced operations within the organisation and by taking the uniqueness of the opportunity into account. This fee will be determined pre the opening of the financial bid. Should the proposed PPP fee be below the determined minimum PPP fee, SANParks will negotiate with the preferred bidder. Should agreement not be reached, the tender will not be awarded.

17. EXECUTION OF PPP AGREEMENT AND HANDOVER OF FACILITY

- 17.1 There will be a handover period (“**Handover Period**”), commencing on 1st December 2007 and ending on 1 January 2008, the Operation Commencement

- Date. During the Handover Period, the Winning Bidder shall be entitled to station its representatives at the Restaurant Facility, to work jointly with the current operator, in good faith, to arrive at practical ways to affect an orderly Handover.
- 17.2 During the Handover Period the Winning Bidder will make detailed plans for the takeover of operations, procure the required Performance Bond, and take other such measures as necessary to take over the Restaurant Facility and make effective the PPP Agreement.
- 17.3 During the due diligence process, SANParks will disclose to Bidders the site-specific operational issues that, to the knowledge of SANParks, will require resolution during the Handover Period.
- 17.4 Bidders will include, in their Bid Submissions, pre-signed copies of the PPP Agreement. However, it is recognised that certain operational issues i.e. Stock Schedules, will not be resolved until the Winning Bidder and SANParks have concluded the site-specific discussions during the Handover Period. Final stock schedules will be signed by the Winning Bidder and SANParks on Operation Commencement Date and the PPP Agreement will be supplemented with such schedules.
- 17.5 During the Handover Period, no fees shall be payable by the Winning Bidder (except in the instance where the winning bidder and the current operator are the same operator in which case payment of fees will continue without an interruption due to handover). All fees and rental payments to SANParks, as set out in the PPP Agreement, shall become payable on 1 January 2008, Operation Commencement Date.
- 17.6 During the Handover Period, the current operator shall retain responsibility for the operations, and expenses, of the Restaurant Facility.
- 17.7 On the Operation Commencement Date, at end of the Handover Period, the Winning Bidder shall assume full responsibility for the operations, employees and expenses of the Restaurant Facility as per the PPP Agreement.
- 17.8 During the Handover Period, and thereafter, there shall be no suspension or disruption of service at the SANParks Restaurant Facility.

18. BID BOND

- 18.1 At the time of submitting its Bid, each Bidder must submit a single Bid Bond (“**Bid Bond**”) payable to SANParks for the amount of R 60,000 (sixty thousand Rand) in the format prescribed in Annexure 8.
- 18.2 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.
- 18.3 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.
- 18.4 Any of the following shall be grounds for the forfeiture of a Bidder’s Bid Bond:
 - 18.4.1 Any material misrepresentation made by the Bidder in its Bid Submission, or any other information and documentation submitted by it under this RFP;
 - 18.4.2 The withdrawal or modification of its Bid during the period of validity;
 - 18.4.3 Failure by the Winning Bidder to assume operations of the Restaurant Facility at the end of the Handover Period.
- 18.5 The Bid Bond shall be callable upon first demand by SANParks in the event that one or more of the circumstances described at Article 18.4 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.

19. BID TIMETABLE

The Tender shall take place in accordance with the timetable set out in this Article 19. 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 19 or otherwise granted in this RFP or available under the laws of the Republic of South Africa.

ACTION	DATE/S
Public Advertisements	15/16 September 2007
Due Diligence and Site Visit	4 October 2007

ACTION	DATE/S
Submission by Bidders of Comments & Questions on RFP and Agreement	10 October 2007
Distribute Written Answers to Questions	15 October 2007
Tender Bid Submissions	9 November 2007
Tender Adjudication	12 to 14 November 2007
SANParks EXCO Ratification	16 November 2007
Opening of financial envelopes and notification of winning bidder	19 November 2007
Contract Signature	30 November 2007
Handover to new Operator	1 December to 31 December 2007
Official transfer of stock, assets, and employees	31 December 2007
New Operator Contract commences	1 January 2008

20. FURTHER INFORMATION

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

SOUTH AFRICAN NATIONAL PARKS

James Daniels

Manager: Business Development

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

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

21. ANNEXURE 1 – INFORMATION ON BIDDERS

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

21.1 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:

- 21.1.1 The name, address, telephones and fax numbers of Bidder, and the trading name of the Bidder if different from the registered name.
 - 21.1.2 Directors/Partners/Trustees and their responsibilities.
 - 21.1.3 Place of registration.
 - 21.1.4 Registration number.
 - 21.1.5 Memorandum and Articles of Association (or equivalent constitutive documents).
 - 21.1.6 Signed Shareholders Agreement/Partnership or Joint Venture Agreement/Trust Deed.
 - 21.1.7 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.
- 21.2 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.

- 21.3 The Bidders must certify by providing a attestation from the Legal Representative, notarised by a Notary Public, that the company or unincorporated joint venture or trust meets the operational and financial criteria as contained in the Request for Proposal regarding the operational experience and financial prerequisites and provide a summary statement of the operational and financial criteria and how they are met.
- 21.4 For the shareholders, partners or beneficiaries by virtue of whose financial standing the Bidder meets the financial criteria set out in the RFP, a recent auditor's report confirming that the Turnover and Net Asset value is in excess of the level required by the RFP, and that the partner, shareholder or beneficiary involved is not insolvent.
- 21.5 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, legally notarised.

22. ANNEXURE 2 - FINANCING AND CAPITAL PLAN

22.1 The financing and capital plan

The Bidder should provide the following information:

- 22.1.1 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;
- 22.1.2 Indicate the amounts proposed for capital investment in the Restaurant Facility and the applicable timing thereof (refer clause 22.1.4, 22.1.6, and 22.1.7.);
- 22.1.3 A recent auditor's report confirming that all the members of the bidder are solvent and liquid;
- 22.1.4 If a member of the bidder does not produce audited financial statements, it must produce a notarised statement of assets; and
- 22.1.5 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							

	·Start-up ·R'000	·Year 1 ·R'000	·Year 2 ·R'000	·Year 3 ·R'000	·Year 4 ·R'000	·Year 5* ·R'000	
<i>Total cash inflow (A)</i>							
Cash outflows							
Project costs and start-up expenses							
Salaries, wages and staff costs							
All other operating costs and expenses							
Loan repayments							
Existing assets as at 1 January 2008							
Infrastructure upgrades/Building additions/ internal décor etc.							
Staff Accommodation							
Replacement of equipment and vehicles							
<i>Total cash outflow (B)</i>							
Net cash flow [A – B] before PPP fees and tax							

* Adapt for the term of the PPP

22.1.6 SANParks shall evaluate the Bidders capital expenditure for infrastructural upgrades, building additions, internal décor, etc. as indicated in the cash flow forecast in Article 22.1.5 above and scores will be allocated for:

22.1.6.1 the amount committed for capital expenditure; and

22.1.6.2 the timing of such capital expenditure.

22.1.7 The Financing and Capital Plan will be annexed to the PPP Agreement and the committed capital expenditure and timing thereof become a contractual

obligation of the Bidder.

23. ANNEXURE 3 – BUSINESS, OPERATIONAL AND DESIGN PLAN

The objective of the Business, Operational and Design Plan is to determine the technical ability and expertise of the Operator. Experience has proved this element to be a critical success factor and hence the adjudication of this element forms a significant part of the bid. Bidders should provide the following information, with back-up evidence wherever possible.

23.1 Background of Existing Company

The Private Party should adequately display an ability to run both the restaurant and retail operations as currently existing in the West Coast National Park.

23.1.1 Company structure

The company that runs the business should be owner run and should have both restaurant and retail experience. Seeing that the restaurant is the core business, 80% weighting will be allocated to this restaurant experience and 20% to retail experience.

23.1.2 Business growth

The Private Party should display an ability to grow and expand the business. In light of this the following information will be required:

23.1.2.1 Involvement of the Private Party in an operation that showed substantial growth over the last 2 years; and

23.1.2.2 Involvement of the Private Party in an operation that increased / grew employment over the last 2 years.

23.2 Current Operations

23.2.1 Track Record

23.2.1.1 Relevant References

23.2.1.2 Relevant Awards

23.2.1.3 Relevant non-sponsored positive media coverage

23.2.2 Event organisation

The Private Party should display an ability to organize and arrange events such as conferences and weddings.

23.2.3 Menu adaptability

The Private Party should display their ability to present a menu that is unique and localized. The following is imperative:

23.2.3.1 Display a menu layout that was focused on a specific area or group

23.2.3.2 Local cuisine

23.2.3.3 Unique experiences

23.2.3.4 Creativity in food

23.3 **Refurbishment Style**

As the restaurant is situated in a historical building, The Private Party should display their ability to decorate the restaurant accordingly. Experience in this regard will be an added benefit as complexities with historic refurbishment could prove to be a substantial burden to the viability of an operation.

23.4 **Retail Operations**

The opportunity includes a retail opportunity in close vicinity of the Geelbek Restaurant. The Private Party should display their ability to manage stock levels optimally and to operate a retail opportunity.

23.5 **Operational Vision, Plan and Service Standards for the Geelbek Restaurant**

The following section outlines the operational plan of the restaurant and aims to obtain insight into the service standards that the operator will set and maintain:

23.5.1 Proposed Style of Service

23.5.1.1 Restaurant

23.5.1.2 In season (flowering season) menu

23.5.1.3 Tour groups

23.5.1.4 Events

- 23.5.1.5 Other
- 23.5.2 Menu
 - 23.5.2.1 Food Philosophy – values/commitment freshness and uniqueness
 - 23.5.2.2 Value for Money
 - 23.5.2.3 Variety – vegetarian/non vegetarian, choice of meats, choice of courses, Health Options, Halaal etc
 - 23.5.2.4 Ambience and atmosphere
 - 23.5.2.5 Wine List, Cultivar selection, value for money
 - 23.5.2.6 Beverage Service
- 23.5.3 Delivery Standards
 - 23.5.3.1 Table Layout – Type of Cutlery, Crockery, Glassware
 - 23.5.3.2 Delivery times – Starter, Main Course, Dessert
 - 23.5.3.3 Condiments – Availability, Minimum standards
 - 23.5.3.4 Coffee & Tea – Procedure, secondary storage lives
 - 23.5.3.5 Staffing levels – Waiters / Managers per Guest Ratio
 - 23.5.3.6 Shift Handover procedures – Briefing / De briefing
- 23.5.4 Customer Service
 - 23.5.4.1 Guest feedback mechanism
 - 23.5.4.2 Guest complaints procedure
 - 23.5.4.3 Telephone Ethics
 - 23.5.4.4 Reservation/ Booking Policy
 - 23.5.4.5 Group and Conference Procedures & Policy
- 23.5.5 Human Resources Processes

- 23.5.5.1 Training – Induction, career-pathing
- 23.5.5.2 Incentives & Bonuses (Equity, Bonus etc)
- 23.5.5.3 Disciplinary Procedures
- 23.5.5.4 Staff Transport
- 23.5.5.5 Staff Housing
- 23.5.5.6 HIV Aids Policy
- 23.5.6 Proposed Health & Safety
 - 23.5.6.1 Hygiene Policies
 - 23.5.6.2 Emergency evacuation plans
 - 23.5.6.3 Waste Management / Recycling i.e. Oil
 - 23.5.6.4 Extraction Cleaning Processes
- 23.5.7 Maintenance schedule

A planned maintenance schedule and project plan that outlines the maintenance spent per financial year is required in order to ensure confidence in terms of the product on offer. This will be viewed as part of the capital expenditure and will become a contractual obligation.
- 23.5.8 Operational Procedure
 - 23.5.8.1 Cleaning procedures
 - 23.5.8.2 Guest Payment, Cash-up and Banking procedures
 - 23.5.8.3 Procurement Policies
 - 23.5.8.4 Current IT Operating Systems
 - 23.5.8.5 Procurement Policies – Supply Chain
- 23.5.9 Proposed Distribution Channels
 - 23.5.9.1 Stock storage and rotation procedures

23.5.9.2 Stock control measures

23.5.10 Design

A draft Design Plan that indicates the planned theme of the Restaurant Facility, and sketch drawings showing the overall appearance, including plans for the internal and external décor, soft furnishings and signage.

24. ANNEXURE 4 - ENVIRONMENTAL PROPOSAL

24.1 Legislative Requirements

- 24.1.1 Confirmation that Legislative Requirements is understood and will be complied with;
- 24.1.2 Confirmation that any EIA requirements where applicable are understood and will be complied with; and
- 24.1.3 Acknowledgement that the Environmental Specifications could be amended from time to time and in particular to address any legal review findings underwritten in the OMP.

24.2 SANParks Internal Requirements

- 24.2.1 Acknowledgement that Bidder will comply with SANParks' Internal Requirements including but not limited to:
 - 24.2.1.1 Undertaking of a due diligence legal assessment;
 - 24.2.1.2 Compilation of an action plan to address findings of legal assessment;
 - 24.2.1.3 Compilation of a risk analysis to inform the Operational Management Plan;
 - 24.2.1.4 Compilation of a Operation Management Plan (OMP); and
 - 24.2.1.5 Undertaking of audits of OMP and address findings.

24.3 Code of Conduct

- 24.3.1 Confirmation that the Code of Conduct understood and will be complied with.

24.4 Environmental Specifications

- 24.4.1 Confirmation that Legislative Requirements is understood and will be complied with; and
- 24.4.2 Acknowledgement that Environmental Specification could be amended from time to time and in particular to address the legal review findings underwritten in the OMP.

24.5 Staff accommodation and safety

24.5.1 Give an estimate of the total number of staff, including number to be accommodated on site (including family members) and off site; and

24.5.2 Safety, emergency and rescue procedures.

24.6 Visual impacts

24.6.1 Describe building materials to be used (where applicable) for all structures;

24.6.2 Describe efforts to minimise the visual impacts of the development, including lighting; and

24.6.3 Provide locations of lightning arrestors and radio masts (where applicable) and how the visual impacts of these will be minimised.

24.7 Water

24.7.1 Identify water source(s);

24.7.2 Estimate total extraction requirement; and

24.7.3 Describe intended water conservation and recycling measures in design and operation.

24.8 Waste management - Liquid wastes

24.8.1 Provide a liquid waste management plan for the operation of the Restaurant Facility;

24.8.2 Detail the proposed wastewater management system capable of ensuring that liquid wastes meet or exceed South African water quality regulations prior to discharge or reuse, including an estimate of the approximate volume of wastewater the project will produce daily and a description of the method of disposal, treatment and recycling the bidder intends to install;

24.8.3 Confirm that monthly wastewater monitoring will be undertaken and these reports made available to SANParks; and

24.8.4 Confirm that fuels, solvents and other liquid wastes will be stored in vessels equipped with secondary containment structures, removed from the Protected

Area, and disposed of in compliance with national, local and SANParks requirements.

24.9 Waste Management - Solid wastes

24.9.1 Provide a solid waste management plan detailing the packaging that will be used for the operation of the Restaurant Facility;

24.9.2 Estimate volumes of solid waste, by different waste categories, that the Restaurant Facility is expected to generate;

24.9.3 Describe the operator's proposed methods for storage of solid wastes, disposing of and/or recycling solid wastes; and

24.9.4 Acknowledge that landfills are not permitted.

24.10 Noxious Fumes

24.10.1 Describe the proposed methods to minimise the level of smoke and noxious fumes.

24.11 Fire management

24.11.1 Acknowledge that the operator may not control natural fires occurring in the Protected Area, except in the immediate surrounds of the Restaurant Facility or to save human life or property.

24.11.2 Agree to subject final designs and safety specifications of all structures to a fire safety audit carried out by a qualified fire safety expert.

24.12 Access

24.12.1 Bidders should acknowledge that the specifications related to Access are understood and will be complied with; and

24.12.2 Acknowledgement by the Bidders that the Speed Monitoring Programme of the Protected Area is understood and will be complied with.

25. 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			
Succession	The structure of the RFP requires the operator to own and manage the restaurant. Continuation risk of operations is increased because of this dependency (illness, etc).			
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			

Type of risk	General description of risk	Project-specific risk	Mitigation measures	Allocation of risk (institution/ private party/ shared)
	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			

26. ANNEXURE 6 – BEE PROPOSAL

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

26.1 Commitments and scoring

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

26.2 Supporting information

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

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

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

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

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

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

26.3 Evaluation

26.3.1 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 achievement to BEE	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
Ownership	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	
						Score out of 15	
Strategic representation	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 percentage of executive management	15%		Meets target – 3 Less than target – 0	
						Score out of 14	
Employment	14%	1.5%	Black people as a	35%		Meets target	

Indicator			Indicators to measure achievement to BEE	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
equity			percentage of management			-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	

Indicator			Indicators to measure achievement to BEE	Target	Bid offered	Evaluation	Score
	Weighting	Sub-weighting		Target			
	A	B		C			
						target – 0	
						Score out of 14	
Skills development	20%	5%	Percentage of payroll spend on skills development (including skills development levy) on all accredited training	3%		Meets target – 5 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 learnerships 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	
						Score out of 20	
Preferential procurement	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	
						Score out of 15	

Indicator	Weighting	Sub-weighting	Indicators to measure achievement to BEE	Target	Bid offered	Evaluation	Score
	A	B		Target			
				C			
Enterprise development	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 twining initiatives facilitated for black owned SMMEs, as a percentage of revenue	1%		Meets target – 7 Less than target - 0	
						Score out of 14	
Social development and industry specific	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	Yes		Meets target	

Indicator			Indicators measure achievement	to BEE	Target	Bid offered	Evaluation	Score
	Weighting	Sub- weighting			Target			
	A	B			C			
			collector			- 3		
						Less than target - 0		
						Score out of 8		
Total BEE points	100	100				Score out of 100		
Minimum threshold						65		

In this Annexure and the PPP Agreement,

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

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

26.5.1 "**Black Empowered SMME**" means a small, medium or micro enterprise (with a turnover of up to R10 million per annum) which has between 25 percent and 50 per cent direct ownership and management by Black People;

26.5.2 "**Black Owned SMME**" means a small, medium or micro enterprise (with a turnover of up to R10 million per annum) which has more than 50 per cent direct ownership and management by black people;

26.5.3 "**Black People**" is as defined in the BEE Act, save that it is limited to South African citizens. In other words, Black People are Africans, Coloureds and Indians who are South African citizens. For avoidance of doubt, this term does not include juristic persons or any form of enterprise other than a sole proprietor. "**Black Person**" means any such citizen;

26.5.4 "**Black Women**" means female Black People;

- 26.5.5 "**Board Representation**" refers to membership by Black People of the duly constituted board of directors (or equivalent structure) of an enterprise and is calculated upon the basis of the percentage that black directors hold to the total number of directors of that enterprise;
- 26.5.6 "**Community Trust**" means the a trust registered in terms of the Trust Property Control Act;
- 26.5.7 "**Direct Ownership**" means ownership of an equity interest in an enterprise where such equity interest comprises:
- 26.5.7.1 the right to participate in the voting rights in that enterprise;
- 26.5.7.2 the right to receive unencumbered economic interest (such as dividends) flowing to the shareholders of that enterprise; and
- 26.5.7.3 Broad-based BEE schemes, employee share option schemes (ESOPs) and other employee share schemes, where the beneficiaries have the unconditional right to receive economic benefits and the capacity to elect and remove trustees, are specifically recognised as direct ownership. The flow-through principle will be applied to determine the level of black ownership represented by the employee share option scheme;
- 26.5.7.4 Direct ownership is measured as being the lower of the level of black participation in voting rights and black participation in the unencumbered economic interest of an enterprise, measured using the flow-through principle;
- 26.5.8 "**Discretionary Procurement**" includes all amounts expended by an enterprise subject to measurement. Discretionary procurement excludes:
- 26.5.8.1 employment related expenditure;
- 26.5.8.2 procurement from public utilities and natural monopolies; and
- 26.5.8.3 facilitated procurement by travel agencies or other travel distribution providers where the choice of service providers remains with the consumer;
- 26.5.9 "**Employees with no prior working experience**" refers to those employees who have no formal employment experience prior to joining an enterprise in

tourism. Formal employment does not include learnerships, traineeships or short-term and temporary assignments;

- 26.5.10 **"Enterprise Development"** may take a variety of forms, including:
- 26.5.10.1 direct investment in Black Owned and Black Empowered SMMEs;
- 26.5.10.2 joint ventures with Black Owned and Black Empowered SMMEs that result in "substantive" skills transfer;
- 26.5.10.3 support and funding for the grading of emerging tourism companies, as well as providing mentorship, business relationships and linkages which, in turn, provide business opportunities to these enterprises; and
- 26.5.10.4 twinning initiatives with Black Owned and Black Empowered SMMEs which result in cost savings or revenue generation for those SMMEs;
- 26.5.11 **"Executive Representation"** refers to the participation by Black People in the senior non-board level management of an enterprise and more specifically, targets management levels which influence the strategic and operational management of an enterprise. Participation is measured upon the basis of the percentage that black executive managers hold to the total number of executive managers of that enterprise;
- 26.5.12 **"Learnership"** refers to learnerships as defined in the Skills Development Act, No. 97 of 1998, amended in 2003;
- 26.5.13 **"Local"** means the geographic area being within a 50 km kilometre radius of the Project Site or Park;
- 26.5.14 **"Local Community Trust Ownership"** means Equity in the Private Party which must, as a mandatory provision of the Project, be acquired by a Local Community Trust;
- 26.5.15 **"Management"** refers to all senior and middle management who do not form part of the executive management of the board of directors of the Private Party;
- 26.5.16 **"Ownership"** refers to equity participation and the ability to exercise rights and obligations, including voting rights and the rights to the flow of economic benefits, which accrue under such ownership;

- 26.5.17 **"Preferential Procurement"** refers to all spend with BEE compliant suppliers, to be calculated as follows:
- 26.5.17.1 one Rand (R1) for every one Rand (R1) spent with Excellent BEE Contributors, Good BEE Contributors, BEE Compliant SMMEs and Black Women Owned BEE Contributors; and
- 26.5.17.2 fifty cents (50c) for every one Rand (R1) spent with Satisfactory BEE Contributors;
- 26.5.17.3 all of which terms are defined as follows:
- 26.5.17.4 an Excellent BEE Contributor means a company which has scored in excess of 90 percent on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;
- 26.5.17.5 a Good BEE Contributor means a company which has scored in excess of 65 percent, but less than 90 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;
- 26.5.17.6 a Satisfactory BEE Contributor means a company which has scored in excess of 40 percent but less than 65 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;
- 26.5.17.7 a Limited BEE Contributor means a company which has scored less than 40 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;
- 26.5.17.8 a BEE Compliant SMME means a small, medium or micro enterprise (with a turnover of up to R10 million per annum) which is either an Excellent, Good or Satisfactory Contributor to BEE; and
- 26.5.17.9 a Black Women Owned BEE Contributor is a company which is more than 30 percent owned by black women and which is also an Excellent, Good or Satisfactory contributor to BEE;

- 26.5.18 **"Skills Development Spend"** refers to investment in skills development initiatives through both external training providers and the quantifiable costs of accredited internal training programmes. Internal training spend does not include the opportunity cost of employees attending the skills development initiatives;
- 26.5.19 **"Supervisory"** refers to the junior management and professional staff;
- 26.5.20 **"TOMSA (Tourism Marketing South Africa) Levy Collectors"** refers to tourism enterprises who are registered to raise funds on behalf of the trust;
- 26.5.21 **"Total Employee Time"** refers to the total working hours calculated as the product of the total number of employees and their standard working hours;
- 26.5.22 **"Total Staff"** refers to all employees and/or contractors, excluding those accounted for under Strategic Representation, from whom the tourism enterprise is responsible for the collection and payment of applicable employee tax. The intention of the scorecard below is to include temporary staff in the definition of total staff, since tourism is an industry that relies heavily on temporary, casual and seasonal staff.

26.6 2009 Milestones and Weightings

- 26.6.1 The Private Party shall from Effective Date to 31 December 2009 (**"First Period"**) comply with the commitments and undertakings set out in the following table.

Indicator	2009 Weightings		2009 MILESTONES	
	Weighting	Sub-weighting	Indicators to measure BEE achievement	2009 Milestone
				Target
				C
A	B			
Ownership	15%	10%	Percentage share of economic benefits as reflected by direct shareholding by black people	14%
		5%	Local Community trust ownership	7%
Strategic representation	14%	3.0%	Black people as a percentage of board of directors	30%
		3.0%	Black women as a percentage of board of directors	15%

Indicator	2009 Weightings		2009 MILESTONES	
	Weighting	Sub-weighting	Indicators to measure BEE achievement	2009 Milestone
				Target
				C
A	B			
		2.0%	Local people as a percentage of board of directors	15%
		3.0%	Black people as a percentage of executive management	30%
		3.0%	Black women as a percentage of executive management	15%
Employment equity	14%	1.5%	Black people as a percentage of management	35%
		1.5%	Black women as a percentage of management	18%
		1.5%	Local people as a percentage of management	15%
		1.5%	Black people as a percentage of supervisors, junior and skilled employees	45%
		1.5%	Black women as a percentage of supervisors, junior and skilled employees	23%
		1.5%	Local people as a percentage of supervisors, junior and skilled employees	35%
		1.5%	Black people as a percentage of total staff	53%
		1.5%	Black women as a percentage of total staff	28%
		2%	Local people as a percentage of total staff	50%
Skills development	20%	5%	Percentage of payroll spend on skills development (including skills development levy) on all accredited training	3%
		5%	Percentage of skills development spend on all black employees	75%
		5%	Number of learnerships as a percentage of total employees	2%
		5%	Number of black learners as a percentage of total learners	80%
Preferential procurement	15%	10%	Spend on BEE compliant companies as a percentage of total procurement spend	40%

Indicator	2009 Weightings		2009 MILESTONES	
	Weighting	Sub-weighting	Indicators to measure BEE achievement	2009 Milestone
				Target
	A	B		C
		5%	Spend on local BEE compliant companies as a percentage of total procurement spend	20%
Enterprise development	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%
		7%	Enhanced revenue and/or cost savings and/or twinning initiatives facilitated for black owned SMMEs, as a percentage of revenue.	1%
Social development and industry specific	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%
		2%	Percentage of new recruits with no prior work experience	10%
		3%	Status of TOMSA levy collector	Yes
Total BEE points	100	100		

26.7 2014 Milestones and Targets

26.7.1 The Private Party shall from 1 January 2010 to 31 December 2014 (“**Second Period**”) comply with the commitments and undertakings set out in the following table.

Indicator	2014 Weightings		2014 MILESTONES	
	Weighting	Sub-weighting	Indicators to measure BEE achievement	2014 Milestone
				Target
				C
A	B			
Ownership	20%	13%	Percentage share of economic benefits as reflected by direct shareholding by black people	20%
		7.0%	Local Community trust ownership	10%
Strategic representation	12%	2.5%	Black people as a percentage of board of directors	50%
		2.5%	Black women as a percentage of board of directors	25%
		2.0%	Local people as a percentage of board of directors	20%
		2.5%	Black people as a percentage of executive management	50%
		2.5%	Black women as a percentage of executive management	25%
Employment equity	12%	1.0%	Black people as a percentage of management	50%
		1.0%	Black women as a percentage of management	25%
		2.0%	Local people as a percentage of management	25%
		1.0%	Black people as a percentage of supervisors, junior and skilled employees	65%
		1.0%	Black women as a percentage of supervisors, junior and skilled employees	35%
		2.0%	Local people as a percentage of supervisors, junior and skilled employees	45%
		1.0%	Black people as a percentage of total staff	75%
		1.0%	Black women as a percentage of total staff	40%
		2.0%	Local people as a percentage of total staff	60%
Skills development	18%	4.5%	Percentage of payroll spend on skills development (including skills development levy) on all accredited training	3%
		4.5%	Percentage of skills development spend on all black employees	75%
		4.5%	Number of learnerships as a percentage of total employees	2%

Indicator	2014 Weightings		2014 MILESTONES	
	Weighting	Sub-weighting	Indicators to measure BEE achievement	2014 Milestone
				Target
				C
A	B			
		4.5%	Number of black learners as a percentage of total learners	80%
Preferential procurement	18%	12.0%	Spend on BEE compliant companies as a percentage of total procurement spend	50%
		6.0%	Spend on local BEE compliant companies as a percentage of total procurement spend	25%
Enterprise development	10%	5.0%	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%
		5.0%	Enhanced revenue and/or cost savings and/or twinning initiatives facilitated for black owned SMMEs, as a percentage of revenue.	1%
Social development and industry specific	10%	6.0%	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%
		1.0%	Percentage of new recruits with no prior work experience	10%
		3.0%	Status of TOMSA levy collector	Yes
Total BEE points	100	100		

26.8 Milestones and Targets Post-2014

26.8.1 The BEE Milestones and Targets for the duration of the PPP Term and in particular for the period from 1 January 2015 to the end of the PPP Term shall

be determined by the restructured editions of the Tourism Charter and Scorecard as gazetted from time to time.

26.8.2 The Tourism BEE Charter was developed to be in line with the Department of Trade and Industry's first phase of the Codes of Good Practice. Once the Codes of Good Practice has been gazetted, the Tourism Charter will be guided of how best it can be aligned to the final draft Codes of Good Practice.

26.8.3 The milestones and targets of the Tourism BEE Charter and Scorecard could thus be amended from time to time and the provisions of this Annexure and PPP Agreement would be modified accordingly. The Private Party would receive notification of such amendments and be provided with a satisfactory remedy period to address the amendments.

26.9 **External BEE Verification**

26.9.1 The Private Party shall appoint a reputable external verification agency to determine the Private Party's BEE status and a copy of such an independent verification certificate shall be provided to SANParks within 15 (fifteen days) after the end of each Project Year.

26.9.2 The Private Party shall be obliged in terms of this RFP and the PPP Agreement to, at a minimum, obtain an A-rating from the external verification agency for each Project Year. In the event of default by the Private Party to comply with this provisions and the Private Party default is not remedied before the expiry of the period referred to in the notice by SANParks, SANParks will have the right to terminate the PPP Agreement with immediate effect by written notice to the Private Party.

27. ANNEXURE 7 – THE PPP FEE OFFER**27.1 Important note to Bidders**

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

27.1.2 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:

27.2 Form of Letter

To: South African National Parks

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

(a) the minimum PPP fee and

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

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

	MINIMUM PPP FEE	
	Per Annum	Per Month
Geelbek restaurant and shop	R60,000	R5,000

The Variable PPP Fee bid by [name of bidder] is _____[percentage]% of gross revenue.

[Name of bidder] hereby warrants that the committed minimum PPP fee and the Variable PPP Fee shall be included in the PPP agreement, if accepted by SANParks.

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

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

* Adapt for the 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: _____

28. ANNEXURE 8 - 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 the West Coast National Park Restaurant Facility;

And you require the bidder to include in the bid a bid bond for R 60,000 (Sixty Thousand Rand);

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

We hereby irrevocably and unconditionally undertake to pay you, upon your first written demand and without objection or argument, the sum of R [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_____

29. 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 Restaurant Facility in the West Coast National Park through a PPP agreement.

ENVELOPE 1: TECHNICAL BIDS (Original)

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 Restaurant Facility in the West Coast National Park through a PPP agreement.

ENVELOPE 2: TECHNICAL BIDS (Copies)

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 Restaurant Facility in the West Coast National Park through a PPP agreement.

ENVELOPE 3: PPP FEE OFFER

Name of bidder:

Postal address:

Street address:

Telephone:

Cell phone:

Fax:

Contact person:

Email address:

Signature of bidder:

Date:

Capacity under which bid is signed:

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

30. ANNEXURE 10 – ASSISTANCE TO BIDDERS

30.1 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.

30.1.1 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.

Small and Medium Enterprises Development Programme (SMEDP)	
Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies	Local and foreign investors developing new or expanding their current tourism operations
Scale	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.
Other details	Excludes infrastructure qualifying for the Critical Infrastructure Programme (CIP) grant, but includes investment in land, buildings and capital equipment.
Contact details	Tel: 0861 843 38 or 011 254 9405 Fax: 0861 843 888 Email: cip@thedti.gov.za Website: http://www.dti.gov.za

·Small and Medium Enterprises Development Programme (SMEDP)	
·Critical Infrastructure Programme	
Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies	Scheme aims to improve competitiveness of South African industries, stimulate economic growth and employment, and spread economic activity to rural areas.
Scale	Up to 30% of the development costs in qualifying infrastructure
Contact details	Tel: 0861 843 384or 011 254 9405 Fax: 0861 843 888 Email: cip@thedti.gov.za Website: http://www.dti.gov.za
·Foreign Investment Grant	
Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies	Aims to encourage foreign entrepreneurs to invest in new manufacturing concerns in South Africa by compensating them for the qualifying costs of moving new machinery and equipment from abroad. The manufacturing and tourism sectors qualify. The condition for manufacturing is that the sub-sector not be over saturated in terms of a DTI evaluation.
Scale	Approved qualifying foreign entities may qualify for up to a maximum of R3 million. The grant is only available to new qualifying investments and is offered once only to any foreign single entity. The grant will be the lower of the actual cost or 15% of the value of new machinery and equipment relocated from abroad.
Contact details	Gideon Rossouw Tel: 012 310 9592 Fax: 012 320 0115 Email: grossouw@dti.pwv.gov.za DTI Customer Contact Centre: 0861 843 384 Email: contactus@thedti.gov.za Website: www.thedti.gov.za

30.1.2 Concessionary loan finance

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

·Industrial Development Corporation	
Provider	IDC Tourism Strategic Business Unit
Type	Medium- to long-term loans, with 5–10 year repayment terms and variable interest rates. In unusual circumstances, may consider risk participation in the form of equity or quasi-equity (mainly for large-scale or special projects such as strategically important BEE ventures).
Who qualifies	Local and foreign investors, developing new or expanding their current tourism operations. Focus has traditionally been on tourism accommodation, but has recently broadened.
Details	Minimum loan size is R1-million. Minimum contribution of 40% required in owner's equity, but less may be accepted from historically disadvantaged entrepreneurs. Interest rates vary but are linked to prime and vary depending on the profile of the project. Under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments.
Contact details	Tel: 011 269-3000 Fax: 011 269 3116 Call Centre: 0860 693 888 Email: callcentre@idc.co.za Website: http://www.idc.co.za
·Development Bank of Southern Africa	
Provider	Development Bank of Southern Africa (DBSA)
Type	Medium- to long-term loans, with variable repayment terms and interest rates. May also consider equity participation and providing guarantees to leverage private sector support by reducing the perceived risk of investment. Mainly functions as a supply infrastructure funder, but will consider commercial infrastructure.
Who qualifies	Local investors developing new tourism infrastructure or expanding their current tourism operations.
Details	Significant owner's equity (30%+) required. Capital grace period may be negotiated to accommodate cash flow needs during start-up period. Interest rates are linked to prime and vary depending on the profile of the project. Under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments.
Contact details	Tel: 011 269 3000 Fax: 011 269 3116

	Website: http://www.dbsa.org
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30.1.3 Empowerment funds

These funds are to facilitate BEE in the tourism industry.

·Land Reform Credit Facility	
Provider	Department of Land Affairs administered by Khula Finance Enterprise Ltd
Type	Loan finance for empowerment joint ventures
Who qualifies	Local investors developing new tourism infrastructure or expanding their current tourism operations
Details	Medium- to long-term loans, with variable repayment terms and discounted interest rates wholesaled via the commercial banking sector. Applicants must approach a commercial bank with a viable business proposition. The bank then sources the funds from Khula at discounted rates and on-lends to the applicant. Khula has also administered equity grants matched to Land Reform Credit Facility (LRCF) loans. This means that projects with the right empowerment profile can source 50% of their capital funding via an LRCF loan and 50% via an equity grant.
Contact details	Tel: 011 807 8464 Fax: 011 807 9023 Toll free help line: 0800 11 8815 E-mail: helpline@khula.org.za Website: http://www.khula.org.za
·Credit guarantee	
Provider	Khula Finance Enterprise Ltd
Details	Three schemes are available: The standard scheme provides cover up to R1 million of the bank facility at 80%, with the fee payable at 3% per year in advance. The duration of the scheme is 36 months initially, but can be extended twice for periods of 12 months each time. The emerging entrepreneur scheme provides up to R100 000 with the fee payable at 4% per year in advance. The duration is 24 months initially, but can be extended three times for periods of 12 months each time. The empowerment scheme provides cover up to R5 million of bank

	<p>facility at 60%, with the fee payable at 2, 5% per year in advance. Duration is 36 months initially, but can be extended twice for a period of 12 months each time.</p>
Contact details	<p>Tel: 011 807 8464 Fax: 011 807 9023 Toll free help line: 0800 11 8815 E-mail: helpline@khula.org.za Website: http://www.khula.org.za</p>
·Entrepreneur support	
Provider	National Empowerment Fund
Details	<p>The National Empowerment Fund's (NEF) entrepreneur support programme helps black enterprises expand and grow, and facilitates transformation in white-owned and operated enterprises. Targeted at SMMEs and provides a combination of debt and equity funding. The NEF seeks a commercial return on all finance supplied. Three products offered:</p> <p>Generator provides investment between R250 000 and R1 million for the creation of new black-owned businesses with the capacity to become sustainable SMMEs. 75% of the equity must be controlled by black people.</p> <p>Accelerator provides investment between R1 million and R3 million as expansion capital aimed at stimulating the growth of black-owned enterprises. 51% of the equity must be controlled by black people.</p> <p>Transformer provides between R3 million and R10 million towards the transformation of enterprises at the ownership, decision-making and control levels, and to encourage employee ownership of businesses. 26% of the equity must be controlled by black people.</p>
·Community and rural development	
Provider	National Empowerment Fund
Details	<p>The community and rural development programme enables communities to acquire equity in an income-generating project that will result in social upliftment in historically marginalised economic areas. Support available to groups comprising black people. There must be a project champion and co-funding by other investors or financiers. Funding limited to the community investment portion of the project. Equity funding can be provided where investment ranges from R2 million to R10 million. Projects must be undertaken in conjunction with a partner recognised by the NEF. The project</p>

	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.
Contact details	Tel: 011 731 9000 Fax: 011 447 4859 Email: info2@nefcorp.co.za Website: www.nefcorp.co.za Address: 230 Jan Smuts Avenue (cnr Bompas Road), Dunkeld West, 2196, Johannesburg
·Youth development	
Provider	Umsombovu Youth Fund
Details	<p>The Umsombovu Youth Fund (UYF) supports youth development for sustainable livelihoods through two schemes:</p> <p>The Youth Entrepreneurship Programme provides access to finance and business development services for small businesses through two schemes:</p> <ul style="list-style-type: none"> - Micro finance provides funding to unemployed, under-employed or self-employed youth to establish new businesses or expand existing businesses via two micro finance providers: the Nations Trust Youth Enterprise Finance Company, which provides loans up to R40 000 and Nicro Enterprise Finance for former prisoners. - SMME finance provides development capital funds aimed at increasing the number of black youth-owned and managed SMMEs. Through loans or equity. UYF has entered into joint ventures to create two separate development capital funds: FNB-Momentum-UYF Progress Fund and Umsombovu Youth Fund-Business Partners Franchise Fund. - The Business Development Services Voucher Programme gives entrepreneurs access to business services such as bookkeeping, marketing and developing business plans. Young entrepreneurs access the services through vouchers, which range in value from R1 500 to R23 000. Recipients themselves are required to make contributions on a progressive basis as they benefit from additional vouchers. A young person will pay 10% of the value of the first voucher received, 20% of the value of the second voucher, up to 40%.
Contact details	Tel: 011 651 7000 Fax: 011 8059709 Email: info@uyf.org.za Website: www.uyf.org.za Address: Umsombovu House, 11 Broadwalk Avenue, Halfway

	House, Midrand Postal address: PO Box 982, Halfway House, 1685
·Black Business Supplier Development Programme	
Provider	Department of Trade and Industry
Details	<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 that qualify include majority black-owned companies (51% or more) with significant numbers of black managers. Grants are limited to companies with a maximum R12 million per year and which have been trading for a minimum of one year.</p> <p>Cost sharing grant: Maximum grant is R100 000. A company may apply for multiple projects provided that the cumulative grants awarded do not exceed this sum. All business development costs including travel and subsistence qualify for cost sharing assistance.</p> <p>The grant supports projects that:</p> <ul style="list-style-type: none"> - improve effectiveness of management systems, for example, production planning and control systems, quality management systems - impart specialised, enterprise-specific skills to employees, for example, specialised technical courses - upgrade management capability, for example, executive and financial management programmes and seminars on preparation of bids for tenders - assist the entry of a firm into targeted markets, for example, market research and the development of marketing plans, design and development of marketing materials, website design (limited support for printing marketing materials).
Contact details	DTI Customer Contact Centre: 0861 843 384 email: contactus@thedti.gov.za Website: www.thedti.gov.za
·Tourism Enterprise Programme	
Provider	Tourism Enterprise Programme (managed by ECI Africa)
Details	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

	<p>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 R25 000. SMMEs that operate as tourism enterprises (for example lodge, hotel, B&B, tour guiding company) or SMMEs that are formal suppliers of goods and services which derive at least 50% of their income from tourism-related activities can apply. TEP will only support SMMEs that demonstrate a potential to grow and create jobs. TEP does not provide start-up costs, operational capital, or contributions to equity or infrastructure.</p>
Contact details	<p>Tel: 011 804 5750 Fax: 011 8028448 Email: Nomsa.Ngwenya@eciafrica.com Website: www.tep.co.za 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>
•Business Partners	
Provider	Business Partner Tourism Fund
Details	<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</p>

	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 entrepreneur is always offered the right of first refusal on these shares.
Contact details	Nikita Mfenyana (COO Tourism Fund) at (021) 464-3682 email: enquiries@businesspartners.co.za Website: www.businesspartners.co.za

30.1.4 Training grants and incentives

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

Skills Support Programme	
Provider	Department of Trade and Industry
	The DTI's Skills Support Programme (SSP) is a cash grant to encourage investment in skills development. Covers all sectors, including tourism, that qualify for the Small and Medium Enterprises Development Programme. Payable to new projects or for the expansion of existing projects. Training equipment, upgrading instructor competence, training in-house assessors, printing of learner materials and designing learning programmes, material and curricula all qualify. Maximum of 50% of training costs, development of training curricula and or land and buildings related to training. Up to 30% of total salaries for companies where the training programme is approved. Following activities supported for up to three years: procuring training equipment; upgrading instructor competence; training in-house assessors; printing learner materials; and designing learning programmes, materials and curricula
Contact details	Derrick Hobbs: Tel: 012 310 1043 Fax: 012 322 0115 Email: dhobbs@dti.pwv.gov.za Antjie Potgieter: Tel: 012 310 1031 Fax: +27 12 320 0115 Email: antjiep@dti.pwv.gov.za Or Email: enterprise@dti.pwv.gov.za

	Or DTI Customer Contact Centre: 0861 843 384 Email: contactus@thedti.gov.za Website: www.thedti.gov.za
·Tourism, Hospitality and Sport Education and Training Authority	
Provider	The Tourism, Hospitality and Sport Education and Training Authority (Theta)
Details	<p>The Theta offers a range of support services as well as grants and levies to tourism operators. Also administers the National Skills Funding for the tourism sector. Two specialist programmes, the Tourism Learnership Project and the Integrated Nature Tourism and Conservation programme, offer grants and levies to tourism enterprises.</p> <p>The Theta aims to: develop worker skills; increase levels of investment in education and training; encourage employers to train their employees, provide opportunities for work experience and employ new staff; encourage workers to participate in learnership and other training programmes; improve the employment prospects of disadvantaged people; ensure the quality of education and training in and for workplaces; assist work seekers to find work and employers to find qualified employees; and encourage providers to deliver education and training in and for the workplace.</p>
Contact details	<p>Call Centre: 0860 100 221: Tel: 011 803 6010 Fax: 011 803 6702 Email: info@theta.org.za Address: 38 Homestead Road, Rivonia, Johannesburg Postal address: PO Box 1329, Rivonia, 2128</p>

30.1.5 Marketing support

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

·Export Marketing and Investment Assistance Scheme	
Provider	The Department of Trade and Industry via Trade and Industry South Africa (TISA)
Details	The Export Marketing and Investment Assistance Scheme provides

	<p>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. TISA will cover 80% of the cost of the following items to a maximum of R45 000: rental of exhibition space; construction of stand, excluding interior design; telephone installation, excluding phone calls; rental of essential furniture; listing in official exhibition directory; electrical costs; interpreting fees; cleaning and security fees.</p>
Contact details	<p>Christiaan Saaiman Tel: 012 428 4677 Fax: 012 428 7892 Email: christiaans@isa.org.za</p> <p>James Koko Tel: 012 428 7863 Fax: 012 428 7852/3 Email: jamesk@isa.org.za</p> <p>Ricardo Andrews Tel: 012 428 7684 Fax: 012 428 7852/3 Email: ricardoa@isa.org.za</p> <p>DTI Customer Contact Centre: 0861 843 384 Email: contactus@thedti.gov.za Website: www.thedti.gov.za</p>

30.1.6 Poverty relief funds

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

·Poverty Relief Programme	
Provider	Department of Environment Affairs and Tourism
Details	The Poverty Relief Programme in the tourism and environment sectors has a special focus on infrastructure investment and

	<p>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 Facility:</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>
Contact details	<p>Poverty Relief Unit of DEAT Tel: 012 310 3017 Fax: 012 329 1135 Email: hullah@deat.gov.za Website: www.deat.gov.za and www.thelapha.com Address: 15th Floor, Fedsure Forum, corner Pretorius and Van der Walt streets, Pretoria Postal address: Private Bag X447, Pretoria, 0001</p>

30.2 Non-government Support Organisations

There are a number of skilled and experienced non-government organisations (NGOs) working in South Africa to support local economic development, poverty alleviation and the empowerment of the poor through tourism. They are able to

assist and pass on skills to public institutions, community organisations, new black-owned enterprises and SMMEs at various stages of the PPP project cycle. Many are funded by aid agencies or philanthropic foundations and are thus able to provide support at low cost. By obtaining assistance from these NGOs, public institutions and private parties may reduce their reliance on consultants. Following is a list of some of these organisations. It is not exhaustive and private parties should undertake their own research.

·African Safari Lodge and Sustainable Rural Development Programme	
Type of work	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.
Contact details	Tel: 011 447 8509 Fax: 011 447 0385 Email: mafisa@icon.co.za Website: www.mafisa.co.za Address: 23 Rosebank Road, Dunkeld, 2196, Johannesburg

·African Wildlife Foundation	
Type of work	Large international NGO dedicated to sustainable forms of wildlife conservation. South Africa office, based in Mpumalanga, seeks to consolidate the rights of communities living in or adjacent to protected areas. Especially supports transfrontier conservation programmes. Provides support for joint ventures in nature tourism between rural communities, the private sector and government agencies in Mpumalanga and Limpopo.
Contact details	Tel: 013 751 2483 Fax: 013 751 3258 Email: smunthali@awfsa.org Website: www.awf.org Address: 21 Allie van Bergen Street, White River Postal address: PO Box 2977, White River, 1240

·Business Linkages in Tourism	
Type of work	Consulting agency that seeks to create and strengthen business linkages between the tourism industry and local enterprises in ways that make business sense to companies and open up opportunities for black people and the poor in tourism-related business. Focuses on planning and implementing: product development based on local business linkages; procurement of goods and services locally; cultural and heritage product development; and

	sustainable local partnerships for tourism development.
Contact details	Tel: 012 654 7525 Fax: 012 654 7349 Email: bizlink@tbcsa.org.za Address: 245 End Street, Clubview, Centurion Postal address: PO Box 11655, Clubview, 0157, Centurion

•ComMark Trust	
Type of work	Supports and promotes policy, institutional and operational initiatives to improve the operation of markets, including tourism markets, for the poor in Southern Africa. Identifies areas of market failure and supports measures to correct these in favour of the poor. Seeks to overcome barriers to entry for new businesses, facilitate linkages between large and small enterprises, and enable community PPPs.
Contact details	Tel: 011 802 0785 Fax: 011 802 0798 Email: commark@commark.org Website: www.commark.org Address: Maple Place South, 145 Western Service Road, Woodmead, Johannesburg Postal address: Postnet Suite 598, Private Bag X29, Gallo Manor, 2052

•Fair Trade in Tourism South Africa (FTTSA)	
Type of work	Encourages and publicises fair and responsible business practice by South African tourism establishments through the FTTSA trademark, an independent symbol of fairness in the tourism industry. The trademark is awarded to tourism establishments that meet stringent criteria including: fair wages and working conditions, fair operations, purchasing and distribution of benefits; ethical business practice; and respect for human rights, culture and the environment
Contact details	Tel: 012 342 8307/8 Fax: 012 342 8289 Email: info@fairtourismsa.org.za Website: www.fairtourismsa.org.za Address: Hatfield Forum West, 3rd Floor North Wing, 1067 Arcadia Street, Pretoria Postal address: PO Box 11536, Hatfield, 0028

•GTZ Transform	
Type of work	GTZ runs the Transform partnership programme with the Department of Environmental Affairs and Tourism and South African National Parks. Supports joint management of conservation, community-based natural

	resource management, and joint venture tourism in South Africa. Experience includes the Makuleke Region of the West Coast National Park, the Richtersveld, Riemvasmaak, the Blyde River Canyon in Mpumalanga, Maputaland in KwaZulu-Natal and the Wild Coast of the Eastern Cape.
Contact details	Tel: 012 342 3174 Fax: 012 342 3178 Email: Anel.Massyn@gtz.de Address: 333 Grosvenor Street, Hatfield Gardens, Block C, Hatfield, Pretoria Postal address: PO Box 13732, Hatfield, 0028

•Wildlands Conservation Trust	
Type of work	Promotes community-based conservation and partnerships in nature tourism in KwaZulu-Natal, Mpumalanga and Eastern Cape. Works closely with conservation agencies, local authorities and other public institutions.
Contact details	Tel: 033 343 1975 Fax: 033 343 1976 Email: ecopart@iafrica.com Website: www.wildlands.co.za Postal address: PO Box 1138, Hilton, 3245

•World Conservation Union (IUCN)	
Type of work	One of the world's largest conservation organisations. Promotes nature tourism that alleviates poverty. Plays key role in people and parks conferences for organisations representing communities on the borders of protected areas. Focus areas: integration of human development and the environment, poverty alleviation and sustainable livelihoods. South Africa office: promotes conservation of biological diversity through the sustainable use of natural resources, facilitates resolution of resource-based conflicts, advocates for policy changes, promotes a participatory approach to community-based natural resource management and advocates for sustainable land use and effective environmental management.
Contact details	Tel: 012 342 8304/5/6 Fax: 012 342 8289 Email: iucnsa@iucn.org Website: www.iucnsa.org.za Address: 3rd Floor North Wing, Hatfield Forum West, 1067 Arcadia Street, Hatfield, Pretoria. Postal address: PO Box 11536, Hatfield, 0028