Bidders Conference 06/08/2019

KNP Phabeni & Phalaborwa Bush Braai Facility
Objectives

A. To provide a brief background of South African National Parks
B. To discuss PPPs in Protected Areas & SANParks
C. Understanding PPPs & The PPP Opportunity
D. Overview of the Bush Braai Facilities
E. Land Claimants & Local Communities (Labor Force)
F. Bidder Qualification Criteria
G. Bush Site Management
H. Environment Proposal
I. B-BBEE Proposal
J. Compilation of Competitive Bid – Example
K. Important Dates
L. Open Forum – Discussions - Questions
A. Brief Background of SANParks

- SANParks is a state run Conservation body;

- Manage a system of National Parks:
  - 19 National Parks, i.e. Kruger & Table Mountain National Parks;
  - Over 4m Hectares of land, 6 Biomes;
  - Core Functions:
    - Nature Conservation;
    - Constituency Building; and
    - Tourism – State run tourism infrastructure – Beds (from budget to 5 Star) + 7500, Camping beds +7500
      - Public-Private Partnerships (PPP) is a key contributor to our ecotourism mandate.
B. PPP in Protected Areas

“To reduce the dependence on state funding and improving existing operational efficiencies.”

- Socio-Political Change
- Parks in remote areas / unlock potential for decent job creation
- Global: conservation bodies looking for smarter ways of funding
- SANParks – connect to society through Responsible Tourism (Vision 2020)
C. PPP in SANParks

- SA has leading legislation – PFMA Regulation 16.10
- SANParks is an established player in PPP’s;
  - SANParks effectively engages in Lodge Concessions (11), Shops, various activities & various restaurants (+35);
  - In addition, Cape Point Partnership, Table Mountain Cable Way etc
- SANParks:
  - Currently over 1900 jobs through PPPs;
  - Over 40 PPP contracts running;
  - Seen as good implementers of PPP.
D. OVERVIEW OF THE FACILITIES

8 year operating term

The Product entails;

- **Game Drives**: Morning Game Drives (between 06h00 -11h00) & Night Game Drives (between 16h00 - 22h00)

- **Catering**: Bush Breakfast & Bush Dinner\ Braai

- Depending on operational plan – (drive 2hrs, dine 2hrs & return drives 1.5 hrs.)

- **PHABENI** - Open Safari Vehicle (OSVs) 4X4 – (Pax 40), guides, site guards, rifles, catering equipment, dining equipment, chefs, waiters and bar Attendants

- **PHALABORWA** - Open Safari Vehicle (OSVs) 4X4 – (Pax 100), guides, site guards, rifles, catering equipment, dining equipment, chefs, waiters and bar attendants
Phabeni Game Drive Route and Bush Site
Phabeni Game Drive Route and Bush Site
The Phalaborwa section route is defined by: **S131, H9 and H14** together with the management road used for reaching the bush site.
Allocated bush sites - Operator is required to design site layout plan (dining area, food prep area, bar area, dishing section, enviro loo section, fire pit location and storage facility) detailed in RFP – Annexure 3 (B,O&D) – to accommodates PAX of 40

NB: No EIA required for this opportunity – Not listed activity under NEMA\DEA – However operator is expected to “exercise duty of care” as per Environmental Proposal – (RFP) – Annexure 4

NB: Masorini site B,O,D will be finalized with the preferred bidder at Contract Negotiation phase.
PP\RENTAL FEES PAYABLE

**Phabeni**: Fees payable to SANParks for the right to use a state asset – PPP Fees the higher of (Fixed PPP Fee R 7 000.00 or the variable Fee which is the % bided of the monthly turnover)

**Phalaborwa**: Fees payable to SANParks for the right to use a state asset – PPP Fees the higher of (Fixed PPP Fee R 10 000.00 or the variable Fee which is the % bided of the monthly turnover)
Current Staff Take-Over & Accommodation

- Currently no staff employed at the facility. Operator to bring own new staff – preferably sourced from Land Claimants or local communities (operator encouraged)
- No housing is allocated to this operation
Land Claimants & Local Communities – SANParks Social Investment Development

- Important to SANParks and SANParks has an obligation to channel benefits to them, particularly those from local communities adjacent to the Park.

- Interested Parties can confirm their willingness to promote B-BBEE by entering into agreements with local community trust partners through the assistance of SANParks’ Social Economic Development (SED) department.

  • Contact person: Hilda Mthimunye
  • E-mail: hilda.mthimunye@sanparks.org
  • Tel: 013 – 735-3522
D. Bidder Qualification Requirements

- SANParks requires the bidder to create an **SPV** to undertake the PPP Project.
- Single company/ unincorporated JV/Trust.
- Bidding as consortium is allowed (with the Technical partner holding 30% shares in the SPV- Bid to provide detail of the SPV structure (roles and responsibilities).
- Where the bidder is made up of a number of parties, shareholders in one SPV may not in any way be shareholders of other SPVs bidding the same opportunity.
o **Financial Capacity:**
  - **Phaben**i – maximum turnover **NOT exceeding** **R10 million** per annum
  - **Phalaborwa** – maximum turnover **NOT exceeding** **R 20 million** per annum

o **Financial requirements:**
  - audited or independently reviewed financial statements corresponding to the last two (2) years.
Bidder Qualification Requirements – Cont.

➤ Tourism Experience

- 3 years proven operating experience in game drives, transfer tours and catering
- Technical partner meeting these requirements must hold at least 30% shares in the SPV
Bidder Qualification Requirements – Cont.

BID BOND & PERFORMANCE BOND

- Phabeni – Bid Bond = R 50 000.00 & PB = R 84 000.00 (For the Preferred bidder)
- Phalaborwa – Bid Bond = R 50 000.00 & PB = R 120 000.00 (For the Preferred bidder)

PPP Monthly RENTAL FEES

- Phabeni – the higher of fixed fee R 7 000.00 or the % variable fee proposed
- Phalaborwa – the higher of fixed fee R 10 000 or the % variable fee proposed
G. BUSH SITE MANAGEMENT

- The Operator shall be required to develop and adhere to a five-year (5) year maintenance plan which must be aligned to SANParks’ maintenance schedule.

- Subject to SANParks’ approval operator shall be allowed to erect removable structures on site esp Enviro Loo, shelter tents and storage facilities with less environmental and visual impact and that blends with the bush theme (i.e camoflounge net covers over containers)

- No erection of electricity poles and permenant structures shall not be permitted on site.

- Environmental assessment at the end of contract term
H. ENVIRONMENTAL PROPOSAL - ANNEXURE 4

- Waste Management
- Light Pollution
- Site Management
- Fire Risk Management
- Vegetation
- Health & Hygiene
- Site Security & Safety
- Noise Pollution
I. PPP Opportunity

B-BBEE Proposal

August 2019
Tourism PPPs provide an opportune mechanism to promote transformation, job creation and skills development, particularly for Local Communities surrounding the National Parks.

PPP Toolkit provided for a BEE Proposal (based on the Tourism BEE Charter, 2005), which set targets for the Private Party to meet for transformation and local economic development.

SANParks has updated the B-BBEE Proposal, based on the Amended Tourism B-BBEE Sector Code, with additions for:

- Local Community ownership
- Job opportunities for people from Local Communities
- Local procurement and development
Overview

Five main elements, namely:

- Ownership
- Management Control (includes Employment Equity)
- Skills Development
- Enterprise and Supplier Development (which includes Preferential Procurement)
- Socio-economic Development

Each element consists of categories and associated criteria. Each criterion has a weighting and target.
Overview

Example of B-BBEE Category, weighting and target:

**Definition**

**B-BBEE Element**

**Category:** Sub-element of B-BBEE Element

**Criteria:** Principles against which entity is measured

**Weighting:** Relative importance of criteria

**Target:** Scenario of recommended level for compliance

**Example**

**B-BBEE Element:** Enterprise & Supplier Development

**Category:** Preferential Procurement

**Criteria:** Spend from 51% Black Owned Empowering Suppliers

**Weighting:** 9

**Target:** 40%
## Enterprise Types

<table>
<thead>
<tr>
<th>Enterprise Type</th>
<th>Total Annual Revenue of SPV</th>
<th>B-BBEE Scorecard &amp; Thresholds</th>
</tr>
</thead>
</table>
| Exempted Micro Enterprises (EME) | ≤ R5 million               | • No scorecard  
 • SPV to submit sworn affidavit / CIPC certificate on annual basis  
 • In bid, confirmation that anticipated SPV revenue ≤ R5 million *(wording provided in RFP)* |
| Qualifying Small Enterprises (QSE) | > R5 million but < R45 million | • Qualifying Small Enterprise Scorecard  
 • Minimum threshold: 80 points (79%), equivalent to a Level Four Contributor |
| Large Enterprises                | ≥ R45 million              | • Large Enterprise Scorecard  
 • Minimum threshold: 90 points (81%), equivalent to Level Three Contributor |
Scorecard Summary

<table>
<thead>
<tr>
<th>Element</th>
<th>Large Enterprise Weighting</th>
<th>QSE Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>27 points</td>
<td>26 points</td>
</tr>
<tr>
<td>Management Control</td>
<td>19 points (+2 bonus)</td>
<td>15 points (+2 bonus)</td>
</tr>
<tr>
<td>Skills Development</td>
<td>20 points (+5 bonus)</td>
<td>25 points (+5 bonus)</td>
</tr>
<tr>
<td>Enterprise and Supplier Development</td>
<td>40 points (+2 bonus)</td>
<td>30 points</td>
</tr>
<tr>
<td>Socio-economic Development</td>
<td>5 points (+3 bonus)</td>
<td>5 points (+3 bonus)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>111 points (+12 bonus)</strong></td>
<td><strong>101 points (+10 bonus)</strong></td>
</tr>
</tbody>
</table>
Commitments and Scoring

- Bidders to make commitments in the ‘bid offered’ column and insert scores in the far right column
- If bid offer is:
  - Less than target, score must be weighted accordingly
  - Equal or more than target, full points will be scored
  - For example:

<table>
<thead>
<tr>
<th>Element</th>
<th>Indicator</th>
<th>Measurement Category &amp; Criteria</th>
<th>Weighting Points</th>
<th>Compliance Targets</th>
<th>Bid Offered</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Economic Interest</td>
<td>Economic Interest in the entity to which Black People are entitled</td>
<td>5</td>
<td>30%</td>
<td>20%</td>
<td>3.33</td>
</tr>
<tr>
<td>Ownership</td>
<td>Economic Interest</td>
<td>Economic Interest in the entity to which Black Women are entitled</td>
<td>3</td>
<td>15%</td>
<td>20%</td>
<td>3</td>
</tr>
</tbody>
</table>

Less than target, only score 2/3 of 5 points

Above target, score full 3 points
Definitions and Measurements

- Consistent with the *Amended Tourism Sector Code*, unless otherwise stated.
- Additional definitions:
  
  a) **Community trust** - A not-for-profit trust created in terms of applicable law by volunteer members for channelling the proceeds of various activities and investments for the common good of persons ordinarily resident within a specific town, village or settlement.

  b) **Local** - A geographic area specified by SANParks, being within a 100 km reach of the boundary of the Protected Area fence (but excluding boundaries to the neighbouring countries), or as otherwise specified by SANParks.

- Additional measurements in scorecard for Local Communities:

  - **Ownership:** 10% minimum shareholding by Local Community Trust
  - **Employment:** People from Local Community at various levels
  - **Preferential Procurement:** Procurement from Local EMEs and QSEs
  - **Enterprise & Supplier Dev:** Support of Local Entities / Suppliers
  - **Socio-economic Dev:** Activities to take place in Local Communities

**NB:** no engagement with Local Communities until after award to Preferred Bidder
Scorecard

• Complete only the relevant scorecard, based on anticipated SPV annual revenue (EME / QSE)
• Supporting documentation to be provided, to enable thorough evaluation of commitments
• External B-BBEE Verification
  – Preferred Bidder will need to achieve commitments on an annual basis throughout Project duration
  – SPV to provide SANParks with certificate verifying B-BBEE status on an annual basis
  – Default may result in termination of PPP Agreement
Questions?
J. COMPILATION OF A COMPETITIVE BID - EXAMPLE

24.5 Kruger National Park Hot Work Permit (5%)

24.5.1 The Private Party undertakes to comply with the conditions as set out in the Kruger National Park Hot Work Permit. (100%)

24.6 Waste Management (10%)

24.6.1 The operator shall provide vermin proof bins on site and ensure that the bins are securely anchored. (30%)

24.6.2 The operator will ensure that bins are provided with liners to aid waste removal. (30%)

24.6.3 The operator will have waste separation procedures in place to guide the following: (40%)
25.5 Kruger National Park Hot Work Permit (5%)

25.5.1 The Private Party undertakes to comply with the conditions as set out in the Kruger National Park Hot Work Permit. (100%)

Should the SPV be successful in this Bid, we will apply for a Kruger National Park Hot Work Permit from SANParks in order to operate the bush breakfast and bush dinner/braai and agree to comply with the conditions as set out in the permit.

25.6 Waste Management (10%)

25.6.1 The operator shall provide vermin proof bins on site and ensure that the bins are securely anchored. (30%)

The SPV understands the need for good waste management and securing bins from vermin, monkeys and baboons. All bins will be colour coded for sorting waste on site and will have monkey/baboon proof closures with smooth rounded sides to discourage any smaller vermin from gaining a purchase to gnaw through the bins. (Vermin/rats can eat through almost anything — including plastics, metal wire and concrete.) Bins will be UV stabilised and made from 100% recyclable material and wrapped in 1cm square galvanized mesh for added protection.
The bush braai site team will be trained to ensure that they always clean up around the bins and ensure that no food waste is left around the bases at any time. When replacing the lid or after emptying waste, staff will wipe down around the edges to remove any loose pieces of waste to avoid attracting unwanted vermin. All bins will be placed on a solid, hard surface to avoid vermin burrowing underneath and creating nesting sites.

- Separating all waste into cardboard, plastics, cans and glass.
- Ensuring that waste sorting and storage areas are well-managed, properly constructed, secured and well maintained.
- Ensuring that waste sorting and storage areas are concealed from visitors to the Park.
- Ensuring that all areas under our control remain clean and litter-free.
- Remove all waste at the end of food service.
**Waste**

To reduce the waste we send to landfill by 50 Tonnes
J. Evaluation process and criteria

- Two-Envelope system;
  - Envelope one: Functionality (including B-BBEE Proposal)
  - Envelope two: PPP offer and existing B-BBEE rating (80/20 system)
- Functionality consist of; and score of 70% overall

<table>
<thead>
<tr>
<th>Elements</th>
<th>Finance and Capital Plan</th>
<th>Risk Matrix</th>
<th>Environmental Plan</th>
<th>Business, Ops and Design Plan</th>
<th>BEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight</td>
<td>20%</td>
<td>10%</td>
<td>15%</td>
<td>35%</td>
<td>20%</td>
</tr>
<tr>
<td>Minimum Threshold</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>As per B-BBEE Proposal</td>
</tr>
</tbody>
</table>
Final Bid Round for Evaluation  Weighting

All operators that comply with the minimum threshold for functionality will continue to the final round of evaluation

- PPP offer and existing B-BBEE rating (80/20 system)

- B-BBEE = 20%
- Existing B-BBEE rating (verified by a B-BBEE Cert)
- For consortiums: either the B-BBEE cert of the majority shareholder or a joint venture B-BBEE cert must be submitted for evaluation of the Bidder’s existing B-BBEE rating
Evaluation process and criteria

- Provisions of the PPPFA will apply for calculation of the Bidder’s existing **BEE** status

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
</tr>
</tbody>
</table>
Evaluation process and criteria

- PPP offer = 80%
  - % of the gross revenue committed
  - As per the PPPFA & regulations 2017, objective criteria will be applied, which may result in the contract being awarded to a bidder that did not score the highest points:
    - To broaden participation in PPPs, SANParks will give preference to Bidders that have less than five PPP contracts with SANParks.
K. Important Dates

• Site visit outstanding questions (if any) to be submitted to Banele Malie at banele.malie@sanparks.org by 08/08/2019
• All questions asked during bidders conference will be collated and sent to bidders 12/08/2019
• Final tender docs (in case of amendment) to be published on the SANParks website latest 12/08/2019
• Bids to be submitted before **11h00 on 11 October 2019**
THANK YOU & ALL THE BEST