INFORMATION MEMORANDUM

INFORMATION MEMORANDUM ISSUED BY SOUTH AFRICAN NATIONAL PARKS IN RESPECT OF THE PHALABORWA BUSH BRAAI PPP OPPORTUNITY IN THE KRUGER NATIONAL PARK
IMPORTANT NOTICE

This Information Memorandum has been produced by South African National Parks (SANParks), in connection with the Bush Braai public private partnership (PPP) opportunity available in the Phalaborwa Gate of the Kruger National Park (“KNP”).

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TABLE OF CONTENTS

1. INTRODUCTION ........................................................................................................................................... 4

2. SANPARKS’ VISION, MISSION AND KEY STRATEGIC OBJECTIVES ......................................................... 5

3. RESPONSIBLE TOURISM STANDARDS ........................................................................................................ 6

4. ARTICULATION OF SANPARKS’ COMMERCIALISATION POLICY, OBJECTIVES AND STRATEGY .................................................................................................................................................. 10

5. SANPARKS’ LEGAL MANDATE ..................................................................................................................... 13

6. A DESCRIPTION OF THE TOURISM PPP OPPORTUNITY FOR THE PHALABORWA GATE SECTION OF THE KRUGER NATIONAL PARK .................................................................................................... 17

7. EQUIPMENT AND HUMAN RESOURCES OVERVIEW FOR THE BUSH BRAAI FACILITY .................... 19

8. WILD CARD PROGRAM .................................................................................................................................... 20

9. SPECIAL CONDITIONS FOR THIS FACILITY ............................................................................................... 20

10. ACCESS TO THE LAUNCH SITE: (S23.93609 E031.23329) AND INFRASTRUCTURE ASSESSMENT .......................................................................................................................................................... 21

11. BULK INFRASTRUCTURE ............................................................................................................................ 22

12. PHALABORWA GATE GAME DRIVE ROUTES AND BUSH DINING SITE ................................................... 22

13. VISITOR STATISTICS .................................................................................................................................... 23

14. PPP AGREEMENT .......................................................................................................................................... 25

15. BIDDERS REQUIRED QUALIFICATION CRITERIA .................................................................................... 27

16. RELATIVE WEIGHTING OF BID SUBMISSIONS ....................................................................................... 29

17. BUSH BRAAI SURVEY REPORT OSV OPERATOR PERSPECTIVE ............................................................ 31

18. BUSH BRAAI SURVEY REPORT GUEST VISITOR PERSPECTIVE .............................................................. 41

19. PROJECT TIMETABLE ................................................................................................................................... 58
1. INTRODUCTION

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

1.2 SANParks, as part of its Strategic Plan for Commercialisation, identified the tourism PPP opportunity of the Phalaborwa Bush Braai Facility in the Kruger National Park.

1.3 SANParks makes no guarantees about and takes no responsibility for the accuracy and completeness of this Information Memorandum and disclaims any liability for any interested party’s use of the information.

1.4 This Information Memorandum is not intended to serve as the basis for an investment decision. Each recipient is expected to make an independent investigation and to obtain the necessary independent advice regarding the PPP opportunity.

1.5 SANParks may change or replace any information contained in this Information Memorandum at any time, without giving any prior notice or providing any reason.

1.6 In a typical PPP agreement in this sector, the private party is granted rights to finance, refurbish, design, build, maintain and operate a tourism facility on state conservation land for a period likely to provide a fair return on investment. In return, the private party will meet agreed environmental, development, operating and broad-based B-BBEE obligations, and pay a PPP fee to SANParks. At the end of the agreement term, the facility reverts to SANParks.

1.7 SANParks is following the PPP feasibility and procurement processes set out in National Treasury’s PPP Toolkit for Tourism. The toolkit can be downloaded from www.ppp.gov.za.
2. SANPARKS’ VISION, MISSION AND KEY STRATEGIC OBJECTIVES

2.1 SANParks’ Vision and Mission

South African National Parks was established as a parastatal through an Act of Parliament in 1927. As per the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), SANParks is a Schedule 3(a) “public entity” that functions under the ambit of the National Environmental Management Act (“NEMA”): Protected Areas Act, 2003 (Act 57 of 2003) read concurrently with the Biodiversity Act of 2004 and the Protected Areas Act. The core mandate of SANParks is the conservation and Management of biodiversity and associated cultural heritage through a system of National Parks. SANParks is also involved in the promotion and Management of nature-based tourism, and delivers both conservation Management and tourism services through an authentic people centred approach on all its programmes.

The organisation’s operations are totally guided by its vision statement (the word picture of the future) and mission statement (depicting the purpose of its existence). As a public entity, the organisation is committed to act in pursuance of transformation of South Africa’s society in support of entrenching South Africa’s democracy. In this regard the organisation has adopted a transformation mission to guide its efforts accordingly.

VISION: A world class system of sustainable national parks reconnecting and inspiring society.

MANDATE: Delivery of Conservation Mandate by Excelling in the Management of a National Park System.

MISSION: Develop, protect, expand, manage and promote a system of sustainable national parks that represents natural and cultural heritage assets, through innovation, excellence, responsible tourism and just socio-economic benefit for current and future generations.

2.2 Organisational Environment

SANParks’ business operations are founded on three important core pillars:

2.2.1 Sustainable Conservation – the primary mandate of the organisation is the conservation of South Africa’s biodiversity, landscapes and associated heritage assets through a system of National Parks.

2.2.2 Diverse and Responsible Tourism – the organisation has a significant role in the promotion of South Africa’s nature-based tourism or ecotourism business, targeted at both international and domestic tourism markets. The eco-tourism pillar of the business
architecture provides for the organisation’s self-generated revenues from commercial operations that is necessary to supplement government seed funding of conservation management. A significant element of the ecotourism pillar is the Commercialisation Strategy which (through the implementation of Public Private Partnerships) SANParks has adopted to expand tourism products and the generation of additional revenue for funding of conservation and socio-economic development.

2.2.3 **Socio-Economic Transformation** – SANParks has taken a strategic decision to expand its role in the developmental support provided to neighbouring communities as an entity of the developmental state. In addition, SANParks is required to build constituencies at international, national and local levels, in support of conservation of the natural and cultural heritage of South Africa through its corporate social investment. It has to ensure that a broad base of South Africans participate and get involved in biodiversity initiatives, and further that all its operations have a synergistic existence with neighbouring or surrounding communities for their educational and socio-economic benefit, hence, enabling the broader society to be connected to national parks.

The mandate of the organisation is derived from its biodiversity conservation role, thus the conservation pillar is regarded as the basis upon which the other two core pillars’ programmes and activities are directed.

In addition to the core functions (Conservation, Tourism and Socio-Economic Transformation) that provide SANParks with a level of uniqueness, the organisation has generic support functions of the Chief Operating Officer (which includes Risk Management; and Strategy and Performance Management) and the Chief Financial Officer (which includes Finance; and Supply Chain Management) and Corporate Services (which includes Human Capital Management; Information Technology; Enterprise Applications; Corporate Communications and Legal Services).

3. **RESPONSIBLE TOURISM STANDARDS**

3.1 **Responsible Tourism**

Responsible Tourism is a tourism Management strategy embracing planning, Management, product development and marketing to bring about positive economic, social, cultural and environmental impacts. Responsible Tourism provides for the following:

- generates economic benefits for local people and enhances the well-being of host communities;
- improves working conditions and access to the industry;
- involves local people in decisions that affect their lives and life chances;
- makes positive contributions to the conservation of natural and cultural heritage to the maintenance of the world's diversity;
- provides more enjoyable experiences for tourists through more meaningful connections with local people and a greater understanding of local cultural, social and environmental issues;
- minimises negative economic, environmental and social impacts; and
- is culturally sensitive, engenders respect between tourists and hosts, and builds local pride and confidence.

3.2 National Responsible Tourism Guidelines

In 2002, the Department of Environmental Affairs and Tourism ("DEAT") published National Responsible Tourism Guidelines (www.tourism.gov.za), reflecting South Africa’s vision to manage tourism in a way that contributes to the quality of life of all South Africans. The Guidelines aim to set benchmark standards for accommodation and transport Operators, tourism associations and custodians of our cultural and natural heritage. The objective is to ensure that our tourism sector keeps pace with international trends towards responsible business practice – and gains market advantage in doing so. In 2003, DEAT published the Responsible Tourism Handbook, which took it one-step further by giving practical examples of how tourism Operators can improve their economic, social and environmental practices.

Various institutions/organisations offer environmental management consulting and accreditation services to all business sectors interested in implementing environmentally friendly business practices and hence offer Environmental Rating Programmes. Such eco-labelling schemes include:

- ISO 14001
- Green Globe
- Blue Flag
- NEAP
- Heritage
- Eco quest
- Fair Trade in Tourism
3.3 The National Minimum Standard for Responsible Tourism (SANS 1162)

The National Minimum Standard for Responsible Tourism (SANS 1162) was developed with the objective of establishing a common understanding of responsible tourism by developing a single set of standards to be applied throughout South Africa by harmonising the different sets of criteria that were used for certifying the sustainability of tourism businesses. The National Minimum Standard for Responsible Tourism consists of 41 criteria divided into four categories, i.e., sustainable operations and management, economic criteria, Social and cultural criteria, and environmental criteria.

3.4 SANParks Responsible Tourism Strategy

South African National Parks is also in the process of drafting a Responsible Tourism Strategy. The purpose of developing this responsible tourism strategy and implementation plan is to consistently integrate the principles of the national responsible tourism guidelines into South African National Parks operations.

This strategy and plan will help to reduce fragmentation of responsible tourism activities by SANParks and its business partners, by providing a framework for a coordinated approach. It will also reduce the disparity between levels of responsible tourism practiced, monitored, and reported between SANParks tourism operations and concessionaires (who are contractually required to practice responsible tourism). Implementation of strategy and plan will help address potential future problems, such as mitigation and adaptation to climate change. The strategy is also a response to the increased market demand for responsible holidays from tourists, and will enable SANParks to put into place the conditions that are required to position the national park systems as responsible destinations.

The responsible tourism strategy is divided into three sections:

- The alignment of the principles of Responsible Tourism with existing corporate values and actions, with amendments to policies and procedures to accommodate Responsible Tourism values and indicators
- Recommended additions to the SANParks scorecard to include Responsible Tourism indicators
- Processes required to embed awareness of and decision-making and actions aligned with Responsible Tourism throughout the organisation.

3.4.1 Objectives of the Responsible Tourism Strategy

The objectives of the responsible tourism strategy and implementation plan aim to
provide a basis for decision making, and guidance for divisions to develop action plans that comply with this policy. The objectives are:

- Align SANParks operations with the national policy on responsible tourism;
- Enhance responsible tourism awareness and Management skills among protected area managers and tourism officers and business partners within SANParks;
- Enhance responsible tourism awareness and skills among SANParks’ external stakeholders, including communities, and suppliers;
- Integrate responsible tourism principles and actions into Management plans for each national park in South Africa;
- Establish a practical framework for monitoring, evaluation and reporting in national park destinations; and
- Integrate responsible tourism into the performance Management frameworks of the organisation, individual parks and individual staff members.

3.4.2 Guiding Principles of the Responsible Tourism Strategy

The guiding principles of the responsible tourism strategy and implementation plan are that they are:

- based on the national responsible tourism guidelines (DEAT, 2002);
- aligned with the national Minimum Standards for Responsible Tourism;
- aligned with SANParks Corporate Strategic Business Plan, and cognisant of the Conservation Development Framework and Park Management Plans;
- easy to understand and implement;
- adaptive and flexible;
- monitored at both a corporate and operational level;
- developed and implemented through a participatory process by a broad range of SANParks stakeholders, including business partners;
initially focus on quick wins, that can be used to promote the responsible tourism agenda throughout the organisation; and

- address initiatives that facilitate the achievement of SANParks core objectives (e.g. better relations with local communities, reducing poaching, helping park expansion).

4. ARTICULATION OF SANPARKS’ COMMERCIALISATION POLICY, OBJECTIVES AND STRATEGY

4.1 The Motivation for Commercialisation

“Global conventions and programmes alone are not enough to ensure the continued existence of, and sufficient funding for, protected areas. In times of fiscal austerity and tightening government budgets – especially in developing countries, which are home to much of the world’s biodiversity – traditional funding sources are increasingly under threat. Innovative alternatives to these traditional sources are needed in order to secure the long term viability of protected areas.” (IUCN, 1998)

In order to encourage greater efficiency in the delivery of public services, the Cabinet in April 1997 approved the establishment of an interdepartmental task team chaired by the Department of Finance, to explore how public private partnerships could improve infrastructure and service delivery efficiency, and make more efficient use of under-utilised state assets. The key objectives of this programme were to develop a package of cross-sectoral and inter-Institutional policies and legislative and regulatory reform.

In September 1998, the Department of Environmental Affairs and Tourism articulated the need for SANParks to prepare for a lesser dependence on state funding, which would increasingly be aimed at funding the essential conservation requirements. This formed the basis of the Commercialisation Strategy adopted by SANParks in 2000 with its foundation in the economic theory which defines the State’s responsibility as one of performing a regulatory function and intervening in the market-place only where there is market failure. The objective was to reduce the dependence on state funding and improve existing operational efficiencies. This does not imply that SANParks has to be independent of the State but rather that the collective funding sources (i.e. state funding, private donations, NGO and international donations, SANParks’ tourism activities and commercialisation) must be able to “sustain” the total business of SANParks. Sustainable tourism development depends on a partnership and balance between the social, technological, economical, the environment and political values and benefits. Hence, should one source of funding be
threatened, SANParks must be able to absorb such withdrawal without compromising its sustainability.

The implementation of the Commercialisation Strategy 2000, resulted in the awarding of 11 (eleven) concession sites to private operators, seven of which are in Kruger National Park, two in Addo Elephant National Park, and two in the Table Mountain National Park.

In addition to the concessions, the Commercialisation Strategy 2000 also resulted in the awarding of 21 shops and 17 restaurants across all national parks to private operators. Facilities were upgraded by the operators and SANParks receives a PPP Fee from these operators.

4.2 The Strategic Plan for Commercialisation 2006

Following the implementation of the Commercialisation Strategy 2000, there have been significant developments in SANParks’ approach to PPP initiatives. SANParks accordingly developed the Strategic Plan for Commercialisation 2006 to accommodate and benefit from:

(i) The experience and specialist skills acquired;
(ii) The lessons learnt from implementation and management of PPPs;
(iii) Legislative requirements; and
(iv) The extended scope of projects identified to enable SANParks to improve its infrastructure towards 2010 and beyond, generate revenues, promote B-BBEE and create employment.

The objective of the strategy is to ensure that SANParks has the fundamentals including capacity in place for managing existing, and for entering into new PPPs successfully. In addition, SANParks has a responsibility towards creating tourism infrastructure on a longer term as compared to a tourism organisation run by a private company. Such infrastructure will enable South Africa to compete with global tourism destinations like Brazil, Thailand etc. Commercialisation through Public Private Partnerships provides SANParks the opportunity to achieve this goal.

4.3 The Strategic Plan for Commercialisation 2013

In 2013, SANParks revised the Strategic Plan for Commercialisation (“SPfC”). The following outlines the major changes:

- The SPfC 2013 – 2018 was aligned with the SANParks Responsible Tourism Strategy 2022, as well as the National Tourism Sector Strategy, the National Minimum Standard for Responsible Tourism (SANS1162), the SANParks
Responsible Tourism Policy, the SANParks Product Development Protocol, the SANParks Management Plans and the SANParks Responsible Tourism Product Framework and their respective objectives.

- The SPfC was furthermore updated to reflect an updated checklist for all commercial opportunities identified, thereby reinforcing PPPs as a Key Strategic Objective of SANParks for the period 2013 to 2018.
- Finally, the SPfC 2013 – 2018 addressed the capacity requirements of the Business Development Unit to ensure the effective delivery of the SANParks Responsible Tourism Strategy 2022.

4.4 Benefits of the SANParks Commercialisation Strategy

The achieved high level commercialisation objectives for SANParks include the following; revenue generation; loss minimisation or savings on existing operations; optimal use of under-performing assets; job creation and poverty alleviation; BBBEE; infrastructure upgrades; upgrade/development of historical and/or cultural sites; tourism promotion and further biodiversity protection and conservation. PPPs in SANParks have proved to be an important service delivery mechanism. The SANParks Commercialisation Strategy has yielded the following benefits to SANParks:

4.4.1 Strategic Value

Implementation of the Commercialisation Strategy has resulted in increased market segmentation and product and price differentiation with 508 additional guest beds in the five-star segment resulting in increased economic activity and foreign exchange generation. In addition, it has resulted in improved efficiencies of the restaurant and retail facilities, contributing to an enhanced visitor experience to the guests of SANParks. The strategy has also resulted in an increased contribution to the broader economy through the tourism multiplier effect and SANParks' image has improved considering that national parks are being put to responsible and sustainable use for the economic development of the country.

4.4.2 Monetary Value

The Commercialisation Strategy has resulted in a total contribution of R1,067 million by March 2018.
4.4.3 Increased Infrastructure

The Commercialisation Strategy roll out has resulted in increased infrastructure in National Parks to the value of R758 million with the assets ultimately reverting to SANParks. In addition, it has resulted in the refurbishment of aging infrastructure of both the restaurant and retail facilities to the value of R20 million.

4.4.4 Risk Transfer

The strategy has resulted in significant commercial risk transfer to the private sector including EIA risk, construction risk, availability risk, insolvency risk, market demand or volume risk and operating risk. However, SANParks is still exposed to the risks experienced by the Operator and hence effective contract management is essential.

4.4.5 Socio Economic Value

The strategy resulted in broadening the participation of B-BBEE partners in the tourism industry thereby contributing to the demographic restructuring of the industry and poverty alleviation. Private Party agreements included the following contractual commitments:

- increased employment in the tourism industry with 1946 new jobs excluding construction;
- 79% of employees recruited from local communities adjacent to the Parks;
- Reported spend of R 58 million per annum with local community SMME’s;
- Considerable continuous skills transfer and training; and
- The tourism multiplier effect to the broader economy.

4.4.6 Environmental Value

The environmental regulations that apply to the commercial operators are in many instances superior creating a benchmark in SANParks nature based tourism operations and over time, SANParks will be obliged to comply with these standards. This can only be to the long term benefit of our national parks

5. SANPARKS’ LEGAL MANDATE

5.1 National Environmental Management: Protected Areas Act 2003 (Act no. 57 of 2003) (“NEMPAA”) as amended by the National Environmental Management: Protected Areas Amendment Act (Act No 31 of 2004)
5.1.1 Protected Area

NEMPAA provides for:

- the protection and conservation of ecologically viable areas representative of South Africa’s biological diversity and its natural landscapes and seascapes;
- for the establishment of a national register of all national, provincial and local protected areas;
- for the Management of those areas in accordance with national norms and standards;
- for intergovernmental co-operation and public consultation in matters concerning protected areas;
- for the continued existence, governance and functions of South African National Parks; and
- for matters in connection therewith.

The Kruger National Park is an area declared, or regarded as having been declared, in terms of section 28 of NEMPAA as a protected environment. Section 92(1)(a) of the NEMPAA specifically states that SANParks is the Management authority for any protected area and is obliged in terms of section 92(2) to manage all such protected areas according to the provisions of the NEMPAA and the Management plan to be prepared for the protected area concerned.

5.1.2 Section 50

(1) Section 50 (1) of NEMPAA allows SANParks to:

(a) carry out or allow—

(i) a commercial activity in the park, reserve or site; or
(ii) an activity in the park, reserve or site aimed at raising revenue;

(b) enter into a written agreement with a local community inside or adjacent to the park, reserve or site to allow members of the community to use in a sustainable manner biological resources in the park, reserve or site; and

(c) set norms and standards for any activity allowed in terms of paragraph (a) or (b).

(2) An activity allowed in terms of subsection (1)(a) or (b) may not negatively affect the survival of any species in or significantly disrupt the integrity of the ecological systems
of the national park, nature reserve or world heritage site.

(3) The Management authority of the national park, nature reserve or world heritage site must establish systems to monitor—

(a) the impact of activities allowed in terms of subsection (1)(a) or (b) on the park, reserve or site and its biodiversity; and

(b) compliance with—

(i) any agreement entered into in terms of subsection (1)(b); and

(ii) any norms and standards set in terms of subsection (1)(c).

(4) Any activity carried out lawfully in terms of any agreement which exists when this section takes effect may continue until the date of termination of such agreement, provided that the agreement may not be extended or varied so as to expire after the original intended expiry date without the consent of the Minister.

(5) No development, construction or farming may be permitted in a national park, nature reserve or world heritage site without the prior written approval of the Management authority.

5.1.3 Section 55 and 56

Section 55 sets out the functions of SANParks which functions include inter alia responsibility to:

- protect, conserve and control all protected areas under its Management including all biodiversity found therein (section 55(1)(b));
- to carry out any development and construct or erect any works necessary for the Management of the area (section 55(2)(e));
- take reasonable steps to ensure the security and well – being of visitors and staff (section 55(2)(e));
- provide accommodation and facilities for visitors and staff (section 55(2)(h));
- to carry on any business or trade or provide other services for the convenience of visitors and staff (section 55(2)(i));
- determine and collect fees for entry or stay in the area or for any services provided by it (section 55(2)(i));
• authorise any person, subject to such conditions and the payment of such fees as it may determine, to carry on any business or trade or provide any service which SANParks may carry on or provide in the area in terms of the NEMPAA ((section 55(2)(i)).

Section 55(2)(i) also authorises SANParks to authorise another person, subject to such conditions and the payment of such fees as it may determine, to provide any service which SANParks may otherwise provide in the Kruger National Park.

Section 56 (c) also specifically allows SANParks to hire or let any property, for the purpose of performing any of its functions in any protected area placed under its Management and control.

Accordingly, SANParks has the legal mandate in terms of the NEMPAA to enter into PPP Agreements.

5.2 The Public Finance Management Act 1 of 1999 (“the PFMA”)

SANParks is a Schedule 3A public entity for the purpose of the PFMA. As such, SANParks is bound to the provisions of the PFMA which regulates the financial management of all national and provincial governments and agencies; ensures that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; provides for the responsibilities for those entrusted with financial management in those governments, and governs all matters connected therewith.

5.2.1 Sections 50 and 51

Section 50 of the PFMA deals with a number of fiduciary duties placed on the accounting authorities of public entities which are subjected to the provisions of the PFMA, and inter alia requires the accounting authority for a public entity to:

• exercise the duty of utmost care to ensure reasonable protection of assets and records of the public entity;
• act with fidelity, honesty, integrity, and in the best interests of the public entity in managing the financial affairs of the public entity;
• seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

Section 51 deals with a number of general responsibilities of accounting authorities and provides that the accounting authority for a public entity must ensure that a public entity
has and maintains inter alia effective, efficient and transparent systems of financial and risk management and internal control as well as an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.

5.2.2 Regulation 16

This last aspect is taken further in Regulations 16A7.4 and 16A7.5 of the National Treasury Regulations promulgated in terms of section 76 of the PFMA in Government Gazette Notice No. R 225, Government Gazette No. 27388 dated 15 March 2005, and amended by Government Gazette Notice No. R 146, GG 29644 dated 20 February 2007, which Regulations state that:

- Reg. 16A7.4 The letting of immovable state property must be at market – related tariffs, unless the relevant treasury approves otherwise. No state property may be let free of charge without the prior approval of the relevant treasury.

- Reg. 16A7.5 The accounting officer or accounting authority must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and Management.

These National Treasury Regulations first came into operation on 25 May 2002 and have applied to the business of SANParks since that date.

Hence there is sufficient responsibility placed on SANParks under the PFMA to manage and to lease out all state assets placed under its Management and control in the Kruger National Park in a manner that is fair and equitable to all, is transparent and competitive, and occurs on a basis that is market – related and supports sound financial planning and management within SANParks.

6. A DESCRIPTION OF THE TOURISM PPP OPPORTUNITY FOR THE PHALABORWA GATE SECTION OF THE KRUGER NATIONAL PARK

6.1 A Description of the Bush Braai PPP opportunity

The Bush Braai Facility is a business opportunity that allows a Private Operator to sell bush breakfasts and bush dinners (bush braai) and also allowed to conduct a morning and night drive pre the breakfast/dinner. The operator will be required to use OSV’s to transport the guests from and to the bush dinning site and also do all the preparations to serve a nice meal in the bush.
6.2 The following outlines a high level overview of the opportunity and SANParks’ expects the Private Party to:

6.2.1 Provide a bush breakfast and bush braai\dinner experience for guests\tourists booked for morning and night game drives.

6.2.2 Provide bush breakfast and bush braai\dinner in the identified bush site and offer cold and hot beverages to the guests.

6.2.3 Provide dining tables and chairs for 100 guests during mealtime as well as ablution facilities.

6.2.4 Provide morning and night game drives in an Open Safari Vehicle (OSV) for a maximum group of 100 guests\tourists booked for game drives.

6.2.5 **Please note:** The bush breakfast and bush braai\dinner is offered in conjunction with the game drives. For this opportunity, the Private Party will provide both the services of game drives and cater for the guests.

6.2.6 **Morning Drives and Bush Breakfast:** Commences at 06h00 for a game drive lasting approximately two (2) hours followed by a stop/break for a bush breakfast at the identified bush site. Please note that the bush breakfast should be finalized by 09h30 – 10h00 and Private Party must exit the Park by 11h00.

6.2.7 **Night Drives and Bush Braai\Dinner:** Commences at 16h00 for a game drive lasting approximately two (2) hours before guests break for a bush braai\dinner in the identified bush site. Please note that the bush dinner should be finalized by 21h00 as the Private Party must exit the park by 22h00.

6.2.8 **IMPORTANT NOTICE:** Two sites have been identified for the dining experience for this opportunity.

6.2.8.1 **Access site A** *(S23.93609 E031.23329)*: accommodates a total number of 40 guests.

6.2.8.2 **Access site B – Masorini Site:** accommodates a total group of 60 guests. *(Site information shall be obtainable on the project on the course of the due diligence and visit)*

6.2.9 In light of the above, the Private Party will be granted the rights to offer and operate Bush Braai Facility into the beautiful identified site near the Phalaborwa Gate.
6.3 **Environmental Considerations**

The successful bidder will need to undertake and comply with the Environmental Section of the Request for Proposal (RFP) of this opportunity in their bids.

6.4 **Staff and Social Development**

The Operator will be required to further engage with the SANParks Social Economic Development department, given the product’s potential to further expand on the socio-economic opportunities and benefits for local communities surrounding the parks in terms of sourcing local labour, material and services. Bidders are required to identify opportunities for socio-economic development and beneficiation in their bids.

Furthermore, given that this is a new product, no employees will be transferred to the appointed Operator.

6.5 **Value for Money Objectives**

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

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

- Revenue generation for SANParks;
- Job creation;
- B-BBEE;
- Tourism promotion;
- Biodiversity protection and conservation; and
- Infrastructure upgrades and maintenance of infrastructure (where applicable).

7. **EQUIPMENT AND HUMAN RESOURCES OVERVIEW FOR THE BUSH BRAAI FACILITY**

7.1 **Environmental Management Plan (EMP)** conducted by SANParks reveals that the identified bush sites accommodates **100 guests** – **(40: 60)** bush site A: B respectively. In light of this, the appointed Private Party is required to provide the following in line their own business, operation and design;
7.1.1 Equipment:
- Open Safari Vehicles (OSVs) for 100 guests
- Game Drive Equipment (Rifles, Bullets, Bush Knife, Torch, Uniform etc.)
- Vehicle to transport staff and dining equipment
- Meal preparation equipment.
- Beverage counter for the serving of cold and hot drinks.
- Dining tables and chairs to accommodate a maximum of 100 guests.
- Fire Pit for lighting of fire during night bush braai activities
- Enviro Loo chemical toilets (removable)
- Hand Wash Basin (or Bowl) with biodegradable soap and a hand towel
- Storage on facility on site (approved by SANParks)

7.1.2 Human Resource
For this product, the following human resources would be suitable;
- Guides
- Guards
- Principal Chefs
- Assistant Chefs
- Bar Attendants
- Waiters

8. WILD CARD PROGRAM
8.1 SANParks has an active loyalty program called the Wild Card. SANParks would like to encourage all commercial operators in National Parks to engage with the SANParks loyalty team and conclude sustainable benefits to customers.

9. SPECIAL CONDITIONS FOR THIS FACILITY
9.1 The Private shall be required to comply with the following regulations;
- The Kruger National Park Hot Work Permit;
10. **ACCESS TO THE LAUNCH SITE: (S23.93609 E031.23329) AND INFRASTRUCTURE ASSESSMENT**

10.1 **PHALABORWA GATE**

10.1.1 Kruger’s Phalaborwa Gate is accessed either from Polokwane to the west via the R71, from Lydenburg to the southwest via the R36 or from Nelspruit to the south via the R40.

10.2 **ACCESS TO THE LAUNCH SITE (SITE A AND B)**

10.2.1 Access to the launch site is approximately 10 kilometers away from the Phalaborwa Gate and is shown by the red dot, via point (S23.93609 E031.23329) of Satellite map.

10.2.2 **NB: Masorini picnic site**: more information will be provided in the course of the tender processes before the submission date.
11. **BULK INFRASTRUCTURE**

11.1 **Electricity:** The operation is not dependent on electricity and there is no electrical infrastructure on site.

11.2 **Water:** There is no water on site. The appointed Private Party is required to bring water to the site in containers measured for usage of every Bush Braai activity.

11.3 **Road and tracks:** There is easy vehicular access to the bush dining site by road and it is well maintained in accordance to SANParks EMP standards. High-rise vehicles are recommended for this purpose as the roads are graveled.

11.4 **Telecommunication:** No telephones lines on site. The Private Party shall only use Satellite phone for communication purpose since bush braai is in the remote area.

12. **PHALABORWA GATE GAME DRIVE ROUTES AND BUSH DINING SITE**

12.1 The attached Map is for the Phalaborwa Gate area and the marked roads shall be used by the Private Party during the game drives defined as follows: S131, H14 and H9 and the Bush Braai location is shown by the red arrow triangle.
12.2 The use of any of these roads shall be reviewed and revoked by SANParks from time to time on notice due to operational requirements such as anti-poaching operations, flood disasters etc.

12.3 The roads shown in *figure above* do not fall within the designated ‘exclusive use’ of the protected area. Therefore SANParks reserves the right to allow any other operator to use the roads for any agreed purpose but with the exception to conduct a bush braai product.

### 13. VISITOR STATISTICS

This particular opportunity is a new product, there is no historical data available for analysis. Statistics on the number of visitors to the park and the bed occupancy rates of camps have been provided below to assist bidders in conducting their feasibility analysis.

**13.1 Kruger National Park**

**13.1.1 Total Number of Guests to the Kruger National Park**

The park is one of the flagship destinations in South Africa and has remarkable biodiversity, wilderness qualities and a sense of place. With the increasing number of visitors and the changing environment over the years, the park needs to be more innovative in its approach to ensure that it remains relevant and offers quality products.

Demonstrated in the figure below are the number of guests that have visited the Kruger National Park over the last three (3) years. As can be seen below, guest numbers are increasing, with an increase of 6.3% between the 2016/2017 and 2017/2018 financial years.
13.1.2 Occupancy Rates in Central and Northern Regions of the Kruger National Park

Demonstrated in the graphs below are bed and unit occupancy rates for camps in the Central and Northern regions of the Kruger National Park. On average, both unit and bed occupancies have increased over the past three (3) years. This highlights the potential for additional accommodation, taking into consideration the need to minimise additional traffic in the park.

Figure 1: Number of visitors to the Kruger National Park over the last 3 years

Figure 2: Bed occupancy rates of camps in Central and Northern regions of the Kruger National Park over the last 3 years
14. PPP AGREEMENT

The PPP Agreement will be made available shortly after the opportunity is advertised and will be distributed to the interested parties. A draft copy of the PPP Agreement needs to be signed and submitted as part of the bid. Minor changes might occur following the site visits and bidders conference. A final copy will be signed following the award of the tender/s.

14.1 Term of Agreement

The term of the PPP Agreement shall be for Eight (8) years from the Effective Date, subject to termination in accordance with the PPP Agreement. Effective Date is defined as the earlier of Operation Commencement Date or 12 (twelve) months from Signature Date.

14.2 Financial Terms

Under the PPP Agreement, the PPP fee income to SANParks shall be the higher of:

14.2.1 the Minimum PPP Fee set by SANParks increased annually by CPIX; or

14.2.2 the Variable PPP Fee (the bidder percentage of actual gross revenue earned by the Operator in each project year).
Irrespective of which these elements determine the final amount payable in any given Project Year, the payment schedule will be as follows:

14.2.3 The Minimum PPP Fee shall accrue and be payable by the Operator to SANParks within 7 (seven) Business Days following the end of each month (for the period of operation), free of deduction or set-off to SANParks;

14.2.4 The Variable PPP Fee, shall be calculated by the Operator for the Project Year in question on the basis of the Operator’s audited accounts within 30 (thirty) Business Days of the end of the Project Year. If this figure is higher than the Minimum PPP Fee, it shall be the total amount payable by the Operator to SANParks for the Project Year in question. The difference between the Variable PPP Fee thus determined and the aggregate of amounts already paid under the Minimum PPP Fee, will be payable 120 (one hundred and twenty) Business Days after the end of the Project Year in question.

14.2.5 No PPP Fees shall be payable prior to the Effective Date of the PPP Agreement.

14.2.6 Any overdue payment by either SANParks or the Operator shall be subject to an interest charge of prime plus 2 (two) %.

14.3 Minimum PPP Fee

SANParks retains the right not to award the Bid in the unlikely event that only one Bid is received and the PPP Fee Offer does not meet SANParks’ minimum requirements.

The Minimum PPP Fee for the Phalaborwa Bush Braai Facility is as follows:

<table>
<thead>
<tr>
<th>MINIMUM PPP FEE</th>
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</thead>
<tbody>
<tr>
<td>Per Month (Excl VAT)</td>
</tr>
<tr>
<td>R 10,000</td>
</tr>
</tbody>
</table>

The Minimum PPP Fee above are at June 2019 prices and will be adjusted annually throughout the term of the PPP Agreement according to the movement in the Consumer Price Index.

14.4 Exclusivity

14.4.1 The Operator shall be entitled to:

14.4.1.1 the exclusive rights of traverse over the selected site of the facility; and
limited access to the Park subject to normal Park operating rules and hours;

SANParks reserves the right to operate and allow operators to operate game drives with the exclusion of the bush breakfast and bush dinner at the Phalaborwa Gate.

15. BIDDERS REQUIRED QUALIFICATION CRITERIA

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

15.2 Financial Capacity

15.2.1 Turnover of business: The turnover for the business should not exceed R 20 million per annum. Failure to comply with the above conditions will invalidate the bid.

15.2.2 As the preferred bidder must be a Special Purpose Vehicle (SPV), it must demonstrate financial strength with reference to the asset value of its shareholders in proportion to their shareholding. The interested party must also demonstrate, to SANParks' satisfaction, that its shareholders are solvent. Audited financial statements, along with a letter confirming that the asset value exceeds the stipulated amount and that the shareholders are solvent, must be provided if demanded by SANParks in order to illustrate any assertion made by an interested party in this regard.

15.3 Financial Requirements

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

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

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

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

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

15.4 Tourism Experience
15.4.1 The project is likely to require interested parties with substantial experience and expertise in the tourism market. Interested parties are therefore required to provide examples of similar projects conducted by the interested parties. If the interested party is an unincorporated SPV or a new company created for the purposes of the PPP opportunity, then it can meet this criterion with reference to the qualifications of any one of its parent shareholders, provided that the shareholder holds at least 30% of the total equity in the proposed SPV or company that will undertake this PPP opportunity. The interested party must be able to meet this tourism track-record requirement in the following ways:

15.4.1.1 The interested bidder must have proven operating experience in the game drive, transfer tours or catering industry for at least 3 years.

15.5 **Tourism Track Record**

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

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

15.6 **B-BBEE Qualification Criteria - Enterprise Development**

15.6.1 The Operator will be required to implement a minimum of two (2) enterprise development programmes over the duration of the contract term distributed evenly over the period. An undertaking should be given that this will be done.

15.6.2 The Operator is to compile a plan which would outline the detail on how the enterprise development will be done and how this enterprise development will evolve into supplier development.

15.6.3 It is integral that the plans proposed as part of the bid submission be backed by
thorough research with clear targets that would be met. Failure to meet these will be seen as a material breach of the contract which could lead to termination.

16. RELATIVE WEIGHTING OF BID SUBMISSIONS

As per the provisions of the Preferential Procurement Policy Framework Act, 2000 (“PPPFA”) (Preferential Procurement Regulations 2017 apply), bids will be evaluated on three main elements: Functionality, B-BBEE and the PPP Fee Offer.

Weighting of the elements:

- The Functionality score is only used to pre-qualify the bidders and only bidders who achieved the 70% for Functionality are considered in the final stage where B-BBEE and price will be the determining factor.

- The PPP Fee Offer will be weighted at 80% of the overall bid score and B-BBEE will be weighted at 20% of the overall bid score (The provisions of the Preferential Procurement Policy Framework Act, 2000 (“PPPFA”) Preferential Procurement Regulations 2017 apply).

- During evaluation of the PPP Fee Offer and B-BBEE, the following objective criteria will be applied, which may result in the contract being awarded to a bidder that did not score the highest points, as per Section 11 of the Preferential Procurement Regulations 2017 and in accordance with Section 2(1)(f) of the Preferential Procurement Policy Framework Act:

  o To broaden participation in PPPs, SANParks will give preference to bidders that have less than five PPP contracts with SANParks.

Within the Functionality element, the relative weighting will be:

- Financing and Capital Plan – 20%
- Risk Matrix – 10%
- Environmental Plan – 15%
- Business and Operational Plan – 35%
- B-BBEE Proposal – 20%

16.1 Financing and Capital Plan

The purpose of the Financing and Capital plan is to assess the ability of the Bidder to secure adequate finance to implement the project and determine the capital investment proposed for the project.

16.2 Risk Matrix
A bidder must indicate the extent to which the bid complies with the risk allocation of the risk matrix, provided in the RFP.

16.3 Development and Environmental Plan

The purpose of the evaluation of development and environmental proposals is to ensure that bidders understand and have fully planned for the prevailing environmental issues that apply to the investment area as well as the Environmental Guidelines and have factored those issues into their plans.

16.4 Business and Operational Plan

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

16.5 B-BBEE Proposal

The Private Party SPV is expected to outline their B-BBEE plans through the Tourism B-BBEE scorecard with targets per sub section, as well as a section that undertakes that enterprise development initiatives will be identified and implemented during the contract period.
17. **BUSH BRAAI SURVEY REPORT OSV OPERATOR PERSPECTIVE**
Table of Contents (click to navigate)

1. Executive summary
2. Methodology and questionnaire design
3. Responses per question
   1. Preferences: Type, Format, Dinner Style, Menu, Seating
   2. Ideal Bush Braai experience
   3. Likelihood of selling and factors increasing likeliness
   4. Willingness to Pay (WTP)
   5. Product name
Executive summary

Preferences towards the type of and format of the experience:
1. When it comes to the type of experience, operators would entertain both an affordable experience that can be enjoyed by the whole family (45%) as well as a slightly more expensive option for extra comfort and quality for their guests (preferred by 41%).
2. In terms of the format of the event, the majority of operators would prefer a short drive to the site, a relaxing dinner, followed by a night drive afterwards for their guests (preferred by 62%).
3. An overwhelming 72% of operators chose an informal and relaxing atmosphere, similar to a braai. 28% indicated they would prefer something a bit more elegant, but not too formal. No interest was shown in a fine dining experience requiring an appropriate dress code.

Preferences with regards to dining and seating:
1. When it comes to the menu, almost half (49%) of the OSV operators chose a buffet with a variety of traditional South African cooked foods, including venison, for their clients. South African braai food (meat, pap & sous, vegetables) was selected by 35% of respondents for their guests.
2. OSV operators differed in the choice of seating arrangements for their clients with no clear preference for either one of the options.
Executive summary

Likelihood of purchasing the product and willingness to pay (WTP):

1. 76% of operators said they would very likely sell a Bush Braai to their clients if the product was available today.
2. The majority of operators felt a reasonable price would fall within the R300 – R599 pp. bracket.
3. The average price perceived to be reasonable by operators was R493.97 pp, which is significantly higher than what the current SANParks customer is willing to pay. It should be noted however that the clientele of the OSV operators differ from the usual SANParks visitor. The proportion of international visitors amongst the OSV clientele may also influence results.

Marketing of the experience:

- The term BUSH BRAAI was preferred by 66% of operators (not BUSH DINNER).
- It is interesting to note that this % was much higher amongst SANParks customers (78%).

Methodology and questionnaire design

Preferences towards:
- Q1: Type of experience
- Q2: Format of the experience
- Q3: Dinner style
- Q4: Menu
- Q5: Seating arrangements

Q6: Describe your ideal Bush Braai experience (own words)

Q7: Likelihood of selling it to guests
Q8: Factors increasing likelihood of selling
Q9: Willingness to Pay
Q10: Preference towards product name
Q1: When thinking of a Bush Braai or Bush Dinner experience in Kruger, which of the following options do you think your guests would be more likely to go for?

Answered: 28

- An affordable experience that can be enjoyed by the whole family: 44.8%
- Pay a little more for extra comfort and quality: 41.4%
- Pay a premium and get five star treatment to celebrate a special occasion: 10.3%
- Other (please specify): 3.4%

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>An affordable experience that can be enjoyed by the whole family</td>
<td>44.8%</td>
<td>13</td>
</tr>
<tr>
<td>Pay a little more for extra comfort and quality</td>
<td>41.4%</td>
<td>12</td>
</tr>
<tr>
<td>Pay a premium and get five star treatment to celebrate a special occasion</td>
<td>10.3%</td>
<td>3</td>
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<tr>
<td>Other (please specify)</td>
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</table>

Answered question: 29

Q2: Which of the following options do you think your guests would prefer?

Answered: 28

- A short drive late afternoon to the site, a relaxing dinner, followed by a night drive afterwards: 34.5%
- A long sunset drive to the site with dinner served slightly later, followed by a short night drive afterwards: 62.1%
- Drive directly to the site, enjoy a relaxing dinner and immediately after return guests to their accommodation: 3.4%
- Neither: 0.0%

Powered by SurveyMonkey
Q3: After the game drive, you arrive at a beautiful setting in the bush where tables have been set for the dinner. What style of dining would your guests typically prefer?

Answered: 29

- Strong preference towards an informal bush experience (72.4%)
- An informal and relaxing atmosphere similar to a braai (27.6%)
- Something more elegant and romantic, but not too formal (0.0%)
- A fine dining experience with an appropriate dress code (0.0%)

Answer Options

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
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<tbody>
<tr>
<td>An informal and relaxing atmosphere similar to a braai</td>
<td>72.4%</td>
<td>21</td>
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<tr>
<td>Something more elegant and romantic, but not too formal</td>
<td>27.6%</td>
<td>6</td>
</tr>
<tr>
<td>A fine dining experience with an appropriate dress code</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

Q4: What type of menu would your guests opt for?

Answered: 29

- Traditional South African braai food (meat, pap and sauce, vegetables) (34.5%)
- Buffet with a variety of traditional South African cooked foods, including venison (48.3%)
- A three course meal, prearranged with the chef (0.0%)
- Surprise me (6.9%)
- Other (please specify) (10.3%)

Answer Options

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
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<tr>
<td>Traditional South African braai food (meat, pap and sauce, vegetables)</td>
<td>34.5%</td>
<td>10</td>
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<tr>
<td>Buffet with a variety of traditional South African cooked foods, including venison</td>
<td>48.3%</td>
<td>14</td>
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<tr>
<td>A three course meal, prearranged with the chef</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Surprise me</td>
<td>6.9%</td>
<td>2</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>10.3%</td>
<td>3</td>
</tr>
</tbody>
</table>
Q5: What type of seating arrangement would you prefer for your guests?
Answered: 20

- Small intimate tables which could seat up to 4 people each: 27.6%
- Round banquet tables which could seat groups of up to 10 people each: 27.6%
- Long rows of rectangular banquet tables where groups can interact with each other: 24.1%
- Other (please specify): 27.5%

Answer Options

- Small intimate tables which could seat up to 4 people each: 27.6% (8 responses)
- Round banquet tables which could seat groups of up to 10 people each: 27.6% (8 responses)
- Long rows of rectangular banquet tables where groups can interact with each other: 24.1% (7 responses)
- Other (please specify): 27.5% (6 responses)

Q6: In your own words, tell us what an ideal Bush Braai or Bush Dinner experience would be made up of?
Answered: 20

- braai meat
- lanterns
- oil lamps
- dry riverbed
- welcome drink
- calls of the wild
- remote waterhole
- camp fire
- true wilderness
- milk tart
- buffet style
- crisp white linen with animal print overlays
- safety & security
- of guests
- traditional South
- overlooking
- good storytelling
- African food
- atop a hill
- a river

Page 37 of 58
Q7: If the product was available today, what would be the likelihood of you selling the product to your guests?
Answered: 29

The majority of operators (62%) say they would be extremely likely to sell the product to their guests, should the product be available today.

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<tr>
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<th>Response Percent</th>
<th>Response Count</th>
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</thead>
<tbody>
<tr>
<td>Extremely likely</td>
<td>62.1%</td>
<td>18</td>
</tr>
<tr>
<td>Very likely</td>
<td>24.1%</td>
<td>7</td>
</tr>
<tr>
<td>Somewhat likely</td>
<td>13.8%</td>
<td>4</td>
</tr>
<tr>
<td>Not so likely</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Not at all likely</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

Q8: What would make you more likely to sell a Bush Braai? (open ended answer)
Answered: 29

“Cost. Convenience. Quality.”

“Quality of the meal and a choice of good SA wines, both red and white.”

“Affordability”

“would place it on our packages in a heartbeat the only problem is our guests start at two and upwards and don't see the park willing to cater for just two guests on a bush braai.”

“A true African night in the bush listening to only the sounds of nature with a quality dinner.”

“good guides as well as a professional person catering”
Q9: What do you think a reasonable price would be for a Bush Braai experience?

Answered: 20

The majority (52%) of respondents think a reasonable price would be region of R300 – R599 pp.

On average, OSV operators feel a reasonable price would be = R483.97pp.

Q10: Which phrase sounds more appealing to you?

Answered: 20

- Bush Braai: 65.5%
- Bush Dinner: 34.5%

Answer Options

<table>
<thead>
<tr>
<th></th>
<th>Response Percent</th>
<th>Response Count</th>
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</thead>
<tbody>
<tr>
<td>Bush Braai</td>
<td>65.5%</td>
<td>13</td>
</tr>
<tr>
<td>Bush Dinner</td>
<td>34.5%</td>
<td>7</td>
</tr>
</tbody>
</table>

answered question 20

BACK TO MAIN MENU
Research conducted by

Visitor Management & Interpretation Unit

liandi.slabbert@sanparks.org
kevin.moore@sanparks.org
18. **BUSH BRAAI SURVEY REPORT GUEST VISITOR PERSPECTIVE**

**Table of Contents (click to navigate)**

1. Executive summary
2. Methodology and questionnaire design
3. Responses per question
   1. Which gates were utilised amongst sample
   2. Key determinants in decision regarding new activities
   3. Experience with the product
   4. Preferences: Type, Format, Dinner Style, Menu, Seating
   5. Ideal Bush Braai experience
   6. Critical success factors
   7. Travel group
   8. Likelihood of purchase and factors increasing likeliness
   9. Booking method preference
10. Willingness to Pay (WTP)
11. Product name
12. Demographics: Gender, country of residence and age
Executive summary 1 of 8

- The population consisted of overnight visitors to Crocodile Bridge and Pretoriuskop rest camps during the previous 12 months. When asked which gates they utilised on their most recent trip to the KNP, 52% of respondents said they used Croc Bridge, 32% Phabeni, and an additional 13% mentioned Phalaborwa.
- Total responses received: 496 from the current SANParks market. Domestic visitors had by far the largest representation in the sample (93%).
  - Operator should be cautious not to formulate its offering entirely around the needs of the domestic market.
  - Compared to similar surveys conducted amongst KNP visitors, the proportion of domestic market is much higher in this sample. One possible explanation for this could point to the fact that there is a lack of understanding of the product amongst the international market, which would need to be addressed in appropriate marketing strategies.
  - Inputs received from the OSV survey should assist with a more inclusive view.

Executive summary 2 of 8

- More male respondents (54%) participated than females (46%).
- The age category of 50 – 64 years had the largest representation (47%), followed by those aged between 35 – 49 years (27%). The younger generation (under 35) was underrepresented (<6%), however this mirrors the profile of visitors to KNP in general. It is interesting to note that more than 20% of the respondents to this survey were 65 years and older (9% aged 71 years or older) – which is in line with similar surveys conducted in KNP.
- Three quarters of respondents have never been on a Bush Braai experience before, which reduces bias from previous experiences (good or bad).
Executive summary

3 of 8

When considering new activities to participate in (in and around KNP), the key determinants for consideration are:

1. Chance to see wildlife
2. Value for money experience
3. Uniqueness of the experience
4. Price

Preferences towards the type of and format of the experience:

1. The majority of customers (63%) would prefer an affordable experience that can be enjoyed by the whole family. An additional 27% of this market is willing to pay a little extra for more comfort and quality though.

2. In terms of the format of the event, the results indicate that both the following options could serve this market but that option 1 was preferred by more visitors:
   1. Long sunset drive with dinner served slightly later, followed by a short night drive afterwards (66% preferred this option)
   2. A short drive to the site, a relaxing dinner, followed by a night drive afterwards (preferred by 40%)

3. An overwhelming 80% of respondents prefer an informal and relaxing atmosphere, similar to a braai. 20% indicated they would prefer something a bit more elegant, but not too formal. No interest was shown in a fine dining experience requiring an appropriate dress code.
Executive summary 5 of 8

Preferences with regards to dining and seating and travel group:
1. When it comes to the menu, almost half (48%) of visitors say they would prefer traditional South African food (meat, pap & sous, vegetables). An further 30% wants a buffet with a variety of traditional South African cooked foods, including venison.
2. The majority would like small intimate tables which could seat up to 4 people (preferred by 47%) – this is linked to the size of the travel group, which in this case indicated that most visitors anticipate going on a Bush Braai with their partner (54%). A substantial 41% of respondents said they would bring their families along.
   • The international market may have significantly different requirements, depending on who they travel with.

Executive summary 6 of 8

Likelihood of purchasing the product and willingness to pay (WTP):
1. Almost half (48%) of respondents said they would likely book a Bush Braai on their next trip to KNP if the product was available. An additional 34% may be persuaded to purchase through the right marketing message, provided the product speak to their needs.
2. The majority of respondents would be willing to pay in the region of R200 – R399 pp
3. The average price visitors were willing to pay was R375.98 pp, however this was slightly skewed by foreign visitors’ answers.
   • The average price domestic visitors were willing to pay was R356.85 pp.
   • On average, a foreign visitor is willing to pay 77% more for a Bush Braai experience than a domestic visitor. The sample of foreign visitors was small (24), therefore figures should be treated with caution.
Critical success factors in order of importance:
1. Having a memorable wildlife experience
2. Being in a beautiful setting
3. Experiencing quality guiding
4. Good quality food (slightly less important than guiding)

Marketing of the experience:
- The term BUSH BRAAI was preferred by 78% of visitors (not BUSH DINNER).
- Keep in mind that this concept may be new to international visitors and that it needs to be marketed accordingly.
- Include images and videos that display the natural beauty of the venue(s) and provides a description of what can be expected.
- A strong emphasis should be placed on guiding as this was highlighted as a key factor for success.
- Many respondents requested to be made aware of the product pre-arrival as well as at camp receptions.

Preferences for booking methods:
- 43% of respondents would prefer to book online for such an experience
- 37% said they would like to book at the front desk
Methodology and questionnaire design

Q1: During your last overnight trip to Mpumalanga, which of the following gates of the Kruger National Park was closest to where you stayed?

Q2: Key considerations towards selecting activities in this area?

Q3: Have you ever been on a Bush Braai or Bush Dinner before?

Preferences towards:
Q4: Type of experience
Q5: Format of the experience
Q6: Dinner style
Q7: Menu
Q8: Seating arrangements

Q9: Describe your ideal Bush Braai experience [own words]
Q10: Aspects contributing to pleasant experience

Q11: Typical travel group
Q12: Likelihood of purchase on next trip
Q13: Factors increasing likelihood
Q14: Booking preference
Q15: Willingness to Pay
Q16: Preference towards product phrase

Demographics
Q17: Gender
Q18: Country of residence
Q19: Age

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Answer Options

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<tr>
<th></th>
<th>Response Percent</th>
<th>Response Count</th>
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<tbody>
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<td>Crocodile Bridge</td>
<td>52.4%</td>
<td>260</td>
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<tr>
<td>Phabeni</td>
<td>31.7%</td>
<td>157</td>
</tr>
<tr>
<td>Phalaborwa</td>
<td>12.5%</td>
<td>62</td>
</tr>
<tr>
<td>I'm not sure</td>
<td>3.4%</td>
<td>17</td>
</tr>
</tbody>
</table>
Q2: When considering new things to do in this area, what are the top three things you generally take into account? (Check only three boxes)

Answered: 496

**Key determinants**

- Chance to see wildlife: 78.8%
- Value for money: 57.9%
- Uniqueness of the experience: 57.3%
- Price of the activity: 51.4%
- Adventure or thrill factor: 20.6%
- Other (please specify): 3.6%

**Answer Options**

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chance to see wildlife</td>
<td>78.8%</td>
<td>391</td>
</tr>
<tr>
<td>Value for money</td>
<td>57.9%</td>
<td>287</td>
</tr>
<tr>
<td>Uniqueness of the experience</td>
<td>57.3%</td>
<td>284</td>
</tr>
<tr>
<td>Price of the activity</td>
<td>51.4%</td>
<td>255</td>
</tr>
<tr>
<td>Adventure or thrill factor</td>
<td>20.6%</td>
<td>102</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>3.6%</td>
<td>18</td>
</tr>
</tbody>
</table>

*answered question 496*
Q2: Other considerations taken into account when selecting new activities (open ended answer)

Apart from the structured categories mentioned in the previous slides, the following additional considerations were specifically mentioned (n=17)

- Relaxation: 6
- Budget: 2
- Child-friendliness: 2
- Chance to meet new people: 1
- Scenery: 1
- Be in touch with nature: 2
- Sleep under the stars: 2
- Other: 1

Q3: Have you ever been on a Bush Braai or Bush Dinner before?

Three quarters of respondents have never been on a Bush Braai before

- Yes: 24.2%
- No: 75.8%

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24.2%</td>
<td>120</td>
</tr>
<tr>
<td>No</td>
<td>75.8%</td>
<td>376</td>
</tr>
</tbody>
</table>

Answered: 496
Q4: When thinking of a Bush Braai or Bush Dinner experience in Kruger, which of the following options are you more likely to go for?

- An affordable experience that can be enjoyed by the whole family: 63.3% (283 responses)
- Pay a little more for extra comfort and quality: 26.6% (119 responses)
- Pay a premium and get five star treatment to celebrate a special occasion: 4.5% (20 responses)
- Other (please specify): 5.6% (25 responses)

Q5: You meet up with your guide late afternoon at one of the KNP gates. Which of the following options would you prefer?

- Both these formats could serve the market, however there was a slightly stronger preference towards a long sunset drive than a night drive: 55.9%
- A short drive to the site, a relaxing dinner, followed by a night drive afterwards: 39.8%
- A long sunset drive to the site with dinner served slightly later, followed by a short night drive afterwards: 1.6%
- Drive directly to the site, enjoy a relaxing dinner and immediately after return to my accommodation: 2.7%
- Neither: 1.6%
Q6: After the game drive, you arrive at a beautiful setting in the bush where tables have been set for the dinner. What style of dining would you prefer?

Answered: 447

- 80.5%: Strong preference towards an informal bush experience
- 19.5%: An informal and relaxing atmosphere similar to a braai
- 0.0%: Something more elegant and romantic, but not too formal
- 0.0%: A fine dining experience with an appropriate dress code

Answer Options

<table>
<thead>
<tr>
<th>Response Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>An informal and relaxing atmosphere similar to a braai</td>
<td>80.5%</td>
<td>300</td>
</tr>
<tr>
<td>Something more elegant and romantic, but not too formal</td>
<td>19.5%</td>
<td>87</td>
</tr>
<tr>
<td>A fine dining experience with an appropriate dress code</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>0.0%</td>
<td>12</td>
</tr>
</tbody>
</table>

Q7: What type of menu would you prefer?

Answered: 447

- 48.3%: Traditional South African braai food (meat, pap and sauce, vegetables)
- 29.5%: Buffet with a variety of traditional South African cooked foods, including venison
- 13.2%: A three course meal, prearranged with the chef
- 4.7%: Surprise me
- 4.3%: Other (please specify)

Answer Options

<table>
<thead>
<tr>
<th>Response Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional South African braai food (meat, pap and sauce, vegetables)</td>
<td>48.3%</td>
<td>216</td>
</tr>
<tr>
<td>Buffet with a variety of traditional South African cooked foods, including venison</td>
<td>29.5%</td>
<td>132</td>
</tr>
<tr>
<td>A three course meal, prearranged with the chef</td>
<td>4.7%</td>
<td>21</td>
</tr>
<tr>
<td>Surprise me</td>
<td>13.2%</td>
<td>59</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>4.3%</td>
<td>19</td>
</tr>
</tbody>
</table>
Q8: What type of seating arrangement would you prefer?

Answered: 447

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small intimate tables which could seat up to 4 people each</td>
<td>46.8%</td>
<td>209</td>
</tr>
<tr>
<td>Long rows of rectangular banquet tables where groups can interact with each other</td>
<td>23.7%</td>
<td>106</td>
</tr>
<tr>
<td>Round banquet tables which could seat groups of up to 10 people each</td>
<td>23.3%</td>
<td>104</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>6.3%</td>
<td>28</td>
</tr>
</tbody>
</table>

Answered question 447
Q9: In your own words, tell us what your ideal Bush Braai or Bush Dinner experience would be made up of?

- under the stars
- overlooking a dam
- watching the sunset
- ice for drinks
- dim light
- wort, chops, steak
- near a waterhole
- pans & salads
- lanterns
- guides with passion
- listening to the nightlife
- no fancy food
- camp fire ambiance
- no rowdy guests
- light and
crackle of
a bontfire
- on a sandy riverbank
- no fancy food
- or in a dry riverbed
- knowledgeable
- tranquility
- smell of braai meat
- guide
- on top of a mountain
- on the grill
- good red wine
- toilets
- candlelilt
- roar of a lion
- place for washing hands
- guides sharing memorable stories about
- fire torches
- their experiences in parks
- coffee & dessert

Q10: Which aspects will contribute most to a pleasant Bush Braai experience for you?

Answered: 560

- Having memorable wildlife encounters: 1993
- Being in a beautiful setting: 1922
- Experiencing quality guiding with interesting storytelling: 1832
- Enjoying good quality food: 1800
- Having a relaxed atmosphere: 1533
- Receiving good service from staff during dinner: 1415
- Feeling safe throughout the experience: 1336
- Experiencing comfort throughout the excursion: 1129
Q11: Who are you more likely to go on a Bush Braai with?

Answered: 360

- 53.9% with my family
- 40.6% with my friends
- 4.7% with my colleagues
- 0.6% with my partner
- 0.3% as part of a tour group
- Other (please specify)

Q12: How likely are you to book a KNP Bush Braai on your next trip?

Answered: 346

- 48% of respondents say they are likely to book a Bush Braai on their next trip to KNP.
- An additional 34% may be persuaded through the right marketing message, provided the product speak to their needs.
Q13: What would make you more likely to book a Bush Braai? (open ended answer)

- Affordability or price was highlighted as the biggest factor influencing the likelihood of a visitor booking.
- Other factors playing a role include the location of the venue, increased marketing and visibility of the product.

Q14: How would you prefer to book a Bush Braai?

- 43.1% prefer booking online
- 36.8% prefer booking at the front desk
- 8.6% prefer booking via email
- 6.6% prefer booking via the telephone
- 4.9% mark the option as not applicable
Q15: How much would you be willing to spend on a Bush Braai experience?

The average price visitors were willing to pay was R375.98 pp, however this was skewed by foreign visitors’ answers. The average price domestic visitors were willing to pay was R356.85 pp.

The majority of respondents would be willing to pay in the region of R200 – R399 pp.

A foreign visitor is willing to pay 77% more for a Bush Braai experience than a domestic visitor. The sample of foreign visitors was small (24), therefore figures should be treated with caution.

Q16: Which phrase sounds more appealing to you?

Bush Braai: 78%  |  Bush Dinner: 22%

Answer Options | Response Percent | Response Count
--- | --- | ---
Bush Braai | 77.6% | 78
Bush Dinner | 22.4% | 78

348 answered question
Demographics

Q17: Are you male or female?
Answered: 347

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>53.9%</td>
<td>187</td>
</tr>
<tr>
<td>Female</td>
<td>46.1%</td>
<td>180</td>
</tr>
</tbody>
</table>

Answered question: 347
Q18: In what country do you currently reside?

Answered: 347

- South Africa: 93.1%
- Germany: 0.3%
- France: 0.0%
- United Kingdom: 0.0%
- Netherlands: 0.0%
- United States: 0.0%
- Australia: 0.0%
- Italy: 1.2%
- Switzerland: 0.0%

Q19: Age

Answered: 347

- 17 or younger: 11.8%
- 18 - 24: 26.5%
- 25 - 34: 46.7%
- 35 - 49: 9.2%
- 50 - 64: 5.5%
- 65 - 70: 0.3%
- 71 or older: 0.0%
19. PROJECT TIMETABLE

<table>
<thead>
<tr>
<th>EVENT</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Advertisements for the Phalaborwa Bush Braai Opportunity</td>
<td>30 June 2019</td>
</tr>
<tr>
<td>Provide Information Memorandum and RFP to Interested Parties</td>
<td>1 July 2019</td>
</tr>
<tr>
<td>Registration for Due Diligence Site Visit</td>
<td>8 July 2019</td>
</tr>
<tr>
<td>Due Diligence Site Visits</td>
<td>15 July 2019</td>
</tr>
<tr>
<td>Submission by Bidders of Comments &amp; Questions</td>
<td>19 July 2019</td>
</tr>
<tr>
<td>Registration for Bidders Conference</td>
<td>31 July 2019</td>
</tr>
<tr>
<td>Bidders Conference</td>
<td>5 August 2019</td>
</tr>
<tr>
<td>Distribute Written Answers to Questions</td>
<td>23 August 2019</td>
</tr>
<tr>
<td><strong>Tender Submissions</strong></td>
<td><strong>11 October 2019</strong></td>
</tr>
<tr>
<td>Bid Evaluation</td>
<td>15 October 2019</td>
</tr>
<tr>
<td>Bid Adjudication</td>
<td>25 October 2019</td>
</tr>
</tbody>
</table>