Request for Expression of Interest: Tourism PPP opportunity

South African National Parks (SANParks)

West Coast National Park

Kraalbaai Houseboats:

Potential Accommodation and Related Tourism Facilities for an Operator to operate and maintain the Larus and Nirvana Houseboats

SANParks requests Expressions of Interest for the appropriate commercial use of accommodation and related tourism facilities on the Larus and Nirvana Houseboats within the West Coast National Park through a public private partnership (PPP) agreement.

This request for Expression of Interest (EOI) is issued by SANParks in accordance with the guidelines for PPPs contained in National Treasury’s PPP Toolkit for Tourism, and in compliance with Treasury Regulation 16 issued in terms of the Public Finance Management Act, 1999 (PFMA).

19 February 2014
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Important general notes

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

This request for EOI 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 for submitting an EOI.

SANParks may change or replace any information contained in this request for EOI at any time, without giving any prior notice or providing any reason.

The purpose and limits of the EOI process

SANParks is currently investigating the feasibility of a PPP opportunity in which it grants selected private party the right to appropriate commercial use of Larus and Nirvana Houseboats in West Coast National Park (WCNP) for a tourism PPP opportunity.

As part of establishing the feasibility of this PPP opportunity, particularly what scale and type of market interest there is in it, SANParks invites prospective investors or operators to submit EOI following the format in paragraph 5 below.

SANParks will assess the EOI and will use the information to complete its feasibility study. If the PPP opportunity is feasible, SANParks will use the EOI information it received to compile bid documentation, and a competitive bid process will follow.

SANParks reserves the right to ask any investor or operator that submits an EOI questions for clarity.

Submitting an EOI does not constitute a bid. No investor or operator will be bound by anything contained in their EOI submission. The information in the EOI will be used solely for SANParks to complete its feasibility study and to prepare bid documentation if it decides to proceed with a PPP.

SANParks will acknowledge receipt of all EOI received, but reserves the right not to proceed any further with the proposed PPP.
SANParks does not acknowledge that any intellectual property rights arising from your EOI submission and your outline business case accrue to you.

If a PPP bid process follows for the commercial opportunity to operate and maintain the Larus and Nirvana Houseboats, all interested parties that submitted EOI will be invited to bid.

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](http://www.ppp.gov.za).

A description of the possible tourism PPP opportunity at West Coast National Park

SANParks’ core mandate is to develop, manage and promote a system of national parks that represent the biodiversity and heritage assets by applying best practice, environmental, justice and benefit sharing and sustainable use. SANParks has a strategy to commercialise business opportunities in its national parks where these offer a value-for-money proposition for SANParks. For more background on SANParks please visit [www.sanparks.org](http://www.sanparks.org).

In a typical PPP agreement in this sector, the private party is granted rights to finance, design, build, maintain and operate a tourism facility on state conservation land and marine protected area 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 BEE obligations, and pay a PPP fee to SANParks. At the end of the agreement term, the facility reverts to the SANParks.

The sites

**Full description of the sites**

This commercial opportunity is situated in the West Coast National Park (WCNP), one hundred kilometres north of Cape Town. The Larus and Nirvana Houseboats are based at Kraalbaai a day visitor area in WCNP, in the Langebaan Lagoon which forms part of the WCNP (see Annexures B). Kraalbaai is a very popular day visitor site in WCNP. Kraalbaai is intensively used for limited portions of the year, including uses such as fishing, swimming, skiing, tubing, walking, hiking, bird-watching and beach fun activities. A ranger’s office is based at Kraalbaai. Kraalbaai is deemed a high volume
site and is zoned as “High Intensity Leisure” area in terms of the WCNP approved Park Management Plan (PMP) even though the intense use of the site is limited in a year (p.20 of PMP). The PMP (p.24) indicates that “Kraalbaai and the adjoining Preekstoel are popular day visitor sites during summer and public holidays, drawing crowds from the communities surrounding the park”.

Kraalbaai lies on the boundary of two Marine zones of WCNP, namely Marine A and Marine B areas, which are special management areas within WCNP. Marine A zone is managed as a marine controlled Zone with enforcement of the Marine Living Resources Act. Fishing and motorised vessels are allowed. Access to Marine B zone is controlled. Fishing and use of any motorised vessel can only take place on the authority of and in accordance with a permit obtained from the WCNP management.

SANParks allows mooring of vessels at Kraalbaai and overnight anchoring for yachts at Kraalbaai and Perlemoen Point for a fee. A wooden jetty at Kraalbaai provides access to the houseboats. The wooden jetty is used by WCNP vessels and the houseboats concessionaire only. The houseboats are moored in designated areas.

The two houseboats, Larus Houseboat and Nirvana Houseboat, based at Kraalbaai forms part of the WCNP tourism facilities on offer. See p. 24 and Table 2 of the PMP for a summary of visitor facilities.

### 3.3.1.1 Larus Houseboat

The Larus Houseboat accommodates a maximum of 6 guests in 3 Cabins. It consists of a well-equipped open plan kitchen and dining area with a braai facility. The main cabin has a queen size bed and the second cabin a comfortable bunk bed (2 sleeper). The third cabin has removable mattresses which are used at night (2 sleeper).

The Larus consists of the following structures namely:

- Floatation for house boat
- Swim deck with floatation
- Aluminium covering
- Deck under covering
- Solar panels and Inverter
• Exterior bench
• Stainless steel stations and wire railing
• Gas geyser
• Boat house @ 45msqd
• Aluminium windows

Please see asset register for Larus– Annexure D

3.3.1.2 Nirvana Houseboat

The Nirvana Houseboat consists of an upper and lower deck. It is luxuriously finished and ideally suited for use by corporate groups, family holidays, special occasions and functions. It accommodates up to 24 guests. It is approximately four hundred square meters in size, and weighs 130 tons. A Naval architect designed the houseboat to South African Maritime specifications.

The lower deck of the Nirvana accommodates a maximum of 14 people. The facilities include:

• Spacious lounge with fireplace and sound system. The lounge leads out onto the large, wind-free foredeck, equipped with tables and chairs making this the ideal spot for dining with a view.
• State of the art, fully equipped kitchen with large gas stove, oven and fridge. Kitchen utensils, crockery and cutlery. In fact, all you need to bring is your food and drink.
• Five spacious bedrooms each with queen size beds, which can be split into two single beds depending on your sleeping preferences.
• The sixth bedroom is equipped with two comfortable bunk beds (4 Sleeper).
• Three full bathrooms – flush toilets, large pentagonal showers and basins.
• Foredeck – large wind free area leading off the lounge offering guests a unique dining area with spectacular views and shaded outside seating.
• Spacious 45 square meter floating platform, leading off the foredeck area, offering barbeque facilities, sun-bathing and swimming.

The upper deck of the Nirvana accommodates a maximum of 10 people and compromises the following:
• The upper deck can be accessed from either the aft- or fore-deck via staircases on either side respectively.
• The spacious lounge offers spectacular wrap-around views and has plenty of space for luxury laid back relaxing as well as a bar-counter area.
• Two Bedrooms, each with queen size beds, which can be split into two single beds depending on your sleeping preferences.
• The third bedroom is smaller and has a comfortable double bed which cannot be split into two singles.
• Two comfortable double sleeper couches in the lounge area.
• A large deck for lounging and sunbathing.
• Full Bathroom - flush toilet, large pentagonal shower and basin.

3.3.1.3 Note potential bidders are to make separate offers for each of the houseboats as part of their EOI submission. However it must be noted that final amount payable for the residual value of the Nirvana Houseboat will be based on an independent valuation at a later stage, if SANParks decides to advertise the tourism PPP opportunity. Please see Annexure D and E for asset details for Larus and Nirvana respectively.

3.3.2 South African Maritime Safety Association (SAMSA) Requirements

The following SAMSA requirements need to be adhered to namely:
- Boats require annual inspection and certificate of fitness
- Drawings of each vessel
- Safety requirements – equipment
- Emergency procedure – injury, fire, swamping, crime
- SAMSA construction requirements
- Specific other requirements on boat – communication, docking, use of tenders, qualifications of ferry operators
- All the above should comply with SAMSA regulations

3.3.3 Confirmation of the institution’s legal rights to enter into a PPP on the site

SANParks manages the land, marine protected area, property and current assets at these sites as part of a declared National Park in terms of the National Environment: Protected Areas Act (No. 57 of 2003) and Integrated Coastal Management Act 24 of
2008 (ICMA, 24 of 2008). As part of SANParks, it has the legal right to enter PPPs at these locations as stipulated above point 2.8 above.

3.3.4 Commercial uses to which the site is currently/has been put, if any

Both houseboats have been successfully used as self-catering and catered for accommodation uses. The Larus Houseboat focused on couples and families whilst the Nirvana Houseboat rendered corporate and events functions in addition to family accommodation.

3.3.5 Details of services and infrastructure of the sites

See clause 3.3.1.1 and 3.3.1.2 above, as well as Annexure C for infrastructure details.

In terms of parking, should the operators have the capacity to provide 5 houseboats, it is recommended that 5 dedicated parking bays are allocated for these clients.

Currently the following is planned for Kraalbaai – office building for WCNP Section Ranger and staff, ablution facility for public usage, boat shed, and accommodation for house boat operator (2 staff members). Please see Annexure A for details.

The potential operator needs to state his/ her requirements for storage and accommodation of staff. This will have to be decided upon by SANParks if it can be provided as plans have been approved. The potential operator must consider a rental amount to be paid for the use of these structures. Due to SANParks constructing this infrastructure, maintenance should also be included as part of his/ her responsibility.

3.3.5 Description of supporting infrastructure

3.3.5.1 Any environmental constraints

The site developments are part of the West Coast National Park Management Plan. Please see Annexure B.

The houseboats and its operational area falls under SANParks, it is bound by a number of statutes with relevance to environmental and conservation management of Parks, including the National Environmental Management Act of 1998 (NEMA),

The operator to provide us feasibility based on the tow existing houseboats for this concession. Additional houseboats will be subject to the approval by SANParks. These additional houseboats must also be seen in the context of its environmental impacts on existing infrastructure that are available to the operator namely septic tank, accommodation, storage buildings to name a few and if this triggers any listed activities.

An Environmental Management Plan (EMP) will need to be constructed to guide operations applicable to the houseboats and the implementation thereof. The EMP will be the responsibility of the operator where he/she outlines how to manage access, noise, lighting, logistics, weather conditions, cleaning to name a few.

3.5.5.2 **Any human resources issues**

The new appointed bidder will be responsible for employing their own staff and abiding to all labour relations regulations.

3.5.5.3 **Any local/neighbouring community concerns**

No local/neighbouring community concerns have been identified.

3.5.5.4 **Sewerage**

Sewerage will be disposed of in Kraalbaai at the new septic tank/s. In this case the operator can be expected to pay a monthly fee. In this scenario, the current sewerage barge will be used to transport the sewerage from the houseboats to the jetty where a connection and pipe will transport this sewage to the septic tank. The pump for this operation is housed on the sewage barge.

The second option is as it is currently being done with the disposal in Langebaan by the operator.

3.5.5.5 **Refuse**

The operator will be responsible for removal and complete disposal of all refuse generated on the houseboats.
3.5.5.6 Water

The current infrastructure for water supply (pipe and taps) will remain unchanged. Additional storage tanks in Kraalbaai may be added as required (currently 15 000 l is available and may be increased to as much as 30 000 l as required) The operator will be expected to pay a fee for the water.

3.5.5.7 Maintenance

- **Houseboats (excluding pontoons)**

SANParks and the potential operator will have to agree on the maintenance plan and the state of the existing houseboats at handover. There may be some repairs that will be required. Roles and responsibilities will have to be agreed upon by both parties.

We recommend that if any of the houseboats (which form part of the concession) remain the property of SANParks (except if the operator does a complete refit of such a houseboat), the exterior of these boats should be the responsibility of SANParks. In this case, a biannual meeting (suggested dates pre and post summer) must be held with the operator where routine maintenance is discussed. The maintenance must be scheduled with the operator as it will affect the use of the boats for clients. Any ‘new’/additional boats brought in by the operator, all maintenance will be his/her responsibility (this includes a refit of Larus)

- **Houseboats (including pontoons)**

It is proposed that the lifespan of the pontoons of each existing houseboat is calculated before the contract is signed and implemented. Based on this time period, suitable arrangements must be in place to either replace/repair or decommission the houseboat(s) when this period lapses.

- **Moorings**

It is proposed that SANParks provides suitable moorings (correct structure and certified) for the houseboats at the beginning of the contract. Thereafter, the biannual inspections will be done by the operator and SANParks respectively. This will ensure that the required maintenance for such moorings is identified and that they remain serviceable. Here it is important to note any insurance constraints.
3.5.8.8 **Safety**

This relates more to ‘internal’ safety requirements/recommendations but may include items listed by SAMSA.

Examples are:

- Children below a certain age have restrictions as being guests on the houseboat
- Use of alcohol
- Braai facilities
- Actions by clients in the case of an emergency
- Activities at night e.g. Travel to and from the houseboats
- Clients bringing their boats to the houseboat
- Use of tender boats by clients
- Mooring of client boats at the houseboats (who & how)
- Both SANParks and the operator must ensure that all legal insurance requirements are met specifically around public liability and assets.

### 3.4 Current tourism trends

In 2012, the following tourism statistics were reported for the West Coast Region namely:

- 1.5 million visitors to attractions
- 205 000 visitors to events and festivals
- 1.1 million to accommodation
- 223 739 visitors to West Coast National Park
- 87% of West Coast visitors are domestic with the majority being from the Western Cape and visiting between April and September
- Top 3 source markets: SA; UK; Netherlands
- Average group size: 2 and length of stay: 2 nights
- Main purpose of visit: holiday (84%)

The overall average length of stay of visitors to the Cape West Coast was three nights and the most common was one night. Of these visitors, 26.1% indicated that they
stayed overnight, of which 12.9% stayed for one night, 6.5% for two nights, 2.7% for three nights, 1.2% for four nights, 2.8% stayed for five nights and more and 73.9% did not indicate their length of stay in the region.

The main purpose of visit to the Cape West Coast was for holiday (84.2%), followed by 5% who travelled for business, 3.4% were residents seeking general information, 1.5% visited friends and relatives, 1.4% enjoyed the cuisine in the region, 1.4% explored the wine routes of offer, 2.3% travelled for various other reasons and 0.8% did not indicate their purpose of visit.

Almost all (95.5%) visitors to the Cape West Coast used a car as their main mode of transport, followed by 1.6% who travelled about on foot, 0.5% used various other modes of transport and 2.4% did not indicate their mode of transport. Of the overseas visitors, 95.5% travelled by car and 4.5% on foot. Among the domestic visitors, 95.7% travelled by car and 1.8% used other modes of transport. All visitors from Africa (excluding domestic) used a car as their main mode of transport. (Source: Western Cape Regional Tourism Visitor Trends Q2 (April- June) 2012 WESGRO)

- **Guest to Park**
  See Annexure F for details
- **Unit and Bed Occupancies for Larus and Nirvana**
  See Annexure G for details

### 3.5 Possible commercial opportunities

It is envisaged that the Larus and Nirvana Houseboats be used commercially by an operator for uses suitable to the specific vessels, i.e. accommodation, events, etc. Additional houseboats can be considered and require the approval from SANParks. Each of these boats must be moored on a suitable fixed mooring. Power supply should be in the form of wind or solar only and be affixed to each applicable boat. Each boat should have one ‘floating’ jetty and a suitable access from the water areas (boats and swimming).
• **Activities permitted from the potential houseboat operator in general**

The operator may offer certain activities directly from the boat for example vessel available and kayaks or may offer other activities for clients which would be done close by for example kite surfing lessons from a nearby beach. In discussions during the EOI process these activities should be taken note of and agreed to by all parties.

Activities may include: kayaking, water skiing, wind surfing, kite surfing, snorkelling, sailing and tubing to name a few as stated in the West Coast National Park Management Plan. Please see Annexure B.

3.6 **Initial value-for-money targets**

High-level commercialisation objectives for SANParks include the following:
- Revenue Generation;
- Job creation;
- Broad based Black Economic Empowerment;
- Infrastructure upgrades;
- Tourism promotion

4. **Briefing session and site visit**

4.1 A briefing session and site visit will be held at the Kraalbaai parking area at West Coast National Park on 24 March 2014 at 11am.

4.2 To attend, interested parties should register via email before 4pm on the 20 March 2014 with Elmarie Walters at email address elmarie.walters@sanparks.org

5. **What to submit, where and when**

5.1 Tourism investors or operators interested in this PPP opportunity should submit information under the headings below. They are welcome to provide additional information.

5.2 EOI must be submitted to West Coast National Park, Main Street, Langebaan, 7357 on 24 April 2014 at 11am.

5.3 Enquiries can be sent to elmarie.walters@sanparks.org
5.4 **Required information for an EOI**

Please submit EOI document in MS Word and MS Excel formats (feasibility)

**A. Contact information**
A1 - Name of person submitting EOI
A2 - Company name
A3 - A1’s position in company
A4 - Contact details
  • Postal address
  • Telephone
  • Fax
  • Cell phone
  • Email

**B. Company’s profile and experience in the tourism industry**
B1 - Names and locations of current operations
B2 - Market segment(s)
B3 - Number of years in operation
B4 - Number of visitors per year for last three years (if possible)
B5 - Annual turnover per year for last three years (if possible)
B6 - Black economic empowerment profile measured by the Tourism BEE scorecard (available on [www.deat.gov.za](http://www.deat.gov.za))
B7 - Memberships/affiliations

**C. Interest in a PPP opportunity at (please name project site/s)**
C1 Fully describe the type, scale and market segment of tourism operation you would be interested in.
C2 Are you interested as an investor or as an operator or both?
C3 What (ballpark) level of capital investment would you be prepared to consider?
C4 What (ballpark) PPP fee (monthly / annual minimum rental and/or percentage of gross turnover would you pay to SANParks?
C5 What (ballpark) period of PPP agreement would you deem viable?
C6 What will you offer for the houseboats as set out in clause 3.3.1.3
C7 What specific conditions would encourage you to bid?
C8 What specific conditions would discourage you from bidding?