THE MANAGEMENT OF THE HOUSEBOATS CONCESSION FOR TWO YEARS

TERMS OF REFERENCE

1. BACKGROUND

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 intensive 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.

2. HOUSEBOATS DESCRIPTIONS

2.1. 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
- Aluminum covering
- Deck under covering
- Solar panels and Inverter
- Exterior bench
- Stainless steel stations and wire railing
- Gas geyser
- Boat house @ 45msqd
- Aluminum windows

Please see asset register for Larus – Annexure D

2.2 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.

2.3 Note the Nirvana and Larus are SANParks assets and potential bidders are to make separate offers for the management and operation of houseboats for each of the houseboats as part of their submission. Please see Annexures D and E for asset details for Larus and Nirvana respectively.

2.4 Bidders need to adhere to the Operational Environmental Management Plan of Kraalbaai Houseboats location where particular caution is taken onto consideration to ensure that there is limited impact on the environment. The site developments are part of the West Coast National Park Management Plan. Please see Annexure B.

2.5 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), Environment Conservation Act of 1989, Protected Areas Act of 2003, Integrated Coastal Management Act 24 of 2008 (ICMA, 24 of 2008) as well heritage regulations.

The operator to provide us with a proposal based on the two existing houseboats for this concession. Additional houseboats will be subject to the approval by SANParks. These additional houseboats must also been 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.

2.6. 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. WHAT MUST BE INCLUDED IN THE BID AND HOW TO SUBMIT IT

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

3.2. Bidders must submit two envelopes. Mark each envelope clearly Envelope 1 and Envelope 2. Attach the bid cover letter, in the format given in ‘Annexure 8: Bid cover sheets’, to the front of each envelope.

3.3. Envelope 1 must contain three copies of:

3.3.1. The Bidder Information, in the format given in Annexure 1A: Qualification Submissions;

3.3.2. the financial information, in the format given in ‘Annexure 1: Financial information’

3.3.4. a business and operational plan, in the format given in ‘Annexure 2: Business and operational plan’

3.3.5. a development and environmental proposal, in the format given in ‘Annexure 3: Development and environmental proposal’

3.3.6. a completed risk matrix, in the format given in ‘Annexure 4: Risk matrix’
3.3.7. a BEE proposal, in the format given in ‘Annexure 5: BEE proposal’

3.3.8. a tax clearance certificate, issued by the South African Revenue Service (SARS) within the bid date requirements, for each South African member of the bidder.

3.4. Envelope 2 must contain three copies of:

3.3.4.1. the details of the bidder's PPP fee offer, in the format in ‘Annexure 6: Draft PPP fee offer’

3.3.4.2. a mark-up of the draft Management Agreement, provided in ‘Annexure 7: Draft Management Agreement’, clearly indicating any amendments that the bidder proposes.

3.3.4.3. All information provided in the bid must be valid for 90 business days from the bid date.

3.3.4.4. Submitting a bid implies that the bidder knows and understands all the terms and conditions set out in this RFP and under the applicable laws of the Republic of South Africa, and that the bidder accepts these terms and conditions.

4. THE DATE AND PLACE FOR SUBMITTING BIDS

4.1. Bids must be submitted to the West Coast National Park office Main Street, Langebaan, 7357.

4.2. The envelope must be marked for the attention of Elmarie Walters and must be submitted on or before 11h00 on the 31 October 2014.

5. HOW THE BIDS WILL BE OPENED

5.1. The bid will be opened by SANParks’ bid secretariat.

5.2. The bid secretariat will separate envelopes 1 and 2 from all the bids. All envelopes 2 will be locked away in the safekeeping of the Regional Financial Officer until they are needed.

6. INCOMPLETE BIDS

6.1. The Project Evaluation Committee (PEC), in consultation with its financial and legal advisors, will check Envelope 1 of each bid to see whether the all the documentation that this RFP requires has been submitted correctly.

6.2. If a bid is not complete or something in it is not clear, the PEC may, but is not obliged to, ask bidders for more information. Bidders will receive such requests for more information in writing. No substantial changes to the bid will be asked for or allowed, except if there is a clear mistake in the bid.
6.3. A bid that is not complete or requires clarification may be disqualified without a request for further information. This is the SANParks’ decision.

7. HOW THE BIDS WILL BE EVALUATED AND THE PREFERRED BIDDER CHOSEN

7.1. The three main elements of the bid and the two-envelope system

7.1.1. Bids will be evaluated on three main elements: functionality, BEE and the PPP fee offer.

7.1.2. Envelope 1 is for the functionality and BEE elements and is opened first. Bidders must score at least 65% for functionality and at least 65% for BEE. Envelope 2 is for the PPP fee offer and the mark-up of the draft management agreement and will only be opened and evaluated if those minimum thresholds are met.

7.2. The weighting of the elements

7.2.1. Functionality will be weighted at 60% of the overall bid score

7.2.2. BEE will be weighted at 10% of the overall bid score

7.2.3. The PPP fee offer will be weighted at 30% of the overall bid score.

7.2.4. The provisions of the Preferential Procurement Policy Framework Act, 2000 (PPPFA) apply.

7.3. How functionality is evaluated

7.3.1. SANParks will evaluate functionality in terms of the elements set out in the functionality scorecard below.

7.3.2. Details of the format and information required for each element are contained in Annexures 1 to 4.

7.3.3. Functionality scorecard

<table>
<thead>
<tr>
<th>Functionality evaluation criteria</th>
<th>Scoring</th>
<th>Maximum subtotal</th>
<th>Maximum total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Financing plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Has the bidder secured adequate finance to implement the project?</td>
<td>Fully = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>1.2 Are all the members of the bidder solvent and liquid?</td>
<td>Fully = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>1.3 Is the basic cash flow model viable?</td>
<td>Fully = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Functionality evaluation criteria

<table>
<thead>
<tr>
<th>Functionality evaluation criteria</th>
<th>Scoring</th>
<th>Maximum subtotal</th>
<th>Maximum total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2  Business and operational plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1  Is, or will, the bidder be constituted as an entity as required in the RFP?</td>
<td>Fully = 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>2.2  Is the proposed tourism product within the range of product types specified in the RFP?</td>
<td>Excellent = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acceptable = 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2.3  What is the bidder’s experience and track record in similar enterprises, and in similar target markets?</td>
<td>Fully = 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2.4  Does the thinking behind the business plan demonstrate the bidder’s commercial knowledge of the target market for this product?</td>
<td>Fully = 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2.5  Do the bidder's planned operating standards and staffing qualifications meet those specified in the RFP?</td>
<td>Excellent = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acceptable = 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor = 0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2.6  Do the bidder’s marketing and product branding plans comply with the RFP specifications?</td>
<td>Fully = 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>3  Development and environment proposal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1  Has the bidder understood and planned for all the environmental impacts?</td>
<td>Fully = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all = 0</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>3.2  Has the bidder operated in an environmentally sensitive area before?</td>
<td>Yes = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No = 0</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>3.3  Is the planned number of visitors and staff and operator vehicles within the limits given in the RFP?</td>
<td>Yes = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partially = 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No = 0</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>3.4  Are there adequate plans for health, safety</td>
<td>Yes = 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functionality evaluation criteria</td>
<td>Scoring</td>
<td>Maximum subtotal</td>
<td>Maximum total</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------------</td>
<td>--------------------------------</td>
<td>------------------</td>
<td>---------------</td>
</tr>
</tbody>
</table>
| and medical/emergency evacuation?                                                                | Partially = 2  
No = 0                                                               |                  | 4             |
| 3.5 Are the visual impacts of the planned facility within the RFP specifications?                  | Yes = 4  
Partially = 2  
No = 0                                                            |                  | 4             |
| 3.6 Are the bulk infrastructure use plans (water, sewerage, roads) within the RFP specifications? | Yes = 5  
Partially = 3  
No = 0                                                            |                  | 5             |
| 3.7 Are waste management plans within the RFP specifications?                                     | Yes = 5  
Partially = 3  
No = 0                                                            |                  | 5             |
| 3.8 Are health and safety management plans within the RFP specifications?                         | Yes = 5  
Partially = 3  
No = 0                                                            |                  | 5             |
| 3.9 Is there commitment to abide by the SANParks rules/regulations/ environmental guidelines/codes of conduct? | Yes = 5  
Partially = 3  
No = 0                                                            |                  | 5             |
|                                                                                                  |                                                              | 40              |
| 4 Risk matrix                                                                                     |                                                              |                 |
| Does the bidder commit to the RFP’s required risk allocation for the project?                      | Fully = 10  
Adequately = 5  
Unacceptably = 0                                                |                  | 10            |
|                                                                                                  |                                                              | 10              |
| Total functionality points                                                                         |                                                              | 100             |
| Minimum threshold                                                                                  |                                                              | 65              |

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

7.4. How BEE is evaluated

7.4.1 SANParks will evaluate the bidder’s BEE proposal (details of the format and information required are in ‘Annexure 5: BEE proposal’) and will allocate scores
according to the methodology and weightings in the BEE scorecard in ‘Annexure 5: BEE proposal.

7.4.2. BEE is scored out of 100 points. A bidder must score 65% or more for BEE or the bid may be disqualified. This is SANParks’ decision.

7.5. How the PPP fee offer is evaluated

7.5.1. If a bidder meets the minimum thresholds for both functionality and BEE, SANParks will evaluate the bidder’s PPP fee offer.

7.5.2. Under the PPP agreement, the PPP fee income to SANParks shall be, as per the schedule set out in ‘Annexure 6: The PPP fee offer’, whichever is higher of:

7.5.1. the minimum PPP fee, which is as follows:

<table>
<thead>
<tr>
<th>KRAALBAAI HOUSEBOATS TOURISM FACILITY</th>
<th>MINIMUM PPP FEE</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>195,000</td>
</tr>
</tbody>
</table>

7.5.2. the variable PPP fee (a flat percentage of gross revenue earned by the private party in each project year).

7.5.3. A PPP fee offer that does not conform to the requirements of ‘Annexure 6: The PPP offer’ will disqualify the bid.

7.5.4. The points for the PPP fee offer are calculated using the prescribed price formula in the regulations to the PPPFA. The maximum points will be awarded to the qualified bidder which makes the highest PPP fee offer and the remaining points being allocated pro rata to the remaining qualified bidders.

7.5.5. The PPP fee proposal is scored out of 100 points.

7.6. The overall score

SANParks will calculate the overall score of each qualified bid, using the following formula.

\[ a \times (\text{functionality score}/100) + b \times (\text{BEE score}/100) + c \times (\text{PPP fee score}/100) = d \]

a is the weighting (60%) for functionality
b is the weighting (10%) for BEE
c is the weighting (30%) for PPP fee
d is the bidder’s overall score
7.7. The preferred bidder
The bidder that receives the highest overall score will be appointed the preferred bidder. The bidder that receives the second highest overall score will be appointed the reserve bidder.

8. FINALISING THE MANAGEMENT AGREEMENT
8.1. SANParks will negotiate the marked-up management agreement submitted by the preferred bidder.
8.2. If SANParks and the preferred bidder fail to come to agreement on the management agreement within two weeks, SANParks may withdraw the appointment as preferred bidder and begin negotiations with the reserve bidder.

9. BID TIMETABLE

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advert of Tender</td>
<td>17 October 2014</td>
</tr>
<tr>
<td>Closing date</td>
<td>31 October 2014</td>
</tr>
<tr>
<td>Bid Evaluation</td>
<td>3 or 4 November 2014</td>
</tr>
<tr>
<td>Announcement of Preferred and reserve bidder</td>
<td>4 or 5 November 2014</td>
</tr>
<tr>
<td>Negotiations</td>
<td>5 or 6 November 2014</td>
</tr>
<tr>
<td>Signature of Management Agreement</td>
<td>14 November 2014</td>
</tr>
</tbody>
</table>

10. ANNEXURE 1A: QUALIFICATION SUBMISSIONS

10.1 Financial Requirements

10.1.1 the Submitting Company shall submit the following economic and financial documentation:
   - audited financial statements corresponding to the last two (2) years;
   - annual reports for the last two (2) years;

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

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

10.2. Tourism Track Record

10.2.1. 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.

10.2.2. In the event that the Submitting Company is satisfying the requirements under this Section by using the qualifications of a Partner, Shareholder or parent, these indicators must also be certified in the above-mentioned manner. Additionally, each of the members of the Partnership, or the Shareholder or subsidiary as the case may be, must demonstrate that that such Shareholder, parent or partner is willing and able to support the technical operations of the Submitting Company for the PPP Project.
11. ANNEXURE 1B: FINANCIAL INFORMATION

Bidders must provide the following information.

11.1. The financing plan

Indicate how much operational capital will be needed, where it will come from (own capital, grants, loans) and the expected amount and terms (interest rate, repayment period, security) of any proposed loans. Specify whether the necessary financing has been secured, and provide appropriate proof.

11.2. A recent auditor’s report confirming that all the members of the bidder are solvent and liquid

If a member of the bidder does not produce audited financial statements, it must produce a notarised statement of assets.

11.3. A simplified cash flow forecast (net of VAT) for the 2 year term of the agreement,

Suggested format for the cash flow forecast

<table>
<thead>
<tr>
<th>Cash inflows</th>
<th>Start-up R'000</th>
<th>Year 1 R'000</th>
<th>Year 2 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners’ capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash from sales and other operating revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash from other sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash inflow (A)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash outflows</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project costs and start-up expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, wages and staff costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All other operating costs and expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan repayments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement of equipment and vehicles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash outflow (B)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net cash flow

\[A - B]\] before PPP fees and tax
12. ANNEXURE 2: BUSINESS AND OPERATIONAL PLAN

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

12.1 Special purpose vehicle constitutional information

While bidders are not required to form a special purpose vehicle (SPV) for the purpose of bidding, the preferred bidder will have to do so to enter into the management agreement. Bidders must therefore demonstrate that they have an appropriate plan to create an SPV by providing as much of the following information as possible:

12.1.1 Bidder’s name, address, telephones and fax numbers, and the trading name if this is different from the registered name

12.1.2 Proposed directors of the SPV and their responsibilities

12.1.3 Place of registration (if applicable) and registration number (if applicable)

12.1.4 Memorandum and articles (or equivalent constitutive documents) (if applicable)

12.1.5 Shareholders’ agreement (if applicable)

12.1.6 Direct shareholder(s) and their percentage shareholding or other beneficial interest or participation (if there is more than one class or share or funding, give the percentages to be held by each).

12.2. Rationale, background and capacity

12.2.1. The bidder’s objectives

12.2.2. The bidder’s track record on and knowledge of existing products or activities offered in the tourism industry, including the size of existing operations in terms of turnover

12.2.3. Detailed description of products or activities envisaged for and how these will be managed

12.2.4. Current operating standards, including an outline of any operations and procedures manuals as well as a health and safety plan to be submitted

12.2.5. Proposed organisational and staffing structures, including:
12.2.5.1. management policies
12.2.5.2. measures to transfer knowledge and expertise
12.2.5.3. labour plan, including details of numbers of permanent and part-time staff that will be employed, staff recruitment policies, and employment policies
12.2.5.4. This plan must also include an indication of how current staff employed in the houseboats facilities will be accommodated in the project.
12.2.5.5. Memberships and registrations (list any awards, accolades or ratings)
12.2.5.6. Curriculum vitae of shareholders, directors, management and staff

12.3. Market analysis

12.3.1. The bidder’s track record in and knowledge of the market, including existing relationships with tour operators and the travel trade (include references)
12.3.2. Target market (geographical, income, nature of activity, and so on)
12.3.3. Marketing channels
12.3.4. Product branding plans
12.3.5. Time taken to establish market
12.3.6. Growth in occupancy
12.3.7. Pricing range
12.3.8. Competitive analysis
13. ANNEXURE 3: DEVELOPMENT AND ENVIRONMENTAL PROPOSAL

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

13.1. Environmental impact requirements

Bidders need to adhere to the Operational Environmental Management Plan of Kraalbaai Houseboats location where particular caution is taken onto consideration to ensure that there is limited impact on the environment.

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), Environment Conservation Act of 1989, Protected Areas Act of 2003, Integrated Coastal Management Act 24 of 2008 (ICMA, 24 of 2008) as well heritage regulations.

The operator to provide us with a proposal based on the two existing houseboats for this tender. Additional houseboats will be subject to the approval by SANParks. These additional houseboats must also been 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.

13.2. Staff

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

13.3. Safety

16.3.1 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)

13.3.2 Both SANParks and the operator must ensure that all legal insurance requirements are met specifically around public liability and assets.

13.3.3. Describe proposed operating standards for facilities, including a detailed operations and procedures manual with the following minimum information:

- safety, emergency and rescue procedures
- equipment standards and adherence to the specifications of the relevant authorities
- management and replacement of equipment
- On-going assessment and improvement of skills.

13.4. Visual impacts

13.4.1 See map showing location of the Kraalbaai Houseboats of the West Coast National Park. Bidders must ensure that visual impacts are kept to a minimum.

13.5. Bulk infrastructure

- See Annexure C for infrastructure details.

- In terms of parking, 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.
13.5.1. 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.

13.5.2. Refuse

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

13.5.3. 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.

13.5.4. Maintenance

13.5.4.1 Houseboats (excluding pontoons)

SANParks and the potential operator will agree on 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.

The houseboats (which form part of the concession) remain the property of SANParks. A biannual meeting (suggested dates pre and post summer) must be held with the operator where routine maintenance is discussed. Any ‘new'/additional boats brought in by the operator, will be his/her responsibility, but requires SANParks’ approval.

13.5.4.2. 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.

13.6. Fire management
The operator may not control natural fires occurring in the West Coast National Park, except in the immediate surrounds of the operational area of the tourism facility or to save human life or property.

Control of natural fires elsewhere in the West Coast National Park is the responsibility of SANParks and the operator may not attempt to control natural fires without SANParks consent and direction.

13.7. Commitments

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.

Acknowledge that the operator must comply at all times with SANParks environmental guidelines, code of conduct and regulations which may change from time to time. These will be supplied by SANParks with time.
## ANNEXURE 4: RISK MATRIX

<table>
<thead>
<tr>
<th>Type of risk</th>
<th>General description of risk</th>
<th>Project-specific risk</th>
<th>Mitigation measures</th>
<th>Allocation of risk (institution / private party/ shared)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing</td>
<td>The required capital for opex may not be able to be raised; loans may not be able to be repaid; tax obligations may not have been fully taken into account or may change; fluctuating inflation, interest rates, and currencies may affect assumptions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting infrastructure</td>
<td>Supporting infrastructure may be inadequate to sustain the enterprise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>Utilities may not be fully available or may cause delays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment and heritage</td>
<td>Liability for losses caused by environmental or heritage damage or delays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>The costs of maintenance to required standards may vary from projections or maintenance may not be carried out</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Any factors (other than force majeure) that may impact on operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market, demand, volume</td>
<td>The demand for the product may be less than projected</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political</td>
<td>Unforeseeable conduct by any government institution may adversely affect the project, or the government may expropriate private party assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Force majeure</td>
<td>Unexpected events beyond either party's control</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
14. ANNEXURE 5: BEE PROPOSAL

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

14.1. Commitments

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

14.2. Scores

Insert scores in the far right-hand column of the BEE scorecard below. SANParks will confirm the scoring on the basis of supporting information provided. It would be advisable and may use an accredited BEE rating agency for this purpose.

14.3. Supporting information

14.3.1. Bidders are responsible for providing information to support their scores.

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

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

14.3.4. Give the anticipated number of construction and operating jobs.

14.4. Definitions

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

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

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

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

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

14.4.4. “Black Person” means any such citizen;

14.4.5. “Black Women” means female Black People;

14.4.6. “Board Representation” refers to membership by Black People of the duly constituted board of directors (or equivalent structure) of an enterprise and is calculated upon the basis of the percentage that black directors hold to the total number of directors of that enterprise;

14.4.7. “Community Trust” means the a trust registered in terms of the Trust Property Control Act;

14.4.8. “Direct Ownership” means ownership of an equity interest in an enterprise where such equity interest comprises:

14.4.8.1. the right to participate in the voting rights in that enterprise;

14.4.8.2. the right to receive unencumbered economic interest (such as dividends) flowing to the shareholders of that enterprise; and

14.4.8.3. Broad-based BEE schemes, employee share option schemes (ESOPs) and other employee share schemes, where the beneficiaries have the unconditional right to receive economic benefits and the capacity to elect and remove trustees, are specifically recognised as direct ownership. The flow-through principle will be applied to determine the level of black ownership.
represented by the employee share option scheme;

14.4.8.4. Direct ownership is measured as being the lower of the level of black participation in voting rights and black participation in the unencumbered economic interest of an enterprise, measured using the flow-through principle;

14.4.9. "Discretionary Procurement" includes all amounts expended by an enterprise subject to measurement. Discretionary procurement excludes:

14.4.9.1. employment related expenditure;
14.4.9.2. procurement from public utilities and natural monopolies; and
14.4.9.3. facilitated procurement by travel agencies or other travel distribution providers where the choice of service providers remains with the consumer.

14.4.10. "Employees with no prior working experience" refers to those employees who have no formal employment experience prior to joining an enterprise in tourism. Formal employment does not include learnerships, traineeships or short-term and temporary assignments;

14.4.11. "Enterprise Development" may take a variety of forms, including:

14.4.11.1. direct investment in Black Owned and Black Empowered SMMEs;
14.4.11.2. joint ventures with Black Owned and Black Empowered SMMEs that result in "substantive" skills transfer;
14.4.11.3. support and funding for the grading of emerging tourism companies, as well as providing mentorship, business relationships and linkages which, in turn, provide business opportunities to these enterprises; and
14.4.11.4. twinning initiatives with Black Owned and Black Empowered SMMEs which result in cost savings or revenue generation for those SMMEs;

14.4.12. "Executive Representation" refers to the participation by Black People in the senior non-board level management of an enterprise and more specifically, targets management levels which influence the
strategic and operational management of an enterprise. Participation is measured upon the basis of the percentage that black executive managers hold to the total number of executive managers of that enterprise;


14.4.14. "Local" means the geographic area being within a 50 km kilometre radius of the Project Site or Park;

14.4.15. "Local Community Trust Ownership" means Equity in the Private Party which must, as a mandatory provision of the Project, be acquired by a Local Community Trust;

14.4.16. "Management" refers to all senior and middle management who do not form part of the executive management of the board of directors of the Private Party;

14.4.17. "Ownership" refers to equity participation and the ability to exercise rights and obligations, including voting rights and the rights to the flow of economic benefits, which accrue under such ownership;

14.4.18. "Preferential Procurement" refers to all spend with BEE compliant suppliers, to be calculated as follows:

14.4.18.1. one Rand (R1) for every one Rand (R1) spent with Excellent BEE Contributors, Good BEE Contributors, BEE Compliant SMMEs and Black Women Owned BEE Contributors; and

14.4.18.2. fifty cents (50c) for every one Rand (R1) spent with Satisfactory BEE Contributors;

all of which terms are defined as follows:

14.4.18.3. an Excellent BEE Contributor means a company which has scored in excess of 90 percent on a BEE scorecard under a scorecard governing that company’s sector or a BEE scorecard issued in the Codes of Good Practice
a Good BEE Contributor means a company which has scored in excess of 65 percent, but less than 90 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;

a Satisfactory BEE Contributor means a company which has scored in excess of 40 percent but less than 65 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;

a Limited BEE Contributor means a company which has scored less than 40 percent, on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;

a BEE Compliant SMME means a small, medium or micro enterprise (with a turnover of up to R10 million per annum) which is either an Excellent, Good or Satisfactory Contributor to BEE; and

a Black Women Owned BEE Contributor is a company which is more than 30 percent owned by black women and which is also an Excellent, Good or Satisfactory contributor to BEE;

"Skills Development Spend" refers to investment in skills development initiatives through both external training providers and the quantifiable costs of accredited internal training programmes. Internal training spend does not include the opportunity cost of employees attending the skills development initiatives;

"Supervisory" refers to the junior management and professional staff;

"TOMSA (Tourism Marketing South Africa) Levy Collectors" refers to tourism enterprises who are registered to raise funds on behalf of the trust;
14.4.22. "Total Employee Time" refers to the total working hours calculated as the product of the total number of employees and their standard working hours;

14.4.23. "Total Staff" refers to all employees and/or contractors, excluding those accounted for under Strategic Representation, from whom the tourism enterprise is responsible for the collection and payment of applicable employee tax. The intention of the scorecard below is to include temporary staff in the definition of total staff, since tourism is an industry that relies heavily on temporary, casual and seasonal staff.

14.5. 2014 Milestones and Targets

14.5.1. The Private Party shall ensure that the SPV/s, from the date of signature of the PPP Agreement to the termination of the contract, comply with the commitments and undertakings set out in the following table and score at least a Good BEE Contributor score for every SPV that falls within the Bid Package that are bidded for:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014 Weightings</th>
<th>2014 MILESTONES</th>
<th>2014 Milestone Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>Ownership</td>
<td>20%</td>
<td>13%</td>
<td>Percentage share of economic benefits as reflected by direct shareholding by black people</td>
</tr>
<tr>
<td></td>
<td>7.0%</td>
<td>Local Community trust ownership</td>
<td>10%</td>
</tr>
</tbody>
</table>

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### 2014 MILESTONES

**Indicators to measure BEE achievement**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Weighting</th>
<th>Sub-weighting</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014 Weightings</strong></td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td><strong>Strategic representation</strong></td>
<td>12%</td>
<td>2.5%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employment equity</strong></td>
<td>12%</td>
<td>1.0%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>35%</td>
</tr>
<tr>
<td>Indicator</td>
<td>2014 Weightings</td>
<td>2014 MILESTONES</td>
<td>2014 Milestone Target</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Indicator</td>
<td>Weights</td>
<td>Sub-weighting</td>
<td>Indicators to measure BEE achievement</td>
</tr>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>Supervisors, junior and skilled employees</td>
<td>2.0%</td>
<td>Local people as a percentage of supervisors, junior and skilled employees</td>
<td>45%</td>
</tr>
<tr>
<td>1.0%</td>
<td>Black people as a percentage of total staff</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>1.0%</td>
<td>Black women as a percentage of total staff</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>2.0%</td>
<td>Local people as a percentage of total staff</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Skills development</td>
<td>18%</td>
<td>4.5%</td>
<td>Percentage of payroll spend on skills development (including skills development levy) on all accredited training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.5%</td>
<td>Percentage of skills development spend on all black employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.5%</td>
<td>Number of learnerships as a percentage of total employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.5%</td>
<td>Number of black learners as a percentage of total learners</td>
</tr>
<tr>
<td>Preferential procurement</td>
<td>18%</td>
<td>12.0%</td>
<td>Spend on BEE compliant companies as a percentage of total procurement spend</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.0%</td>
<td>Spend on local BEE compliant companies</td>
</tr>
<tr>
<td>Indicator</td>
<td>2014 Weightings</td>
<td>2014 MILESTONES</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------</td>
<td>--------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2014 Milestone</td>
<td>Indicator to measure BEE achievement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise development</td>
<td>10%</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>as a percentage of total procurement spend</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>The sum of percentage spend of post-tax profits on enterprise development and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>percentage employee time contributed to enterprise development over total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.0%</td>
<td>management time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>Enhanced revenue and/or cost savings and/or twining initiatives facilitated for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>black owned SMMEs, as a percentage of revenue.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td>Percentage of new recruits with no prior work experience</td>
<td></td>
</tr>
<tr>
<td>Social development and industry</td>
<td>10%</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>specific</td>
<td>1%</td>
<td>Percentage CSI spend of post-tax profits on education, community programmes,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>job creation, training, health, conservation, community tourism and marketing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>activities to develop local black tourist market (or percentage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>management time over total employee time)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>Percentage of new recruits with no prior work experience</td>
<td></td>
</tr>
</tbody>
</table>
14.6. Milestones and Targets Post-2014

14.6.1. The BEE Milestones and Targets for the duration of the PPP Term and in particular for the end of the PPP Term shall be determined by the restructured editions of the Tourism Charter and Scorecard as gazetted from time to time.

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

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

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

14.7.2. The BEE Verification Certificate will categorise the SPV/s according to their contribution to BEE.

14.7.3. The Private Party shall be obliged in terms of the PPP Agreement to ensure that the SPV/s, at a minimum, complies with the category of a Good BEE Contributor for each Project Year.

14.7.4. In the event of default by the SPV/s Private Party to comply with this provisions and the default is not remedied before the expiry of the period referred to in the notice by SANParks, SANParks will have the right to terminate the PPP Agreement with immediate effect by written notice to the Private Party.

15. **ANNEXURE 6: THE PPP FEE OFFER**

**Important note to bidders**

Information about the PPP fee offer must be contained in Envelope 2 and is **not** to be submitted in Envelope 1 with the functionality and BEE proposals.

Bidders must present the PPP fee offer in the form of a letter on the bidder’s letterhead as follows, inserting the bidder’s name and the percentage of gross revenue for the variable PPP bid as indicated:

To:

West Coast National Park, Main Street, Langebaan . 7357

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

(a) the minimum PPP fee and

(b) the variable PPP fee, expressed as a flat percentage of aggregate gross revenue as defined in the PPP agreement.
The minimum PPP fee is as follows:

<table>
<thead>
<tr>
<th>TOURISM FACILITY MINIMUM PPP FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Annum</td>
</tr>
<tr>
<td>Year 1</td>
</tr>
<tr>
<td>195,000</td>
</tr>
</tbody>
</table>

The variable PPP fee bid by [name of bidder] is [percentage] % of gross revenue.

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

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

<table>
<thead>
<tr>
<th>Gross revenue (net of VAT)</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of gross revenue due as variable PPP fee (same for each year)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The person signing below is a duly authorised representative of the bidder with full power and authority to submit this financial offer and commit the bidder to its terms.

Signature: _____________________
Name: _____________________      Title: ________________________
16. ANNEXURE 7: DRAFT MANAGEMENT AGREEMENT

The draft management agreement is not attached hereto but will be made available to bidders.
17. ANNEXURE 8: BID COVER SHEETS

Cover sheets which include the following information must be attached to each envelope:

BID FOR THE MANAGEMENT OF THE HOUSEBOATS CONCESSION FOR TWO YEARS

ENVELOPE 1: FUNCTIONALITY AND BEE BIDS

Name of bidder:
Postal address:
Street address:
Telephone:
Cell phone:
Fax:
Contact person:
Email address:
Signature of bidder:
Date:
Capacity in which bid is signed:

Signature of this document means that the bidder accepts the terms and conditions of this bid. Failure by the bidder to sign this form may disqualify the bid.
BID FOR THE MANAGEMENT OF THE HOUSEBOATS CONCESSION FOR TWO YEARS

ENVELOPE 2: PPP FEE OFFER AND MARKED-UP DRAFT MANAGEMENT AGREEMENT

Name of bidder:
Postal address:
Street address:
Telephone:
Cell phone:
Fax:
Contact person:
Email address:
Signature of bidder:
Date:
Capacity in which it is signed:

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