REQUEST FOR PROPOSALS ISSUED BY SOUTH AFRICAN NATIONAL PARKS IN RESPECT OF THE SKUKUZA SAFARI LODGE MANAGEMENT AGREEMENT IN THE KRUGER NATIONAL PARK

- QUESTIONS AND ANSWERS DOCUMENT-

Question 1
SANParks noted that Roomseeker is going to be replaced in two years’ time – has SANParks identified the system that will replace Roomseeker, as the Operator will need to ensure that they are able to link to the new system?

At this stage SANParks is still in the process of sourcing and evaluating bids for the replacement of Roomseeker. SANParks is looking for an off-the-shelf solution, with some option of customisation. It will be a national solution, specific to SANParks unique requirements. Roomseeker is anticipated to still be in place for a minimum of two years.

Question 2
With regards to the gate check-out of guests, reference was made in the presentation that guests would check-out at the gate when exiting the park. If this is the case, how will guests settle their account for extras with the hotel before exiting the park? The expectation would be that guests would check-out at reception of the hotel before leaving.

The check-out at the gate refers to the check-out from the Park. Safari Lodge guests will
need to check-out at the Safari Lodge to settle any outstanding balances, including conservation fees or any other fees related to their stay at the Safari Lodge.

With regards to the conservation fees, currently, the last camp on a guest’s itinerary issues an exit permit, confirming that the guest has paid all outstanding amounts. This makes it simple for the security or gate officials to confirm that there are no amounts outstanding. A process / mechanism between the lodge and the gate will need to be developed to provide a document that confirms that they have checked out from the Safari Lodge.

Question 3 If a guest stays at multiple camps and the hotel, how will fees be allocated to the hotel?

SANParks and the Safari Lodge Operator would need to develop a mechanism whereby check-out from Safari Lodge is incorporated into the overall KNP documentation that will then facilitate departure at end of overall itinerary.

Question 4 SANParks and the Safari Lodge operator would need to develop a mechanism whereby check-out from the Safari Lodge is incorporated into the overall KNP documentation that will then facilitate departure at end of overall itinerary. With regards to the SANParks bank account that has already been opened, will the Operator have full access to the account?

The account is a SANParks bank account; all the Safari Lodge revenue and deposits received for future bookings must be banked into this SANParks bank account. The Operator will not have full access to the account; however, information related to the account will be made available to the Operator. In addition, the Operator will be provided with visibility to monitor deposits that are made into the account and to allocate these deposits against a client’s account.

Question 5 How will the Operator be able to reconcile the revenue account without full access?

Revenue will be accounted for using the Operator’s Property Management and Reservation System. Evidence from these systems will be used to account for sales
transactions. The Operator will be provided with visibility to monitor deposits that are made into the bank account to allocate these deposits against a client’s account.

Question 6 For the SANParks account, will the cost of the account reside with SANParks?

The account that will be used for banking revenue is a SANParks account, therefore all costs associated with the account will be accounted for by SANParks and not the Operator.

Question 7 The reimbursement of monthly operational expenditure by SANParks to the Operator after month-end, is this based on the business plan or actual expenses?

The Operator will be reimbursed for actual expenses. For reimbursement to take place, all supporting evidence will be required, including a summary of transactions and the type of transactions. The Operator will have a period of 5 working days after month-end to submit a full set of accounts to SANParks for reimbursement.

Question 8 How will it be handled if there is overspend on the business plan?

If there is a major deviation from the business plan, it will need to be discussed with SANParks prior to incurring the expense.

For approved expenses, as long as supporting evidence is provided for the transaction, it will be reimbursed.

Question 9 Is our understanding correct that R5 million will be transferred to the Operator’s account at the start of the agreement for use as start-up funding?

Yes that is correct – the advance is estimated at R5 million, which will be provided to the Operator at the start of the operations.
Question 10  Will overspend be covered in the Management Agreement?

Yes, it will be covered in the Management Agreement. When managing overspend, SANParks and the Operator will need to engage, review the business plan and understand why there is overspend.

The principle is that expenses will be reimbursed; however, pre-approval will be required for certain expenses.

Question 11  Is sub-contracting of activities to another party compulsory?

30% of the total procurement value (annualised) must be subcontracted. To achieve 30%, the subcontracting of game drives and laundry services will be essential.

Question 12  For the subcontracting of game drives and walks, must this be with a large and experienced operator?

Section 5.4.2.2 of the Request for Proposal states that a minimum of 30% of the total procurement value (annualised) must be contracted to an EME or QSE which is at least 51% black owned.

The subcontractor will need to operate in accordance with SANParks’ standards and requirements. Therefore, they will require the necessary skills to conduct these activities. Given the required expertise to conduct these activities, it is anticipated that the subcontractor will be a QSE, and they may choose to subcontract with another company for the required technical skills or capital to operate the activities. SANParks’ objective with the subcontracting is for the EME or QSE to receive beneficiation.

Question 13  To confirm, the Operator that is awarded the contract for the management of the lodge will need to subcontract 30% to another operator for activities, such as the game drives and walks. Will this subcontractor have to subcontract to another party for technical skills and / or capital?

The 30% subcontracting is determined by the Preferential Procurement Policy Framework
Act, 2000: Preferential Procurement Regulations, 2017. Within the Management Agreement space, the 30% subcontracting is with regards to the procurement spend of the lodge.

Game drives has been selected as a compulsory activity for subcontracting given its value. The subcontractor will require technical capability and experience for this to be able to adhere to SANParks’ standards.

The subcontractor must have the necessary technical skills and capital to conduct the game drives and walks. This may require the subcontractor to go into partnership with another entity for the technical skills and / or capital; however, this is not compulsory for the subcontractor – it is dependent on the subcontractor’s specific requirements.

Question 14  If the Lodge Operator has the expertise in-house to operate the activities, and the subcontractor does not, can the Operator’s in-house experience be used to support or provide expertise for the subcontractor?

The objective of subcontracting is to ensure that there is a transfer of skills to a smaller entity, so that in future they are able to participate in a tender process on their own. Therefore, as long as skills transfer can be facilitated and the entity is beneficiated, then it will be accepted for purposes of subcontracting.

Question 15  Is 30% of the estimated R5 million monthly expenses the target of what is expected for subcontracting?

The estimated R5 million is inclusive of the cost of human capital. The subcontracting is 30% of total procurement spend (annualised), excluding human capital costs.

Question 16  When referring to Plan B for the activities, is this referring to the use of SANParks own open vehicle safaris?

If the arrangement with the subcontractor for the activities will not be ready at the time of operation, then an arrangement can be made with SANParks to assist with providing the product for an interim period.
It may also be prudent to include shuttle services from the gate or the airport in the same agreement as the activity opportunity.

Question 17  The preference is for park-and-ride, either for the guest to leave their car at the gate (preferably) or the lodge and then to make use of the lodge’s game drives. To confirm, pricing at lodge could be fully inclusive (activities included), and / or pricing for bed and breakfast only?

Correct. Preferably make it attractive for guests to partake in the activities. For those that are not interested, the pricing can be for bed and breakfast only.

Question 18  For the assessment of the network connection to the Safari Lodge, is there someone available to engage with to assess this?

There are three options are being considered. Once this has been finalised, it will be made available to Bidders.

Question 19  To assess the facilities of the conference centre, will SANParks be available to engage with and arrange access to the facilities?

Bidders may arrange access to the conference centre to conduct assessments. Any arrangements for the assessment of facilities at the conference centre must be directed in writing to Mr Blake Schraader – General Manager Technical Services in the Kruger National Park (e-mail: blake.schraader@sanparks.org).

Question 20  Is a list available of the current ICT infrastructure at the conference centre?

A list of ICT infrastructure at the conference centre, as well as all installed kitchen equipment at the conference centre will be made available to Bidders.

Question 21  On the SANParks reservation system, bookings can be made a year ahead of time. For conferencing, if there is a longer lead time, can this be catered for? For example, can the conference facility be booked for
an event taking place in 3 years’ time, and can the required room inventory be booked in the system?

SANParks normally evaluates requests for conferences outside of the 11 months for which bookings are normally taken. Yes, SANParks will accommodate requests for camp accommodation (non-safari lodge facilities in Skukuza) being booked earlier for such requests.

Question 22 Once the builder has handed over, who is responsible for snagging the building and how long is the snagging period?

Snagging is anticipated to take place at the beginning / middle of October 2018, once practical construction is completed. SANParks will compile a full snag list with the professional team. This will run for a period of two months until works completion beginning / middle of December 2018 – latent defects will be attended to in the three months after works completion.

If it is a latent defect, then the contractor will be required to rectify these during the three months after works completion. Some facilities, such as the grey water plant, are only expected to be completed at a later date. These guarantees will run for a required period once construction is completed.

Question 23 In addition to water and electricity, will there be bulk gas available?

No bulk gas will be available. Where gas is required, gas cylinders will need to be acquired by the Operator.

Question 24 Is water, sewerage and electricity able to be metered and monitored separately?

Only water and electricity will be measured, not sewerage. The service rates will be provided to Bidders.
Question 25  What incentive is there for reduction of electricity / water usage?

The Operator will need to commit to maintaining at least a 4 star GSSA EBP rating, which requires utilisation of water and electricity usage to be improved on an annual basis. The first year of operation will be taken as the baseline, which will need to be improved on each year.

Question 26  Will pulling the fibre from reception to the lodge require any kind of EIA? We assume it won’t be needed as the camp is already in disturbed land and it should trigger any other environmental factor, could you confirm if this is the case for the sake of timing?

No EIA will be required for the ICT in terms of the NEMA regulations, as it is not a listed activity; however, due diligence will be involved during installation. The contractor installing the ICT infrastructure will undergo induction on the environmental management plan and code of conduct, which they will have to comply with.

Question 27  Will the water and sewerage registrations / licences need to be obtained through SANParks or Operator?

Water use licences and sewerage disposal licences are already in place. SANParks has a general authorisation and water use licence. The Operator will be operating under this licence and will need to comply with the terms stipulated in this licence. In these terms is a formula for the calculation of how many litres per person per day is provided.

Question 28  Is the calculation of the water usage per person similar to the water use allowed for the concessions?

The water usage of the lodge will be stricter than that of the concessions. Based on best practice and building performance, a lower water usage should be possible, for example, through the use of grey water. Water usage is anticipated to be between 80 and 150 litres per person per day.
Question 29
Does the Operator need to provide garden services and security guards around the property? No provision is made for this on the organogram.

SANParks has only made provision for security guards at the main gate at Skukuza Camp. Security for the Safari Lodge must be provided by the Operator. So too, the Operator must include maintenance of gardens into its responsibility.

Question 30
The 16 stay-over rooms that have been provided are not anticipated to be used for guides, but rather for waiters or chefs. What will the access be for guides and how will it work? Guides require access early in the morning, or late in the evenings to be ready to take guests out for activities.

The 16 rooms were primarily built for early or late shift staff. In the planning, no provision was made for guides for on-site accommodation. Guides will have a level of employee status, therefore, they will be able to enter the park earlier or leave later, as with other employees. However, it may be necessary for guides to work in shifts.

Question 31
For clarity on BBBEE, if the Operator already has a Level 1 BBBEE status and they meet all the minimum requirements, do they still require a partner?

Yes – as per the BEE Qualification Criteria stipulated in Section 6.4.4.4 of the Information Memorandum, the Operator, regardless of whether they are a Level 1 BBBEE contributor, is required to have a 30% partnership with a black owned EME or QSE.

The purpose of this partnership is to facilitate skills transfer, to enable the entity to be able to participate in future tender processes.

Question 32
For clarity, there are two compulsory subcontracting activities (laundry and game drives). Reference is also made to the development of four enterprises. Does this require for an additional four SMMEs to be developed, or are the two subcontractors included in the four SMMEs?

These are two separate items. The four enterprises is with regards to Enterprise
Development, where four enterprises with tourism related services and commodities need to be developed over the duration of the contract term distributed evenly over the period, as per Section 6.4.4.9 of the Information Memorandum.

Question 33 With regards to the accommodation – for 16 stay-over units, can these sleep one or two people? For the 20 single rooms, can these be occupied on a full-time basis?

The initial plan for the stay-over rooms was to have two single beds per room; however, given the size of the rooms, it is anticipated that there would only be enough room for a single bed.

The 20 single rooms can be occupied on a full-time basis. Staff living outside of the Kruger National Park must be provided with a housing allowance.

Question 34 Can the staff housing valuations be provided to Bidders for the calculation of housing allowances?

There are existing rates in the SANParks tariff document, this will be shared with Bidders.

Question 35 If a Bidder’s scorecard is not based on the Tourism BBBEE scorecard; however, they are still rated as a Level 1 BBBEE contributor, would they still qualify?

The Bidder would qualify as long as they provide a letter of undertaking for the Special Purpose Vehicle / Joint Venture, established for the project, to obtain a Level 1 BBBEE status in terms of the Tourism Sector Codes by signature date.

Group of companies are measured based on the highest revenue generator within the group. If the highest revenue is generated from non-tourism related activities then a generic scorecard is used; however, if the company’s highest revenue is generated from tourism related activities then a tourism scorecard must be applied.

Section 5.3 of the Amended Guidelines for Developing and Gazetting of Sector Codes states the following “However, the divisions/subsidiaries of the entity shall be subjected
to a Sector Code if they fall or trade under a sector which has a gazetted Section 9 (1) Sector Code”.

The Tourism Sector Code is one of the codes gazetted under Section 9 (1).

The sector is considered to have unique features from other sectors, therefore the Tourism BBBEE Codes were established to address those unique requirements. Different thresholds apply to the Tourism Sector - according to the Minister, these unique thresholds will ensure that enterprises in the sector contribute towards transformation, which may not be the case if the sector was using the Amended Generic Codes. To create more opportunities for emerging black owned enterprises across the supply and value chains of established businesses, the sector has set the target for supplier development at 3% NPAT, which is higher than the 2% of the Generic Codes. The implementation of supplier development in the sector will lead to job creation and overall growth in the sector.

Question 36 For the experience required for the qualification requirements of the Operator or the Bidder, can this experience be at an employee level or must it be at an entity level?

The tourism experience referred to for the qualification requirements must be at an entity level. As per the Section 6.4.2 of the Information Memorandum, the Bidder must have proven experience in managing at least two properties of 100 beds plus each or 1 property with at least 200 beds (currently in operation). The Operator must have been in existence for a minimum of 5 years and must have proven experience in conferencing and events.

Question 37 For the payment levels of different job criteria, it has been found that sometimes SANParks pays higher than other companies in the industry – is the Operator required to pay according to SANParks payment structures, or can it pay according to its own structures?

The Operator can pay according to their own structures.

Question 38 It was mentioned that at the time bidding, if the partnership agreement was not yet signed, a commitment is required to indicate that the partnership will be entered into before the date of contract signature.
What would be considered as a commitment?

A letter of undertaking or an affidavit would suffice as commitment.

Question 39 Please can it be confirmed whether the 30% partnership is the minimum shareholding required?

Yes, that is correct.

Question 40 Will security be required on-site to control access to the site?

Some form of security will be required to control access to the site for lodge guests and staff only.

Question 41 If the Bidding Company is already a Level 1 BBBEE contributor with a black owned partner that is a QSE or EME, is there still the requirement to contract 30% with another entity?

The partnership referred to in the BEE Qualification Criteria needs to be between two entities – the Operator and another entity that is a black owned QSE or EME:

- If the Operator has a BEE partner with at least 30% shareholding in the Operator’s company, this will not be considered as a partnership that meets the requirements of partnering with a black owned QSE or EME.

- If the Operator is already part of an incorporated Joint Venture with another entity that meets the minimum criteria for the BEE partner, this will be sufficient to meet the requirements.

The minimum criteria for the BEE partner is a 30% partnership with EME/QSE in the hotel/hospitality industry which is at least 51% black owned is required (SPV, JV etc.)

Qualification criteria for the EME/QSE:

- Must have experience of operating 20 beds or more
- For a minimum of 2 years

Verification - auditors letter/ financial statements

Question 42 The Information Memorandum made mention that the threshold for functionality was 75%, but RFP says 70%. Please confirm that the threshold is 70%.

Yes, the threshold for functionality is 70%.

Question 43 The organogram that was provided to Bidders – is this compulsory structure or a suggestion?

This was the original organogram that existed for planning purposes and was provided as a suggestion. The Operator can propose their own organogram.

Question 44 Are marketing initiatives the responsibility of the Operator or SANParks?

The marketing initiatives will be undertaken by the Operator, in conjunction with SANParks. This must be included in the business plan.

Question 45 Are there minimum shareholding requirements for the technical partner of the Bidding Company? Would it be allowed for the technical partner to reduce their shareholding over time, with the intention that the black owned partner would eventually hold the majority shareholding?

This is possible. The requirements are that the technical partner must have the required qualification experience. For the black owned partner, the minimum shareholding in the project company is 30%, so there is the option to increase this percentage over time.

Question 46 Please provide us with any advance / forward bookings on the conference centre.

This will be provided to Bidders.
Question 47 If the OPERATOR is already a QSE 100% black owned hospitality company do we require an additional 30% partner as well.

*There must be two entities involved in the transaction – one that is strong technically and another one that is smaller and would benefit from skills transfer. In this case – yes an additional partner is required – the 100% black owned QSE will get an opportunity to transfer skills to an EME that is 51% black owned*

*This question was raised at the Bidders Conference – kindly note that the response above is that one that should be applied. The response that was given prior is null and void*

Question 48 Regarding rates and commissions – is the Operator expected to conform to the SANParks rate strategy or is the OPERATOR able to have its own strategies in place?

*The operator should develop their own rate strategy and not be required to conform to current SANParks rate structures. It would be prudent though if rate parameters align with those in use at current KNP facilities, e.g. age parameters of children and adults, in order that it synchronises with Conservation Fee regime in use.*

Question 49 Regarding the Laundry mentioned outside the park as one of the subcontracting options – please give details of this or are we expected to develop our own laundry with an EME.

*This could be an existing laundry owned and operated within the community/ or a new one can be formed if there is capacity to do so*

Question 50 In the case of safari OVS and all 30 would be required from the opening as bookings vary up to 100% occupancy how would SANParks suggest we manage the required guides in regards to STAFF accommodation limitations in the park?

*Kindly refer to Q&A 30*

Question 51 Question related to the formation of an Employee Empowerment Share Scheme

*An employee share scheme whilst it is a great idea would not serve the objective of this*
requirement. This requirement is targeted specifically at entrepreneurs, presenting them with an opportunity for skills transfer so that they can use the skills gained to grow their businesses to greater heights and in future be able to partake in other opportunities related to hotel/hospitality management on their own.

Question 52 A newly established company / SPV (permissible entity as per the RFP) can't be verified by a BBBEE verification agency until it has been trading for a few months. Therefore, please confirm that the requirement to be verified as BBBEE level 1 compliant will be applicable after operations commence (fairly soon thereafter)? It was confirmed at the Bidders Conference on Monday that the bidding entity needs to commit to being BBBEE level 1 compliant as part of the bid submission, recognising that verification requires a trading entity, but the timeframe for compliance was not clear.

The newly established vehicle (SPV/JV) will be made up of two existing businesses who are supposedly BEE compliant. A hotel operator who is a Level 1 will form an SPV/JV with another entity that is either an EME/QSE and is therefore Level 1 if 100% black owned or Level 2 if 51% black owned or more. Each entity will have an existing trading history and BEE status based on their operations prior to forming the JV. This information can be submitted to a verification agency for consolidation and this process can be done in 24 hours.

This has been checked with verification agencies and have confirmed that a JV can be verified and be given a BEE certificate within 24 hours of submitting correct and up to date information (by both parties concerned) to a verification agency for consolidation.

Question 53 The Bidding company (operator) is a BEE Level 1 which is 100% QSE owned company in the hospitality industry. Does it require the additional 30% QSE/EME partnership?

Yes, this QSE is still required to transfer skills to a smaller enterprise that is 51% black owned.
Question 54  And then additional 30% of project to be subcontracted another QSE/EME

Yes, to give opportunities to business people who are located in the area/ community

Question 55  Additional 4 Greenfields enterprise developments?
Yes, staggered over the term of the contract.

Question 56  Question related to a partnership with an empowerment group/trust

If the empowerment group or trust is an EME/QSE that is actively involved in hospitality management and meets the minimum criteria for the 30% partner (have experience in managing a facility of 20 beds or more for 2 years or more) – it would qualify. In the case where the involvement of the empowerment group in hospitality management is merely as an equity partner and is not actively involved in hotel/hospitality management operations, they would not qualify.