REQUEST FOR PROPOSALS ISSUED BY SOUTH AFRICAN NATIONAL PARKS IN RESPECT OF THE OPERATION OF THE SATARA (BP1), OLIFANTS (BP2) AND LETABA (BP3) RESTAURANTS IN THE KRUGER NATIONAL PARK

- QUESTIONS AND ANSWERS DOCUMENT -

Question 1  I need to know the validity of the bid bonds. As per the tender docs it shall be valid until operations commence which should not be more than 18 months after signature date but the signature date is not fixed – till when should the Bid Bond be valid?

Answer 1  The estimated signature date will be end of the year so if the bonds are calculated from i.e. Nov 2019 then this should be totally sufficient. Bid Bonds must be valid until the Effective Date which shall not be later than 6 months from signature date (not 18 months as indicated above). Alternatively we could give you a SANParks account number and you can pay the Bid Bond into that SANParks account – if you are the preferred bidder then you can use the same money for the performance bond and should you not be awarded the contract then SANParks will pay the money back to you. This option might be cheaper and takes out this uncertainty. In order to repay the monies SANParks will require confirmation of your bank account as well as stamped bank statements.
Question 2  Currently is there any of the managers accommodations free so if we win the bid and we have place to stay as we implement our service renovate etc.

Answer 2  Building of additional staff units will only be allowed where bulk services allows for this and if within the site development master plan. No major increase in staff accommodation units will be allowed but SANParks acknowledges that addition of units might be critical for the business to operate optimally and hence can be undertaken if approved by SANParks. Improvement of old single units into two-bed units are advised where possible.

Question 3  If we need accommodation for staff like training staff and there is none can we get a reduced rate on the accommodation that is rented by the public?

Answer 3  As part of the contract SANParks grants a 40% discount on specific unit types during off peak periods.

Question 4  As I understand the tender doc we have to bid separately for the 3 sites, but if we wanted to offer sanparks a combined bid for the 3 sites using Satara as a base site for the 3 and putting logistics in like vehicles and GM to run the 3 would a bid like that we accepted?

Answer 4  This was discussed during the specifications meeting and it was decided to advertise as three separate entities. In light of that you will be in a position to operate as indicated above only if you manage to win all three tenders.

Question 5  Do you have a list of suppliers that have been allowed entry into the park that we could contact so we can do costing if possible.

Answer 5  Unfortunately not as operator / supplier relationships are established over time hence such contracts with prices (and associated discounts) are
mostly treated as confidential documents.

Question 6  Please provide the floor plans for all 3 sites

Answer 6  See attached.

Question 7  Utilities for the 3 sites showing the staffing accommodation and the restaurant if its split

Answer 7

<table>
<thead>
<tr>
<th>Utility cost (W&amp;E)</th>
<th>Satara</th>
<th>Olifants</th>
<th>Letaba</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
<td>R 495 902</td>
<td>R 201 418</td>
<td>R 97 778</td>
</tr>
<tr>
<td>Electricity</td>
<td>R 493 310</td>
<td>R 199 246</td>
<td>R 93 868</td>
</tr>
<tr>
<td>Water</td>
<td>R 2 592</td>
<td>R 2 172</td>
<td>R 3 910</td>
</tr>
<tr>
<td><strong>Staff Accommodation</strong></td>
<td><strong>R 69 010</strong></td>
<td><strong>R 46 926</strong></td>
<td><strong>R 27 818</strong></td>
</tr>
<tr>
<td>Electricity</td>
<td>R 68 194</td>
<td>R 46 663</td>
<td>R 26 713</td>
</tr>
<tr>
<td>Water</td>
<td>R 816</td>
<td>R 263</td>
<td>R 1 105</td>
</tr>
</tbody>
</table>

Question 8  For the possible building of staff units please can you get the technical department to send the specs so that we can do a costing on what is being built at Satara, and what is your costing on these units

Answer 8  Please see below – costing change hence SANParks cannot dedicate to this.

Approved plan for non-shift staff members - The unit showed below is 47.7 m2 and is the entry level for one employee with his family:
Approved plan (or similar) for staff members working shifts:

Question 9  Currently the restaurants do you have a seating count?

Answer 9  The following is approximate seating count:

- Satara: 280
- Letaba: 280
- Olifants 228

Question 10  Any possible figures from the previous operator when it was run as a mug and bean.

Answer 10  Unfortunately SANParks only received the turnover figures for these restaurants hence no additional information can be provided.
Question 11  Please provide us with financials for the 3 sites – preferably from the current operator

Answer 11  Refer to Satara Letaba Olifants Information to Sanparks.pdf

Question 12  Point 4.2.3: Your Information Memorandum states that a bidder can be a franchisor or any operator who meets the specified qualification criteria. Please confirm that the bidder can be an entity other than a franchisor.

Answer 12  Confirmed, SANParks will contract directly with a franchisor (that qualifies) who will be responsible to appoint a franchisee or SANParks will contract with a franchisee (who will be required to have a franchise agreement with the franchisor in place) or any other operator (that qualifies).

Question 13  Point 4.2.3: In terms of the offering, there is what is termed an “important note”; it states that at least one of either, the restaurant, take-away or pizza outlet, must be Halaal. This was raised at the briefing session and it appears this requirement is a “nice to have”, as opposed to mandatory. Please confirm.

Answer 13  This is not mandatory.

Question 14  SANParks has provided a total cost-to-company for staff in the restaurants which are expected to be taken over in terms if S197. With respect to the staff who are being taken over, can SANParks please provide the following:

A list of staff with job descriptions and make-up of salary showing the components of the CTC. This is in terms of Annexure B1/B2/B3 of the Information Memorandum.

Please provide the terms of employment of all staff, including:
• Hours of work
• Overtime rules
• Leave
• Annual bonuses/incentives
• Union Agreements
• Staff transport
• Rations (if any)
• Any other benefits

Answer 14  Please refer to the excel spreadsheet that was distributed during the site visit on CTC figures – refer Satara Olifants Letaba - Salary Schedule_names omitted.xls

Question 15  The Information Memorandum notes the following staffing levels:

- Satara: 71
- Olifants: 45
- Letaba: 47

However, in the Information Sheet, it indicates staff complements of Satara: 58, Olifants: 35 and Letaba: 37. Please confirm which numbers are correct?

Answer 15  The staffing levels are as per the Information Sheet that was distributed and communicated at the site visit – 58, 35 and 37.

Question 16  Can SANParks please confirm that the successful bidder’s staff will be taken over in terms of S197 by any new operator which is appointed in any subsequent tender process?

Answer 16  As per the law this will apply.

Question 17  Staff accommodation is a material factor in the operation of these restaurants. Point 13.13 of the Information Memorandum suggests that the successful bidder can either pay rental or choose to be responsible for the maintenance of the housing. Please confirm the rental for the housing applicable to each site.

Answer 17  The following outlines rental for restaurant operators for 2018/2019 – similar amounts (increased by CPIX will be charged in future):
Question 18  Management accommodation appears to be insufficient, particularly for peak periods. Is it possible to get extra accommodation for management? How would we go about this?

Answer 18  Refer Answer 2 and Answer 8

Question 19  Point: 9.4 of the Information Memorandum states that the creation of a Special Purpose vehicle (SPV) is mandatory. Please can SANParks comment on the following:

If a bidder already has an SPV created for another PPP with SANParks, and this SPV has the 10% local community ownership as required, can the bidder use this this SPV for this bid?

If this is not possible and the bidder wishes the SPV to be in the form of a company, can the bidder bid on the basis that it only has to form the company if it is successful with its bid?

Answer 19  Every contract requires a separate SPV. Yes, the SPV can be in the form of a company.
Question 20  
Point 13.12 of the Information Memorandum states that SANParks will provide staff transport at a cost to the operator. Please advise whether the current operator pays for staff transport? In addition, can SANParks provide a proposed cost so that it can be included in our financial modelling exercise? Please can SANParks separate the cost of transporting staff to and from their accommodation and the cost to transport staff on off days?

Answer 20  
As per communication at the site visit it was recommended that the bidder determines the most cost effective transport model and use this as part of the feasibility calculations. Once the operator is appointed SANParks will provide a quotation and then the operator can choose the best option.

Question 21  
Point 9.5 of the RFP refers to the bidding company scoring at least 65% of the Tourism BEE Scorecard. We assume that this is for the purposes of marking the B-BBEE aspect within the functionality assessment as per point 13.5 of the RFP? Please confirm our understanding.

Answer 21  
Please note that this is an error – a minimum of 80% will be required. As this is a new BEE model SANParks reserves the right to lower this percentage if no bidder manages to achieve the required 80%.

The score is for purposes of marking the B-BBEE aspect of functionality but also becomes a material contractual obligation over the contract term.

Question 22  
Point 14.2 of the RFP refers to the existing B-BBEE rating of the bidder. In the instance where the SPV will be a company formed between 2 parties (a 90% majority shareholder and a 10% community shareholder) does this mean that we must submit the current certificate for the 90% shareholder? Can we assume that if the current scorecard is based on the generic code, this will be acceptable for SANParks for the purpose of assessing the existing rating? We wish to add that it would be impossible to get a new rating certificate on another basis within the RFP timeframe.

Answer 22  
The majority shareholders’ certificate needs to be provided (generic will
be acceptable) or a Joint Venture (JV) certificate must be submitted (as per the RFP) in case of a JV.

Question 23 Point 26.1.4 of the RFP refers. This clause applies to the functionality scoring for an EME. Given that all of these restaurant opportunities currently generate turnovers in excess of R5m, can we assume that all bids will be required to complete either the large entity scorecard or the QSE scorecard for the purposes of assessing the functionality B-BBEE scoring aspect?

Answer 23 This is a fair assumption.

Question 24 The abbreviated Information Memo handed-out to interested parties at the bidder's conference mentions that “the electricity supply could be temperamental, but there are back-up generators that need to be started manually are on site”. Please confirm these generators are operational and maintained in good order. Please also indicate the hourly rate to utilize these generators?

Answer 24 Confirmed that all generators are maintained and in working order. The operator will be charged a standard rate for power (no premium will be payable for the occasion where the generator are started).

Question 25 Will the preferred bidder be able to install solar power? Is there a dedicated area for this? What are the current regulations regarding solar generation?

Answer 25 Yes, but there is no dedicated area hence the solar plan needs to be submitted to SANParks' technical department for approval.

Question 26 Point 14.3 refers to the PPP fee offer. Are we correct in assuming that there is no bidding on the minimum guaranteed rent and that the score for price is based purely on the turnover% proposed by the bidder? In addition, we also assume that the level of turnover (Rands) expected to
be generated via sales, plays no role in the assessment? This means for scoring purposes, that it is a simple comparison of the turnover % and nothing else?

*Answer 26 Correct.*

*Question 27* Point 27.2 of the RFP requests a table “for indicative purposes only” of the estimated rental stream which SANParks could earn over a 7 year period. Does this table need to be extended for the full 10 year term of the PPP? May we repeat the same question as in (12) above. Is the scoring based on Rands rental or merely % turnover rent offered? We believe the ability of the operator to grow the business is an important consideration which appears to have been ignored?

*Answer 27 Yes, the table needs to be extended for the full 10 year term and yes, the scoring is based on the % of turnover rent offered.*

*Question 28* The bids have to be submitted on 25th October 2019. The awarding of the bid from a time perspective is not revealed, nor is operation commencement. What date does SANParks anticipate the successful bidder taking occupation and what time will be allocated for renovations?

*Answer 28 It is anticipated that handover will happen early in 2020 and 6 months are allowed after signature date to become operational with a temporary offering required to be in place during this time.*

*Question 29* Point 16.3.1 of the RFP states that: “SANParks may give preference to bidders that have less than 5 PPP contracts”. Please can SANParks clarify the following:

(a) Does this criteria limitation of five or more PPP agreements apply to any one Park? In other words, are SANParks ruling that a bidder cannot have more than 5 PPP Agreements in Kruger National Park, or does this ruling span across all of SANPark’s operations?
(b) Assuming a bidder has more than 5 contracts, however some of these are small, can a bidder give up their rights to the smaller contracts in order to bid for a larger one? The imposition of a limit on the number of contracts is not really relevant if there is no sense of scale. Can SANParks please outline its application/evaluation of this limitation?

(c) How does the limitation take account of the expiry of a PPP Agreement? For example, a bidder might have 5 or more PPP Agreements, however, a significant number of these might be coming to an end. May we suggest that the imposed limitation only applies to those PPP Agreements which are in the first half of their term of tenure?

Answer 29

(a) This spans across all of SANParks’ operations

(b) and (c) SANParks will take consideration of these comments. However, SANParks reserves the right to implement the objective criteria where and when required.

Question 30

Point 13.4.2 of the Information Memorandum refers. It states: “the operator should have a vehicle suitable for bush braai set-up and should understand security requirements for staff while setting-up”. Will SANParks provide the security? Will the cost of providing this security be included in SANParks portion of the booking fee?

Answer 30

Yes, SANParks to provide and the cost to be included in the SANParks portion of the booking fee.

Question 31

Point 20.1 of the RFP refers. Assuming the bidder is a new SPV as required in the RFP, it would not have financial statements. Can we assume that the financial statements of the majority shareholder will suffice? This is implied in point 20.1.2, but please confirm our understanding is correct.

Answer 31

Yes, this is correct and will be proportioned to the shareholding.
Question 32  
Point 20.3.3 of the RFP refers. Is the R10.5m turnover in respect of one restaurant or on a total restaurant basis?

**Answer 32**  
Total restaurant basis.

Question 33  
Will SANParks please provide the detailed operating expenses of the current operator over the past 12 months. This information is required to determine the profitability of the restaurants and will be used in our modelling exercise.

**Answer 33**  
Refer Answer 11

Question 34  
The taking-over of staff in terms of S197 refers. Please confirm the increase review date(s) of staff and that the current operator will refrain from giving increases during the bidding process.

**Answer 34**  
Increases are normally scheduled for June / July hence the next should only be in 2020 but subject to change due to union involvement.

**People:**

Question 35  
Is there a current staff HR manual or list of rules and policies that are agreed with the union? (staff discounts, Bonus, disciplinary code, dress code, etc). We would love to have the opportunity to understand the processes that the current staff adhere to. This will assist to ensure the terms and conditions remain the same with respect to section 197.

**Answer 35**  
There is no list agreed with the unions. The processes are company IP - the detailed list that was provided details the entire labour cost as it currently stands.

Question 36  
Can you provide us with a monthly roster of each site so we can understand shift lengths, breaks, peak period planning, etc.
**Answer 36**  
This changes regularly and hence the operator cannot commit to specific detail.

**Question 37**  
Can you provide us with the roles and responsibilities of the Managers and if there are KPI’s for these individuals? (unit managers & assistant managers)- as per section 197

**Answer 37**  
Unfortunately this is not available.

**Question 38**  
Are there medical questionnaire forms in each staff person’s files which we will be able to access shall we be awarded the tender?

**Answer 38**  
Unfortunately this is not available.

**Question 39**  
Where do we take the staff if they need to go to doctor or hospital? Are there any staff members who have a critical illness that we as the potential employer should be made aware of? (TB, HIV, Cancer etc.)

**Answer 39**  
According to the operator they are not allowed to share information of staff medical conditions. The staff is taken to the nearest hospital or clinic and depending on the time of day this can be as far as Tzaneen.

**Question 40**  
Unions - collective agreement from Union:

- What are the expectations of wage increases from the union?
- Is there a document that you can share that outlines the role of the union with regards to the staff?
- How is discipline handled with regards to the union? Is there a point person we would be spending time with?
- Are there any un-resolved demands from the union?
- Can we have copy of last meeting minutes?
Answer 40  Please note the following:

The contact details of the Union Rep will be provided to the Successful bidder. The last meeting was held on 18 September 2019 and the current restaurant operator continues to have a good relationship with the unions. Currently there are no outstanding issues. There is currently no document that outlines the relationship between the operator / employees and the union/s.

Financial:

Question 41  Was bonus paid out last year to the staff? If so, how much?

Answer 41  Bonuses were paid subject to each staff members’ performance and according to affordability – more detail is not available.

Question 42  With regards to gas costs and utilities costs… do you have actual numbers we can look at?

Answer 42  Please refer to Answer 7 for utilities. Gas is as follows:

<table>
<thead>
<tr>
<th>Camp</th>
<th>Average Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satara</td>
<td>R20 000.00 p/m</td>
</tr>
<tr>
<td>Olifants</td>
<td>R17 000.00 p/m</td>
</tr>
<tr>
<td>Letaba</td>
<td>R16 000.00 p/m</td>
</tr>
</tbody>
</table>

Question 43  Are there projected figures on what the foot count will be in the parks in the next 5 years

Answer 43  SANParks does projections but are guided by environmental concerns such as droughts hence a major increase in foot count is not anticipated and exact figures cannot be communicated.

Question 44  What are the logistical obstacles as far as costing of procurement currently for operator? (do our suppliers need to pay to gain entrance into
Answer 44 Supplier require a permit to access the park – the cost for an annual permit I fair and does not retract suppliers from entering the park.

Question 45 How much is the average monthly overtime being paid over (This was not included on the salary and wages spreadsheet that was provided)

Answer 45 This vary from month to month and will vary based on model implemented by the operator. An average was not received from the operator to share with the bidders.

Premises:

Question 46 When can we expect the floor plans of each of the three sites?

Answer 46 Refer Answer 6

Question 47 Exclusivity- can we see the agreement on what the gift shop can and cannot sell. We noticed issues with some of their merchandise such as take away sandwiches, beverages, etc

Answer 47 SANParks manages this closely especially where this starts to have a major effect on the other operation.

In summary the retail shops are not supposed to sell foodstuff that was prepared on-site such as muffins and sandwiches. Where pre packed muffins are sold they will be in line with the contract.

Restaurant operations are not supposed to sell retail items that are not consumed on site (or as part of take away) such as pre-packed biltong sticks, or pre packed nuts or curio.

The PPP Agreement aims to be prescriptive in this regard.

Question 48 Who is responsible for the safety of staff when they are off shift but living
on the grounds?

Answer 48  The employer remains responsible for his/her employees.

Question 49  Can we have a copy of the Maintenance plan that the parks have committed to with roles and responsibilities. (i.e.) it was mentioned that Sanparks does all outside maintenance, yet we noticed opportunities for improvement (garden, bathrooms, paint work, patios,)

Answer 49  It is advisable to produce a 6-monthly report to be submitted to SANParks Technical services in order for them to budget for specific issues. However, all items will be prioritised hence might only be fixed at a later stage depending on priority.

Question 50  The kitchen tiles are in bad repair. Is this something that Sanparks would look at repairing for the new tenant?

Answer 50  No, all internal repairs (inclusive of tiles) will be the responsibility of the operator.

Question 51  Should we need to build accommodation for the Operator, is there space to do so?

Answer 51  Refer Answer 2

Question 52  Transportation of staff to and from accommodation – can Sanparks give us a quote on what it will cost for the Parks staff to transport staff?

Answer 52  Refer Answer 20

Question 53  With regards to staff accommodation, please can you elaborate on the current cost? In addition, who pays what if the Franchisee was to operate the staff premises themselves
Answer 53  Please refer to Satara Olifants Letaba - Salary Schedule_names omitted for cost associated to staff housing. Also refer to Answer 17 for more detail on this.

If the Franchisee was to operate the staff premises themselves then only utilities (and no rental) will be payable and the franchisee/operator will be responsible to maintain the units to a standard at least equal to what SANParks does.

Question 54  Please indicate qualification criteria to bid (restaurant experience)

Answer 54  For Bid Package 1:

Experience in the operation of a sit down a la carte restaurant and should have a fast food component (which could be a sub-set of the main menu);

At least 1 operational restaurant as outlined above in operation;

Achieve revenues at existing restaurant/s of R 10.5 million per annum;

Restaurant/s to be in operation for at least 3 years and have a limited to extensive range of hot and cold foods, serving 3 meals per day (breakfast, lunch and dinner) and have various courses including starters, mains and desert as part of dinner menu.

For Bid Packages 2 and 3:

Experience in the operation of a sit down a la carte restaurant;

At least 1 operational restaurant as outlined above in operation;

Achieve revenues at existing restaurant/s of R 7.5 million per annum;

Restaurant/s to be in operation for at least 3 years and have a limited to extensive range of hot and cold foods, serving 3 meals per day (breakfast, lunch and dinner) and have various courses including starters, mains and desert as part of dinner menu.
Question 55  Can you give us access to their GAAP management reports which shows the product mix!

Answer 55  Unfortunately this will not be shared as business models from companies differ and these figures are seen as the existing companies’ intellectual property.

Question 56  Connectivity was stated as a concern - we were told that the satellite system is the solution, however, GAAP isn’t connected to Satellite system – why not? (What are the costs of this system and what is it specifically doing for the business and is it just used for debit/credit transactions?)

Answer 56  From communication received from the operator it seems as if it is no longer a requirement to take over the satellite contract and the operator may investigate solutions that coincides with their Point of Sale System. It should be noted that cell network in the park is very temperamental and hence another solutions will be advisable.

Question 57  Will equipment be in good working order, and who distinguishes that? (IE) under bar fridges temp controls are broken If we were to purchase the book value of the assets, what’s included in that? (service warranties? Call out costs to fix current equipment). Also, with regards to equipment, can the asset list come accompanied with a 'state of repair' report?

Answer 57  The assets will be sold voetstoots at market value. SANParks would like to propose a model whereby the operator sign for and use the equipment for a month and after the month agreement is reached on what assets will be bought. SANParks will then remove the assets that are not bought by the operator. A list of assets will be published on the SANParks web site and e-mailed to all bidders in due course.

Question 58  Can we be provided with service records of the extractor and evidence if this has been completed regularly
Answer 58  The current operator adheres to the health and safety regulations and therefore extractors are serviced accordingly.

Question 59  Franchisor restaurant help visits- do we pay normal rates to access the parks, and is there a lower accommodation cost for our people when we are servicing the sites?

Answer 59  Management staff will apply for and be issued with the required documentation to access the park for free. With regards to accommodation costs please refer to Answer 3

Product/Menu:

Question 60  We respect that the parks don’t want restaurant signage to be too bold, however can we have posters put up around to drive more foot traffic

Answer 60  Yes this can be done but SANParks will require compliance with certain standards and approval from SANParks is compulsory.

Question 61  Can the current Operator forward us their staff menu (What’s being served to the staff for their morning tea and their lunch meal)

Answer 61  Unfortunately not. However an estimated cost was given on the salary schedule.

Question 62  May we be granted access to each site’s GAAP Management Reports so we can evaluate and study what the Kruger Park customers like to order the most?

Answer 62  Unfortunately not as the current menu was designed by the current operator and can be seen as Intellectual Property of the operator.

Question 63  Kindly assist us with providing a copy of the EIA and BA relevant to the
Answer 63

In terms of the restaurants it is not foreseen that any environmental authorisation will be required as the existing facilities will be sufficient for the purposes and had been used for the purpose of food preparation for many years. In light of that you may answer the question as part of the bid submission that you will comply as no additional authorisation is foreseen.