INFORMATION MEMORANDUM

Information Memorandum issued by South African National Parks in respect of the proposed Public Private Partnership project for the establishment of accommodation on the Selati bridge and development of the Selati precinct in the Kruger National Park
**IMPORTANT NOTICE**

This Information Memorandum (Memorandum) has been produced by South African National Parks (SANParks), in connection with the tendering for the Selati Precinct Concession in the Kruger National Park.

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This Information Memorandum has been provided to the recipient to assist in making its own appraisal of the PPP opportunities presented herein and in deciding whether to submit a proposal in connection with the opportunities. However, this Information Memorandum is not intended to serve as the basis for an investment decision on the opportunities, and each recipient is expected to make such independent investigation and to obtain such independent advice as he or she may deem necessary for a decision.

SANParks may amend or replace any information contained in this document at any time, without giving any prior notice or providing any reason.

October 2016
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1. INTRODUCTION

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

- SANParks is currently investigating the feasibility of a PPP opportunity in which it gives a selected Private Party the right to the development of the Selati Precinct which will include an accommodation offering on the bridge (in train coaches) and the operation of the restaurant or use of the Selati Station in a creative way.

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

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

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

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

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

2.1 SANPARKS’ VISION AND MISSION

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

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

VISION – A sustainable National Park System connecting society.

MISSION - To develop, expand, manage and promote a system of sustainable national parks that represents biodiversity and heritage assets, through innovation and best practice for the just and equitable benefit of current and future generations.

2.2 SANPARKS’ KEY STRATEGIC OBJECTIVES

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

2.2.1 Conservation

The primary mandate of the organisation is the conservation of South Africa’s biodiversity, landscapes and associated heritage assets through a system of National Parks.
2.2.2 Nature-based tourism

The organisation has a significant role in the promotion of South Africa’s nature-based tourism, or ecotourism business targeted at both international and domestic tourism markets. The eco-tourism pillar of the business architecture provides for the organisation’s self-generated revenues from commercial operations that is necessary to supplement government funding of conservation management.

A significant element of the ecotourism pillar is the Strategic Plan for Commercialisation (which through the implementation of Public Private Partnerships) has as its objective reducing the cost of delivery, improving service levels by focusing on core business and leveraging private capital and expertise as well as the objective of expansion of tourism products and the generation of additional revenue for the funding of conservation and constituency building.

2.2.3 Constituency building towards a people-centred conservation and tourism mandate

SANParks is required to build constituencies at international, national and local levels, in support of the conservation of the natural and cultural heritage of South Africa. It has to ensure that a broad base of South Africans participate and get involved in biodiversity initiatives, and further that all its operations have a synergistic existence with neighbouring or surrounding communities for their socio-economic benefit.

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

In addition to the core and sub-core business pillars that provide SANParks with a level of uniqueness, the organisation has generic support functions of Finance, Human Resources, Corporate Communications, Corporate Support Services (including Information and Communications Technology), and Legal Services. The operational component of SANParks is delivered through the current existing National Parks – these being organised under two divisions namely, Kruger National Park and the Parks Division (which entails the remainder of the National Parks).
3. **ARTICULATION OF SANPARKS' COMMERCIALISATION POLICY, OBJECTIVES AND STRATEGY**

**3.1 THE MOTIVATION FOR COMMERCIALISATION**

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

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

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

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

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

3.2 THE STRATEGIC PLAN FOR COMMERCIALISATION 2006

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

(i) The experience and specialist skills acquired;

(ii) The lessons learnt from implementation and management of PPPs;

(iii) Legislative requirements; and

(iv) The extended scope of projects identified to enable SANParks to improve its infrastructure towards 2010 and beyond, generate revenues, promote BEE and create employment.

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

High-level commercialisation objectives for SANParks include any or all of the following:

- Revenue Generation;
- Loss minimisation or savings on existing operations;
• Optimal use of under-performing assets;
• Job creation;
• Broad based Black Economic Empowerment;
• Infrastructure upgrades;
• Upgrade/development of historical and/or cultural sites;
• Tourism promotion; and
• Further biodiversity protection and conservation.

3.3 THE STRATEGIC PLAN FOR COMMERCIALISATION 2012

In 2012 SANParks revised the Strategic Plan for Commercialisation. The following outlines the major changes:

✓ The SPfC 2013 – 2018 has been amended to ensure alignment with the SANParks Responsible Tourism Strategy 2022 as well as the National Tourism Sector Strategy, the National Minimum Standard for Responsible Tourism (SANS1162), the SANParks Responsible Tourism Policy, the SANParks Product Development Protocol, the SANParks Management Plans and the SANParks Responsible Tourism Product Framework and their respective objectives.

✓ The SPIC was furthermore updated to reflect an updated checklist for all commercial opportunities identified thereby re-introducing PPPs as a Key Strategic Objective of SANParks for the period 2013 to 2018. The initial checklist for identified projects also fell within the structure of the SANParks Responsible Tourism Product Framework.

✓ Finally, the SPfC 2013 – 2018 addressed the capacity requirements of the Business Development Unit to ensure the effective delivery of the SANParks Responsible Tourism Strategy 2022. The Business Development Unit is restructured to ensure that all skills and expertise are cross-pollinated to all product development in SANParks. The Business Development Unit will be responsible not only for the PPP Projects but also Tourism Planning and Product
Development as well as Special Projects. While the focus of the Business Development Unit will coordinate and develop their larger role, the scope of the SPI/P is limited to the commercialization as defined by the PFMA Regulation 16 that deals with Public Private Partnerships only and the capacity requirements in ensuring the delivery of such.

4. SANPARKS’ LEGAL MANDATE


4.1.1 Protected Area

NEMPAA provides for:

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

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

4.1.2 Section 50

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

   (a) carry out or allow—

      (i) a commercial activity in the park, reserve or site; or

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

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

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

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

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

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

   (b) compliance with—

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

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

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

(5) No development, construction or farming may be permitted in a national park, nature reserve or world heritage site without the prior written approval of the management authority.
4.1.3 Section 55 and 56

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

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

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

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

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

4.2 THE PUBLIC FINANCE MANAGEMENT ACT 1 OF 1999 (“THE PFMA”)
SANParks is a Schedule 3A public entity for the purpose of the PFMA. As such, SANParks is bound to the provisions of the PFMA which regulates the financial management of all national and provincial governments and agencies; ensures that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; provides for the responsibilities for those entrusted with financial management in those governments, and governs all matters connected therewith.

4.2.1 Sections 50 and 51

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

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

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

4.2.2 Regulation 16

This last aspect is taken further in Regulations 16A7.4 and 16A7.5 of the National Treasury Regulations promulgated in terms of section 76 of the PFMA in Government Gazette Notice No. R 225, Government Gazette No. 27388 dated 15 March 2005, and amended by Government Gazette Notice No. R 146, GG 29644 dated 20 February 2007, which Regulations state that:
• Reg. 16A7.4 The letting of immovable state property must be at market-related tariffs, unless the relevant treasury approves otherwise. No state property may be let free of charge without the prior approval of the relevant treasury.

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

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

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

5. A DESCRIPTION OF THE PPP OPPORTUNITY FOR THE SELATI PRECINCT DEVELOPMENT IN THE KRUGER NATIONAL PARK

5.1 INTRODUCTION

The Selati restaurant was outsourced in 2014 following an extensive tender process. However, shortly after operation commencement the PPP Agreement was terminated for various good reasons. The restaurant remained closed whilst a lengthy legal battle was fought and eventually concluded. During this time the new Cattle Baron Restaurant opened in Skukuza and has since gone from strength to strength. Turnovers had more than doubled and customer satisfaction ratings increased from around 60% to around 80%. Whilst an alternative restaurant offering at the Selati train restaurant might still be a requirement, the presence of the Cattle Baron and success thereof allowed SANParks to think wider about the use of the Selati precinct.
The Selati Bridge remains one of the most photographed structures in the park.Whilst this bridge has historical value and whilst it is used as an access point across the river during floods, the use of the bridge could be optimized. The Skukuza camp is running at occupancies in excess of 80% per annum and the location of Skukuza in the game rich south contributes to the popularity of this camp. In light of this the idea was borne to use the bridge for accommodation. Having been upgraded recently the structure of the bridge seems sound (needs to be verified by the Private Party) and allows for several train coaches to be utilised as overnight carriages. This, together with the Selati restaurant precinct makes for a unique product.

5.2 VALUE FOR MONEY OBJECTIVES

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

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

- Revenue generation for SANParks;
- BEE, job creation and community development;
- Tourism promotion; and
- Optimalisation of prime state land.

5.3 MINIMUM DEVELOPMENT SPECIFICATIONS

The Private Party Operator will be expected to adhere to the Minimum Development Specifications as follows:

<table>
<thead>
<tr>
<th>Minimum Development Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beds (the exact amount of beds to be in accordance with the approved Design Plan and to include guest and</td>
</tr>
</tbody>
</table>
### Minimum Development Specifications

<table>
<thead>
<tr>
<th>Specification</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>staff beds)</td>
<td></td>
</tr>
<tr>
<td>Restaurant</td>
<td>In dining coach or at Selati restaurant on platform</td>
</tr>
<tr>
<td>Cocktail Bar</td>
<td>Separate coach – could be combined with observation car</td>
</tr>
<tr>
<td>Pool</td>
<td>A pool on a coach could be considered and due to the heat will be advisable</td>
</tr>
<tr>
<td>Parking area at Selati restaurant</td>
<td>Y</td>
</tr>
<tr>
<td>Reception and lobby at the Selati platform</td>
<td>Y</td>
</tr>
<tr>
<td>Porter service</td>
<td>Possibly</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>Y</td>
</tr>
<tr>
<td>Laundry / Dry cleaning</td>
<td>Procured from outside the Park</td>
</tr>
<tr>
<td>Internal &amp; External Communication systems</td>
<td>Y</td>
</tr>
<tr>
<td>Air-conditioning</td>
<td>Y</td>
</tr>
<tr>
<td>Safety &amp; Security</td>
<td>Bridge secured against primates (in conjunction with SANParks)</td>
</tr>
<tr>
<td>Recognised Operating System &amp; Software</td>
<td>Y</td>
</tr>
</tbody>
</table>

### 5.4 MODEL AND SITE

The Selati precinct are made up of the following areas:

- The Selati platform which used to be used as a restaurant seating area;
- The Selati kitchen area together with storage rooms;
- The men’s and ladies ablutions at the train station; and
- The Selati bridge crossing the Sabie river (needs to be accessible during flooding).
The opportunity comprises of an accommodation and dining product. The accommodation product to happen on the bridge in train coaches to be purchased by the operator. The dining product could be at the Selati station or in a dining cart on the bridge (need not be exclusive for guests that overnight on the train).

The Bidders will be provided the opportunity to assess the sites. It should be noted that the opportunity will require all necessary environmental approvals and hence a Basic Assessment or EIA might be required. These must be prepared for certain prescribed activities, or activities that might affect designated areas such as a national park and must be prepared by an independent consultant.

The following maps details the Selati Precinct area and potential model:
Train moved through pulley/cable system or shunting locomotive to bridge at night (Possible conversion of the current locomotive to be battery driven)

- Evokes sense of movement
- Wake up on bridge
- Breakfast is served in either the lounge car or in compartment/unit
- Train moved to Selati restaurant area shortly after breakfast
The above is a proposed model but any alternative can be proposed as long as access is given during flooding time. Such access could be via the train. In such an instance the coaches can be stationary and people could be taken to the train via pump trolley. Area between the station and bridge to be secured for safety.

5.5 RESPONSIBLE TOURISM STANDARDS

5.5.1 Responsible Tourism

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

- generates economic benefits for local people and enhances the well-being of host communities;
- improves working conditions and access to the industry;
- involves local people in decisions that affect their lives and life chances;
- makes positive contributions to the conservation of natural and cultural heritage to the maintenance of the world’s diversity;
- provides more enjoyable experiences for tourists through more meaningful
connections with local people and a greater understanding of local cultural, social and environmental issues;

- minimises negative economic, environmental and social impacts; and
- is culturally sensitive, engenders respect between tourists and hosts, and builds local pride and confidence.

5.5.2 National Responsible Tourism Guidelines

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

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

- ISO 14001
- Green Globe
- Blue Flag
- NEAP
- Heritage
- Ecoquest
- Fair Trade in Tourism
5.5.3 National Responsible Tourism Standard and SANParks Responsible Tourism Strategy

South African National Parks has also drafted a Responsible Tourism Strategy. The purpose of this strategy is to consistently integrate the principles of the national responsible tourism guidelines (DEAT, 2002) into South African National Parks operations. The Private Party will be obliged to comply and subscribe to the minimum standards of Responsible Tourism – SANS 1162.

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

The responsible tourism strategy is divided into three sections:

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

5.5.3.1 Objectives of the Responsible Tourism Strategy

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

• Enhance responsible tourism awareness and management skills among protected area managers and tourism officers and business partners within SANParks;

• Enhance responsible tourism awareness and skills among SANParks’ external stakeholders, including communities, and suppliers;

• Integrate responsible tourism principles and actions into management plans for each national park in South Africa;

• Establish a practical framework for monitoring, evaluation and reporting in national park destinations; and

• Integrate responsible tourism into the performance management frameworks of the organisation, individual parks and individual staff members.

5.5.3.2 Guiding Principles of the Responsible Tourism Strategy

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

• based on the national responsible tourism guidelines (DEAT, 2002);

• aligned with the national Minimum Standards for Responsible Tourism;

• aligned with SANParks Corporate Strategic Business Plan, and cognisant of the Conservation Development Framework and Park Management Plans;

• easy to understand and implement;

• adaptive and flexible;
• monitored at both a corporate and operational level;

• developed and implemented through a participatory process by a broad range of SANParks stakeholders, including business partners;

• initially focus on quick wins, that can be used to promote the responsible tourism agenda throughout the organization;

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

6. STRATEGIC PLANNING CONTEXT

The Kruger National Park ("KNP") Park Management Plan 2008 describes the KNP’s tourism programme that is aimed at simultaneously addressing and supporting the six key goals and associated strategic objectives of the Department of Environmental Affairs and Tourism strategic plan and the SANParks strategic tourism principles and objectives. In order to achieve the desired nature-based tourism destination state in Kruger, the tourism activities and experiences must optimise the parks’ unique attributes and special features as the preferred focus to ensure sustainability and a unique product compatible with the overall desired state whilst applying the principles of Responsible Tourism. To achieve this, the following areas were identified:

6.1 TRANSFORMATION AND EMPOWERMENT

This will have to permeate a wider variety of aspects, including the target market (visitors), involvement of local communities in tourism activities, etc.

The Selati Precinct development could contribute to an increase in the black higher-class market that demand 4-star accommodation, meals included. In addition, through the implementation of the obligatory requirements of the Tourism BEE Charter & Scorecard, the involvement of the local communities in the tourism activity will increase.

6.2 INFRASTRUCTURE UPGRADING
The infrastructure conditions are not ideal as financial constraints have previously limited SANParks’ ability to invest in them. However, Kruger needs to rectify this and bring its tourism infrastructure up to standard with industry norms (as described by the Grading Council of SA) and ensure that it has the right supply for the right types of grading in the various camps where market demands lie. For example, to realise transformation of our potential growing target market, we must take into account that the black higher middle class market demands 4-star accommodation, meals included. It is not anticipated that any major new infrastructure will be developed in the next 5 years, but Kruger will need to focus its energy and funding on right-sizing this. Projected camp and bed-night demand suggest that additional facilities will be required during peak seasons. An alternative may be the introduction of seasonal camps i.e. light structures with required interiors and temporary staff on contract for 3-4 months of the year only. This would allow Kruger to generate income without having to make huge infrastructure investments that will require ongoing management and maintenance.

The Selati precinct development will result in the optimal utilization of the existing infrastructure at the Selati precinct. In addition, the need for a 4-star accommodation product with meals included, is being addressed with this unique accommodation offering on the bridge. This would allow for the generation of additional revenue without having to make huge infrastructure investments and will not require ongoing maintenance by SANParks.

6.3 PRICING STRATEGY

To ensure that our pricing is competitive, affords access to all South Africans and that it correlates with our star grading, tourism in Kruger will need to focus on the flexibility of packages, in line with the rest of SANParks and the ecotourism industry.

The Selati Precinct development fills the gap between the existing R 550-R650 pppn self catering market and the R 3500 to R 10000 pppn 5-star market.

6.4 ACCESS

The Selati precinct development forms part of the Skukuza camp and access exists. This product will be a unique add-on to a camp which is running at 80%+ occupancies
annually.

6.5 SUSTAINABLE REVENUE GROWTH

This must focus better on the three new and growing markets, namely SA Leisure (black middle class), business tourism (conferences), and maintenance of the current market. In addition, and to enhance this, Kruger must expend energy on sufficient and effective marketing of Kruger as a destination; provision of interpretive/orientation centres to promote the cultural and natural aspects of Kruger; provision of international standard facilities and services; provision of sufficient and appropriate recreation facilities for the local day visitor market; proper management of the park and its facilities as a whole; destination forums to ensure coordination on routes and packages within the region; alignment of Kruger to industry standards and commonly accepted tourism business principles.

The Selati Bridge accommodation offering could in essence focus on all three markets:

- SA Leisure Black middle class – upmarket catered product makes this a very attractive option for this market;
- Business Tourism – the existence of the Skukuza Conference Centre makes for a unique conference when the train is used for accommodation; and
- Current Market – a more luxurious affordable option where self-drives can still happen might proof to be very popular with the current traditional market.

6.6 BUDGET

Budget constraints are a reality, however for the KNP nature-based tourism model to succeed funds need to be sourced and made available for various strategic studies to plan better for tourism (include a visitor management study, consumer behaviour research, route mapping), upgrading of facilities and marketing (where the industry norm is 3–5% of revenue). All indications are that the Selati precinct development could add approximately 42 beds at half the cost of newly built infrastructure (with minimal impact on the environment). In addition the capex is sourced from the private sector who will have the necessary skills to operate the product therefore limited, if any cost to SANParks.
6.7 CAPACITY

Not only has a need for additional and enhanced capacity been identified (e.g. guides make money with activities, but due to budget constraints SANParks can’t employ them), but there is also a need for employees, especially at middle management level, to be appropriately trained to give proper service. Indications are that the greatest improvement to tourism in the short term will be to address management and capacity-building issues first, particularly for essential services and operations. This will result in more certain and sustainable results than from any other structural or planning changes. A key factor in managing tourism is timely access to good quality information. It is also necessary to have the skills to analyse it, develop plans and options, and then implement the resulting decisions. This appears to be a current deficiency that urgently needs to be rectified in the light of the relentless increase in visitor pressure and likelihood of resultant overcrowding.

6.8 NATURE-BASED AND HERITAGE-BASED TOURISM

This will require a paradigm shift in the way SANParks does tourism business in Kruger, but all indications are that SANParks should move towards providing predominantly nature-based activities, with an increasing focus on including cultural heritage tourism opportunities. The relevant debate around the merits of ‘more visitors, more revenue’, against the opposing view that ‘high wilderness values guarantee quality visitor experiences’ is not finalised in Kruger. In order to support the desired state for this park, cognisance must be taken of the fact that the all-important ‘visitor experience’ is an independent attribute specifically of visitors and tourism limits should be set in large measure by the opinions and responses of visitors. Nevertheless, Kruger will also need to position itself to market the naturebased experience it strives for and believes in. Qualitative information must however be systematically and skillfully collected and analysed, both from visitors directly and from visitor managers who are in close touch with them as overcrowding at peak periods and at favoured localities devalues the visitor experience, irritates individuals and can damage the reputation of SANParks. The Selati Precinct Development allows for a combination of nature based (due to location of the bridge) and heritage tourism with the Selati line having a rich history. In addition the development would be part of a big, busy camp in the KNP but location of the bridge
(distanced) makes for a truly relaxing nature based experience.

7. **PPP AGREEMENT**

7.1 **TERM OF AGREEMENT**

The term of the PPP Agreement shall be for either 20 (twenty) years or 25 (twenty five) years from Effective Date (depending on Land Claimant involvement – refer RFP), subject to termination in accordance with the PPP Agreement. Effective Date is defined as the earlier of Operation Commencement Date or 12 (twelve) months from Signature Date.

7.2 **FINANCIAL TERMS**

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

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

7.2.2 the Variable PPP Fee (the bidder percentage of actual gross revenue earned by the Private Party in each project year).

irrespective of which these elements determine the final amount payable in any given project year, the payment schedule will be as follows:

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

7.2.4 The Variable PPP Fee, shall be calculated by the Private Party for the Project Year in question on the basis of the Private Party’s unaudited accounts within 30 (thirty) Business Days of the end of the Project Year. If this figure is higher than the Minimum PPP Fee, it shall be the total amount payable by the Private Party to SANParks for the Project Year in question. The difference between the Variable PPP Fee thus determined and the aggregate of amounts already paid under the Minimum PPP Fee, will be payable 60 (sixty) Business Days after the end of the Project Year in question.

7.2.5 No PPP Fees shall be payable prior to the Effective Date of the PPP Agreement.
7.2.6 Any overdue payment by either SANParks or the Private Party shall be subject to an interest charge of prime plus 2 (two) %.

7.3 MINIMUM PPP FEE

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

The Minimum PPP Fee for the Selati Precinct Development is as follows:

<table>
<thead>
<tr>
<th>MINIMUM PPP FEE</th>
<th>Per Month (Excl VAT)</th>
<th>Per Annum (Excl VAT)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R 62,500</td>
<td>R 750,000</td>
</tr>
</tbody>
</table>

The Minimum PPP Fee above are at April 2016 prices and will be adjusted annually throughout the term of the PPP Agreement according to the movement in the Consumer Price Index.

7.4 PRINCIPAL OBLIGATIONS OF THE PRIVATE PARTY

SANParks requires the successful Private Party comply with the following:

7.4.1 The Private Party is obliged to acquire SANParks’ consent prior to making use of any SANParks trade names and or logo’s in any way.

7.4.2 The Private Party must adhere to SANParks conservation regulations.

7.4.3 The Private Party must adhere to the SANParks normal operating hours for transportation of goods and service.

7.4.4 The Private Party is obliged to procure adequate insurance for the Selati precinct Development and other insurable properties including property and casualty insurance, business interruption insurance, third party liability and employer’s liability insurance.

7.4.5 The Private Party is obliged to disclose all aspects of the business to SANParks and their representatives.
7.4.6 The Private Party is responsible for the submission of audit reports, and any other reports and information, as contractually required by SANParks.

7.4.7 The Private Party will be required to obtain all relevant and third party insurances.

7.4.8 The Private Party’s financial obligations shall not impact on SANParks, and the Private Party will need to provide SANParks with its yearly audit certificate and any relevant communication from the auditor.

7.4.9 The Private Party will be obliged to apply and obtain a relevant liquor license.

7.4.10 The Private Party is obliged not to pledge the credit of SANParks in any form.

7.4.11 The Private Party is required to operate according to hours specified by SANParks.

7.4.12 The Private Party is obliged to acquire SANParks consent prior to any changes being made to shareholding, or selling of the Business.

7.4.13 At the time of submitting the Bid, each Pre-qualified Bidder for Bid Package 1 must submit a single Bid and Performance Bond of R312,500 (Three Hundred and Twelve Thousand Five Hundred Rand) in the format to be provided in the RFP. The purpose of the Bid and Performance Bond is to ensure that all Bidders present valid and serious Bids and that the winning Bidder subsequently executes the PPP Agreement. The Bid Bonds of unsuccessful Bidders shall be returned to them following signature of the PPP Agreement.

7.4.14 The Private Party is responsible for the transport of their employees from the workplace to the living quarters, particularly after-hours transport where living quarters are logistically distanced from the Development. In the event that SANParks transport can be utilized, the related cost of transport will be for the Private Party’s account.

7.4.15 The Private Party is obliged to transport their staff to the required medical facilities. In the event that SANParks transport can be utilized, the related cost of transport will be for the Private Party’s account.

7.4.16 The Private Party is obliged to settle all housing rentals directly with SANParks and
SANParks will not be accountable for the recovery thereof from individual employees.

7.4.17 The Private Party is obliged to adhere to the Operations Manual; a copy will be distributed to Bidders in due course. The Concession Operations Manual will define the roles, responsibilities and procedures with regard to housing, transport of staff, maintenance, infrastructural upgrades and expansions, employee beds etc.

7.4.18 The Private Party is encouraged to look at options to cater for people with disability and provide universal access at the Selati Precinct Development.

7.4.19 The Private Party is obliged to comply with and adhere to SANParks Policies and initiatives i.e. HIV Aids Policy, Health and Safety Forums etc.

7.5 PRINCIPAL OBLIGATIONS OF SANPARKS

7.5.1 SANParks shall give reasonable assistance in the form of advice, introductions and documentary support to the Private Party in its dealings with Relevant Authorities and otherwise in connection with obtaining the necessary licenses and permits.

7.5.2 SANParks will operate and manage the Park and will promote it in such manner as to ensure the continued viability and sustainability of KNP as a National Park and as a sustainable and attractive tourist and conservation undertaking.

7.6 ACCESS

7.6.1 SANParks shall ensure that, for the duration of the PPP Agreement, the Private Party, its guests, employees, agents and invitees have reasonable access to the Development Area, subject to the provisions of the PPP Agreement, the Park Rules and other regulations, or legislation, which may be in place from time to time. In addition the standards, quality and nature of the access routes and control points, in place at the time of the agreement being entered into, will remain the same during the PPP Term.

7.7 EXCLUSIVITY

7.7.1 The Private Party shall be entitled to:
7.7.1.1 the exclusive rights to operate an accommodation product in train coaches on the Selati Bridge;

7.7.1.2 the exclusive right to operate a restaurant either on the train or at the Selati station; and

7.7.1.3 the non-exclusive right to do bush-braais at the Day Visitor area.

7.8 BRANDING

7.8.1 The Private Party will not be obliged to use the “Selati” trademark in the naming and branding of the accommodation establishment at the Selati Bridge;

7.8.2 In the event that the Private Party elects to use the “Selati” trademark, the conditions of the paragraphs below will be applicable;

7.8.2.1 The Private Party shall not, in the operation, promotion or marketing of the Selati train product, be entitled to use, directly or indirectly, any commercial branding similar to any branding used outside of the Protected Area by the Private Party, or any of its associated companies or competitors, without the prior written consent of SANParks;

7.8.2.2 Any commercial branding developed by the Private Party in respect of the Selati train product may not be used outside the Protected Area without SANParks’ prior written consent; and

7.8.3 The use of any branding, logo, trademark, trade name, get up, signage, outdoor advertising, livery, promotion, promotional or marketing material or other proprietary intellectual property in connection with the Selati Train product shall require the prior written approval of SANParks.

7.9 INTELLECTUAL PROPERTY

7.9.1 The use of any branding, logo, trademark, trade name, get up, signage, outdoor advertising, promotion, promotional or marketing material or other proprietary intellectual property in connection with the Project Site shall require the prior written approval of
7.9.2 It is specifically recorded that all intellectual property rights whatsoever, whether capable of registration or not, regarding SANParks’ trademarks, names, logo, image and all other intellectual property matters relating to SANParks, its name, logo and/or image shall remain the sole property of SANParks.

7.9.3 Subject to existing rights and obligations, SANParks shall, on application by the Private Party, grant a non-exclusive right and licence to the Private Party to use SANParks’ trademarks which relate to the Park. Should any of SANParks’ trademarks, names, logos, images and all other intellectual property matters be required for use outside of the PPP Agreement, they will be subject to terms and conditions negotiated with SANParks. This includes the granting of licences to trade merchandise with SANParks’ trademarks, names, logos, images and all other intellectual property matters outside of SANParks’ retail facilities.

7.9.4 In order to establish and maintain high standards of style, quality and propriety associated with the Park, in the event the Private Party desires to use SANParks’ trademarks or logos which relate to the Park in any way, the Private Party shall first submit the concept or a sample of the proposed use to SANParks for approval. Under no circumstances shall any use of SANParks’ trademarks or logos, which relate to the Park, or the image or likeness of any trademark, logo or image, which SANParks in good faith believes reflects unfavourably upon or disparages the Park, be approved. If SANParks approves the concept or sample, the Private Party shall not depart therefrom in any material respect without SANParks’ further written approval.

7.9.5 If at any time SANParks withdraws its approval for the specified use of any trademark or logo, the Private Party shall forthwith discontinue all use of SANParks’ trademark or logo and shall remove from public sale or distribution, any previously approved product in respect of which SANParks has rescinded approval.

7.9.6 The Private Party acknowledges that the name of the Park (the “Protected Name”) is associated with and peculiar to the Park and is the intellectual property of SANParks. Consequently, the Private Party agrees that the sole and exclusive ownership of the
Protected Name shall vest in SANParks and should the Private Party utilise the Protected Name, it does so only in terms of the PPP Agreement and with the prior written approval of SANParks.

7.9.7 In circumstances where the Private Party utilises any of the Protected Names, either singularly or in combination or association with any other name, it does so only in terms of the PPP Agreement and on termination of the PPP Agreement, the Private Party shall not be entitled to operate or conduct any business using the Protected Name in combination or association with any other name.

7.9.8 In circumstances where the name chosen by the Private Party and approved by SANParks is not part of SANParks’ intellectual property, then the rights of SANParks contemplated in this paragraph will not be applicable and the intellectual property will be the sole property of the Private Party.

7.10 BIDDERS REQUIRED QUALIFICATION CRITERIA

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

7.10.1 Financial capacity

7.10.1.1 Given the fact that the project is of a high value and may entail risk to both the preferred bidder and SANParks, it is important that interested parties demonstrate financial strength. In this regard the asset value of the interested party must be at least R5 million.

7.10.1.2 As the preferred bidder must be a SPV, it must demonstrate financial strength with reference to the asset value of its shareholders in proportion to their shareholding. The interested party must also demonstrate, to SANParks’ satisfaction, that its shareholders are solvent. Audited financial statements, along with a letter confirming that the asset value exceeds the stipulated amount and that the shareholders are solvent, must be provided to illustrate any assertion made by an interested party in this regard.
7.11 TOURISM EXPERIENCE

The project requires that interested parties have substantial experience and expertise in the tourism market. Interested parties are therefore required to provide examples of similar projects conducted by the interested parties. The interested party must be able to meet this tourism track-record requirement in the following ways:

7.11.1 The interested bidder must have proven hotel management experience in Africa of no less than 5 years (hotel management experience could include hotels on wheels i.e. overnighting on a train); and;

7.11.2 The bidding company must presently own or operate a minimum number of 20 rooms.

7.12 RELATIVE WEIGHTING OF BID SUBMISSIONS

Bids will be evaluated on three main elements: functionality, BEE and the PPP Fee Offer. Bidders must score at least 65% for functionality and at least 65% for BEE.

The evaluation of Bid Submissions will take several factors into account, in a scoring methodology that awards points against criteria and quantitative weights.

Weighting of the elements:

- Functionality will be weighted at 60% of the overall bid score.
- BEE will be weighted at 10% of the overall bid score (The provisions of the Preferential Procurement Policy Framework Act, 2000 (“PPPFA”) apply); and
- The PPP Fee Offer will be weighted at 30% of the overall bid score.

SANParks will determine 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
Within the Functionality element, the relative weighting will be:

- Financing and Capital Plan – 15%
- Business, Operational and Design Plan – 55%
- Environmental Plan – 20%
- Risk Transfer – 10%

7.13 FINANCING AND CAPITAL PLAN

The purpose of the Financing and Capital Plan is to assess the ability of the Bidder to secure adequate finance to implement the project and determine the capital investment proposed for the project. It will indicate how much 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, whether the necessary financing has been secured and appropriate proof.

7.14 BUSINESS, OPERATIONAL AND DESIGN PLAN

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

7.15 ENVIRONMENTAL PLAN

The purpose of the evaluation of environmental proposals is to ensure that bidders understand and have fully planned for the prevailing environmental issues that apply to the investment area as well as the Environmental Guidelines and have factored those issues into their plans. Approval by the evaluation committee of such plans will not be taken to mean that the individual details of the proposal can be implemented – in all cases, the proposal must go through the Environmental Impact Assessment process (if
such a process is required by law).

7.16 RISK MATRIX

A risk matrix will be submitted by bidders, indicating the risk elements specific to the project, mitigating measures and the allocation of such risk between the Private Party and SANParks. An objective of all PPP’s is to transfer the maximum amount of risk to the Private Party.

7.17 BLACK ECONOMIC EMPOWERMENT

All BEE definitions are consistent with those used in the Tourism BEE Charter and Scorecard, with the following additions, where applicable:

- Community trust - A not-for-profit trust created in terms of applicable law by volunteer members for channelling the proceeds of various activities and investments for the common good of persons ordinarily resident within a specific town, village or settlement.

- Local - A geographic area specified by SANParks in the RFP, being either within a specified kilometre radius of the proposed project site or named village(s) or town(s), or settlement(s) within such radius, village(s) or town(s).

- Mandatory community trust ownership - Ownership in the Private Party, which, will be acquired by a specific community trust named by SANParks in the RFP.

SANParks will evaluate the bidder’s BEE proposal and will allocate scores according to the methodology and weightings in the BEE scorecard.

8. CLAIMANTS

In 2013 land claim settlements had placed a responsibility on SANParks to ensure that successful land claimants become part of the operations in National Parks. In light of that SANParks will expect that land claimants receive equity share in the operations.
9. **STAFF**

No staff are currently working at the Selati restaurant and/or precinct and hence the operator will be required to appoint their own staff. The Private Party should invite Land Claimants to interviews and appoint staff from Land Claimants where possible.

10. **HOUSING:**

A list of houses allocated to the operation will be provided at the site visit.

11. **MONITORING - ANALYSIS DASHBOARD:**

Where the bidder decides to open a restaurant at the Selati Train station, SANParks will be obliged to monitor performance in line with other restaurants. This will include but not be limited to the following:

- Monitor customer satisfaction through the SANParks customer satisfaction systems. SANParks currently monitors customer satisfaction through a system whereby the customer is requested to capture ratings based on their experience / visit to the parks. The following areas are covered as part of this process:
  - Making your booking
  - Admission through Park Gate
  - Reception at camp
  - Caravan, camping and accommodation
  - Shopping experience
  - Dining experience
  - Game activities
  - Overall experience

Under Dining experience the following areas are covered:

- Were the staff friendly and helpful?
o Was the food well presented?

o How did you experience the quality of food?

o Did the dining experience represent good value for money?

The aim is to score at least 75%.

- Monitor food quality through well defined hygiene audits in line with industry best practice.

12. **CHALLENGES RELATED TO THE OPERATIONS**

Challenges:

o The Private Party will be expected to receive all certificates and comply with all regulations as required by the Rail Safety Operator

o Implementing an accommodation model that would satisfy all customers will be challenging – movement of the train, how and when to disembark, etc. In light of this a combination of models might be advisable.
13. MARKET OVERVIEW

13.1 SOUTH AFRICAN NATIONAL PARK TOURISM

SANParks accounts for the largest single segment of the South African tourism industry. With over 5,200 beds and 1,000 campsites under its control, SANParks is by far the largest single supplier of tourist accommodation in the country accounting for 24% of all nature based tourism in South Africa and receives 5.576 million visitors to the parks per year (as per 2014/2015 figures).

The following gives an overview of visitors per park. The figures are not recent but there was no major changes to these figures in the last year:

<table>
<thead>
<tr>
<th>PARK</th>
<th>GUESTS TO PARK April 2014 - March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addo</td>
<td>204 881</td>
</tr>
<tr>
<td>Augrabies</td>
<td>69 990</td>
</tr>
<tr>
<td>GRNP - Tsitsikamma</td>
<td>376 458</td>
</tr>
<tr>
<td>Karoo</td>
<td>38 618</td>
</tr>
<tr>
<td>Kgalagadi</td>
<td>40 086</td>
</tr>
<tr>
<td>Kruger</td>
<td>1 659 793</td>
</tr>
<tr>
<td>Mountain Zebra</td>
<td>24 426</td>
</tr>
<tr>
<td>Table Mountain</td>
<td>2 676 051</td>
</tr>
<tr>
<td>Other Parks</td>
<td>486 513</td>
</tr>
</tbody>
</table>
From 2013/2014 to 2014/2015 there has been a 6.5% increase in visitation to National Parks.

The Kruger National Park accounts for about 70% of the total bed-nights sold in SANParks and 30% of total guests to Parks. Table Mountain is the most visited park and accounts for about 48% of all visitors to National Parks.

13.2 PARK SPECIFIC INFORMATION

13.2.1 Kruger National Park

The world-renowned Kruger National Park offers a wildlife experience that ranks with the best in Africa. Established in 1898 to protect the wildlife of the South African Lowveld, this National Park of nearly 2 million hectares, SANParks - Kruger National Park is unrivalled in the diversity of its life forms and a world leader in advanced environmental management techniques and policies. Truly the flagship of the South African National Parks, Kruger is home to an impressive number of species: 336 trees, 49 fish, 34 amphibians, 114 reptiles, 507 birds and 147 mammals. Man’s interaction with the Lowveld environment over many centuries - from bushman rock paintings to majestic archaeological sites like Masorini and Thulamela - is very evident in the Kruger National Park. These treasures represent the cultures, persons and events that played a role in the history of the Kruger National Park and are conserved along with the park’s natural assets.
### TOTAL GUESTS TO PARK (GUESTS THROUGH GATES)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 659 748</td>
</tr>
</tbody>
</table>

### COMPOSITION

<table>
<thead>
<tr>
<th>RESIDENCE STATUS</th>
<th>NUMBER</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA RESIDENT</td>
<td>1,266,620</td>
<td>76.31%</td>
</tr>
<tr>
<td>SADC NATIONAL</td>
<td>32,121</td>
<td>1.94%</td>
</tr>
<tr>
<td>INTERNATIONAL (EXC SADC)</td>
<td>361,007</td>
<td>21.75%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1 659 748</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

### RACE PROFILE / DAY VS OVERNIGHT

<table>
<thead>
<tr>
<th>GROUPING</th>
<th>NUMBER</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLACK DAY</td>
<td>356,710</td>
<td>28.16%</td>
</tr>
<tr>
<td>OVERNIGHT</td>
<td>22,095</td>
<td>1.74%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>378,805</strong></td>
<td><strong>29.91%</strong></td>
</tr>
<tr>
<td>WHITE DAY</td>
<td>644,775</td>
<td>50.91%</td>
</tr>
<tr>
<td>OVERNIGHT</td>
<td>243,029</td>
<td>19.19%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>887,804</strong></td>
<td><strong>70.09%</strong></td>
</tr>
<tr>
<td><strong>TOTAL DAY</strong></td>
<td><strong>1,001,485</strong></td>
<td><strong>79.07%</strong></td>
</tr>
<tr>
<td><strong>TOTAL OVERNIGHT</strong></td>
<td><strong>265,124</strong></td>
<td><strong>20.93%</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>1,266,609</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### PROVINCE

<table>
<thead>
<tr>
<th>PROVINCE</th>
<th>NUMBER</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EASTERN CAPE</td>
<td>13,916</td>
<td>1.10%</td>
</tr>
<tr>
<td>FREE STATE</td>
<td>16,848</td>
<td>1.33%</td>
</tr>
<tr>
<td>GAUTENG</td>
<td>424,332</td>
<td>33.50%</td>
</tr>
<tr>
<td>KWAZULU NATAL</td>
<td>35,821</td>
<td>2.83%</td>
</tr>
<tr>
<td>LIMPOPO</td>
<td>259,199</td>
<td>20.46%</td>
</tr>
<tr>
<td>MPUMALANGA</td>
<td>396,945</td>
<td>31.34%</td>
</tr>
<tr>
<td>NORTH WEST</td>
<td>17,963</td>
<td>1.42%</td>
</tr>
<tr>
<td>NORTHERN CAPE</td>
<td>1,851</td>
<td>0.15%</td>
</tr>
</tbody>
</table>

---

*Information Memorandum – Selati Precinct Concession in the Kruger National Park*
### WESTERN CAPE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>99,745</td>
<td>7.87%</td>
</tr>
</tbody>
</table>

### TOP 3

<table>
<thead>
<tr>
<th>NUMBER</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER 1</td>
<td>GAUTENG</td>
<td></td>
</tr>
<tr>
<td>NUMBER 2</td>
<td>MPUMALANGA</td>
<td></td>
</tr>
<tr>
<td>NUMBER 3</td>
<td>LIMPOPO</td>
<td></td>
</tr>
</tbody>
</table>

### INTERNATIONAL GUESTS (NON SA RESIDENTS)

<table>
<thead>
<tr>
<th></th>
<th>NUMBER</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SADC NATIONALS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANGOLA</td>
<td>485</td>
<td>0.12%</td>
</tr>
<tr>
<td>BOTSWANA</td>
<td>229</td>
<td>0.06%</td>
</tr>
<tr>
<td>CONGO (DEM. REP. OF)</td>
<td>133</td>
<td>0.03%</td>
</tr>
<tr>
<td>LESOTHO</td>
<td>154</td>
<td>0.04%</td>
</tr>
<tr>
<td>MALAWI</td>
<td>192</td>
<td>0.05%</td>
</tr>
<tr>
<td>MAURITIUS</td>
<td>856</td>
<td>0.22%</td>
</tr>
<tr>
<td>MOCAMBIQUE</td>
<td>25,884</td>
<td>6.58%</td>
</tr>
<tr>
<td>NAMIBIA</td>
<td>505</td>
<td>0.13%</td>
</tr>
<tr>
<td>SWAZILAND</td>
<td>1,954</td>
<td>0.50%</td>
</tr>
<tr>
<td>TANZANIA</td>
<td>97</td>
<td>0.02%</td>
</tr>
<tr>
<td>ZAMBIA</td>
<td>177</td>
<td>0.05%</td>
</tr>
<tr>
<td>ZIMBABWE</td>
<td>1,455</td>
<td>0.37%</td>
</tr>
<tr>
<td><strong>INTERNATIONAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NUMBER 1</td>
<td>GERMANY (27.03%)</td>
<td></td>
</tr>
<tr>
<td>NUMBER 2</td>
<td>FRANCE (11.83%)</td>
<td></td>
</tr>
<tr>
<td>NUMBER 3</td>
<td>UNITED KINGDOM (9.67%)</td>
<td></td>
</tr>
<tr>
<td>NUMBER 4</td>
<td>UNITED STATES (8.13)</td>
<td></td>
</tr>
<tr>
<td>NUMBER 5</td>
<td>NETHERLANDS (7.94%)</td>
<td></td>
</tr>
</tbody>
</table>

### 13.3 PARK SPLIT – SOUTH VERSUS NORTH
As the Selati product will be in the south of the park it is important to look at the visitation split between north and south.

The unit occupancies for the main camps in the KNP are outlined below:

<table>
<thead>
<tr>
<th></th>
<th>UNIT NIGHTS SOLD</th>
<th>CAMPING SITE NIGHTS SOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>South (Marula Region)</td>
<td>267,626 (69.8%)</td>
<td>44,574 (71.7%)</td>
</tr>
<tr>
<td>North (Nxanatseni Region)</td>
<td>115,943 (30.2%)</td>
<td>112,845 (28.3%)</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>383,569 (100%)</strong></td>
<td><strong>157,419 (100%)</strong></td>
</tr>
</tbody>
</table>

In light of the above it is safe to assume that approximately 70% of all visitors to the KNP visits the south (where the Selati product is).

Total number of visitors to the park: 1,659,748

70% of 1,659,748: 1,161,823
14. ANNEXURE A – FACILITY PHOTOS OF SELATI