REQUEST FOR PROPOSALS

REQUEST FOR PROPOSALS 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 Request for Proposals ("RFP"), incorporating all its attachments, has been produced by South African National Parks ("SANParks"), in connection with the tourism public private partnership opportunity available at the Selati bridge and precinct in the Kruger National Park.

No representation or warranty, express or implied, is made, or responsibility of any kind is or will be accepted, by South African National Parks, with respect to the accuracy and completeness of the RFP, and any liability in connection with the use by any interested party of the information contained in this RFP is hereby disclaimed.

The RFP is provided to the recipient to assist in making its own appraisal of the Public Private Partnership ("PPP") opportunity presented herein and in deciding whether to submit a proposal in connection with the opportunity. However, this RFP is not intended to serve as the basis for an investment decision on the opportunity, and each recipient is expected to make such independent investigation and to obtain such independent advice, as he or she may deem necessary for such a decision.

South African National Parks may amend or replace any information contained in this RFP at any time, without giving any prior notice or providing any reason. Should this RFP lead to the award of the PPP Project, the award will only become binding after SANParks and the Private Party have signed the agreement.

November 2016
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1. INTRODUCTION

1.1 This Request for Proposals ("RFP") 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.

1.2 SANParks, as part of its Strategic Plan for Commercialisation, identified the tourism PPP opportunity at the Selati precinct in the Skukuza Camp in the Kruger National Park ("KNP").

1.3 It is intended that by SANParks entering into the PPPs with a Private Party, SANParks may be able to generate additional revenue through PPP fees paid to SANParks by the Private Party, while enabling SANParks to focus on its core activity of conservation. It is intended that the project will be initiated/developed by the Private Party in compliance with strict environmental standards maintained by SANParks. In keeping with SANParks’ objectives, particular attention will be paid to the implementation of broad-based Black Economic Empowerment ("BEE"), particularly those from local communities adjacent to the Parks as well as identified land claimants. In addition, private operators will have to respect existing SANParks regulations regarding protection of the environment. In this regard, SANParks will require that Interested Parties confirm their willingness to promote BEE by entering into an agreement with a local community/land claimant trust partner.

1.4 Value-for-Money Objectives

The value-for-money objectives for the project are 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 Selati Precinct Development project are:

1.4.1 Revenue generation for SANParks;
1.4.2 BEE, job creation and community development;

1.4.3 Tourism promotion; and

1.4.4 Optimalisation of prime state land.

2. GENERAL RULES OF THE TENDER

2.1 This RFP supersedes all other SANParks communication to Bidders about this PPP opportunity and the rules and conduct of the bid.

2.2 No verbal discussion with any staff or advisor of SANParks can change, add to or clarify any of the terms and conditions contained in this RFP. Bidders should only rely on written changes, additions or clarifications from the duly authorised Project Officer of SANParks, circulated to each bidder. E-mail communications from SANParks to Bidders will count as written communication.

2.3 SANParks reserves the right to modify the timetable in Article 20 or otherwise amend, supplement or clarify the RFP at any time. SANParks may cancel the bid at any time without prior notice, and may disqualify any bidder as provided for in this RFP. SANParks shall not incur any liability whatsoever in exercising any rights in this Article 2.3 or otherwise granted in this RFP or available under the laws of the Republic of South Africa.

2.4 The bid will be conducted in accordance with, and shall be governed by the laws of the Republic of South Africa and this RFP.

2.5 Bids and all correspondence and documents relating to Bids shall be in the English language.

2.6 The submission of a Bid by a Bidder implies full knowledge and acceptance of, and submission to, all the terms and conditions set out in this RFP, the PPP Agreement and under the applicable laws of the Republic of South Africa.

2.7 Bidders shall be responsible for any and all costs, expenses and losses incurred by them in the preparation and submission of Bids or otherwise in connection with the Tender. SANParks will not compensate Bidders for any such costs, expenses or losses, regardless of the outcome of the Tender.
2.8 Each Bidder must appoint one or more duly authorised representatives ("Legal Representatives"), mandated by an executive decision of the project company and legal power of attorney to represent the Bidder. The Legal Representative shall be present for the opening of the Financial Envelopes as defined in Article 16.

3. **IDENTITY OF BIDDERS**

3.1 A Bidder may be a single company or an unincorporated joint venture or a trust. The Bidder must meet the operational and financial criteria as contained in this document.

3.2 Public institutions are specifically excluded from submitting proposals or bidding for the tender.

3.3 Each submission must set out, in detail, the structure that will be adopted for the entity. The shareholders should be clearly identified, and their roles and responsibilities listed. The submission should list the equity, ownership and directorships held by shareholders. SANParks requires that Interested Parties create a newly formed special purpose vehicle ("SPV") for bidding purposes. The sole purpose of the SPV will be to undertake the PPP Project. Where any parties are not shareholders, but will be integrally involved in the operation of the SPV, such parties should also be listed. It will be expected that the SPV is legally constituted prior to the Bid date.

3.4 As the project might require a substantial amount of capital investment, Interested Parties must demonstrate their ability to raise debt and equity and to provide security to SANParks' satisfaction.

3.5 Interested Parties will also be required to provide information on ownership of the entities of which the Interested Parties are comprised, together with organograms reflecting the ownership proportions.

3.6 When preparing submissions on the identity of the bidders, Interested Parties are required to structure their submissions following the format:

3.6.1 submit to SANParks the information set out in Annexure 1A in relation to the Qualification Criteria;
SANParks Request for Proposals – Selati Precinct Concession in the Kruger National Park

3.6.2 submit to SANParks the information set out in Annexure 1B in relation to the company, unincorporated joint venture or trust and its shareholders, partners of beneficiaries; and

3.6.3 certify to SANParks that the information contained therein is true, accurate and complete in all respects.

3.7 SANParks reserves the right to request, at any time, additional information or documentation from Bidders.

3.8 Where a Bidder is made up of a number of parties, shareholders in one SPV may not in any way be shareholders of other SPV's bidding for the same PPP Opportunity in the tender process.

4. A DESCRIPTION OF THE PPP OPPORTUNITY FOR THE SELATI PRECINCT CONCESSION IN THE KRUGER NATIONAL PARK

The Selati Precinct Concession PPP opportunity available to Bidders is discussed in detail in the Information Memorandum provided to Bidders. Herewith summarised as follows:

4.1 Introduction

SANParks, as part of its Strategic Plan for Commercialisation, identified the tourism PPP opportunity for the Selati Precinct in the Kruger National Park.

It is intended that by SANParks entering into the PPP with a Private Party, SANParks may be able to generate additional revenue through PPP fees paid to SANParks by the Private Party, while enabling SANParks to focus on its core activity of conservation. It is intended that the project will be developed by the Private Party in compliance with strict environmental standards maintained by SANParks. In keeping with SANParks' objectives, particular attention will be paid to the implementation of broad-based Black Economic Empowerment ("BEE"), particularly those from local communities adjacent to the Parks as well as land claimants. In addition, private operators will have to respect existing SANParks regulations regarding protection of the environment. In this regard, SANParks will require that Interested Parties confirm their willingness to promote BEE by entering
into an agreement with a local community trust partner and or land claimant trust.

4.2 **Proposed Model**

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;
- Potential use of the Waterkant and Nyathi guesthouses (depending on proposed model);
- 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. Given the financial cost and time required, EIAs will only be undertaken by the successful bidder.

4.3 **Location of Selati Precinct Area**

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
4.4 Specific Conditions and Description

4.4.1 Location

At the Selati restaurant and platform area and linking up with the Selati train bridge.

4.4.2 Description

Initiation of an accommodation product (primarily) in train coaches on the Selati train bridge and a restaurant facility (secondary) for either the people that will overnight on the train or for both the people that will overnight on the
train and people staying in Skukuza camp.

4.4.3 Opportunities

Due to the location this opportunity allows the operator a variety of options. This includes a fully catered option inclusive of game drives, dinner bed and breakfast option or bed only. However, due to the location of the Selati restaurant it is unlikely that a bed only option will be implemented. Should the bidder decide to do a fully inclusive option, it is important to note that game drive vehicles need to comply with regulations and that the necessary permits need to be obtained.

The location also allows for the operator to engage with SANparks and pre-book seats onto the existing game viewing vehicles. However, the operator needs to determine how the guests will get from the platform to the train should for instance the guests opt to go on a night drive from camp.

SANParks has determined provisionally that the train that will be parked on the Selati Bridge may not consist of more than 10 coaches (maximum is to be cleared by the Rail Safety Regulator but not exceeding 10 coaches). With an anticipated 7 of the coaches earmarked for accommodation, it is likely that between 42 and 76 people could sleep on the train at any given night (bidder to determine optimal model and configuration).

As the area is part of the Skukuza camp, it is zoned as ‘High Intensity Leisure’ in the KNP Management Plan.

4.4.4 Infrastructure Present

The Selati platform and kitchen area as well as existing tracks onto the bridge is on offer. Water and electricity is available on the Selati platform.

4.4.5 Roads and Tracks

A tarred area outside the station building will form part of the opportunity and could accommodate approximately 40 cars. The train tracks leading onto the bridge were recently refurbished and are in very good condition.

4.4.6 Access

Direct access from the Skukuza Main Camp.
Entry to the Selati station and rail track from the day visitor site is possible. However, as this is not advisable it is recommended that the Private Party erect a fence (to be approved by SANParks to link the bridge to the platform area. This should be electrified and could serve as protection where guests need to walk between the bridge and the platform.

4.4.7 Support Infrastructure

4.4.7.1 Water

There is no potable water or the bridge and should be taken in via the train (refill at the Selati platform). Selati has water freely available.

4.4.7.2 Electricity

There is no electricity available on the bridge. It is recommended that electricity be directed to the bridge through either overhead cable or through cable under the track. The Selati restaurant and platform area have electricity available on site.

4.4.7.3 Waste

Solid waste will be recycled at the Selati restaurant area and transported to the Skukuza recycle plant outside Skukuza (adjacent to the compound).

Sewerage needs to be disposed from the train into the main sewerage line at the Selati platform.

No disposal of human waste or water will be allowed onto the tracks and a procedure needs to be implemented whereby the waste is extracted from the train and deposited into the sewerage system at Selati. An increase in capacity might be required.

All the bulk and reticulation systems must conform to the guidelines set out in the Environmental Guidelines for Concessionaire’s Operation within the South African National Parks.

4.4.7.4 Communications

Telkom lines can be implemented at Selati. However, cellular signals are
available within Skukuza camp.

### 4.4.8 Guest Activities

4.4.8.1 Various activities could be presented on the train in the lounge area such as game nights and culinary experiences.

4.4.8.2 The Private Party will be allowed to use the day visitor’s area at night for bush braais. During this time activities such as astronomy talk could be presented.

4.4.8.3 The Private Party could offer an all-inclusive offering with game drives (day) part of the package on Open Safari Vehicle (OSV). Guests could join SANParks’ night drives but the Private Party will be required to make use of SANParks’ vehicles and guides to provide this service to their guests – a process to get the guest back to the train after the night drive needs to be implemented.

Self-drives by the guests could proof to be very popular.

### 4.5 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.

### 4.6 Selati Precinct Development Specifications

The Private Party Operator will be expected to adhere to the Selati Precinct Minimum Development Specifications as follows:
5. **BIDDERS REQUIRED QUALIFICATION CRITERIA**

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

5.1 **Financial capacity**
5.1.1 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.

5.1.2 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.

5.2 **Tourism experience**

The project is likely to require interested parties with 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:

5.2.1 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

5.2.2 The bidding company must presently be operating a minimum number of 20 rooms.

6. **ASSISTANCE TO BIDDERS**

6.1 The financing institutions and support organisations that could be approached about providing financial, technical and other assistance to Bidders is detailed in Annexure 11 – Assistance to Bidders.

6.2 Bidders are advised to make use of these financing institutions and support organisations while developing their bids.
7. SITE VISITS AND DUE DILIGENCE

7.1 The Site Visit and Due Diligence process is being organised for the Bidders with the following objectives:

7.1.1 to provide all Bidders the opportunity to ascertain all information they need to present informed and competitive bids for the sites they are qualified to bid for, including physical facilities; and

7.1.2 to ensure that such access to information is equal for all Bidders.

7.2 Due Diligence site information will be provided to Bidders by means of a site visit to the Selati Precinct PPP Opportunity on 13 October 2016 from 13h30 to 16h00. Details on the site visit and where to meet can be obtained from James Daniels.

7.3 For this purpose, all interested bidders are required to register for this site visit by sending their Names, Company, Contact telephone, fax number and e-mail to:

James Daniels at E-mail: james.daniels@sanparks.org

7.4 Attendance will inform Bidders of possible challenges and opportunities that may or may not have an impact on the feasibility studies conducted by Bidders and will further serve to ensure the accuracy of viabilities conducted for the facility.

7.5 Please note that traveling and accommodation costs for this visit will be for your own account.

7.6 Each Bidder shall be solely responsible for its own due diligence investigation of the investment opportunity, the proposed PPP Agreement terms and all matters relating to this RFP. Neither SANParks nor any of their respective officers, employees, agents or advisers makes any representation or warranty, express or implied, concerning any matter affecting the PPP opportunity, except for the representations and warranties of SANParks that will be set out in the PPP Agreement.

7.7 No verbal agreement or conversation with, nor any verbal clarification from, any officer or employee of SANParks or any of their advisers shall affect or modify any of the terms and conditions contained in this RFP. Only written amendments,
supplements or clarifications to this RFP from duly authorised Project Officer of
SANParks, circulated to each Bidder, should be relied upon as authorised. For the
purposes of this Article 7.7, communications sent from duly authorised staff of
SANParks to Bidders via electronic mail shall be deemed as communications in
writing.

7.8 A bidder’s conference will be held on 20 October 2016. All interested bidders are
required to register for the bidders conference by sending their names, contact
telephone, fax and e-mail address to James Daniels on e-mail: james.daniels@sanparks.org by latest 17 October 2016.

7.9 **Contact for Due Diligence-related Matters**

The principal contact in SANParks for all matters relating to the Due Diligence
process will be:

Mr. James Daniels

Tel: (012) 426-5280

Cell: 083 679 0472

E-mail: james.daniels@sanparks.org

8. **PPP AGREEMENT**

8.1 The draft PPP Agreements are included in the Tender Documents and will be
published on the SANParks website during the course of the tender process.

8.2 SANParks reserves the right to modify or otherwise amend, supplement or clarify
the PPP Agreements at any time. SANParks shall not incur any liability whatsoever
in exercising any rights in this Article 8.2 or otherwise granted in this RFP, PPP
Agreements or available under the laws of the Republic of South Africa.

9. **BID SUBMISSIONS**

9.1 Bids must be submitted to:

The Project Officer

James Daniels
9.2 Bid Submissions should be made before 11:00 on 16 January 2017 (the “Bid Date”).

9.3 Submissions delivered after 11:00 on the Bid Date shall be regarded as invalid, and returned to the Bidder, unopened.

10. CONTENTS OF BID SUBMISSIONS

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

10.2 The bid submission from each bidder must contain all the information necessary for SANParks to evaluate the financial, broad-based black economic empowerment and functionality capabilities of the bidder. Bidders are required to submit two sealed Envelopes in accordance with the directions below.

10.3 The first Envelope shall be clearly marked “Technical Criteria - original” on the outside and shall contain all the original non-financial aspects of the Submission (“Technical Offer”). The contents of the Technical Offer shall consist of:

10.3.1 The original of the Bidder Information, in the format given in Annexure 1A – Qualification Submissions;

10.3.2 The original of the Bidder Information, in the format given in Annexure 1B – Information on Bidders;

10.3.3 Original of the Financing and Capital plan, in the format given in Annexure 2 - Financing and Capital Plan;

10.3.4 Original of the Business, Operational and Design plan, in the format given in Annexure 3 – Business, Operational and Design Plan;
10.3.5 Original of the Environmental Proposal, in the format given in Annexure 4 – Environmental Proposal;

10.3.6 Original of a completed Risk Matrix, in the format given in Annexure 5 – Risk Matrix;

10.3.7 Original of the BEE proposal, in the format given in Annexure 6 – BEE Obligations;

10.3.8 An original tax clearance certificate, issued by the South African Revenue Service (“SARS”) within six months of the bid date, for each South African member of the bidder;

10.3.9 An original signed version of the final PPP Agreement including all the relevant sections the Bid Submission to be included in the PPP Agreement, with each page initialled by the duly authorised representative; and

10.3.10 An original Bid Bond from a reputable bank in a form substantially similar to that set out in Annexure 10 - Acceptable wording of bid and performance bond.

10.3.11 VERY IMPORTANT: An electronic copy containing all the Annexures (clearly marked) of the bid submission should be submitted on USB disk. The annexures should be in non-edited PDF form and will be used for evaluation purposes. Please note that the PPP fee offer should NOT be disclosed anywhere on the USB in electronic format.

10.4 The second Envelope shall be clearly marked “Financial” on the outside. The contents of this Envelope shall contain one copy of the details of the bidder’s PPP Fee Offer, in the format in Annexure 7 – PPP Fee Offer.

10.5 Envelopes should be clearly marked as to whether they are Envelope 1 or 2, and must have the bid cover letter in the format provided in Annexure 9 – Bid Cover Sheets, attached to the front of each envelope.

10.6 All information provided in the bid must be valid for 90 business days from the Bid Date.

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

11. **HOW THE BIDS WILL BE OPENED**

11.1 The Project Officer will separate Envelopes 1 and 2 from all the bids. The unopened Financial Envelopes will be locked away in the safekeeping of SANParks’ legal advisors until they are opened.

11.2 The Technical Envelopes will be opened by members of a bid evaluation committee representing SANParks in the presence of SANParks’ Project Officer.

11.3 Technical Offers will be evaluated and scored according to the procedure set out in Articles 13 to 15 below.

12. **INCOMPLETE BIDS**

12.1 The bid evaluation committee, in consultation with its financial and legal advisors, will check Envelope 1 of each bid to see whether the all the documentation that this RFP requires has been submitted correctly.

12.2 If a bid is not complete or something in it is not clear, the bid evaluation committee may, but is not obliged to, ask Bidders for more information. Bidders will receive such requests for more information in writing. No substantial changes to the bid will be asked for or allowed, except if there is a clear mistake in the bid.

12.3 SANParks may, but is not obliged to, disqualify a bid that is not complete or requires clarification without a request for further information.

12.4 SANParks shall not be obliged to reimburse Bidders for any costs and/or damage they incurred during the preparation of Bid Submissions, in the event of cancellation, disqualification, suspension, modification or delay of the Tender.

13. **BID EVALUATION METHODOLOGY**

13.1 Bids will be evaluated on three main elements: Functionality, BEE and the PPP Fee Offer.
13.1.1 Envelope 1 (original) is for the functionality and BEE elements and is opened first. Bidders must score at least 65% for functionality and at least 65% for BEE.

13.1.2 Envelope 2 is for the PPP Fee Offer and will only be opened and evaluated if the minimum thresholds in Article 13.1.1 are met.

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

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

13.2.2 BEE will be weighted at 10% of the overall bid score (The provisions of the Preferential Procurement Policy Framework Act, 2000 (“PPPFA”) apply); and

13.2.3 The PPP Fee Offer will be weighted at 30% of the overall bid score.

13.3 Weightings will therefore be as follows:

<table>
<thead>
<tr>
<th>Functionality Weighting</th>
<th>BEE Weighting</th>
<th>PPP fee offer Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>10</td>
<td>30</td>
</tr>
</tbody>
</table>

Functionality, BEE and PPP Fee offer weightings

14. SCORING FOR FUNCTIONALITY

The functionality aspects of a bid will be scored out of 100 points. A bidder must achieve 65% of the total functionality points in order to pass. Functionality is made up of the following elements, each elaborated in the relevant annexure to this RFP, and each bid will be scored as indicated in the functionality scorecard below:

<table>
<thead>
<tr>
<th>Finance and Capital Plan</th>
<th>Risk Matrix</th>
<th>Environmental Plan</th>
<th>Business, Ops and Design Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>10</td>
<td>20</td>
<td>55</td>
</tr>
</tbody>
</table>

Sub-functionality weightings

14.1 Financing and Capital plan
14.1.1 A bidder is expected to provide financing information in line with the requirements set out in Annexure 2 - Financing and Capital Plan.

14.1.2 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.

14.1.3 A maximum total of 15 points has been allocated to the bidders financing plan.

14.2 **Business, Operational and Design plan**

14.2.1 A bidder is expected to provide a business, operational and design plan in line with the requirements set out in Annexure 3 – Business, Operational and Design Plan.

14.2.2 The purpose of the evaluation of the business, operational and design plan 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 RFP.

14.2.3 A maximum total of 55 points has been allocated for the business, operational and design plan.

14.3 **Environmental plan**

14.3.1 SANParks shall review and evaluate the development and environmental plans submitted by bidders in accordance with the specifications and information given in Annexure 4 – Environmental Proposal.

14.3.2 The purpose of the evaluation of development and 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.
14.3.3 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.

14.3.4 A score out of 20 will be awarded for the environmental competence of the bidder.

14.4 **Risk Matrix**

14.4.1 A bidder must indicate the extent to which the bid complies with the risk allocation of the risk matrix given in Annexure 5 – Risk Matrix.

14.4.2 A maximum of 10 points has been allocated to assessing compliance with risk allocation.

15. **HOW BEE IS EVALUATED**

15.1 SANParks will evaluate the bidder's BEE proposal (details of the format and information required are in Annexure 6 – BEE Obligations) and will allocate scores according to the methodology and weightings in the BEE scorecard in Annexure 6.

15.2 BEE is scored out of 100 points and the minimum threshold a bidder must score is 65%. In the event of failure by the Bidder to meet the minimum threshold, the BEE Proposal shall be declared non-compliant. This shall result in the Bidder's entire Bid Submission be declared non-compliant, and the Bidder's Financial Envelope shall be returned unopened.

15.3 **Please note / Very important:**

SANParks is implementing a model whereby a Land Claimant or a Local Community shares ownership in the opportunity. The Tourism BEE Scorecard has a target of 10% ownership going towards a local community trust. However, SANParks would like to see this percentage grow and in exchange, the term is extended to allow for the Private Party to recoup investment. The following outlines the model.
Equity share over 25 year period – term increased from 20 years to 25 years due to the increase in shares:

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<th>Yr1</th>
<th>Yr2</th>
<th>Yr3</th>
<th>Yr4</th>
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<th>Yr23</th>
<th>Yr24</th>
<th>Yr25</th>
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<tbody>
<tr>
<td><strong>Successful Bidder</strong></td>
<td>90%</td>
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<td>30%</td>
<td>20%</td>
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</tr>
<tr>
<td><strong>Community Trust</strong></td>
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<td>50%</td>
<td>70%</td>
<td>80%</td>
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</table>

The model is based on the assumption that the Local Community / Land Claimants do not invest any capital. Where they do invest capital, the 10% should be adjusted upwards over the full 25 year term. The Private Party will be expected to give an undertaking to buy into the model in which case 10 points will be scored on the BEE Tourism Scorecard. If no undertaking is given, SANParks reserves the right to disqualify the bid.

The model will be discussed in detail during the bidders conference.
16. **OPENING OF FINANCIAL ENVELOPES**

16.1 If the minimum thresholds for both functionality and BEE are met by the Bidders, the Technical scores will be presented to the SANParks Board or other body as determined and approved by SANParks for ratification;

16.2 Should the bids not be ratified, SANParks reserves the right to withdraw from the process and not open any financial bids;

16.3 Should the Technical scores be ratified, the Financial Envelopes will be opened subsequent to ratification at a public meeting in the presence of:

16.3.1 Bidders’ Authorised Representatives; and

16.3.2 SANParks’ legal and financial advisors.

16.4 At this meeting the Project Officer will announce:

16.4.1 Whether the Functional and BEE offers for each Bidder conform to the terms of this RFP; and

16.4.2 The Functionality and BEE Scores allocated to each of the Bidders.

17. **EVALUATION OF PPP FEE OFFERS AND ANNOUNCEMENT OF WINNING BIDDERS**

17.1 Under the PPP Agreement, the PPP fee income to SANParks shall be, as per the schedule set out in Annexure 7 – PPP Fee Offer, the higher of:

17.1.1 the Minimum PPP Fee indicated in Annexure 7 – PPP Fee Offer increased annually by CPIX; or

17.1.2 the Variable PPP Fee (a flat percentage of gross revenue earned by the private party in each project year).

17.2 Each PPP Fee Offer will be inspected by SANParks’ financial and legal advisors to
verify that it has been submitted in the form corresponding to the requirements set out in Annexure 7 – PPP Fee Offer. A PPP Fee Offer that does not conform to the requirements of Annexure 7 – PPP Fee Offer may result in disqualification of the bid.

17.3 The points for the PPP Fee Offer are calculated using the prescribed price formula in the regulations to the PPPFA. The maximum points will be awarded to the qualified bidder which makes the highest PPP Fee Offer and the remaining points being allocated pro rata to the remaining qualified Bidders.

17.4 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.

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

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

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

- a is the weighting (60%) for functionality
- b is the weighting (10%) for BEE
- c is the weighting (30%) for PPP fee
- d is the bidder’s overall score

17.7 Selection of preferred bidder
SANParks shall calculate the scores of each bid to calculate an overall bid score. The bidder that receives the highest overall bid score will be declared the preferred bidder; and the bidder that receives the second highest overall bid score will be declared the reserve bidder.

18. SIGNATURE AND EFFECTIVENESS OF PPP AGREEMENT

18.1 The PPP Agreement of the Preferred Bidder will be countersigned by SANParks within 1 month from the opening of the PPP fee offer.
18.2 The PPP Agreement becomes legally binding and enforceable from the Signature Date. Only after completion of certain Compliance Events can construction commence.

18.3 There will be no PPP Fees payable before Effective Date with Effective Date defined as “12 (twelve) months after the Signature Date or Operation Commencement Date, whichever comes earlier”.

19. **BOND (BID AND PERFORMANCE BOND)**

19.1 At the time of submitting its Bid, each Bidder must submit a single Bond (“**Bid and Performance Bond**”) payable to SANParks in the format prescribed in Annexure 10 - Acceptable wording of bid and performance bond.

19.2 The Bid and Performance Bond should be for the amount of R 312,500 (Three Hundred and Twelve Thousand and Five Hundred Rand).

19.3 The posting of the Bond is for the purpose of ensuring that all the Bidders present valid and serious bids, and that the Winning Bidder subsequently executes the PPP Agreement and conditions contained therein.

19.4 Bonds must be valid from Bid Submission until the expiry of the PPP Agreement.

19.5 The Bonds of all Bidders other than the Winning Bidder shall be returned to them following signature by SANParks of the PPP Agreement.

19.6 Any of the following shall be grounds for the forfeiture of a Bidder’s Bond:

19.6.1 Any material misrepresentation made by the Bidder in its Bid Submission, or any other information and documentation submitted by it under this RFP;

19.6.2 The withdrawal or modification of its Bid during the period of validity;

19.6.3 Any default or breach by the Private Party during the term of the agreement; and

19.6.4 Any event caused by the Private Party that resulted in losses to SANParks.
19.7 The Bond shall be callable upon first demand by SANParks in the event that one or more of the circumstances described at Article 19.6 above has occurred. Forfeiture of the Bond shall not preclude SANParks from pursuing any other remedies it may have against the Bidder under the laws of South Africa.

20. **BID TIMETABLE**

The Tender shall take place in accordance with the timetable set out in this Article 20. SANParks reserves the right to modify the timetable at any time. SANParks shall not incur any liability whatsoever in exercising any rights in this Article 20 or otherwise granted in this RFP or available under the laws of the Republic of South Africa.

<table>
<thead>
<tr>
<th>ACTION</th>
<th>DATE</th>
</tr>
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<tbody>
<tr>
<td>Media Publication of opportunities</td>
<td>9 – 11 Oct 2016</td>
</tr>
<tr>
<td>Publication of RFP, PPP Agreement and Information Memorandum on the SANParks website</td>
<td>9 Oct 2016</td>
</tr>
<tr>
<td>Due diligence site visits</td>
<td>13 Oct 2016</td>
</tr>
<tr>
<td>Bidders Conference</td>
<td>20 Oct 2016</td>
</tr>
<tr>
<td>Submission by Bidders of Comments &amp; Questions on RFP and Agreement</td>
<td>24 Oct 2016</td>
</tr>
<tr>
<td>Distribute Written Answers to Questions</td>
<td>25 Oct 2016</td>
</tr>
<tr>
<td>Final Tender Docs in event of amendments</td>
<td>25 Oct 2016</td>
</tr>
<tr>
<td><strong>Bid Submissions by Private Parties</strong></td>
<td>16 Jan 2017</td>
</tr>
<tr>
<td>Tender Evaluation</td>
<td>To be confirmed</td>
</tr>
<tr>
<td>BAC approval and opening of financial envelopes</td>
<td>To be confirmed</td>
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<tr>
<td>EXCO approval</td>
<td>To be confirmed</td>
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<tr>
<td>Contract Signature</td>
<td>To be confirmed</td>
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<td>ACTION</td>
<td>DATE</td>
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<td>--------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Handover to new Operator</td>
<td>To be confirmed</td>
</tr>
<tr>
<td>Official transfer of stock, assets and employees</td>
<td>To be confirmed</td>
</tr>
<tr>
<td>New Operator Contract Commences</td>
<td>To be confirmed</td>
</tr>
</tbody>
</table>

21. **FURTHER INFORMATION**

21.1 All enquiries and requests for further information in respect of the RFP must be in writing, and directed to SANParks at the following address:

**SOUTH AFRICAN NATIONAL PARKS**

James Daniels  
P O Box 787  
PRETORIA, 0001  
643 Leyds Street  
Muckleneuk, Pretoria  
Telephone: +27 12 426 5280  
E-mail: james.daniels@sanparks.org

21.2 All responses to enquiries may be circulated to other Interested Parties. No other communication with SANParks in respect of the RFP will be permitted.
22. **ANNEXURE 1A – QUALIFICATION SUBMISSIONS**

22.1 **Financial Requirements**

22.1.1 The Submitting Company shall submit the following economic and financial documentation:

22.1.1.1 audited financial statements corresponding to the last two (2) years;

22.1.1.2 annual reports for the last two (2) years;

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

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

22.2 **Tourism Track Record**

22.2.1 The qualifying tourism Operator(s) or individuals, shareholders or partners, of each Submitting Company, who are being used to meet the criteria regarding tourism experience or the generation of turnover, must provide a general description of the Tourism facilities and services they have operated, including, (i) the number of years in active existence; (ii) the nature of the product sold; and (iii) the total number of beds such facilities or services comprised.

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

Bidders must provide the following information labelled as “Information on (Bidder Name)”;

### 23.1 Special purpose vehicle constitutional information

A bidder must form a specific company, or special purpose vehicle (“SPV”), for the purposes of bidding for this PPP opportunity. Failure to do so may result in the bid being disqualified. The following must be specified:

- **23.1.1** The name, address, telephones and fax numbers of Bidder, and the trading name of the Bidder if different from the registered name.

- **23.1.2** Directors/Partners/Trustees and their responsibilities.

- **23.1.3** Place of registration.

- **23.1.4** Registration number.

- **23.1.5** Memorandum and Articles of Association (or equivalent constitutive documents).

- **23.1.6** Shareholders Agreement/Partnership or Joint Venture Agreement/Trust Deed.

- **23.1.7** Direct shareholder(s) joint venture, partner or beneficiary and percentage shareholding or other beneficial interest or participation held by each; if there is more than one class or share or funding the percentages held by each.

- **23.2** A letter confirming that the Bidder and each of its members has irrevocably waived any right it may have to seek and obtain a writ of injunction or prohibition or restraining order against SANParks to prevent or restrain the Tender or any proceedings related to it. However, such waiver shall be without prejudice to the right of a disqualified or losing Bidder to question the lawfulness of their disqualification or the rejection of its Bid by appropriate administrative or judicial processes not involving the issuance of a writ or injunction or prohibition or restraining order.
24. **ANNEXURE 2 - FINANCING AND CAPITAL PLAN**

24.1 The Bidder should provide the following information:

24.1.1 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. Specify whether the necessary financing has been secured, and provide appropriate proof;

24.1.2 A recent auditor’s report confirming that all the members of the bidder are solvent and liquid; if a member of the bidder does not produce audited financial statements, it must produce a notarised statement of assets; and

24.1.3 A cash flow forecast (net of VAT) for the proposed term (number of years) of the PPP agreement. This may be in a spreadsheet format of the bidder’s choice, but must at least present the following:

<table>
<thead>
<tr>
<th></th>
<th>Start-up</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash inflows</td>
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</tr>
<tr>
<td>Owners’ capital</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Loans received</td>
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<tr>
<td>Grants received</td>
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<tr>
<td>Cash from sales and other operating revenue</td>
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<td>Cash from other sources</td>
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<td>Total cash inflow (A)</td>
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<td>Cash outflows</td>
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<td>Project costs and start-up expenses</td>
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<tr>
<td>Salaries, wages and staff costs</td>
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<tr>
<td>All other operating costs and expenses</td>
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<tr>
<td>Loan repayments</td>
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<tr>
<td>Infrastructure upgrades/Building additions/ internal décor etc.</td>
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<td>Year 3 R'000</td>
<td>Year 4 R'000</td>
<td>Year 5* R'000</td>
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<td>Replacement of equipment and vehicles</td>
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<td>Total cash outflow (B)</td>
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<td>Net cash flow</td>
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* Adapt for the applicable term of the PPP Opportunity
25. **ANNEXURE 3 – BUSINESS, OPERATIONAL AND DESIGN PLAN**

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

25.1 **Background of Bidding Company (weighting 25%)**

25.1.1 **Rationale (weighting 10%)**

25.1.1.1 The bidder’s objectives, the company, the concept and product and service offered

25.1.2 **Current Operations (weighting 25%)**

25.1.2.1 Size of current operations i.e. Number of rooms/Number of Seats/Current Turnover

25.1.2.2 Type of operation and similarity to the PPP opportunity

25.1.3 **Track Record (weighting 25%)**

25.1.3.1 The bidder’s track record on and knowledge of existing products or activities offered in the tourism industry

25.1.3.2 Memberships and registrations (list any awards, accolades or ratings)

25.1.4 **Operating standards (weighting 25%)**

25.1.4.1 Current operating standards, including an outline of any operations and procedures manuals

25.1.5 **Management/Employees (weighting 15%)**

25.1.5.1 Current company structure with specific reference to the expertise required for the relevant PPP Opportunity

25.1.5.2 Number of personnel working in the hospitality industry and their qualifications

25.1.5.3 Where skills and experience are lacking, outline the strategy to in source these skills
25.2 Operational Vision, Plan and Service Standards (weighting 25%)

25.2.1 Products/Activities (20%)  

25.2.1.1 Detailed description of product envisaged for the Selati Precinct Plan and how these will be managed. Specific reference given to:  

25.2.1.1.1 Configuration of the coaches – number of beds and pricing  

25.2.1.1.2 Embark and disembark of customers – where and how  

25.2.1.1.3 Restaurant model, target audience (only overnight guests or Skukuza Camp and day visitors), included in rate, etc.; and  

25.2.1.1.4 Activities offered to guests and practicality thereof  

25.2.2 Operating Standards (15%)  

25.2.2.1 Proposed Operating Standards for the Selati Precinct with focus on practicality of the operations and procedures.  

25.2.3 Hygiene/Service Standards (15%)  

25.2.3.1 Detail description of how hygiene and service standards will be maintained.  

25.2.4 Proposed organisational and staffing structures, including (15%)  

25.2.4.1 Management policies  

25.2.4.2 Involvement of Land Claimants  

25.2.4.3 Measures to transfer knowledge and expertise / training  

25.2.4.4 Labour plan, including details of numbers of permanent and part-time staff that will be employed, staff recruitment policies, employment policies and socio-economic goals with employment  

25.2.4.5 Incentives & Bonuses (Equity, Bonus etc);  

25.2.4.6 Disciplinary Procedures  

25.2.4.7 Staff Transport
25.2.4.8 Staff Housing

25.2.5 **Menu (10%)**

25.2.5.1 Food Philosophy – values/commitment freshness and uniqueness

25.2.5.2 Practicality – served on train, on platform, off train at day visitors, etc

25.2.5.3 Variety – vegetarian/non vegetarian, choice of meats, choice of courses, Health Options, Halaal etc

25.2.5.4 Ambience and atmosphere

25.2.5.5 Wine List, Cultivar selection

25.2.5.6 Beverage Service

25.2.6 **Customer Service (10%)**

25.2.6.1 Guest feedback mechanism

25.2.6.2 Guest complaints procedure

25.2.6.3 Telephone Ethics

25.2.6.4 Reservation/ Booking Policy

25.2.6.5 Group and Conference Procedures & Policy

25.2.7 **Proposed Health & Safety (10%)**

25.2.7.1 Hygiene Policies

25.2.7.2 Emergency evacuation plans

25.2.7.3 Waste Management / Recycling

25.2.7.4 Cleaning Processes (including sewerage and shower water produced on the train)

25.2.7.5 Operational Procedure

25.2.7.6 Cleaning procedures

25.2.7.7 Guest Payment, Cash-up and Banking procedures

25.2.7.8 IT Operating Systems

25.2.7.9 Procurement Policies – Supply Chain

25.2.8 **Proposed Distribution Channels (5%)**
25.2.8.1 Stock storage and rotation procedures
25.2.8.2 Stock control measures

25.3 **Institutional Depth to sell the Product (weighting 25%)**

25.3.1 **Current Sales & Marketing (60%)**

25.3.1.1 Bidders existing client base and market penetration
25.3.1.2 Existing plans and knowledge of market including existing relationships with tour operators and travel trade (include references)
25.3.1.3 Time taken to establish market
25.3.1.4 Current marketing programs
25.3.1.5 Current marketing channels
25.3.1.6 Data Base Management
25.3.1.7 Discount Policies

25.3.2 **Understanding of the market for PPP Opportunity (40%)**

25.3.2.1 Market surveys
25.3.2.2 Differentiation
25.3.2.3 Target Market (geographical, income, nature of activity, etc)
25.3.2.4 Product branding plans
25.3.2.5 Pricing Range
25.3.2.6 Revenue growth strategy
25.3.2.7 Competitive analysis
25.3.2.8 Ongoing market evaluation

25.4 **The Economics of the Business (weighting 25%)**

25.4.1 Initial investments (50%)

25.4.1.1 Purchase of coaches
25.4.1.2 Purchase of shunting locomotive (if required)
25.4.1.3 Refurbishment of coaches
25.4.1.4 Transport of coaches
25.4.1.5 Cost to assemble train on the railway line (crane cost, etc)
25.4.1.6 Purchase of restaurant equipment (kitchen and tables)
25.4.1.7 Systems

25.4.2 Turnovers (20%)

25.4.3 Gross and operating margins (20%)

25.4.4 Fixed, variable and semi variable costs (5%)

25.4.5 Cost to secure bridge from primates (2.5%)

25.4.6 Other, i.e. Open Safari Vehicles (OSV's) (2.5%)
26. **ANNEXURE 4 – ENVIRONMENTAL PROPOSAL**

26.1 **Scoring**

In the bids the Environmental Plan comprises of 20% of the Functionality score with Functionality comprising 60% of the total score.

26.2 **Environmental responsibility:**

26.2.1 The Private Party acknowledges that SANParks has an active role to play in Responsible Tourism and expects the same from Private Parties that operates in National Parks. SANParks subscribes to the minimum standard of Responsible Tourism (SANS 1162) and expects the same from Private Parties that operates commercial outlets in National Parks.

26.2.2 Undertaking from the Private Party to conduct, manage and carry out the Project at all times in an Environmentally responsible way by adopting appropriate operating methods and practices for conducting such a Project in a proclaimed National Park.

26.2.3 The Private Party undertakes to take all reasonable steps in conducting of the Project to prevent and limit the occurrence of any Environmental or health hazards and to ensure the health and safety of the Private Parties and the public.

26.3 **Regulatory Provisions**

26.3.1 The Private Party undertakes to adhere to the Regulatory Provisions and the Environmental Specifications.

26.3.2 The Private Party undertakes to comply with its statutory duties in terms of the Environmental Laws and to take reasonable measures to prevent pollution or degradation from occurring, continuing or recurring or, in so far as such harm to the Environment is authorized by SANParks, to minimize and rectify such pollution or degradation of the Environment.

26.3.3 The Private Party undertakes to comply at all times with the provisions of the
Environmental Guidelines.

26.3.4 The Private Party acknowledges that the terms and conditions set forth in the Environmental Guidelines are subject to amendment.

26.3.5 The Private Party undertakes to comply with amended Environmental Guidelines.

26.4 Environmental Impact

26.4.1 Confirmation that all legislative requirements including Environmental Impact Assessment (EIA) or Basic Assessment (BA) requirements are understood and will be complied with.

26.4.2 The Private Party undertakes to bring to the attention of SANParks any matter which may, in its view, have a detrimental impact on the Environment within Selati Precinct Area and the Protected Area.

26.4.3 Where fish might for part of the menu, the operator needs to subscribe to the South African Seafood Initiative (SASSI) and only sell fish with green status or SASSI certified.

26.5 Code of Conduct

26.5.1 The Private Party undertakes to induct all staff employed on the Kruger National Parks’ Code of Conduct.

26.5.2 The Private Party confirms that the Code of Conduct is understood and will be complied with.

26.6 Solid Waste Management:

26.6.1 The Private Party undertakes to manage all waste that is generated in such a way that direct and indirect impacts are kept to a minimum.

26.6.2 The Private Party undertakes to achieve Solid Waste Management Best Practices which implies the following:
26.6.2.1 Manage solid waste from source to disposal (use of green bags for recycle waste and black bags for non-recycle waste as per KNP Waste management system);

26.6.2.2 Strive to eliminate non-recyclable or hazardous packaging or containers at the procurement phase;

26.6.3 The Private Party undertakes to include the following policies in the waste management:

26.6.3.1 Green Procurement Policy: This policy defines the procedures that the Private Party will implement to ensure that all produce, containers and packaging comes from suppliers that under-write environmental principles, and that waste be recyclable as far as possible;

26.6.3.2 Hazardous Waste Policy: The Hazardous Waste Policy defines procedures that the Private Party will implement to manage any hazardous waste, to ensure that it is firstly minimized, but also that it is stored and discarded in a safe and legal way.

26.6.4 The Private Party will follow the following guidelines to minimize the effect of the solid waste on the ecosystem:

26.6.4.1 Minimize solid waste production at all sources, by striving for the minimization of all waste.

26.6.4.2 Maximize the recycling of solid waste. Glass, tin, paper and cardboard must be sorted on site for recycling, while actual recycling will take place off site at the approved camp waste disposal site.

26.6.4.3 All waste must be removed to the respective approved camp waste disposal site and incinerator for disposal and recycling. The dumping and disposal of waste other than at the approved waste site is strictly prohibited and failure to comply may result in termination.

26.6.4.4 Waste storage and sorting areas must be properly constructed and maintained. Back-of-house waste cages and waste storage areas must remain clean and secure from problem animals.

26.6.4.5 Waste storage areas must remain visually hidden from visitors to the park.

26.6.4.6 Packaging and containers given to visitors to the park must be environmentally friendly, biodegradable and recyclable.
26.6.4.7 The distribution of plastic bags to visitors is strictly prohibited and only brown paper bags are allowed to be given for the purpose of carrying items purchased.

26.6.4.8 In terms of packaging the Private Operator undertakes to not use the following in outside seating areas such as the Selati platform as this pollutes the park:

- Sachets (for sugar, tomato sauce, salt and pepper, etc.);
- Paper serviettes; and
- Butter tubs/pads

Where this is used the Private Party undertakes to ensure that the areas surrounding the restaurant / take-away outlets are cleaned regularly.

26.6.4.9 Ensure that all areas are kept free of litter by:

- Promoting an ethic amongst guests and staff alike.
- Soliciting the co-operation of all staff to pick up litter wherever they find it.

26.7 Liquid Waste Management:

26.7.1 Liquid waste refers to sewerage as well as grey water;

26.7.2 The Private Party undertakes to manage liquid waste in accordance with national and local legislation requirements;

26.7.3 The Private Party undertakes to not dispose any liquid waste onto the tracks but to install chemical holding tanks onto the train to retain the water and human waste until removed through accepted methods;

26.7.4 The Private Party undertakes to design management techniques to be both economically viable and environmentally sustainable;

26.7.5 The Private Party undertakes to implement waste procedures that optimize the principles of waste reduction and waste recycling and ensures that the end product do not pollute the environment;

26.7.6 The Private Party undertakes to install a grease tap for:
26.7.6.1 Pot and Rinse Sinks attached to Dish Washers;
26.7.6.2 Fixtures or drains through which significant amount of fats, oils or grease may be introduced;
26.7.6.3 Soup Kettles or similar devices;
26.7.6.4 All sinks that are used to clean any dishes, pots, pans or cooking utensils.

26.7.7 The Private Party undertakes to implement processes and procedures which stipulates the following:

26.7.7.1 Kitchen staff should inspect grease traps and interceptors at least monthly and maintain a log sheet of each trap inspection detailing condition of the trap and any maintenance activity;
26.7.7.2 that grease traps are cleaned when 25% of the liquid level of the trap is grease or oil; and
26.7.7.3 That waste recovered from the grease traps be removed from the park and disposed of at an authorized facility.

26.8 Water Management and guidelines:

26.8.1 The Private Party undertakes to implement water conservation measures in the design and implementation of their operations;

26.8.2 The Private Party undertakes to:

26.8.2.1 Monitor the use of water;
26.8.2.2 Educate staff via on-site notices on the use of water;
26.8.2.3 Set water usage targets (monitored weekly/monthly) and manage these targets
26.8.2.4 Aim to avoid accidental loss through effective maintenance, installing quality storage and reticulation systems and implementing leak detection systems.

Note: KNP will install bulk water meters and the Private Party to pay for the water use in accordance with the rate as included in the latest approved tariff document
26.9 Chemical substances

26.9.1 The Private Party (including staff of the Private Party) undertakes to not sell or use any of the chemicals that are banned from use in National Parks (as determined by any Environmental Manager in National Parks);

26.9.2 The Private Party acknowledges that all chemicals listed as "Prohibited" may not be brought into, sold or used in any National Park. The products include items such as Rattex, Finale, Dyant, Doom and Target (an extensive list is available from the Project Officer);

26.9.3 The Private Party undertakes to ensure safe storage and disposal of chemicals and their containers;

26.9.4 The Private Party undertakes to have a specific disposal system for toxic or other waster regarded as being dangerous under supervision of the Technical Services Department;

26.9.5 The Private Party undertakes to use environmentally friendly and biodegradable detergents and cleaning agents;

26.10 Pest Control

26.10.1 The Private Party undertakes to comply with the integrated pest management plan as provided by SANParks;

26.10.2 Where and if required the Private Party undertakes to control bats as outlined in the SANParks Bat Management Plan;

26.10.3 The Private Party undertakes to make use of preferred pest control chemicals as outlined in the SANParks Pest Control Report.

26.11 Visual Impacts

26.11.1 Describe building materials to be used (where applicable) for all structures and obtain approval from SANParks where appropriate;
26.11.2 Describe efforts to minimise the visual impacts of the development, including lighting;

26.11.3 Provide locations of lightning arrestors and radio masts (where applicable) and how the visual impacts of these will be minimised;

26.11.4 Specifically outline how brand signage and colors will be mitigated to complement the environment (colors to be used to paint the train should be limited to maroon, dark green or beige; and

26.11.5 The Private Party undertakes to implement mitigation measures in order to reduce the visual impact in the park.

26.12 Monitoring

26.12.1 The Private Party agrees to cooperate with SANParks in compiling a monitoring checklist that encompasses all environmental conditions. The checklist would be used for auditing purposes and would be conducted once every 6 months; and

26.12.2 The Private Party agrees that SANParks will monitor, evaluate and score the operations (based on the line items in the checklist) and that a score of less than 85% for three (3) consecutive audits would imply material breach of the PPP Agreement.

26.13 Energy use

26.13.1 The Private Operator undertakes to measure energy use and continuously aim to implement measures to reduce energy usage until optimal levels are reached.
# ANNEXURE 5 – RISK MATRIX

<table>
<thead>
<tr>
<th>Type of risk</th>
<th>General description of risk</th>
<th>Project-specific risk</th>
<th>Mitigation measures</th>
<th>Allocation of risk (SANParks/private party/shared)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing</td>
<td>The risk that the required capital for capex and opex may not be able to raised; loans may not be able to be repaid; tax obligations may not have been fully taken into account or may change; fluctuating inflation, interest rates, and currencies may affect assumptions</td>
<td></td>
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</tr>
<tr>
<td>EIA Risk</td>
<td>The risk that the consent required from DEAT is not obtained to continue with the construction of the project</td>
<td></td>
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<tr>
<td>Regulatory Risk</td>
<td>The risk that all approvals are not granted by the Rail Safety Regulator</td>
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<tr>
<td>Product completion risk</td>
<td>The risk that a suitable train cannot be sourced and hence the product is not completed on time</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Cost over-run risk</td>
<td>The possibility that the actual project costs will exceed projected costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental risk</td>
<td>The risk of liability for losses caused by environmental damage arising during the construction and operational phases of the project</td>
<td></td>
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<tr>
<td>Exchange rate risk</td>
<td>The possibility that exchange rate fluctuations will impact on the affordability of the project</td>
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<tr>
<td>Force Majeure risks</td>
<td>The possibility that the occurrence of unexpected events beyond the control of either parties effect the operation of the project</td>
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<tr>
<td>Inflation risk</td>
<td>The possibility that the actual inflation rate may exceed the projected inflation rate</td>
<td></td>
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</tr>
<tr>
<td>Insurance risk</td>
<td>The risk of substantial increases in insurance premiums and/or costs related to excess payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insolvency risk</td>
<td>The possibility of insolvency of a Private Party</td>
<td></td>
<td></td>
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<tr>
<td>Interest rate risk</td>
<td>The possibility of interest rate fluctuations affecting the availability and cost of funding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance risk</td>
<td>The possibility that the cost of</td>
<td></td>
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</tr>
</tbody>
</table>
## SELATI PRECINT RISK MATRIX

<table>
<thead>
<tr>
<th>Type of risk</th>
<th>General description of risk</th>
<th>Project-specific risk</th>
<th>Mitigation measures</th>
<th>Allocation of risk (SANParks/ private party/shared)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance exceeds the projected maintenance costs</td>
<td></td>
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<tr>
<td>Market, demand or volume risk</td>
<td>The possibility that the demand for the service generated by the project may be less than anticipated</td>
<td></td>
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</tr>
<tr>
<td>Operating risk</td>
<td>Factors impacting on the operating requirements of the project and related expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning risk</td>
<td>The possibility that the proposed use of the State Asset will not comply to the applicable legislation</td>
<td></td>
<td></td>
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<tr>
<td>Political risk</td>
<td>The possibility of unforeseeable conduct by SANParks or expropriation of the assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource or input risk</td>
<td>The possibility of a failure or shortage in the supply of resources i.e. no availability of train coaches</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Residual value risk</td>
<td>The risk that the assets will not be in the prescribed condition for hand back to SANParks</td>
<td></td>
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<tr>
<td>Tax rate change risk</td>
<td>The possibility that changes in applicable tax laws decrease the anticipated return on investment</td>
<td></td>
<td></td>
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<tr>
<td>Utilities risk</td>
<td>The possibility that the utilities required for construction or operation may not be available</td>
<td></td>
<td></td>
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<tr>
<td>Infrastructure risk</td>
<td>The risk that the bridge get damaged during floods to an extent that repairs are not viable</td>
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<tr>
<td>Safety risk</td>
<td>The risk that guests might get hurt when moving between the platform, train and bridge</td>
<td></td>
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</tbody>
</table>
28. **ANNEXURE 6 – BEE OBLIGATIONS**

28.1 **Scoring**

The BEE Scorecard comprises of 10% of the total score;

28.2 **Definitions**

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

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

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

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

28.2.3 "**Black People** [is a generic term which] means Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent or who became citizens of the Republic of South Africa by naturalisation –

(a) Before 27 April 1994; or

(b) On or after 27 April 1994 and who have been entitled to acquire citizenship by naturalisation prior to that date but were precluded from doing so by Apartheid policies;"

28.2.4 "**Black Person**" means any such citizen;
28.2.5 “**Black Women**” means female Black People;

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

28.2.7 "**Community Trust**" means the a trust registered in terms of the Trust Property Control Act;

28.2.8 "**Direct Ownership**" means ownership of an equity interest in an enterprise where such equity interest comprises:

28.2.8.1 the right to participate in the voting rights in that enterprise;
28.2.8.2 the right to receive unencumbered economic interest (such as dividends) flowing to the shareholders of that enterprise; and
28.2.8.3 Broad-based BEE schemes, employee share option schemes (ESOPs) and other employee share schemes, where the beneficiaries have the unconditional right to receive economic benefits and the capacity to elect and remove trustees, are specifically recognised as direct ownership. The flow-through principle will be applied to determine the level of black ownership represented by the employee share option scheme;
28.2.8.4 Direct ownership is measured as being the lower of the level of black participation in voting rights and black participation in the unencumbered economic interest of an enterprise, measured using the flow-through principle;

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

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

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

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

28.2.11.1 direct investment in Black Owned and Black Empowered SMMEs;

28.2.11.2 joint ventures with Black Owned and Black Empowered SMMEs that result in "substantive" skills transfer;

28.2.11.3 support and funding for the grading of emerging tourism companies, as well as providing mentorship, business relationships and linkages which, in turn, provide business opportunities to these enterprises; and

28.2.11.4 twinning initiatives with Black Owned and Black Empowered SMMEs which result in cost savings or revenue generation for those SMMEs;

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

28.2.13 "Learner ship" refers to learner ships as defined in the Skills Development Act, No. 97 of 1998, amended in 2003;

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

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

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

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

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

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

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

all of which terms are defined as follows:

28.2.18.3 an Excellent BEE Contributor means a company which has scored in excess of 90 percent on a BEE scorecard under a scorecard governing that company's sector or a BEE scorecard issued in the Codes of Good Practice and under the BEE Act;

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

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

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

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

28.2.18.8 a Black Women Owned BEE Contributor is a company which is more than 30 percent owned by black women and which is also an Excellent, Good or Satisfactory contributor to BEE;
28.2.19 "Skills Development Spend" refers to investment in skills development initiatives through both external training providers and the quantifiable costs of accredited internal training programmes. Internal training spend does not include the opportunity cost of employees attending the skills development initiatives;

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

28.2.21 "TOMSA (Tourism Marketing South Africa) Levy Collectors" refers to tourism enterprises who are registered to raise funds on behalf of the trust;

28.2.22 "Total Employee Time" refers to the total working hours calculated as the product of the total number of employees and their standard working hours;

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

28.3 2014 Milestones and Targets

28.3.1 The Private Party shall ensure that the SPV/s, from the date of signature of the PPP Agreement, comply with the commitments and undertakings set out in the following table and score at least a Good BEE Contributor score for the Selati Precinct SPV:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014 Weightings</th>
<th>2014 MILESTONES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014 Weighting</td>
<td>Sub-weighting</td>
</tr>
<tr>
<td>Ownership</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.0%</td>
</tr>
</tbody>
</table>

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### 2014 Weightings

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Weighting</th>
<th>Sub-weighting</th>
<th>Indicators to measure BEE achievement</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic representation</strong></td>
<td>12%</td>
<td>2.5%</td>
<td>Black people as a percentage of board of directors</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td></td>
<td>Black women as a percentage of board of directors</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
<td>Local people as a percentage of board of directors</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td></td>
<td>Black people as a percentage of executive management</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td></td>
<td>Black women as a percentage of executive management</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Employment equity</strong></td>
<td>12%</td>
<td>1.0%</td>
<td>Black people as a percentage of management</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>Black women as a percentage of management</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
<td>Local people as a percentage of management</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>Black people as a percentage of supervisors, junior and skilled employees</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>Black women as a percentage of supervisors, junior and skilled employees</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
<td>Local people as a percentage of supervisors, junior and skilled employees</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>Black people as a percentage of total staff</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
<td>Black women as a percentage of total staff</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
<td>Local people as a percentage of total staff</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Skills development</strong></td>
<td>18%</td>
<td>4.5%</td>
<td>Percentage of payroll spend on skills development (including skills development levy) on all accredited training</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
<td></td>
<td>Percentage of skills development spend on all black employees</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
<td></td>
<td>Number of learner ships as a percentage of total employees</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
<td></td>
<td>Number of black learners as a percentage of total learners</td>
<td>80%</td>
</tr>
</tbody>
</table>
## 2014 Weightings

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Weighting</th>
<th>Sub-weighting</th>
<th>Indicators to measure BEE achievement</th>
<th>2014 Milestone</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferential procurement</td>
<td>18%</td>
<td>12.0%</td>
<td>Spend on BEE compliant companies as a percentage of total procurement spend</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.0%</td>
<td>Spend on local BEE compliant companies as a percentage of total procurement spend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise development</td>
<td>10%</td>
<td>5.0%</td>
<td>The sum of percentage spend of post-tax profits on enterprise development and percentage employee time contributed to enterprise development over total management time</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.0%</td>
<td>Enhanced revenue and/or cost savings and/or twining initiatives facilitated for black owned SMMEs, as a percentage of revenue.</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>Social development and industry specific</td>
<td>10%</td>
<td>6.0%</td>
<td>Percentage CSI spend of post-tax profits on education, community programmes, job creation, training, health, conservation, community tourism and marketing activities to develop local black tourist market (or percentage management time over total employee time)</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.0%</td>
<td>Percentage of new recruits with no prior work experience</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.0%</td>
<td>Status of TOMSA levy collector</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Total points</td>
<td>100</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 28.4 Milestones and Targets Post-2014

28.4.1 The BEE Milestones and Targets for the duration of the PPP Term and in particular for the period from January 2017 to the end of the PPP Term shall be determined by the restructured editions of the Tourism Charter and Scorecard as gazetted from time to time.
28.4.2 The Tourism BEE Charter was developed to be in line with the Department of Trade and Industry's first phase of the Codes of Good Practice. Once the Codes of Good Practice has been gazetted, the Tourism Charter will be guided of how best it can be aligned to the final draft Codes of Good Practice.

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

28.5 **External BEE Verification**

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

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

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

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

The following table outlines the scoring on the BEE scorecard:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014 Weightings</th>
<th>2014 MILESTONES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicators to measure BEE</td>
<td>2014 Milestone</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Weighting</td>
<td>Sub-weighting</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------</td>
<td>---------------</td>
</tr>
<tr>
<td>Ownership</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic representation</td>
<td>12%</td>
<td>2.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>12%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Indicator</td>
<td>2014 Weightings</td>
<td>2014 MILESTONES</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Weighting</td>
<td>Sub-weighting</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>1.0%</td>
<td></td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>2014 Weightings</td>
<td>2014 MILESTONES</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td>Weighting</td>
<td>Sub-weighting</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>total staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills development</td>
<td>18%</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>2014 Weightings</td>
<td>2014 MILESTONES</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td>Weighting</td>
<td>Sub-weighting</td>
</tr>
<tr>
<td><strong>Preferential</strong></td>
<td>18%</td>
<td>12.0%</td>
</tr>
<tr>
<td><strong>procurement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
<td>10%</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>2014 Weightings</td>
<td>Sub-weighting</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>-----------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social development and industry specific</td>
<td>10%</td>
<td>6.0%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Total BEE</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>2014 Weightings</td>
<td>2014 MILESTONES</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td>Weighting</td>
<td>Sub-weighting</td>
</tr>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>points</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
29. **ANNEXURE 7 – PPP FEE OFFER**

29.1 **Important note to Bidders**

29.1.1 Information on the PPP Fee Offer must be contained in Envelope 2 and is **not** to be submitted in Envelope 1 (with the functionality and BEE proposals) and **not** be submitted on the USB drive.

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

29.2 **Form of Letter**

To: South African National Parks

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

(a) the minimum PPP fee and

(b) the Variable PPP Fee, expressed as a percentage of aggregate gross revenue as defined in the PPP agreement for the relevant project year.

The minimum PPP fee which will be adjusted annually by CPIX is as follows:

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

The Variable PPP Fee bid by [name of bidder] is ________________% of gross revenue. [Name of bidder] hereby warrants that the committed minimum PPP fee and the Variable PPP Fee shall be included in the PPP agreement, if accepted by SANParks.
For indicative purposes only, our projection of fees payable to SANParks is:

<table>
<thead>
<tr>
<th>Gross revenue (net of VAT)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of gross revenue due as Variable PPP Fee (same for each year)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PPP fee due</strong></td>
<td>Minimum PPP fee or Variable PPP Fee, whichever is greater</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Adapt for the 20-year term of the PPP.

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

Signed: ______________________

Name: ______________________

Title: _______________________
30. **ANNEXURE 8 - PPP AGREEMENT**

The PPP Agreement does not form part of the RFP but will be available on the SANParks website: [www.sanparks.org](http://www.sanparks.org) on the 30th of September 2016.
31. ANNEXURE 9 – BID COVER SHEETS

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

Bid for the commercial use of the Selati Precinct in the Kruger National Park through a PPP Agreement (ORIGINALS).

ENVELOPE 1: TECHNICAL BIDS

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

Signature of this document means that the bidder accepts the terms and conditions of this bid. Failure by the bidder to sign this form may disqualify the bid.
**Bid for the commercial use of the Selati Precinct in the Kruger National Park through a PPP agreement.**

**ENVELOPE 2: PPP FEE OFFER**

<table>
<thead>
<tr>
<th>Name of bidder:</th>
<th>Postal address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street address:</td>
<td>Telephone:</td>
</tr>
<tr>
<td>Fax:</td>
<td>Cell phone:</td>
</tr>
<tr>
<td>Contact person:</td>
<td>Email address:</td>
</tr>
<tr>
<td>Signature of bidder:</td>
<td>Date:</td>
</tr>
<tr>
<td>Capacity under which bid is signed:</td>
<td></td>
</tr>
</tbody>
</table>

*Signature of this document means that the bidder accepts the terms and conditions of this bid. Failure by the bidder to sign this form may disqualify the bid.*
32. **ANNEXURE 10 - ACCEPTABLE WORDING OF BID AND PERFORMANCE BOND**

To: South African National Parks

[Name of bidder] ("the bidder") is to submit to SANParks a bid to enter into PPP agreement with SANParks for the purpose of the development and operation of the Selati Precinct in the Kruger National Park;

And you require the bidder to include in the bid a bond for the amount of R 312,500 (Three Hundred and Twelve Thousand and Five Hundred Rand);

And we have agreed to give you such a bond.

We hereby irrevocably and unconditionally undertake to pay you, upon your first written demand and without objection or argument, the sum of R 312,500 (Three Hundred and Twelve Thousand and Five Hundred Rand), upon any or all of the following occurrences:

- any material misrepresentation made by the bidder in its bid submission or any other information and documentation submitted by it under the request for qualifications or the request for proposals;
- the withdrawal or modification of its bid during the period of bid validity;
- Any default or breach by the Private Party during the term of the agreement; and
- Any event caused by the Private Party that resulted in losses to SANParks.

The bond is valid from Bid Submission until the expiry of the PPP Agreement.

This bond shall be governed by the laws of the Republic of South Africa.

SIGNATURE AND SEAL

Name of bank_________________

Address_________________

Date_________________
### 33. ANNEXURE 11 – ASSISTANCE TO BIDDERS

#### 33.1 Financing Packages through State Institutions

A number of financing packages are available through state institutions to support tourism development. Applications are evaluated on a case-by-case basis against the specific criteria of the various schemes. Among other things, an applicant must demonstrate its financial capacity to undertake the development, as well as its track record, operational capability and market presence. In many instances, criteria are also applied to promote black economic empowerment. The list below provides a quick overview of incentive and loan schemes available to prospective tourism investors and institutions initiating PPPs. It is not exhaustive and private parties should undertake their own research.

#### 33.1.1 Department of Trade and Industry investment grants

There are three principal grants available from the Department of Trade and Industry (DTI) to support investment in new private sector tourism.

<table>
<thead>
<tr>
<th>Critical Infrastructure Programme</th>
<th>Provider</th>
<th>Department of Trade and Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Tax-free cash grant incentive</td>
<td></td>
</tr>
<tr>
<td>Who qualifies</td>
<td>Scheme aims to improve competitiveness of South African industries, stimulate economic growth and employment, and spread economic activity to rural areas.</td>
<td></td>
</tr>
<tr>
<td>Scale</td>
<td>Up to 30% of the development costs in qualifying infrastructure</td>
<td></td>
</tr>
<tr>
<td>Contact details</td>
<td>Tel: 0861 843 384 or CIP Secretariat 012 394 1223 Fax: 012 394-1424 Email: <a href="mailto:cip@thedti.gov.za">cip@thedti.gov.za</a> Website: <a href="http://www.dti.gov.za">http://www.dti.gov.za</a></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foreign Investment Grant</th>
<th>Provider</th>
<th>Department of Trade and Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Tax-free cash grant incentive</td>
<td></td>
</tr>
<tr>
<td>Who qualifies</td>
<td>Aims to encourage foreign entrepreneurs to invest in new manufacturing concerns in South Africa by compensating them for</td>
<td></td>
</tr>
</tbody>
</table>
the qualifying costs of moving new machinery and equipment from abroad. The manufacturing and tourism sectors qualify. The condition for manufacturing is that the sub-sector not be over saturated in terms of a DTI evaluation.

| Scale | Approved qualifying foreign entities may qualify for up to a maximum of R3 million. The grant is only available to new qualifying investments and is offered once only to any foreign single entity. The grant will be the lower of the actual cost or 15% of the value of new machinery and equipment relocated from abroad. |

| Contact details | DTI Customer Contact Centre: 0861 843 384 Email: contactus@thedti.gov.za Website: www.thedti.gov.za |

33.1.2 Concessionary loan finance

Concessionary loan finance for the tourism sector is available from the Industrial Development Corporation (IDC) and the Development Bank of South Africa (DBSA). Both institutions have dedicated capacity to deal with tourism applications.

<table>
<thead>
<tr>
<th>Industrial Development Corporation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider</td>
<td>IDC Tourism Strategic Business Unit</td>
</tr>
<tr>
<td>Type</td>
<td>Medium- to long-term loans, with 5–10 year repayment terms and variable interest rates. In unusual circumstances, may consider risk participation in the form of equity or quasi-equity (mainly for large-scale or special projects such as strategically important BEE ventures).</td>
</tr>
<tr>
<td>Who qualifies</td>
<td>Local and foreign investors, developing new or expanding their current tourism operations. Focus has traditionally been on tourism accommodation, but has recently broadened.</td>
</tr>
<tr>
<td>Details</td>
<td>Minimum loan size is R1-million. Minimum contribution of 40% required in owner’s equity, but less may be accepted from historically disadvantaged entrepreneurs. Interest rates vary but are linked to prime and vary depending on the profile of the project. Under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments.</td>
</tr>
<tr>
<td>Contact details</td>
<td>Tel: 011 269-3472 Email: <a href="mailto:callcentre@idc.co.za">callcentre@idc.co.za</a> Website: <a href="http://www.idc.co.za">http://www.idc.co.za</a></td>
</tr>
</tbody>
</table>
### Development Bank of Southern Africa

**Provider**  
Development Bank of Southern Africa (DBSA)

**Type**  
Medium- to long-term loans, with variable repayment terms and interest rates. May also consider equity participation and providing guarantees to leverage private sector support by reducing the perceived risk of investment. Mainly functions as a supply infrastructure funder, but will consider commercial infrastructure.

**Who qualifies**  
Local investors developing new tourism infrastructure or expanding their current tourism operations.

**Details**  
Significant owner's equity (30%+) required. Capital grace period may be negotiated to accommodate cash flow needs during start-up period. Interest rates are linked to prime and vary depending on the profile of the project. Under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments.

**Contact details**  
Tel: 011 313 3911  
Fax: 011 313 3086  
Website: [http://www.dbsa.org](http://www.dbsa.org)

### Empowerment funds

These funds are to facilitate BEE in the tourism industry.

#### Land Reform Credit Facility

**Provider**  
Department of Land Affairs administered by Khula Finance Enterprise Ltd

**Type**  
Loan finance for empowerment joint ventures

**Who qualifies**  
Local investors developing new tourism infrastructure or expanding their current tourism operations

**Details**  
Medium- to long-term loans, with variable repayment terms and discounted interest rates wholesaled via the commercial banking sector. Applicants must approach a commercial bank with a viable business proposition. The bank then sources the funds from Khula at discounted rates and on-lends to the applicant. Khula has also administered equity grants matched to Land Reform Credit Facility (LRCF) loans. This means that projects with the right empowerment
<table>
<thead>
<tr>
<th>Contact details</th>
<th>Tel: 0860054852</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Also have regional administration offices country wide</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:helpline@khula.org.za">helpline@khula.org.za</a></td>
</tr>
<tr>
<td></td>
<td>Website: <a href="http://www.khula.org.za">http://www.khula.org.za</a></td>
</tr>
</tbody>
</table>

**Credit guarantee**

<table>
<thead>
<tr>
<th>Provider</th>
<th>Khula Finance Enterprise Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Details</td>
<td>Three schemes are available:</td>
</tr>
<tr>
<td></td>
<td><strong>The standard scheme</strong> provides cover up to R1 million of the bank facility at 80%, with the fee payable at 3% per year in advance. The duration of the scheme is 36 months initially, but can be extended twice for periods of 12 months each time.</td>
</tr>
<tr>
<td></td>
<td><strong>The emerging entrepreneur scheme</strong> provides up to R100 000 with the fee payable at 4% per year in advance. The duration is 24 months initially, but can be extended three times for periods of 12 months each time.</td>
</tr>
<tr>
<td></td>
<td><strong>The empowerment scheme</strong> provides cover up to R5 million of bank facility at 60%, with the fee payable at 2, 5% per year in advance. Duration is 36 months initially, but can be extended twice for a period of 12 months each time.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact details</th>
<th>Tel: 0860054852</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Also have regional administration offices country wide</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:helpline@khula.org.za">helpline@khula.org.za</a></td>
</tr>
<tr>
<td></td>
<td>Website: <a href="http://www.khula.org.za">http://www.khula.org.za</a></td>
</tr>
</tbody>
</table>

**Entrepreneur support**

| Provider                  | National Empowerment Fund |
### Details

The National Empowerment Fund’s (NEF) entrepreneur support programme helps black enterprises expand and grow, and facilitates transformation in white-owned and operated enterprises. Targeted at SMMEs and provides a combination of debt and equity funding. The NEF seeks a commercial return on all finance supplied. Three products offered:

- **Generator** provides investment between R250 000 and R1 million for the creation of new black-owned businesses with the capacity to become sustainable SMMEs. 75% of the equity must be controlled by black people.
- **Accelerator** provides investment between R1 million and R3 million as expansion capital aimed at stimulating the growth of black-owned enterprises. 51% of the equity must be controlled by black people.
- **Transformer** provides between R3 million and R10 million towards the transformation of enterprises at the ownership, decision-making and control levels, and to encourage employee ownership of businesses. 26% of the equity must be controlled by black people.

### Community and rural development

<table>
<thead>
<tr>
<th>Provider</th>
<th>National Empowerment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Details</strong></td>
<td>The community and rural development programme enables communities to acquire equity in an income-generating project that will result in social upliftment in historically marginalised economic areas. Support available to groups comprising black people. There must be a project champion and co-funding by other investors or financiers. Funding limited to the community investment portion of the project. Equity funding can be provided where investment ranges from R2 million to R10 million. Projects must be undertaken in conjunction with a partner recognised by the NEF. The project proposal must include detailed information on the business, owners, leadership and management before the NEF will meet the applicants. The NEF seeks a commercial return on all finance supplied.</td>
</tr>
</tbody>
</table>

### Contact details

- **Tel:** 011 305 8000 / 0861 843 633  **Fax:** 011 305 8001
- **Email:** [info2@nefcorp.co.za](mailto:info2@nefcorp.co.za)  **Website:** [www.nefcorp.co.za](http://www.nefcorp.co.za)
- **Address:** West Block, 187 Rivonia Road, Morningside, 2057
- **Postal address:** Box 31, Melrose Arch, 2076
Youth development

<table>
<thead>
<tr>
<th>Provider</th>
<th>Umsombovu Youth Fund</th>
</tr>
</thead>
</table>
| Details           | The Umsombovu Youth Fund (UYF) supports youth development for sustainable livelihoods through two schemes: The Youth Entrepreneurship Programme provides access to finance and business development services for small businesses through two schemes:  
- Micro finance provides funding to unemployed, under-employed or self-employed youth to establish new businesses or expand existing businesses via two micro finance providers: the Nations Trust Youth Enterprise Finance Company, which provides loans up to R40 000 and Nicro Enterprise Finance for former prisoners.  
- SMME finance provides development capital funds aimed at increasing the number of black youth-owned and managed SMMEs. Through loans or equity. UYF has entered into joint ventures to create two separate development capital funds: FNB-Momentum-UYF Progress Fund and Umsombovu Youth Fund-Business Partners Franchise Fund.  
- The Business Development Services Voucher Programme gives entrepreneurs access to business services such as bookkeeping, marketing and developing business plans. Young entrepreneurs access the services through vouchers, which range in value from R1 500 to R23 000. Recipients themselves are required to make contributions on a progressive basis as they benefit from additional vouchers. A young person will pay 10% of the value of the first voucher received, 20% of the value of the second voucher, up to 40%. |

Contact details

| Tel: 011 651 7000 Fax: 011 8059709 |
| Email: info@uyf.org.za Website: www.uyf.org.za |
| Address: Umsombovu House, 11 Broadwalk Avenue, Halfway House, Midrand |
| Postal address: PO Box 982, Halfway House, 1685 |
| Regional Offices countrywide refer to website |

Black Business Supplier Development Programme

<table>
<thead>
<tr>
<th>Provider</th>
<th>Department of Trade and Industry</th>
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</thead>
<tbody>
<tr>
<td>Details</td>
<td>The Black Business Supplier Development Programme (BBSDP) is</td>
</tr>
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</table>
a cash grant incentive scheme that aims to fast track existing SMMEs that exhibit a good potential for growth into the mainstream formal economy and to foster linkages between black-owned SMMEs and corporate and public sector enterprises. Companies that qualify include majority black-owned companies (51% or more) with significant numbers of black managers. Grants are limited to companies with a maximum R12 million per year and which have been trading for a minimum of one year.

Cost sharing grant: Maximum grant is R100 000. A company may apply for multiple projects provided that the cumulative grants awarded do not exceed this sum. All business development costs including travel and subsistence qualify for cost sharing assistance. The grant supports projects that:
- improve effectiveness of management systems, for example, production planning and control systems, quality management systems
- impart specialised, enterprise-specific skills to employees, for example, specialised technical courses
- upgrade management capability, for example, executive and financial management programmes and seminars on preparation of bids for tenders
- assist the entry of a firm into targeted markets, for example, market research and the development of marketing plans, design and development of marketing materials, website design (limited support for printing marketing materials).

Contact details
BBSDP Secretariat Tel 012 394-1444 Fax 012 394-1426
DTI Customer Contact Centre: 0861 843 384
email: contactus@thedti.gov.za Website: www.thedti.gov.za

<table>
<thead>
<tr>
<th>Tourism Enterprise Programme</th>
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<tbody>
<tr>
<td>Provider</td>
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<tr>
<td>Tourism Enterprise Programme (managed by ECI Africa)</td>
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<tr>
<td>Details</td>
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<tr>
<td>The Tourism Enterprise Programme (TEP) is a joint initiative of the Business Trust and the Department of Environment Affairs and Tourism. TEP fosters viable business transactions between established industry players and SMMEs in the tourism sector. TEP can provide grants to support tourism SMMEs in: marketing assistance for events; development of business and marketing plans; preparation of and submission of tenders; training and skills</td>
</tr>
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</table>
development; attending exhibitions and conferences; and certification and licensing. Grants made on a cost-sharing basis, typically 50-50 but can be negotiated. Average grant is about R25 000. SMMEs that operate as tourism enterprises (for example lodge, hotel, B&B, tour guiding company) or SMMEs that are formal suppliers of goods and services which derive at least 50% of their income from tourism-related activities can apply. TEP will only support SMMEs that demonstrate a potential to grow and create jobs. TEP does not provide start-up costs, operational capital, or contributions to equity or infrastructure.

**Contact details**

Tel: 011 718-2000 Fax: 011 483-0049
Email: info@tep.co.za
Website: www.tep.co.za
Head Office Address: 53 Central Street, Houghton
Postal Address: PO BOX 1650, Houghton, 2041
TEP also has offices and management agencies in all provinces, details on website.

**Business Partners**

<table>
<thead>
<tr>
<th>Provider</th>
<th>Business Partner Tourism Fund</th>
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<tbody>
<tr>
<td>Details</td>
<td>The Business Partner Tourism Fund is a R 200 million specialist investment fund that has been created to enable and empower entrepreneurs in the travel and tourism industry. Business Partners is South Africa’s leading investment company for small and medium enterprises and the fund offers qualifying entrepreneurs all the benefits of its infrastructure and expertise. Using an internationally-recognised investment model developed by the company, Business Partners provides integrated investment and added-value solutions for small and medium enterprises, from single-owner businesses to partnerships and multi-owner ventures. In consultation with the entrepreneur, an appropriate repayment period is established during the initial investment negotiations. This is usually five years and is never longer than 10 years. In some cases, the fund takes minority shareholding in the business for the duration of the repayment period, after which Business Partners may wish to sell its shares in the business at market value. The</td>
</tr>
</tbody>
</table>
33.1.4 Training grants and incentives

Various other forms of assistance are available, especially in the field of training and skills development:

<table>
<thead>
<tr>
<th>Provider</th>
<th>Department of Trade and Industry</th>
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<tbody>
<tr>
<td><strong>Skills Support Programme</strong></td>
<td>The DTI’s Skills Support Programme (SSP) is a cash grant to encourage investment in skills development. Covers all sectors, including tourism, that qualify for the Small and Medium Enterprises Development Programme. Payable to new projects or for the expansion of existing projects. Training equipment, upgrading instructor competence, training in-house assessors, printing of learner materials and designing learning programmes, material and curricula all qualify. Maximum of 50% of training costs, development of training curricula and or land and buildings related to training. Up to 30% of total salaries for companies where the training programme is approved. Following activities supported for up to three years: procuring training equipment; upgrading instructor competence; training in-house assessors; printing learner materials; and designing learning programmes, materials and curricula</td>
</tr>
<tr>
<td>Contact details</td>
<td>DTI Customer Contact Centre: 0861 843 384 or Fax 0861 843 888 Email: <a href="mailto:contactus@thedti.gov.za">contactus@thedti.gov.za</a> Website: <a href="http://www.thedti.gov.za">www.thedti.gov.za</a> DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria</td>
</tr>
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<table>
<thead>
<tr>
<th>Provider</th>
<th>The Tourism, Hospitality and Sport Education and Training Authority (Theta)</th>
</tr>
</thead>
</table>
### Details

The Theta offers a range of support services as well as grants and levies to tourism operators. Also administers the National Skills Funding for the tourism sector. Two specialist programmes, the Tourism Learnership Project and the Integrated Nature Tourism and Conservation programme, offer grants and levies to tourism enterprises. The Theta aims to: develop worker skills; increase levels of investment in education and training; encourage employers to train their employees, provide opportunities for work experience and employ new staff; encourage workers to participate in learnership and other training programmes; improve the employment prospects of disadvantaged people; ensure the quality of education and training in and for workplaces; assist work seekers to find work and employers to find qualified employees; and encourage providers to deliver education and training in and for the workplace.

### Contact details

Call Centre: 0860 100 221; Tel: 011 217-0600 Fax: 011 783-7745
Email: theta@theta.org.za
Address: 3rd Floor, Block E, Sandhurst Office Park, Cnr Rivonia & Katherine Street, Sandton
Postal address: PO Box 1329, Rivonia, 2128

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#### 33.1.5 Marketing support

The DTI offers support for South African companies in the tourism (and other) sectors for activities aimed at developing export markets, attracting foreign tourists to the country, and recruiting foreign direct investment into South Africa.

<table>
<thead>
<tr>
<th>Export Marketing and Investment Assistance Scheme</th>
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<tr>
<td><strong>Provider</strong></td>
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<tr>
<td><strong>Details</strong></td>
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max R1 350 a day; marketing materials (designing and printing of export brochures, promotional video or CD) – max R10 000 a year. TISA will cover 80% of the cost of the following items to a maximum of R45 000: rental of exhibition space; construction of stand, excluding interior design; telephone installation, excluding phone calls; rental of essential furniture; listing in official exhibition directory; electrical costs; interpreting fees; cleaning and security fees.

<table>
<thead>
<tr>
<th>Contact details</th>
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<tbody>
<tr>
<td>DTI Customer Contact Centre: 0861 843 384</td>
</tr>
<tr>
<td>Email: <a href="mailto:contactus@thedti.gov.za">contactus@thedti.gov.za</a></td>
</tr>
<tr>
<td>Website: <a href="http://www.thedti.gov.za">www.thedti.gov.za</a></td>
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33.1.6 Poverty relief funds

The Department of Tourism administers a number of poverty relief funds.

<table>
<thead>
<tr>
<th>Poverty Relief Programme</th>
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<tbody>
<tr>
<td><strong>Provider</strong></td>
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</tbody>
</table>
| **Details** | The Poverty Relief Programme in the tourism and environment sectors has a special focus on infrastructure investment and product development (such as heritage sites, rock art and conservation) at emerging tourism growth points, and priorities such as transfrontier conservation areas. Aims to alleviate poverty through long-term sustainable work opportunities, using grant facilities:

Sustainable Land Based Livelihoods includes funding of Working for Water, Working for Wetlands, Working for the Land, and Community Based Natural Resource Management programmes.

Working for Tourism funds tourism enterprises that create jobs and benefit local communities.

People and Parks focuses on projects that involve communities in conservation of protected areas and maximise benefits to the poor.

Working for the Coast supports programmes that use coastal resources for the benefit of coastal communities.

Working for Waste supports SMMEs involved in waste management and recycling.

The programme also funds the purchase of community equity in tourism enterprises, especially those partnering with a private party. These grants include components for technical support. |
Each poverty relief project must have an implementing agency (IA). Can be a government department, a municipality or local council, a non-governmental organisation (NGO), a community-based organisation (CBO) or a private company. Primary consideration is that the IA must be legally constituted, able to open a bank account, and have a history of sound financial management.

### Contact details

<table>
<thead>
<tr>
<th>Poverty Relief Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tel: 012 310 3837 Fax: 012 320 6906</td>
</tr>
<tr>
<td>Email: <a href="mailto:ndyantyi@deat.gov.za">ndyantyi@deat.gov.za</a></td>
</tr>
<tr>
<td>Website: <a href="http://www.deat.gov.za">www.deat.gov.za</a></td>
</tr>
<tr>
<td>Address: 15th Floor, Fedsure Forum, corner Pretorius and Van der Walt Streets, Pretoria</td>
</tr>
<tr>
<td>Postal address: Private Bag X447, Pretoria, 0001</td>
</tr>
</tbody>
</table>

### 33.2 Non-government Support Organisations

There are a number of skilled and experienced non-government organisations (NGOs) working in South Africa to support local economic development, poverty alleviation and the empowerment of the poor through tourism. They are able to assist and pass on skills to public institutions, community organisations, new black-owned enterprises and SMMEs at various stages of the PPP project cycle. Many are funded by aid agencies or philanthropic foundations and are thus able to provide support at low cost. By obtaining assistance from these NGOs, public institutions and private parties may reduce their reliance on consultants. Following is a list of some of these organisations. It is not exhaustive and private parties should undertake their own research.

#### African Wildlife Foundation

<table>
<thead>
<tr>
<th>Type of work</th>
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<tbody>
<tr>
<td>Large international NGO dedicated to sustainable forms of wildlife conservation. South Africa office, based in Mpumalanga, seeks to consolidate the rights of communities living in or adjacent to protected areas. Especially supports transfrontier conservation programmes. Provides support for joint ventures in nature tourism between rural communities, the private sector and government agencies in Mpumalanga and Limpopo.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact details</th>
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</thead>
<tbody>
<tr>
<td>Tel: 011 447-2399 Fax: 011 447-7293</td>
</tr>
<tr>
<td>Email: <a href="mailto:africanwildlife@awfsa.org">africanwildlife@awfsa.org</a></td>
</tr>
<tr>
<td>Website: <a href="http://www.awf.org">www.awf.org</a></td>
</tr>
<tr>
<td>Address: African Wildlife Foundation, 26 Barker Street, South Entrance,</td>
</tr>
</tbody>
</table>
### Business Linkages in Tourism

| **Type of work** | Consulting agency that seeks to create and strengthen business linkages between the tourism industry and local enterprises in ways that make business sense to companies and open up opportunities for black people and the poor in tourism-related business. Focuses on planning and implementing: product development based on local business linkages; procurement of goods and services locally; cultural and heritage product development; and sustainable local partnerships for tourism development. |
| **Contact details** | Tel: 012 654 7525 Fax: 012 654 7349  
Email: bizlink@tbcса.org.za  
Address: 245 End Street, Clubview, Centurion  
Postal address: PO Box 11655, Clubview, 0157, Centurion |

### ComMark Trust

| **Type of work** | Supports and promotes policy, institutional and operational initiatives to improve the operation of markets, including tourism markets, for the poor in Southern Africa. Identifies areas of market failure and supports measures to correct these in favour of the poor. Seeks to overcome barriers to entry for new businesses, facilitate linkages between large and small enterprises, and enable community PPPs. |
| **Contact details** | Tel: 012 431-7900 Fax: 012 431 7910  
Email: commark@commark.org  
Website: www.commark.org  
Address: 826 Government Avenue, Arcadia, 0083 |

### Fair Trade in Tourism South Africa (FTTSA)

| **Type of work** | Encourages and publicises fair and responsible business practice by South African tourism establishments through the FTTSA trademark, an independent symbol of fairness in the tourism industry. The trademark is awarded to tourism establishments that meet stringent criteria including: fair wages and working conditions, fair operations, purchasing and distribution of benefits; ethical business practice; and respect for human rights, culture and the environment |
| **Contact details** | Tel: 012 342 2945/3642 Fax: 012 342 2946  
Email: info@fairtourismsa.org.za  
Website: www.fairtourismsa.org.za |
GTZ Transform
Type of work
GTZ runs the Transform partnership programme with the Department of Environmental Affairs and Tourism and South African National Parks. Supports joint management of conservation, community-based natural resource management, and joint venture tourism in South Africa. Experience includes the Makuleke Region of the Kruger National Park, the Richtersveld, Riemvasmaak, the Blyde River Canyon in Mpumalanga, Maputaland in KwaZulu-Natal and the Wild Coast of the Eastern Cape.

Contact details
Tel: 012 342 3174 Fax: 012 342 3178
Email: johannesbaumgart@gtz.de
Website: www.gtz.de

Wildlands Conservation Trust
Type of work
Promotes community-based conservation and partnerships in nature tourism in KwaZulu-Natal, Mpumalanga and Eastern Cape. Works closely with conservation agencies, local authorities and other public institutions.

Contact details
Tel: 033 343 6380 Fax: 033 343 1976
Website: www.wildlands.co.za
Postal address: PO Box 1138, Hilton, 3245

World Conservation Union (IUCN)
Type of work
One of the world’s largest conservation organisations. Promotes nature tourism that alleviates poverty. Plays key role in people and parks conferences for organisations representing communities on the borders of protected areas. Focus areas: integration of human development and the environment, poverty alleviation and sustainable livelihoods. South Africa office: promotes conservation of biological diversity through the sustainable use of natural resources, facilitates resolution of resource-based conflicts, advocates for policy changes, promotes a participatory approach to community-based natural resource management and advocates for sustainable land use and effective environmental management.
| Contact details | IUCN-ESARO - IUCN Regional Office for Eastern and Southern Africa Kenya Tel: ++254 (20) 890-606/07/08.../13 Fax: ++254 (20) 890-615 Email: earo@iucn.org www.iucn.org/esaro/ |