INFORMATION MEMORANDUM FOR THE
GOUDVELD TEA GARDEN
PPP OPPORTUNITY

INFORMATION MEMORANDUM ISSUED BY
SOUTH AFRICAN NATIONAL PARKS IN RESPECT OF THE PROPOSED
GOUDVELD TEA GARDEN PRIVATE PARTNERSHIP PROJECT FOR THE
WILDERNESS SECTION OF THE
GARDEN ROUTE NATIONAL PARK
IMPORTANT NOTICE

This Information Memorandum has been produced by South African National Parks (SANParks), in connection with the Goudveld Tea Garden Public Private Partnership (PPP) opportunity available in the Wilderness Section of the Garden Route National Park (“GRNP”).

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1. **INTRODUCTION**

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

1.2 SANParks, as part of its Strategic Plan for Commercialization, identified the tourism PPP opportunity for the Goudveld Tea Garden in the Wilderness Section of the Garden Route National Park.

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

1.4 This Information Memorandum is not intended to serve as the basis for an investment decision. Each recipient is expected to make an independent investigation and to obtain the necessary independent advice for submitting a Bid.

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

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

1.7 SANParks is following the PPP feasibility and procurement processes set out in National Treasury's PPP Toolkit for Tourism. The toolkit can be downloaded from www.ppp.gov.za.

2. **SANPARKS' VISION, MISSION AND KEY STRATEGIC OBJECTIVES**

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

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

VISION - National parks connects society.

MISSION - To develop and manage a system of national parks that represents the biodiversity, landscapes, and associated heritage assets of South Africa for the sustainable use and benefit of all.

TRANSFORMATION MISSION - To ensure effective transformation both within SANParks and the broader society and economy, through the implementation of broad-based Black Economic Empowerment in support of the Constitution of South Africa.

2.2 SANParks’ Key Strategic Objectives

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

2.2.1 Conservation

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

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

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

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

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

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

In addition to the core and sub-core business pillars that provide SANParks with a level of uniqueness, the organisation has generic support functions of Finance, Human Resources, Corporate Communications, Corporate Support Services (including Information and Communications Technology), and Legal Services. The operational component of SANParks is delivered through the current twenty two (22) national parks – these being organised under two divisions namely, Kruger National Park and the Parks Division (which entails the remaining twenty one national parks).

3. **ARTICULATION OF SANPARKS’ COMMERCIALISATION POLICY, OBJECTIVES AND**
STRATEGY

3.1 The Motivation for Commercialisation

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

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

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

The implementation of the Commercialisation Strategy 2000, resulted in the awarding of 11 (eleven) concession sites to private operators, seven of which are in Kruger National Park, two in Addo Elephant National Park, and two in the Table Mountain National Park.
In addition to the concessions, the Commercialisation Strategy 2000 also resulted in the awarding of 21 shops and 17 restaurants across all national parks to private operators. Facilities were upgraded by the operators and SANParks receives a PPP Fee from these operators.

### 3.2 The Strategic Plan for Commercialisation 2006

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

(i) The experience and specialist skills acquired;
(ii) The lessons learnt from implementation and management of PPPs;
(iii) Legislative requirements; and
(iv) The extended scope of projects identified to enable SANParks to improve its infrastructure towards 2010 and beyond, generate revenues, promote BEE and create employment.

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

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

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

4. SANPARKS LEGAL RIGHTS TO ENTER INTO PPP AGREEMENTS:

4.1 National Environmental Management: Protected Areas Act 2003 (Act no. 57 of 2003) ("NEMPAA") as amended by the National Environmental Management: Protected Areas Amendment Act (Act No 31 of 2004)

4.1.1 Protected Environment

NEMPAA provides for:

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

4.1.2 Section 50

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

(a) carry out or allow—

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

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

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

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

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

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

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

(b) compliance with—

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

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

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

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

4.2 The Public Finance Management Act 1 of 1999 (“the PFMA”)

4.2.1 SANParks is a Schedule 3A public entity for the purpose of the PFMA. As such, SANParks is bound to the provisions of the PFMA which regulates the financial management of all national and provincial governments and agencies; ensures that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; provides for the responsibilities for those entrusted with financial management in those governments, and governs all matters connected therewith.
4.2.2 Section 50 of the PFMA deals with a number of fiduciary duties placed on the accounting authorities of public entities which are subjected to the provisions of the PFMA, and inter alia requires the accounting authority for a public entity to:

4.2.2.1 exercise the duty of utmost care to ensure reasonable protection of assets and records of the public entity;

4.2.2.2 act with fidelity, honesty, integrity, and in the best interests of the public entity in managing the financial affairs of the public entity;

4.2.2.3 seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

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

4.2.4 This is taken further in Regulations 16A7.4 and 16A7.5 of the National Treasury Regulations promulgated in terms of Section 76 of the PFMA in Government Gazette Notice No. R 225, Government Gazette No. 27388 dated 15 March 2005, and amended by Government Gazette Notice No. R 146, GG 29644 dated 20 February 2007, which Regulations state that:

- Reg. 16A7.4 The letting of immovable state property must be at market – related tariffs, unless the relevant treasury approves otherwise. No state property may be let free of charge without the prior approval of the relevant treasury.
- Reg. 16A7.5 The accounting officer or accounting authority must review, at least annually when finalizing the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and management.

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

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

5. **A DESCRIPTION OF THE TOURISM PPP OPPORTUNITY FOR THE WILDERNESS SECTION OF THE GARDEN ROUTE NATIONAL PARK**

5.1 **An Overview of the Goudveld Tea Garden PPP opportunity**

The Goudveld (Millwood) area offers various unique heritage experiences that appeals to both local and international tourists. This is the first area where gold was discovered and mined in 1876. During the same era where gold miners flocked the area it was also well known for its timber industry. The area is well known for its woodcutters and the foundations for Knysna’s timber industry was laid during this period. The history of the Knysna Woodcutters is the focal point of the books written by Daleen Mathee called “Mulberry Forest” as well as Circles in the Forest. This has made the area very famous and people have travelled many miles to view this piece of heritage in the area.

The area where the Goudveld or Mother –Holy Tea Garden is situated has been managed by the Knysna Municipality on behalf of the Department of Water Affairs and Forestry (DWAF), as it was known back then. This situation remained like this until April 2012, when the lease was transferred back to SANParks. During its time in charge, the Knysna Municipality set up the Goldfields mining society to take charge of the daily operations of this historical precinct. This society was made up of a group of retired engineers and other skilled individuals that had a passion and experience in the mining as well as in the forestry sector. They ran this on behalf of the municipality until it was handed over to SANParks in 2012. Under their management they restored the old Mother-Holy Tea Room in a manner that resembles how it was in past years. They also ensured that the old mine was restored with special effects to resemble those historic times. On top of this they set up the Pitt Street house which was a small lodge next to the tea garden and which was used during the woodcutters era as overnight accommodation. Their plans also included restoring the old village to resemble the state of the 1800. Inside the Tearoom is a special room which is used as the woodcutters museum through which the story of the woodcutters is being told.
5.2 The Site

A map indicating the layout of the Goudveld Area:

5.2.1 The direction from Knysna: take the N2 towards George, 8km out take the Rheenendal turnoff to the right. Follow this road for 12.6km and take the Bibby's Hoek / Millwood Gold Fields turnoff to the right. Follow the Millwood directions to the Materolli Museum and Tea Garden, 11km.

5.2.2 The directions from George: take the N2 towards and 8kms before reaching Knysna turn into the Rheenendal turnoff. Follow this road for about 12.6k and take the Bibby's Hoek/ Millwood Gold Fields turnoff to the right. Follow the directions to the Materolli Museum and Tea Room.

5.3 Description of the Goudveld Tea Garden PPP Opportunity

Historic records prove that the Millwood Gold Mine was the first proclaimed gold field in the country and it started in 1876 until 1910. This is why the place in commonly known as the Goudveld Area. The area is also well known for its rich history of the Woodcutters of the early 1900s. Most of the
historic icons are not found there anymore but some has been restored to resemble the 1870s to the 1900s. These has been declared and proclaimed as Heritage Sites by the National Heritage Council. Some of these sites are:

5.3.1 The Goudveld Tea Garden was first opened in 1880 and acted as a mini restaurant for the mining community. The efforts to restore the effects of the mining community started it was based around the tea garden. This area has become a tourist destination and the Goudveld Tea Garden has always featured prominently to the tourists. This tea garden serves light meals and snacks to hikers, researchers, school groups, tourist and cyclist that frequent the Millwood area. Therefore, this PPP is more centred around the operation of the tea garden and other activities are more to complement and fulfil the experience for the tourist. The ideal operators would have to provide a quality food and beverage service that is based on excellent quality standards and exceptional service levels that would continue to attract guest from afar. Ideally this small food and beverage outlet would serve guest with both eat in as well as take away meals. The menu could include amongst others:

- Sandwiches;
- Burgers;
- Salads;
- Traditional South African foods like “rooster-koeek, vet-koeek and etc.;
- Hot and cold beverages;
- Alcoholic beverages'

The operator would have to design a menu that would be attractive to guests and will be encouraged to be as creative as possible.

5.3.2 The Bendigo Gold Mine: The mining activities on this precinct took place from 1876 to 1910. The old mine is situated about 1 km from the tea garden and it complements the whole tea garden experience very well. In an effort to preserve the cultural heritage of the area, the mine was restored to a state that resembles the earlier years of operations. This opportunity will be made available separately from the tea garden and is regarded as a standalone project.
5.3.3 The Pitt Street House: This house was used as overnight accommodation for the woodcutters that used to pass through the area. The house was restored to resemble its original state in 1904. It is also part of the heritage site. It has the feel and look of the one of the 1900. It is a two bedroomed facility and can sleep up to four people. The facilities and infrastructure is very old style and antique. This house would be rented out to the operator of the Tea Garden as staff accommodation.

5.3.4 The Woodcutters Museum; It is situated inside the Tea –Garden or Mother –Holy Building and is used as an additional attraction to the tourists. The museum has effects and information of the woodcutters, their living conditions and routes. It is very similar to those captured in Daleen Mathee’s book called “Circles in the Forest”. Although it is not a charged for service it adds value to round off the tourism experience. The operator of the Tea garden will be tasked with managing this service as well.

5.4 Infrastructure

The operation happens entirely in the forest and there is no other infrastructure except the ones indicated below;

5.4.1. Parking space

5.4.2. The site is accessible as the roads are in good condition

5.4.3. Electricity is available

5.4.4. Water is available

5.4.5. There is a limited number of ablution facilities on site

5.4.6. Mobile Phone Connectivity is available but it is poor

5.5 Environmental Guidelines

The Environmental guidelines that the bidders would need to take into consideration include the following:
5.5.1 All waste material needs to be collected and removed for disposal;

5.5.2 Little or no damage to surrounding vegetation;

5.5.3 Tour parties and guides must adhere to access routes and pathways constructed;

5.5.4 The maintenance and rehabilitation of these access routes and pathways is essential;

5.5.5 No damage to surrounding recreational sites and activities;

5.5.6 Making of fire is prohibited;

It is important to stress that regular inspections will be done by SANParks’ staff and Rangers to ensure that everything is done in a manner that is compatible to the environment as well as the different SANParks policies.

6. GARDEN ROUTE NATIONAL PARK

The Department of Environmental Affairs (“DEA”) has declared the establishment of the new Garden Route National Park (“GRNP”). The establishment of the new park is part of a long-term strategy to expand the areas in South Africa under formal protection from 6% to 8% of the total area of the country.

The Garden Route is one of the most important conservation areas in South Africa and one of South Africa’s crown jewels in terms of biodiversity and its attraction of both foreign and local tourists. The diverse biomes in the Garden Route include indigenous forests, the Knysna estuary, the Wilderness lake areas, marine protected areas, lowland fynbos and mountain catchment areas of national importance. SANParks is the second largest employer in the region and its total economic contribution to the region is estimated to be almost R95m per annum.

The formation of the GRNP have a number of beneficial results. These include allowing the sharing of resources and management experience and the integration of current management units, allowing greater economies of scale to be achieved.

The formation of the GRNP facilitates the regional implementation of important programmes like fire management and alien clearing and enable land consolidation. The park management will be able to take advantage of the potential of integrated landscape
management, which will improve the protection of important ecosystems.

The total size of the GRNP is approximately 121,000 hectares. It consists of about 52,500 hectares of newly proclaimed land as well as 68,500 hectares of the Wilderness and Tsitsikamma National Parks. The individual parks will retain their identity and become camps in the greater GRNP, known as Tsitsikamma and Wilderness.

The GRNP will straddle two provinces – the Eastern and Western Cape – two district municipalities -- Eden and Cacadu – and four local municipalities — George, Knysna, Bitou and Koukamma. The tourist facilities in the GRNP include camping decks, chalets, mountain biking trails, hiking trails, canoeing, diving and history and adventure activities.

6.1 The Wilderness Section of the Garden Route National Park

Wilderness Section is situated in the Garden Route National Park and it is on the N2. It is approximately 402 Kms from Cape Town in the West and 320 Kms from Port Elizabeth in the East. The town of George is approximately 12 Kms from the Wilderness National Park. The WNP was proclaimed in 1983 to protect the unique Touw Rivers lakes system of the area and subsequent addition of the Swartvlei Lakes System in 1986. In 1987 further State areas were added. In 1991 the Rondevlei was added to the WNP. In 1997 the Lower Duiwe River was added. The initial objective of the WNP was to manage the lake areas of the Touw River, Swartvlei, Serpentine Eilandvlei, Rondevlei and Duiwe River. These areas included the Ramsar registered area that is focussing on protecting birdlife.

Major transformation occurred when the former forest areas were added to the WNP in 2006. These areas included the Farleigh Forest Area that includes;

- Karatara
- Groenkop
- Bergplaas
- Goudveld
- Farleigh
7. **ADDITIONAL ACTIVITIES IN THE WILDERNESS SECTION OF THE GRNP:**

There are various other activities in the Wilderness Section of the GRNP that can complement the Goudveld Tea Garden and these are set out below:

7.1 **Hiking**

There are numerous hiking trails within the Wilderness Section all having varying degrees of difficulty and offering its unique experiences.

7.2 **Camping Sites and Accommodation**

The Wilderness Section has an exceptional camp site and accommodation facilities that are of good quality.

7.3 **Bird Watching**

The fact that the Wilderness Section of the park has an area that is Ramsar accredited because the prevalence of a large variety of bird species is an added attraction. Therefore, this section of the park is a haven for bird watching enthusiasts.

7.4 **Boat Rides**

This is a new activity added to the

8. **VALUE FOR MONEY OBJECTIVES**

The value-for-money objectives for the projects 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 projects.

The Value-for-Money Objectives for the Goudveld Tea Garden PPP Opportunity are:

8.1 Revenue generation for SANParks;
8.2 BEE, job creation and community development;

8.3 Tourism promotion;

8.4 Optimisation of prime state land; and

8.5 Biodiversity protection and conservation.

9. **FINANCIAL TERMS**

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

9.1.1 the Minimum PPP Fee set by SANParks increased annually by 8%; or

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

9.2 Irrespective of which these elements determine the final amount payable in any given Project Year, the payment schedule will be as follows:

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

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

9.2.3 No PPP Fees shall be payable prior to the Effective Date of the PPP Agreement.
10. MINIMUM PPP FEES

10.1 Feasibility studies were concluded for the Goudveld Tea Garden PPP Opportunity in the Wilderness Section of the GRNP, to assess the viability of the projects from a Private Party perspective as well as to determine the affordability and value for money to the institution.

10.2 Based on the feasibilities, the Minimum PPP Fees for the PPP Opportunity will be as follows:

<table>
<thead>
<tr>
<th>Adventure Opportunity</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>28,908</td>
</tr>
<tr>
<td>Year 2</td>
<td>32,522</td>
</tr>
<tr>
<td>Year 3</td>
<td>36,135</td>
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<tr>
<td>Year 4</td>
<td>39,749</td>
</tr>
<tr>
<td>Years 5</td>
<td>43,362</td>
</tr>
</tbody>
</table>

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

11. ACCESS

11.1 SANParks shall ensure that, for the duration of the PPP Agreement, the Private Party, its guests, employees, agents and invitees have reasonable access to the Project Site, subject to the provisions of the PPP Agreement, SANParks Rules and other regulations, or legislation, which may be in place from time to time.

11.2 In addition the standards, quality and nature of the access routes and control points, in place at the time of the agreement being entered into, will remain the same during the PPP Term.
12. EXCLUSIVITY

The Goudveld Tea Garden PPP opportunity will take place in urban settings, with open public access and no exclusivity. The Area must continue to be accessible to the public, although the specific use will be determined by the PPP Agreement.

13. QUALIFYING CRITERIA

13.1 REQUIRED QUALIFICATIONS TO OPERATE THE GOUDVELD TEA GARDEN

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

13.1.1 Financial capacity

13.1.1.1 Given the fact that both projects are 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 minimum asset value of the interested parties for the Goudveld Tea Garden PPP opportunity must be R55,000,00 ("Fifty-Five Thousand Rands").

13.1.1.2 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.

13.1.2 Food and Beverage as well as Tourism Industry experience

The projects are likely to require interested parties with substantial experience and expertise in the food and beverage services sector and in other similar tourism markets. A minimum two-year experience in operating such an activity will be required and this equates to a minimum of two years’ experience in the tourism industry. Interested parties are therefore required to provide examples of similar or related projects conducted by

The interested bidder must have either:
13.1.2.1 An extensive experience of two years in operating water based or similar activity coupled with registration with the relevant accreditation bodies as well as the relevant Licences.

13.1.2.2 Accreditation by at least one ("1") of the recognised Tourism bodies.

13.1.2.3 The bidder must also demonstrate exceptional knowledge and expertise pertaining to safety and emergency standards required to operate such kind of adventure tourism operations.

13.1.2.4 A minimum of 2 years’ experience in the tourism industry. This criterion may be met with reference to one of the Bidding Company’s parent shareholders or partners, provided that the parent involved holds at least 20% of total company equity or interest.

14. **SUMMARY PROJECT TIMETABLE**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Advertisements</td>
<td>14&lt;sup&gt;th&lt;/sup&gt; September 2017</td>
</tr>
<tr>
<td>Due Diligence Meeting &amp; Site Visit</td>
<td>27&lt;sup&gt;th&lt;/sup&gt; September 2017</td>
</tr>
<tr>
<td>Question and answers (Response to all questions)</td>
<td>6&lt;sup&gt;th&lt;/sup&gt; October 2017</td>
</tr>
<tr>
<td>Bid Submissions</td>
<td>27&lt;sup&gt;th&lt;/sup&gt; October 2017</td>
</tr>
<tr>
<td>Bid Evaluation</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; November 2017</td>
</tr>
<tr>
<td>Announcement of Preferred and reserve bidder</td>
<td>11&lt;sup&gt;th&lt;/sup&gt; November 2017</td>
</tr>
<tr>
<td>Bid Adjudication</td>
<td>14&lt;sup&gt;th&lt;/sup&gt; November 2017</td>
</tr>
<tr>
<td>Negotiations</td>
<td>12&lt;sup&gt;th&lt;/sup&gt; November 2017</td>
</tr>
<tr>
<td>Ratification by the SANParks Executive Management</td>
<td>24&lt;sup&gt;th&lt;/sup&gt; November 2017</td>
</tr>
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</table>
## SUMMARY PROJECT TIMETABLE FOR THE GOUDVELD TEA GARDEN TOURISM PPP OPPORTUNITY

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of PPP Agreement</td>
<td>30th November 2017</td>
</tr>
</tbody>
</table>