PPP Opportunity
Letaba Concession and Phalaborwa Safari Lodge
7 August 2019
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A. Brief background of SANParks
B. PPPs in Protected Areas & SANParks
C. Key attributes of PPPs
D. Overview and key bid requirements of the following opportunities:
   - Phalaborwa Safari Lodge
   - Letaba Concession
E. How to complete the bids
F. Communication and important dates
G. Open forum, discussion and questions

- Arrival coffee / biscuits @ 07h30
- Mid-morning coffee / snacks @ 10h00
- Lunch @ 13h00
A. Brief background on SANParks
A. Brief Background of SANParks

- SANParks is a state run Conservation body
- Manage a system of National Parks:
  - 19 National Parks, i.e. Kruger & Table Mountain National Parks
  - Over 4 million Hectares of land across 6 Biomes
- Core Functions:
  - Sustainable Conservation;
  - Socio-economic Transformation; and
  - Diverse and Responsible Tourism
    - State run tourism infrastructure
    - Public-Private Partnerships (PPP) are a key contributor to our ecotourism mandate
    - 7500 beds (from budget to 5-star) and another 7500 camping beds
B. PPPs in Protected Areas
B. PPPs in Protected Areas

“To reduce the dependence on state funding and improving existing operational efficiencies.”

• Parks in remote areas / unlock potential for decent job creation
• Global: Conservation bodies looking for smarter ways of funding
• SANParks – connect to society through Responsible Tourism (Vision 2020)
  – Community (People)
  – Business (Profit)
  – Conservation (Planet)
B. PPPs in SANParks

- SA has leading legislation – PFMA Regulation 16.10
- SANParks is an established player in PPP’s:
  - Lodge Concessions
  - Retail & various restaurants
  - Activities
- SANParks:
  - Over 50 PPP contracts implemented

- Infrastructure development & refurbishment
- Additional beds in 5 star segment
- Improved efficiencies
- Enhanced visitor experience
- > 2000 jobs created through PPPs
- Local community shareholding
- Increased SMME spend
C. Key attributes of PPPs
C. Understanding PPPs – Commercialise (PPP) vs Privatise

• Privatise → Assets are sold

• Commercialise (PPP):
  - Assets are leased for a period of time (PPP)
  - Risk Transfer (broad reason for PPP):
    - Commercial risk (market, capital, operation,..) *e.g. restaurants, airport (site) to Private Party*
    - Brand alignment, reputation etc. joint – Conservation + marketing = demand.

• Balanced & fair relationships are critical → “Partnership” understanding Private and Public sector objectives
D. Overview and key bid requirements of the following opportunities:
- Phalaborwa Safari Lodge and
- Letaba Concession
D. PPP Opportunity – Phalaborwa Safari Lodge

Principle contractual terms:

• 25 year operating term
• Phalaborwa Safari Lodge (Private Party responsibility and 3 to 4 star grading) - BOT
  – Environmental authorization (EIA process)
  – Build Lodge
    • Minimum of 50 beds, maximum of 200 beds (in line with Low Intensity Leisure zoning as well as suitable area available)
    • Could include rooms, conference facility, lounge area, small restaurant area for exclusive use by lodge occupants, small retail space and pool area.
    • Bed numbers to include staff beds for essential staff
  – Operate the lodge
  – Transfer to SANParks after contract term
    • Paid depreciated value (straight line)
Location:

- North-east of Phalaborwa gate
- Approximately 7 kilometres from the gate
- Visual impact to be mitigated
D. PPP Opportunity – Phalaborwa Safari Lodge

Principle contractual terms:

• The objective of the lodge is to provide comfortable but low impact accommodation in National Parks. The greener, the higher the design will score in evaluation.

• Activities from the lodge will be minimal as the Phalaborwa Activity hub is close-by

• Activities could include:
  – Game drives from the lodge (mainly on general public roads) and
  – Short walks (in an area to be identified and approved by SANParks).

• Park and ride area at gate (to be proposed and developed by Private party) – transfers to Safari Lodge

• SANParks solely responsible for conservation management of area
D. PPP Opportunity – Phalaborwa Safari Lodge

Principle contractual terms:

• 24 month Development Period, after which operation of the Phalaborwa Safari Lodge will be deemed to have commenced

• PPP Fee due to SANParks, highest of:
  (1) Minimum rental / PPP Fee or
  (2) Percentage of turnover – bid percentage forms part of the scoring (sealed envelope)

Fees paid on a monthly basis and reconciled at year-end based on actual turnover.

• Conservation fees and contribution to the Community Fund to be paid by Operator (currently 1% of fees charged per person, but is subject to change)
D. PPP Opportunity – Letaba Concession

Principle contractual terms:

• 25 year operating term
• Letaba Concession - BOT
  – Environmental authorization (EIA process)
  – Build Lodge (SANParks to approve final model)
    • Maximum of 50 guest beds
    • Fully catered product – Main camp and fly camps can be developed as luxury lodge or activity lodge (must consider cooling if activity fly camps are proposed).
    • Maximum of 30 beds for staff
  – Operate the lodge
  – Transfer to SANParks after contract term
    • Paid depreciated value (straight line)
Location:

- 15 000 hectares south of the Letaba river
- Within parallel line 2 kilometres from the western fence, the H9 and H14 roads but west of the imaginary line linking Shimuwini camp with the H14
- Road on western boundary can be used for access
D. PPP Opportunity – Letaba Concession

Principle contractual terms:

• Luxury 5 star lodge or lodge used for activities in area
• Exclusive traversing to approximately 15000 hectares
• Greening of the lodge in line with SANParks greening principles
• Activities include:
  – Game viewing (day and night drives), walks in the concession area (guides to have relevant qualifications), bush braais, sleep-outs, astronomy talks, tribal dancing, drumming and equestrian activities
• Laundry will be allowed on-site but preferable to do this in Phalaborwa
• SANParks solely responsible for conservation management of area
D. PPP Opportunity – Letaba Concession

Principle contractual terms:

- 24 month Development Period, after which operation of the Phalaborwa Safari Lodge will be deemed to have commenced

- PPP Fee due to SANParks, highest of:
  1. Minimum rental / PPP Fee or
  2. Percentage of turnover – bid percentage forms part of the scoring (sealed envelope)

Fees paid on a monthly basis and reconciled at year-end based on actual turnover.

- Conservation fees and contribution to the Community Fund to be paid by Operator (currently 1% of fees charged per person, but is subject to change)

<table>
<thead>
<tr>
<th>Letaba Concession Development</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>R 600,000</td>
</tr>
<tr>
<td>Year 2</td>
<td>R 700,000</td>
</tr>
<tr>
<td>Year 3 – end of contract period</td>
<td>R 800,000</td>
</tr>
</tbody>
</table>
D. PPP Opportunity – Letaba Concession

Special requests for the Letaba concession:

- Equestrian activity (max number of orses will be allowed – currently 24 but might be increased slightly)

- Dry river bed driving (overarching SOP to be developed, entry and exit points to be managed through the relevant EMP)

  Approval has not yet been received officially but from feedback it seems likely to be granted with conditions. Feedback will follow soon.

- Reopening of water holes

  This was not approved. Private Party may create temporary waterhole in the Letaba riverbed in dry season by grading the sand away (example Tshokwane)
D. PPP Opportunity – Letaba Concession

Principle contractual terms:

• Maintenance of existing 44 kilometers of roads
• An additional 21 kilometers of road may be built
  – This excludes the river bed driving
  – This excludes the dotted road on the map that exists but are in poor condition (can be upgraded by the Private Party for use)
<table>
<thead>
<tr>
<th>Primary Zone</th>
<th>WILDERNESS</th>
<th>REMOTE</th>
<th>PRIMITIVE</th>
<th>LOW INTENSITY LEISURE</th>
<th>HIGH INTENSITY LEISURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Characteristics</td>
<td>Meets the legal definition of Wilderness. Retains an intrinsically wild appearance and character (no infrastructure) or capable of being restored to such.</td>
<td>Retains an intrinsically wild appearance and character (essentially no infrastructure) or capable of being restored to such.</td>
<td>Generally, retains wilderness qualities but with basic self-catering facilities. Access is controlled. Provided access to Remote and Wilderness Zones and can serve as a buffer to them.</td>
<td>The underlying characteristic of this zone is motorised self-drive access to small basic self-catering facilities. The number of visitors is higher than that in the Wilderness, Remote and Primitive zones. Camps have a peaceful feel without large commercial facilities such as shops and restaurants. Access points are without large commercial facilities.</td>
<td>The main characteristic is high-density tourist development node, with commercial amenities, where more concentrated human activities are allowed. Camps have a relatively natural feel whilst providing activities and commercial facilities such as shops and restaurants. Access points may include large commercial facilities.</td>
</tr>
<tr>
<td>Experiential Qualities</td>
<td>Wildness, quiet, remoteness, solitude, serenity, peace, harmony, opportunity for reflection and self-appraisal and awe-inspiring natural characteristics.</td>
<td>Wildness, remoteness, solitude and awe-inspiring natural characteristics.</td>
<td>Relaxing, serenity with minimal impact to experience wilderness qualities</td>
<td>Comfortable facilities in a relatively natural environment.</td>
<td>Comfortable and sophisticated facilities while retaining a relatively natural ambiance.</td>
</tr>
<tr>
<td>Interaction between user groups</td>
<td>None</td>
<td>None to very low.</td>
<td>Low</td>
<td>Moderate to high</td>
<td>High</td>
</tr>
<tr>
<td>Types of Access</td>
<td>Controlled access, guided non-motorised.</td>
<td>Controlled access, guided non-motorised.</td>
<td>Controlled access. Unaccompanied motorised and guided non-motorised.</td>
<td>Motorised self-drive and guided access</td>
<td>Accessible by motorised transport (car / bus) on high volume transport routes, including delivery routes. Air access via commercial airport and airstrips.</td>
</tr>
<tr>
<td>Type of Activities</td>
<td>Facilities</td>
<td>Limits of acceptable change: Biophysical state should be minimized and existing impacts should be reduced.</td>
<td>Limits of acceptable change: Aesthetics and recreational state will not be tolerated.</td>
<td></td>
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<tr>
<td>Limited guided non-motorised activities such as hiking in small groups.</td>
<td>Facilities limited to basic self-catering picnic sites, ablution facilities, information / education centres, parking areas. Small non-commercial entrance gates with basic facilities as well as small self-catering rest camps with ablution facilities. May contain small or seasonal convenience stores or tea gardens. Low spec access roads to provide a more wild experience.</td>
<td>Deviation from a natural / pristine state should be minimized and limited to restrict impact footprints as far as possible. However it is accepted that some damage to the biophysical environment associated with tourist activities and facilities will be inevitable.</td>
<td>Activities which impact on the intrinsically wild appearance and character of the area will be restricted and impacts limited to the site of the facility. Noise and light pollution should be kept to a minimum.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hiking in small guided groups, possibly other guided non-motorised activities.</td>
<td>High-density tourist camps and entrance gates with commercial amenities. Footpaths, transport systems, accommodation, restaurants, curio and refreshments stall, information / education centres. High volume roads.</td>
<td></td>
<td>Activities which impact on the intrinsically wild appearance and character of the area will be restricted and impacts limited to the site of the facility. Noise and light pollution should be kept to a minimum.</td>
<td></td>
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</tr>
<tr>
<td>Hiking, 4x4 drives, game viewing possibly other guided non-motorised activities.</td>
<td>Facilities limited to basic self-catering picnic sites, ablution facilities, information / education centres, parking areas. Small non-commercial entrance gates with basic facilities as well as small self-catering rest camps with ablution facilities. May contain small or seasonal convenience stores or tea gardens. Low spec access roads to provide a more wild experience.</td>
<td>Deviation from a natural / pristine state should be minimized and limited to restrict impact footprints as far as possible. However it is accepted that some damage to the biophysical environment associated with tourist activities and facilities will be inevitable.</td>
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<td></td>
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</tr>
<tr>
<td>Motorised self-drive game viewing, picnicking, guided activities. Low intensity access points.</td>
<td>Facilities limited to basic self-catering picnic sites, ablution facilities, information / education centres, parking areas. Small non-commercial entrance gates with basic facilities as well as small self-catering rest camps with ablution facilities. May contain small or seasonal convenience stores or tea gardens. Low spec access roads to provide a more wild experience.</td>
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</tr>
<tr>
<td>Motorised self-drive game viewing, picnicking, guided activities. Additional sophisticated infrastructure. Larger, organised adventure activities. Dining at restaurants.</td>
<td>Facilities limited to basic self-catering picnic sites, ablution facilities, information / education centres, parking areas. Small non-commercial entrance gates with basic facilities as well as small self-catering rest camps with ablution facilities. May contain small or seasonal convenience stores or tea gardens. Low spec access roads to provide a more wild experience.</td>
<td>Deviation from a natural / pristine state should be minimized and limited to restrict impact footprints as far as possible. However it is accepted that some damage to the biophysical environment associated with tourist activities and facilities will be inevitable.</td>
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<tr>
<td>undeveloped and roadless.</td>
<td>Small, basic self-catering. Distributed to avoid contact between users or limited concessions with limited numbers. 4x4 routes &amp; guided hiking trails.</td>
<td>Deviation from a natural / pristine state should be minimized and limited to restrict impact footprints as far as possible. However it is accepted that some damage to the biophysical environment associated with tourist activities and facilities will be inevitable.</td>
<td>Activities which impact on the intrinsically wild appearance and character of the area will be restricted and impacts limited to the site of the facility. Noise and light pollution should be kept to a minimum.</td>
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6.6.4 Low Intensity Leisure zone

Objectives

The objective of this tourist-orientated zone is to provide infrastructure for day and overnight visitors in a natural environment. These zones are well patronised areas that provide accessible, safe, natural areas with a range of accommodation and recreational or leisure activities. Group interaction and socialisation are an integral part of the experience, which depends more on the quality of the facilities provided than on a completely natural environment. Impacts on the surrounding areas are restricted through intensive landscaping and vegetation management. Limited, sympathetic development is permitted in these areas, linked specifically to tourism, recreation and management of the park.

While large game viewing areas may be zoned LIL as placeholders to allow for flexibility in siting new camp developments, in reality, development footprints should be localised, with some areas having more of a primitive zone “feel”.

Characteristics

The underlying characteristic of this zone is motorised self-drive access, with a range of accommodation options from basic self-catering facilities to luxury concession lodges. Small or seasonal commercial or catered facilities could be accommodated; however, these should be small and still align with the general ambiance of the zone. Numbers of visitors are higher than in the remote and primitive zones. Relatively comfortable facilities are positioned in the landscape retaining an inherent natural and visual quality, which enhances the visitor experience of a more natural and mostly self-providing experience. Access roads are low key, gravel roads and / or tracks to provide a more natural experience. Large busses may be permitted subject to certain restrictions. Major facilities along roads are generally limited to basic self-catering picnic sites with toilet facilities though tourist sites such as bird hides, with or without overnight accommodation, historical sites and other alight-from-vehicle points are also allowed.
Visitor activities and experience

Activities: Self-drive motorised game viewing, guided game drives, picnicking, walking / hiking, cycling.

Interaction with other users: Moderate to high

Limits of acceptable change

Biophysical environment: Deviation from a natural / pristine state should be minimised and limited to restricted impact footprints as far as possible. However, it is accepted that some damage to the biophysical environment associated with tourist activities and facilities will be inevitable.

Aesthetics and recreational environment: Although it is inevitable that activities and facilities will impact on the wild appearance and reduce the wilderness characteristics of the area (solitude, remoteness, wilderness, etc.), these should be managed and limited to ensure that the area still provides a relatively natural outdoor experience.

Facilities

Type and size: A range of small to medium self-catering (including camping) and catered accommodation options (<360 beds). Camps have a peaceful feel without large commercial facilities such as shops and restaurants. Additional facilities could include swimming pools. Trails for 4x4 vehicles can also be provided. Small or seasonal (facilities are only open as required or during peak season) commercial facilities, such as kiosks or tea gardens as well as tented concession camps could be provided. However, these should still fall within the general ambience of the zone. Larger commercial facilities and larger concession restaurant operators (e.g. Cattle Barons, Mug-and-Bean), should rather be placed in the High Intensity Leisure (HIL) zone.

Sophistication of facilities: Mostly comfortable self-contained self-catering accommodation units with bathroom facilities. Luxury catered options may also be accommodated. Low impact campsites mostly include ablution and kitchen facilities but with limited additional facilities. Tourist facilities should not include permanent commercial facilities such as shops, convenience stores or restaurants.

Audible equipment and communication structures: Cell phone coverage in vicinity of camps. Code of use for cell phones and radios required to retain relative level of solitude.

Access and roads: Motorised self-drive sedan car access (traditional game viewing) on designated gravel roads. Large busses are restricted to high volume roads designed to accommodate them. These roads are dictated as such.
Environmental and Technical Considerations
Environmental Authorisation

• Operator to undertake an environmental authorisation process for the developments at their own cost

• Operator’s responsibility to appoint an independent Environmental Assessment Practitioner (EAP) to conduct the environmental approval process with the competent authority

• Operator to operate in accordance with:
  – Environmental Guidelines for Operator’s Operation within The South African National Parks
  – Any site specific requirements identified by SANParks
  – EMP development (will form part of the environmental authorisation)
  – OMP, which must guide daily operations including safety and security, emergency procedures, reporting procedures in cases of incidents, procedures for conducting guided walks and drives etc.
**Environmental Control Officer**

- As per the regulatory process, an Environmental Control Officer (ECO) must be appointed for the duration of this PPP opportunity (at cost to the Operator) – to conduct quarterly audits of the Lodge Area and to ensure compliance against the environmental authorisation.

- Operator will be obligated to correct and implement any findings of environmental compliance monitoring activities and audits.

- The Environmental Manager and local Section Ranger will also conduct site inspections from time to time.
Environmental Guidelines Overview

- Operator to commit to comply with each of the requirements specified, operate in compliance with regulatory provisions and in an environmentally responsible manner

- **Code of Conduct:**
  - Operator to comply with KNP Code of Conduct
  - Induct staff on Code of Conduct
  - Provide guests with Code of Conduct

- **Natural Environment Manipulation:**
  - Selective brush clearing may be allowed at the Sites, subject to approval by SANParks

- **Bulk Infrastructure:**
  - Operator to provide detail on bulk infrastructure requirements and sources (electricity / water)
  - Commitment to implement measures to reduce energy and water usage
  - No laundry may be washed onsite at the Phalaborwa Safari Lodge – service providers outside of KNP to be used. Laundry may be done at the Letaba Concession whilst it is still preferable to use an operator in Phalaborwa
Environmental Guidelines Overview

- **Waste Management:**
  - No waste disposal onsite, with possible exception of grey water (depending on impact on insitu material)
  - Animal-proof recycle bins to be provided
  - Waste to be disposed of at an authorised solid waste site, outside the KNP
  - Waste management guidelines provided for Liquid, Chemical and Solid Waste, which Operator must commit to adhere to, i.e.
    - On-site separation of solid waste
    - Undertaking to not use the following in outside seating and eating areas as this pollutes the park:
      - Sachets (for sugar, tomato sauce, salt and pepper, etc.)
      - Paper serviettes;
      - Butter tubs/pads, plastic straws or plastic cutlery
    - Continuously strive towards eliminating plastic water bottles and single-use plastics in their operations
Environmental Guidelines Overview

• Pest Control:
  – Compliance with SANParks’:
    • Integrated Pest Management Plan
    • Bat Management Plan
    • Chemical use

• Visual Impacts:
  – Operator must undertake to implement mitigation measures in order to reduce the visual impact in the park. A description of efforts the Bidder intends to undertake to minimise visual impacts must be provided

• Monitoring:
  – Cooperate with SANParks in compiling a monitoring checklist that encompasses all environmental conditions
  – 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
KNP – Technical Requirements
Roads and Tracks

- Operator to construct an access road from the nearest tourist road to the Project Site, which must adhere to the SANParks Road Classification and restrictions on road carrying capacities
  - For the Phalaborwa Safari Lodge this will be to the S131
  - Final classification of the road type will be confirmed by SANParks, depending on the Operator’s requirements and the outcome of the environmental authorisation
- Operator solely responsible for all costs to construct and maintain the access road (for Phalaborwa Safari Lodge) and all roads on the concession area (Letaba Concession) for the Project Term
- Construction of roads and subsequent maintenance activities are subject to approval by SANParks
Water

• Provision should be made for the drilling and registering of a new borehole/s at the selected Project Site, subject to approval by SANParks and any limitations imposed by SANParks

• “Subject to approval by SANParks, for new water abstraction points, the Operator needs to apply for a water use licence, in line with regulatory requirements”
  
  – Current regulatory requirements:
    
    • If the usage from a surface water source > 50 000l/day, then a water use licence is required
    • If the usage from a borehole > 10 000l/day, then a water use licence is required
    • If the usage as indicated below is less than 10 000 l/day, then no water use licence is required

• Operator responsible for procuring, installing and maintaining all necessary equipment

• Operator to treat water to ensure that the quality of the water complies the with safe drinking water (SANS 241) standards

• Operator to install bulk water meters and pay for water use in accordance with the rates specified in the latest approved KNP Tariffs document
Waste Disposal

- Solid waste to be sorted and separated on-site
- Solid, chemical or black water waste to be disposed outside of the KNP
- Grey water could possibly be discharged through soak-aways (double fat traps to be installed for kitchen facilities before soak-away), subject to further investigation of impact on insitu material
Electricity

- Operator to preferably install solar energy
- Operator permitted use of a diesel generator with a low decibel rating, subject to approval by SANParks
- If diesel generators are used, diesel tanks to be installed in bund walls to prevent any diesel spillages. A diesel spillage SOP will need to be put in place
- Certificate of compliance to be issued for all electrical works
Risk Management

- Operator to conduct full risk assessment for the Project Site and develop appropriate emergency response plans, subject to approval by SANParks

- Risk assessments must include:
  - Fire risk assessment
  - Flood risk assessment

- Fire fighting equipment to be kept onsite – Operator may only control fires that threaten the immediate surrounds of the Safari Lodge and/or to save human life or property
Telecommunications

- Operator will be responsible for arranging mobile communication infrastructure for the operation of the facility
- 24/7 communication network to be provided, in the case of emergency or dangerous situations arising
- A repeater system could be installed at the site and SANParks’ existing radio towers could possibly be used. If such a system is approved and implemented, radio frequencies used by the Operator must not interfere with KNP radio frequencies
- Implementation of any radio communication infrastructure is subject to approval by SANParks
Key bid requirements
**Identity of Bidders**

- Single Company / unincorporated Joint Venture / Trust
- Public Institutions are excluded
- Special Purpose Vehicle (SPV) to be constituted for sole purpose of implementing the project (one SPV to contract with SANParks)
- Bid submission to set out in detail the structure of the entity
- SPV legally constituted before signature of PPP Agreement
Bidders Qualification Criteria – Phalaborwa Safari Lodge

- Financial Capacity:
  - Minimum Net Asset Value: R50 million

- Financial Requirements:
  - Audited financial statements corresponding to the last two (2) years

- Tourism Experience:
  - Must have operated a minimum of 100 rooms / 200 beds for at least 3 years
  - Must have a well-recognised brand in the lodge industry
  - Technical partner meeting these requirements must hold at least 30% shares in SPV

- B-BBEE Qualification Criteria - Enterprise Development (ED):
  - Commitment to implement at least eight (8) ED programs over the duration of the contract
Bidders Qualification Criteria – Letaba Concession

- **Financial Capacity:**
  - Minimum Net Asset Value: R20 million
- **Financial Requirements:**
  - Audited financial statements corresponding to the last two (2) years
- **Tourism Experience:**
  - Must have operated an eco-tourism facility of at least 30 beds for at least 3 years OR
  - Must have operated a conventional hotel of at least 200 beds for at least 3 years and have a firm association with an eco tourism operator (30 % shareholding)
  - Technical partner meeting these requirements must hold at least 30% shares in SPV
- **B-BBEE Qualification Criteria - Enterprise Development (ED):**
  - Commitment to implement at least eight (8) ED programs over the duration of the contract
Evaluation

The three main elements and the two-Envelope system:

• Bids will be evaluated on three main elements:
  – Functionality
  – B-BBEE
  – PPP Fee Offer

• Envelope 1 – Functionality (including B-BBEE Proposal for the SPV) – 70% overall threshold to be achieved and at least 50% per element

• Envelope 2 – Existing B-BBEE rating of Bidder + PPP Fee Offer – only opened if minimum thresholds are met
E. How to complete bids
Contents of Bid Submissions

• Envelope 1 – Functionality *(Original plus memory stick)*
  – Section 1A – Qualification Submissions
  – Section 1B – Information on Bidders
    • SPV Information
    • Letter waiving rights to restrain tender
    • Original valid tax clearance certificate
    • Original signed copy of PPP Agreement
    • Original Bid Bond (R150 000 – refundable if unsuccessful. If successful replaced by Performance Bond of R 1 500 000)
  – Section 2 – Financing & Capital Plan
  – Section 3 – Business & Operational Plan
  – Section 4 – Development & Environmental Plan
  – Section 5 – Risk Matrix
  – Section 6 – B-BBEE Proposal
Contents of Bid Submissions

• Envelope 2 – Existing B-BBEE Rating and PPP Fee Offer
  – Existing B-BBEE Rating
    • For Bidders that are bidding as a consortium:
      – B-BBEE certificate of the majority shareholder in the consortium will be used for evaluation of the Bidder’s existing B-BBEE rating; or
      – In the case of a signed JV Agreement between the shareholders in the consortium, a JV B-BBEE certificate must be submitted.
    – Original PPP Fee Offer (Section 7)
      • PPP Fee Offer must *not* be included on the memory stick
      • PPP Fee Offer must *not* be disclosed in the Functionality Envelope

• General
  – Envelopes clearly marked with bid cover sheets provided in Annexure 1
  – Bids must be valid for 120 business days from Bid Date
  – Submission of a bid implies that Bidders understands and acknowledges the terms and conditions
  – Incomplete bids shall be disqualified
  – Unsuccessful bidders will have their Bid Bonds returned to them
Functionality Evaluation

• Functionality – score at least 70% overall

<table>
<thead>
<tr>
<th>Elements</th>
<th>Financing and Capital Plan</th>
<th>Business and Operational Plan</th>
<th>Development and Environmental Plan</th>
<th>Risk Matrix</th>
<th>B-BBEE Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight</td>
<td>15%</td>
<td>45%</td>
<td>15%</td>
<td>5%</td>
<td>20%</td>
</tr>
<tr>
<td>Minimum Threshold</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>As per B-BBEE Proposal</td>
</tr>
</tbody>
</table>

• Note: where an undertaking / acknowledgment is requested, this must be given in the Bid Submission
Functionality Evaluation

• Example – excerpt from RFP:

24.4 Code of Conduct

24.4.1 The Operator undertakes to induct all staff employed on the Kruger National Park’s and Garden Route National Park’s Code of Conduct.

24.4.2 The Operator confirms that the Code of Conduct is understood and will be complied with.

• Example – compliant submission:

24.4 Code of Conduct

24.4.1 Should the XXX SPV be successful in this bid, we undertake to induct all our staff on the Kruger National Park’s Code of Conduct.

24.4.2 The XXX SPV confirms that the Code of Conduct is understood and will be complied with, should we be successful in this bid.
Functionality Evaluation

• Example – excerpt from RFP:

24. ANNEXURE 3.1 – BUSINESS, OPERATIONAL AND DESIGN PLAN

The Business, Operational and Design plan comprises of 55% of the Functionality score with Functionality comprising 85% of the total score;

The following outlines the evaluation criteria that will be used:

24.1 Experience of the Operator (weighting 25%)

24.1.1 Outline your experience in running workshops (weighting 40%)

24.1.2 Outline your experience in relation to Emergency Road Services (weighting 10%)

24.1.3 Provide detailed information on the variety of vehicles that you have worked on – specific reference to the vehicles worked on whilst you were accredited to service them (weighting 15%)

24.1.4 Provide detail on the workshop operated with specific reference on the number of staff employed (weighting 15%)
Functionality Evaluation

24. ANNEXURE 3.1 – BUSINESS, OPERATIONAL AND DESIGN PLAN

The Business, Operational and Design plan comprises of 55% of the Functionality comprising 85% of the total score;

The following outlines the evaluation criteria that will be used:

24.1 Experience of the Operator (weighting 25%)

24.1.1 Outline your experience in running workshops (weighting 40%)

24.1.2 Outline your experience in relation to Emergency Road Services (weighting 15%)

24.1.3 Provide detailed information on the variety of vehicles that you have taken reference to the vehicles worked on whilst you were accredited to (weighting 15%)

24.1.4 Provide detail on the workshop operated with specific reference to the variety of vehicles employed (weighting 15%)
B-BBEE Proposal
Background

- Tourism PPPs provide an opportune mechanism to promote transformation, job creation and skills development, particularly for Local Communities surrounding the National Parks

- PPP Toolkit provided for a BEE Proposal (based on the Tourism BEE Charter, 2005), which set targets for the Private Party to meet for transformation and local economic development

- SANParks has updated the B-BBEE Proposal, based on the Amended Tourism B-BBEE Sector Code, with additions for:
  - Local Community ownership
  - Job opportunities for people from Local Communities
  - Local procurement and development
B-BBEE Proposal
Overview
Five main elements, namely:

• Ownership
• Management Control (includes Employment Equity)
• Skills Development
• Enterprise and Supplier Development (which includes Preferential Procurement)
• Socio-economic Development

Each element consists of categories and associated criteria. Each criterion has a weighting and target.
### B-BBEE Proposal

**Overview**

Example of B-BBEE Category, weighting and target:

<table>
<thead>
<tr>
<th>Definition</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B-BBEE Element</strong></td>
<td><strong>B-BBEE Element:</strong> Enterprise &amp; Supplier Development</td>
</tr>
<tr>
<td><strong>Category:</strong> Sub-element of B-BBEE Element</td>
<td><strong>Category:</strong> Preferential Procurement</td>
</tr>
<tr>
<td><strong>Criteria:</strong> Principles against which entity is measured</td>
<td><strong>Criteria:</strong> Spend from 51% Black Owned Empowering Suppliers</td>
</tr>
<tr>
<td><strong>Weighting:</strong> Relative importance of criteria</td>
<td><strong>Weighting:</strong> 9</td>
</tr>
<tr>
<td><strong>Target:</strong> Scenario of recommend level for compliance</td>
<td><strong>Target:</strong> 40%</td>
</tr>
</tbody>
</table>
# B-BBEE Proposal

## Enterprise Types

<table>
<thead>
<tr>
<th>Enterprise Type</th>
<th>Total Annual Revenue of SPV</th>
<th>B-BBEE Scorecard &amp; Thresholds</th>
</tr>
</thead>
</table>
| Exempted Micro Enterprises (EME) | ≤ R5 million                | • No scorecard  
• SPV to submit sworn affidavit / CIPC certificate on annual basis  
• In bid, confirmation that anticipated SPV revenue ≤ R5 million (*wording provided in RFP*)                                                                 |
| Qualifying Small Enterprises (QSE) | > R5 million but < R45 million | • Qualifying Small Enterprise Scorecard  
• Minimum threshold: 80 points (79%), equivalent to a Level Four Contributor                                                                                       |
| Large Enterprises                | ≥ R45 million               | • Large Enterprise Scorecard  
• Minimum threshold: 90 points (81%), equivalent to Level Three Contributor                                                                                     |
## B-BBEE Proposal Scorecard Summary

<table>
<thead>
<tr>
<th>Element</th>
<th>Large Enterprise Weighting</th>
<th>QSE Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>27 points</td>
<td>26 points</td>
</tr>
<tr>
<td>Management Control</td>
<td>19 points (+2 bonus)</td>
<td>15 points (+2 bonus)</td>
</tr>
<tr>
<td>Skills Development</td>
<td>20 points (+5 bonus)</td>
<td>25 points (+5 bonus)</td>
</tr>
<tr>
<td>Enterprise and Supplier</td>
<td>40 points (+2 bonus)</td>
<td>30 points</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Socio-economic Development</td>
<td>5 points (+3 bonus)</td>
<td>5 points (+3 bonus)</td>
</tr>
<tr>
<td>Total</td>
<td>111 points (+12 bonus)</td>
<td>101 points (+10 bonus)</td>
</tr>
</tbody>
</table>
**B-BBEE Proposal**

**Commitments and Scoring**

- Bidders to make commitments in the ‘bid offered’ column and insert scores in the far right column
- If bid offer is:
  - Less than target, score must be weighted accordingly
  - Equal or more than target, full points will be scored
  - For example:

<table>
<thead>
<tr>
<th>Element</th>
<th>Indicator</th>
<th>Measurement Category &amp; Criteria</th>
<th>Weighting Points</th>
<th>Compliance Targets</th>
<th>Bid Offered</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Economic Interest</td>
<td>Economic Interest in the entity to which Black People are entitled</td>
<td>4</td>
<td>30%</td>
<td>20%</td>
<td>2.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economic Interest in the entity to which Black Women are entitled</td>
<td>2</td>
<td>15%</td>
<td>20%</td>
<td>2</td>
</tr>
</tbody>
</table>

Less than target, only score 2/3 of 4 points

Above target, score full 2 points
B-BBEE Proposal
Definitions and Measurements

- Consistent with the *Amended Tourism Sector Code*, unless otherwise stated.
- Additional definitions:

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

  b) **Local** - A geographic area specified by SANParks, being within a 100 km reach of the boundary of the Protected Area fence (but excluding boundaries to the neighbouring countries), or as otherwise specified by SANParks.

- Additional measurements in scorecard for Local Communities:

  **Ownership:** 10% minimum shareholding by Local Community Trust

  **Employment:** People from Local Community at various levels

  **Preferential Procurement:** Procurement from Local EMEs and QSEs

  **Enterprise & Supplier Dev:** Support of Local Entities / Suppliers

  **Socio-economic Dev:** Activities to take place in Local Communities

*NB: no engagement with Local Communities until after award to Preferred Bidder*
B-BBEE Proposal
Definitions and Measurements

• For Large Enterprises, the demographic representation of Black People as defined in the Regulations of Employment Equity Act and CEE report are applicable to the calculation of scores

• In summary, targets are split based on race and gender, based on either National or Provincial demographics:
  – African male
  – African female
  – Coloured male
  – Coloured female
  – Indian male
  – Indian female

• Applicable to specified Management Control and Skills Development categories
B-BBEE Proposal
Definitions and Measurements

Example implementation of National Economically Active Population (EAP):

<table>
<thead>
<tr>
<th>Element</th>
<th>Indicator</th>
<th>Measurement Category &amp; Criteria</th>
<th>Weighting Points</th>
<th>Compliance Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Control</td>
<td>Senior Management</td>
<td>Black Employees in Senior Management as a % of all Senior Management</td>
<td>2</td>
<td>60%</td>
</tr>
</tbody>
</table>

- Assuming company has 10 employees at Senior Management:

<table>
<thead>
<tr>
<th>Level of Management</th>
<th>Number of Proposed Employees per Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African Male</td>
</tr>
<tr>
<td>Senior</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>30%</td>
</tr>
</tbody>
</table>
### B-BBEE Proposal

**Definitions and Measurements**

1. Determine whether National or Provincial EAP applies for SPV:

<table>
<thead>
<tr>
<th>Population Group</th>
<th>National EAP</th>
<th>Adjusted EAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African Male</td>
<td>African Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Coloured Male</td>
<td>Coloured Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Indian Male</td>
<td>Indian Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>White Male</td>
<td>White Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>42.70%</td>
<td>46.97%</td>
</tr>
<tr>
<td></td>
<td>35.80%</td>
<td>39.38%</td>
</tr>
<tr>
<td></td>
<td>5.20%</td>
<td>5.72%</td>
</tr>
<tr>
<td></td>
<td>4.40%</td>
<td>4.84%</td>
</tr>
<tr>
<td></td>
<td>1.70%</td>
<td>1.87%</td>
</tr>
<tr>
<td></td>
<td>1.10%</td>
<td>1.21%</td>
</tr>
<tr>
<td></td>
<td>5.10%</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>4.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>


2. Calculate proportion of each race and gender group for Black People only:

<table>
<thead>
<tr>
<th>Population Group</th>
<th>Adjusted EAP</th>
<th>National EAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African Male</td>
<td>African Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Coloured Male</td>
<td>Coloured Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Indian Male</td>
<td>Indian Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>White Male</td>
<td>White Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>46.97%</td>
<td>42.70%</td>
</tr>
<tr>
<td></td>
<td>39.38%</td>
<td>35.80%</td>
</tr>
<tr>
<td></td>
<td>5.72%</td>
<td>5.20%</td>
</tr>
<tr>
<td></td>
<td>4.84%</td>
<td>4.40%</td>
</tr>
<tr>
<td></td>
<td>1.87%</td>
<td>1.70%</td>
</tr>
<tr>
<td></td>
<td>1.21%</td>
<td>1.10%</td>
</tr>
<tr>
<td></td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

3. Calculate the relevant target and points in proportion to race and gender for Senior Management *(Overall Target: 60%, Total Points: 2)*:

<table>
<thead>
<tr>
<th>Per race / gender group</th>
<th>Population Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Coloured Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Indian Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>White Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Split Target</td>
<td>28.18%</td>
</tr>
<tr>
<td>Max Points</td>
<td>0.94</td>
</tr>
</tbody>
</table>

   *Split Target = Adjusted EAP x Overall Target → 39.38% x 60% = 23.63% Split Target*

   *Max Points = Adjusted EAP x Total Points → 39.38% x 2 = 0.79 Maximum Points*
B-BBEE Proposal
Definitions and Measurements

4. Calculate the points scored:

<table>
<thead>
<tr>
<th>Per race / gender group</th>
<th>Population Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African Male</td>
</tr>
<tr>
<td>Split Target</td>
<td>28.18%</td>
</tr>
<tr>
<td>Actual</td>
<td>30.00%</td>
</tr>
<tr>
<td>Max Points</td>
<td>0.94</td>
</tr>
<tr>
<td>Points Scored</td>
<td>0.94</td>
</tr>
</tbody>
</table>

If Actual % of demographic group is greater than target, then Maximum Points scored. Points scored cannot exceed maximum points.

Total points scored: 1.75 / 2.00

<table>
<thead>
<tr>
<th>Element</th>
<th>Indicator</th>
<th>Measurement Category &amp; Criteria</th>
<th>Weighting Points</th>
<th>Compliance Targets</th>
<th>Bid Offered</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Control</td>
<td>Senior Management</td>
<td>Black Employees in Senior Management as a % of all Senior Management</td>
<td>2</td>
<td>60.00%</td>
<td>52.20%</td>
<td>1.75</td>
</tr>
</tbody>
</table>
B-BBEE Proposal Scorecard

• Complete only the relevant scorecard, based on anticipated SPV annual revenue
  – Large Enterprise; or
  – Qualifying Small Enterprise

• Supporting documentation to be provided, to enable thorough evaluation of commitments

• External B-BBEE Verification
  – Preferred Bidder will need to achieve commitments on an annual basis throughout Project duration
  – SPV to provide SANParks with certificate verifying B-BBEE status on an annual basis
  – Default may result in termination of PPP Agreement
Questions on B-BBEE Proposal?
Land Claimant involvement
Land Claimant involvement

- Free 10% equity
- 30% paid equity
  - Land Claimants happy with business model then
    - Contribute 30% of capital requirements
    - Increase equity share to 40%
Final Evaluation
Final Bid Evaluation Weighting

- All Operators that comply with the minimum thresholds for Functionality will continue to final round of evaluation

- Provisions of the Preferential Procurement Policy Framework Act & Regulations 2017 will apply

- As per the PPPFA & Regulations 2017, Objective criteria will be applied, which may result in the contract being awarded to a bidder that did not score the highest points:
  - To broaden participation in PPPs, SANParks will give preference to Bidders that have less than five PPP contracts with SANParks.

- PPP Offer = 80%
  - % of gross revenue committed

- B-BBEE = 20%
**Final Bid Evaluation Weighting**

- **B-BBEE = 20%**

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
</tr>
</tbody>
</table>
F. Communication

- No verbal communication with ANY SANParks member will be regarded as official.
- Only written communication to and from the SANParks Project Officer will be official.
- All questions aimed at these opportunities must be channelled via the Project Officer.
- All questions and answers will be equally distributed to all Bidders.
- Project Officer – James Daniels (james.daniels@sanparks.org)
## F. Important Dates

<table>
<thead>
<tr>
<th>EVENT</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidders Conference</td>
<td>7 August 2019</td>
</tr>
<tr>
<td>Submission of Written Comments and Questions by Bidders</td>
<td>19 August 2019</td>
</tr>
<tr>
<td>Distribute Minutes of Conference Qs and As</td>
<td>26 August 2019</td>
</tr>
<tr>
<td>Tender Submissions</td>
<td>11 October 2019 (before 11am)</td>
</tr>
<tr>
<td>Bid Evaluation</td>
<td>TBC’d</td>
</tr>
<tr>
<td>Bid Adjudication</td>
<td>TBC’d</td>
</tr>
<tr>
<td>Contract Award</td>
<td>TBC’d</td>
</tr>
</tbody>
</table>
G. Open forum, discussion and questions