



Request for Expression of Interest

Request for Expression of Interest issued by the Kouga Local Municipality in respect of a proposed Development Proposal(s) for:-

The Design, Finance, Construction, Maintenance and Operation of the Humansdorp Caravan Park, Yellowwoods Day Camping Site.

And

The Design, Finance, Construction, Maintenance and Operation on Long leases not exceeding 25 years:-

Jeffreys Bay Caravan Park, Pellsrus Resort and Jeffreys Bay Golf Course including adjacent Properties surrounding the Golf Course.

CLOSING DATE FOR ACCEPTANCE OF SUBMISSIONS 12h00 (as per Telkom SA Clock: Dial 1026 in RSA) on **...11 July 2014**

Request for Expression of Interest – Kouga Local Municipality

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1 DISCLAIMER

The Kouga Local Municipality (“the Institution”) has issued this Request for Expression of Interest (EOI) document to the public in terms of section 120 of the Municipal Finance Management Act 56 of 2003 and its Regulations.

This document (which expression shall include all other information, written or oral, made available during the Expression of Interest process) is being made available by the Institution to potential Respondents on the condition that it is used solely for the purpose of responding to this Expression of Interest (“EOI”).

This document is provided solely for the purpose set out in this notice and is not intended to form any part or basis of any investment decision by Respondents. The recipient should not consider the document as an investment recommendation by the Institution or any of its advisers. Each person to whom this document (and other later documents) is made available must make his/her own independent assessment of the Project (as hereinafter defined) after making such investigation and taking such professional advice as he/she or it deems necessary.

Neither the receipt of this document or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Respondent or its advisers, is to be taken as constituting the giving of any advice, investment, legal or otherwise by the Institution or its advisers.

Whilst reasonable care has been taken in preparing this EOI and other documents, they do not purport to be comprehensive or true and correct. Neither the Institution nor any of its advisers accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in this EOI or any document issued by the Institution.

No representation or warranty, express or implied, is or will be given by the Institution, or any of its officers, employees, servants, agents or advisers with respect to the information or opinions contained in any document. The Respondents in responding to this EOI, expressly waive any claim/s it has or may have in respect of such representations or warranties, howsoever arising.

The Institution reserves the right to amend, modify or withdraw this EOI (which terminates on announcement of Respondents, if any) process for the Project at any time and

from time to time, without prior notice and without liability to compensate or reimburse any party or person.

The Institution is not obliged to accept any response to this EOI. The Institution reserves the right to reject any or all Responses at any time.

2 INTERPRETATION

2.1 In this EOI, unless inconsistent with or otherwise indicated by the context –

2.1.1 headings have been inserted for convenience only and should not be taken into account in interpreting the EOI;

2.1.2 any reference to one gender shall include the other genders;

2.1.3 words in the singular shall include the plural and vice versa;

2.1.4 any reference to natural persons shall include legal persons and *vice versa*;

2.1.5 words defined in a specific clause shall have the same meaning in all other clauses of the EOI, unless the contrary is specifically indicated;

2.1.6 any reference to the EOI, schedule or appendix, shall be construed as including a reference to any EOI, schedule or

appendix amending or substituting that EOI, schedule or appendix;

2.1.7 the schedules, appendices and Briefing Notes issued pursuant to this EOI, form an indivisible part of the EOI and together with further clarifying and amending information provided by the Institution, constitute the body of EOI documentation which must be complied with by Respondents;

2.1.8 in the event of any inconsistency between this EOI or other earlier information published with regard to the Project, the information in this EOI shall prevail; and

2.1.9 this EOI shall be governed by and construed in accordance with South African law.

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3 DEFINITIONS

In this EOI the following words and expressions shall have the meaning assigned to them below and cognate expressions shall have a corresponding meaning, unless inconsistent with the context:

3.1 “Affordability” means the meaning given in the Treasury Regulations;

3.2 “Institution” means the Kouga Local Municipality;

3.3 “Law” includes the common law, all legislation (National, Provincial, Local and subordinate), regulations, ordinances, proclamations, guidelines and policies applicable in South Africa;

3.4 “MFMA” means the Municipal Finance Management Act 56 of 2003;

3.5 “PPP” means a Public Private Partnership as defined section 120 of the Municipal Finance Management Act 56 of 2003;

3.6 “Private Party” means the preferred bidder who is awarded the tender and concludes the proposed agreement in respect of the Project; and 2.1 “Project” means the development of the Humansdorp Caravan Park or Yellow

Woods Day Camping Site and/or the Design, Finance, Construction, Maintenance and Operation on a Long leases not exceeding 25 years of Jeffreys Bay Caravan Park, Pellsrus Resort and Jeffreys Bay Golf Course including adjacent Properties surrounding the Golf Course or both in partnership with the private sector who would be responsible for the design, construction, operation, maintenance and funding of the Project.

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4 ISSUANCE OF THE EOI

The Institution issues this EOI as part of the Feasibility Study that it is currently being undertaken to investigate the possibility of requesting development proposals for:-

The Design, Finance, Construction, Maintenance and Operation of the Humansdorp Caravan Park, Yellow Woods Day Camping Site

And

The Design, Finance, Construction, Maintenance and Operation on a Long lease not exceeding 25 years:-

Jeffreys Bay Caravan Park, Pellsrus Resort and Jeffreys Bay Golf Course including the adjacent Properties surrounding the Golf Course.

The successful bidder would be responsible for the design, construction, operation, and maintenance and funding of his development proposal and submit business plan.

This EOI is issued in accordance with Section 120 of the Municipal Finance Management Act of 2003 and its Regulations.

This EOI does not form part of the procurement process therefore failure to submit a Response shall not disqualify bidders from participating in the bidding process if the project proceeds to procurement.

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5 PURPOSE OF THE EOI

This EOI has been prepared for the following purposes:-

- To gather information from potential bidders that would assist the Institution in finalising its Feasibility Study;
- To test the commercial viability of developing the Humansdorp Caravan Park, Yellow Woods Day Camping Site;

To test the commercial viability of developing the Jeffreys Bay Caravan Park, Pellrus Resort and Jeffrey Bay Golf Course and including the adjacent properties – **Current lease for The Jeffreys Bay Golf Course expires September 2015** – on a long lease option not exceeding 25years.

- To ascertain the requirements of potential bidders with regard to their participation in developing the Humansdorp Caravan Park and Yellow Woods Camping Site

To ascertain the requirements of potential bidders with regard to their participation in developing the Jeffreys Bay Caravan Park, Pellrus Resort and Jeffrey Bay Golf Course and including the adjacent properties – **Current lease for The Jeffreys Bay Golf Course expires September 2015** – on a long lease option not exceeding 25years.

- To disseminate information about the Project as contemplated in this EOI;
- To give guidance to Bidders on the preparation of their EOI Responses.

The Project will be regulated in terms of the requirements of Section 120 of the MFMA and its Regulations and will be advised by the National Treasury, PPP Unit.

In this regard the Institution has identified the Project as one that may be concluded

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6 BACKGROUND AND OVERVIEW

Kouga Local Municipality (KLM) is situated in the Cacadu District Municipality (CDM) within the Eastern Province. Kouga Municipality is situated in the Cacadu District in the western half of the Eastern Cape Province of South Africa. It is approximately 90 kilometres from the Nelson Mandela Bay Municipality, which is made up of Port Elizabeth, Despatch and Uitenhage.

The Kouga Municipality includes the nine towns of Jeffreys Bay, Humansdorp, St. Francis Bay, Oyster Bay, Hankey, Patensie, Thornhill, Loerie and Cape St. Francis.

The Kouga Municipal area's geographical spatial form covers a fertile coastal landscape of 2,419 km². The area is characterised by three main topographical regions:

- The coastal area which stretches from Van Stadens River through Jeffreys Bay, Oyster Bay, Paradise Beach and St Francis Bay. This area is attractive and serves as a major tourist attraction destination.
- The wide fertile soil valleys of Gamtoos River is characterised by an agriculture belt and includes towns as Hankey, Loerie, Thornhill, Patensie and surrounding farming areas.
- The remainder of the areas comprise the large urban areas like Humansdorp.

The municipality is guided by the IDP, which sets out an agenda for the municipality's regional development and integration plans. It also sets out linkages between infrastructure development and the environment needed to build social cohesion and sustainable economic development.

The IDP is the instrument for the strategic management of the Municipality and decision-making by Council. Through stakeholder input, the IDP ensures a cooperative approach by the National, Provincial and Local spheres of government to

develop and implement projects and programmes on a priority basis which will empower and benefit the community.

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7 THE MISSION OF THE MUNICIPALITY

The Kouga Municipality mission statement as per the IDP report is:

The Kouga Vision is a statement of intent through which the community and Municipality collectively envisioned in its amalgamation period the kind of future desired.

Taken into consideration and encompassed in the statement of intent are all aspects of community life (people, harmony, prosperity, and equity). Envisaged by the Kouga constituency is a future characterised by “***equity people living in harmony and prosperity***”

To provide equitable first class service through efficient administration and good governance and promote a safe and healthy environment

Understood from the service delivery referred to in the Vision, it identifies a barometer for improvements to be achieved which can be deducted into focus areas as:

- Infrastructure.
- Social and Economic.
- Employment.

- Environment.

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8. The Vision of the Municipality

Kouga, the jewel of the Eastern Cape, striving, through impeccable people-centered service delivery to ensure equity, harmony and prosperity for its entire people.

The vision requires a set of objectives that supports the institutional transformation process and service delivery enhancement towards a people centred Municipality. This requires special emphasis on the Key Performance Area of good governance as this is the essence of Batho Pele principals (customer first).

In order to guide the municipal area towards the intended future, the implementation process requires a rigorous process of monitoring and reporting.

To support this process the IDP objectives are linked to measurements that will serve as the quantifiable monitoring tools for the next five years. The measurements are elaborated in terms of baseline (status quo) and realistic targets for the following five years.

The strategies and projects are delineated from the measurements as they represent the most detailed level of the municipal outcomes. These measurements are also adjusted to serve as project indicators.

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9 Objective of Municipality

The main objectives of the Project are aligned to the objectives of the municipality as it includes the following:

To develop Humansdorp Caravan Park and create a healthy environment or a business park;

Yellow Woods Camping Site as a nature area to preserve biodiversity within the area;

Create jobs and promote social and economic development; and

To develop the Humansdorp Caravan Park and Yellowwoods Camping Site as an income generating asset.

The Design, Finance, Construction, Maintenance and Operation on a Long lease not exceeding 25 years:-

To develop the Jeffreys Bay Caravan Park, Pellsrus Resort and Jeffreys Bay Golf Course and including adjacent Properties surrounding the Golf Course in a tourism attraction.

This project is aligned both to the Municipal vision and the Constitution as it is intended to create job opportunities, encourage involvement of communities, promote social and economic development and generate revenue for the Municipality to ensure sustainable communities.

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10 THE PROJECT

The KLM has determined that it has a resource – the Humansdorp Caravan Park and it conserve the biodiversity of Yellowwoods Camping Site area

- Conserve the heritage resources of the Jeffreys Bay Caravan Park, Pellsrus Resort and Jeffreys Bay Golf Course and including adjacent Properties surrounding the Golf Course.
- Humansdorp Caravan Park and Yellowwoods as an Entertainment or business node;
- To develop the Jeffreys Bay Caravan Park, Pellsrus Resort and Jeffreys Bay Golf Course and including adjacent Properties surrounding the Golf Course as a tourism node with quality.
- Create jobs and reduce unemployment.
- To develop the Humansdorp Caravan Park and Yellowwoods Camping Site as a business node of quality

11 PROJECT SITE

Humansdorp Caravan Park and Yellowwoods Camping Site context

Figure 1: Context of Humansdorp Caravan Park and Yellowwoods Camping Site

Humansdorp Caravan Park is located in Humansdorp in Park Street and Yellowwoods Camping Site is located in Hankey District Area.

The Humansdorp Caravan Park and Yellowwoods Camping Site falls within environmental management zone 1 (**Figure 2**) of the Kouga Local Municipality (KLM)



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Figure 2: Environmental management zones according to the EMF for the Cacadu District



Figure 3: Environmental management zones according to the EMF for the Cacadu District – Pellsrus Caravan Park



Figure 4: Environmental management zones according to the EMF for the Cacadu District – Jeffreys Bay Caravan Park



Figure 5: Environmental management zones according to the EMF for the Cacadu District – Adjacent to the Jeffreys Bay Golf Course



Figure 6: Environmental management zones according to the EMF for the Cacadu District – Jeffreys Bay Golf Course



12 SERVICE REQUIRED

A list of potential services have been identified that could be considered as part of the development of the Humansdorp Caravan Park and Yellow Woods Camping Site.

And

Jeffreys Bay Caravan Park, Pellsrus Resort and Jeffreys Bay Golf Course and including adjacent Properties surrounding the Golf Course – **Current lease for The Jeffreys Bay Golf Course expires September 2015** – consider on a long lease not exceeding 25 years.

These include amongst others:

- Develop existing facility.
- A business proposition
- Community attraction or entertainment centre

13 INFORMATION REQUIRED

Contact Details

- Name of person submitting EOI
- Company name
- Position in company
- Contact details
 - Postal address
 - Telephone
 - Fax
 - Cell phone
 - Email

Company's profile and experience in the tourism, hospitality and construction industries

- Names and locations of current operations
- Market segment(s)
- Number of years in operation
- Relevant projects

Interest in this Project

At a very high level please respond to the following:

- What sort of commercial operation would you establish with this Project?
- Describe the type of concept you would envisage for this Project?

- How do you see the project integrated into the surrounding area?
- What do you think is the expected revenue to be generated in the commercial operation?
- How would you integrate this project in terms of the biodiversity conservation objectives of the Kouga Local Municipality (KLM) EMF and
- Describe how you will comply with the various legal requirements in respect of economic, social and environmental legislation?
- Describe envisaged partnerships in support of an integrated tourism development approach that would benefit the broader community.
- Describe the skills and expertise required for the Project and how this will be sourced e.g. full time, partnerships, permanent appointments, etc.
- Suggest how the local communities would or could be involved in this project?
- What type of project structure would you envisage for this Project?
- What type of financing model would you envisage for this Project?
- What are the risks you foresee with this Project?
- How would you mitigate against these risks
- What risks would you not be prepared to accept?
- How do you envisage marketing this tourist Project?
- What type of BEE financing structure and model would you envisage?
- What is the contract period you would expect for this Project?

- Clearly indicate which services and associated activities you envisage would fall within the ambit of the Project and which services and associated activities would not be included in it.

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14 CLARIFICATION PROCESS

There will be a clarification process to this EOI from 25 June 2014.

All queries and issues regarding this EOI should be directed to: The Manager Asset & Fleet, Mr. Stanley Baartman at email: sbaartman@kouga.gov.za or Mr. Marius Gysman email mgysman@kouga.gov.za

15 WHAT TO SUBMIT, WHERE AND WHEN

Consortia, companies and persons interested in this opportunity should submit information under the headings provided in Clause 13 of this EOI. You are welcome to provide any additional information that might assist the Institution in finalising its options for the Project. There should be 3 copies submitted to this EOI.

Response to the EOI must be submitted to:

Name / Institution: Kouga Local Municipality

Physical Address:

33 Da Gama Road

JEFFREYS BAY

6330

Tender Box, **before or on ...11 July 2014 at 12h00**

Contact Person Mr. Stanley Baartman

Telephone: 042 200 8500 during office hours

Cell: 082 894 6549

E-Mail:

sbaartman@kouga.gov.za or

mgysman@kouga.gov.za

The closing date for submission of the Response to the EOI is
.....**11 July 2014 at 12h00.**