



TERMS OF REFERENCE

FOR COMMERCIAL USE OF CARAVAN PARK

The Ngqushwa Local Municipality request an expression of interest for the appropriate commercial use of Caravan Park facility in Hamburg within the Municipality, a Public Private Partnership (PPP) agreement

1. Important general notes

1.1 Ngqushwa Local Municipality makes no guarantees about, and takes no responsibility for, the accuracy and completeness of this request for EOI and disclaims any liability for any interested party's use of the information.

- a. This request for EOI 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 an EOI.
- b. Ngqushwa Local Municipality may change or replace any information contained in this request for EOI at any time, without giving any prior notice or providing any reason.

2. The purpose and limits of the EOI process

2.1. Ngqushwa Local Municipality is currently investigating the feasibility of a PPP opportunity in which it grants selected private party the right to appropriate commercial use of Caravan Park in Hamburg for a socio-economic and eco-tourism PPP opportunity.

2.2. As part of establishing the feasibility of this PPP opportunity, particularly what scale and type of market interest there is in it, Ngqushwa Local Municipality invites prospective investors or operators to submit EOI following the format in paragraph 5 below.

2.3. Ngqushwa Local Municipality will assess the EOI and will use the information to complete its feasibility study. If the PPP opportunity is feasible, Ngqushwa Local Municipality will use the EOI information it received to compile bid documentation, and a competitive bid process will follow.

2.4. Ngqushwa Local Municipality reserves the right to ask any investor or operator that submits an EOI questions for clarity.

2.5. Submitting an EOI does not constitute a bid. No investor or operator will be bound by anything contained in their EOI submission. The information in the EOI will be used solely for Ngqushwa Local Municipality to complete its feasibility study and to prepare bid documentation if it decides to proceed with a PPP.

Terms of Reference

Terms of Reference (TOR) for Caravan Park in Hamburg in Ngqushwa Local Municipality

A. Background

The small seaside town of Hamburg is situated in a unique location at the mouth of the Keiskamma River, on the Sunshine Coast in the Eastern Cape. It is embedded in a unique environment, with a number of noteworthy natural resources, including the tranquil Keiskamma River estuary, the pristine natural beach and the Salt Marsh. During the Apartheid regime, Hamburg was located in the former homeland of the Ciskei. Today, the town still suffers from limited access to income generation opportunities, high levels of unemployment and a severe lack of social community facilities.

Hamburg is part of the R72 Corridor, which links Port Elizabeth with East London as an alternative route to the N2. Due to its unspoilt nature and close proximity to the coastline, the R72 has significant potential for further development in sustainable tourism with Hamburg to become an important node along the way. Although it is a small rural town, it is the second largest settlement in the Ngqushwa Local Municipality, with an estimated population of some 1,170 residents in Hamburg – including KwaNdlambe (2001).

Hamburg has limited economic opportunities, and there is a high dependence on social grants and remittances from family members working in the urban centres. The latent potential of the Hamburg economy lies predominantly in the tourism sector, especially in eco- and arts tourism. The settlement is home to a large artistic community, which has a massive positive impact on the economy and the dynamics of the town and surrounding villages. The Keiskamma Trust has done a lot to benefit the local economy, through the introduction of new income streams and the attraction of national and international experts to Hamburg. The Caravan Park intends to spur the economic well-being of the town, attract the national and international tourists to the Eastern Cape and open up new employment and business opportunities for the local population.

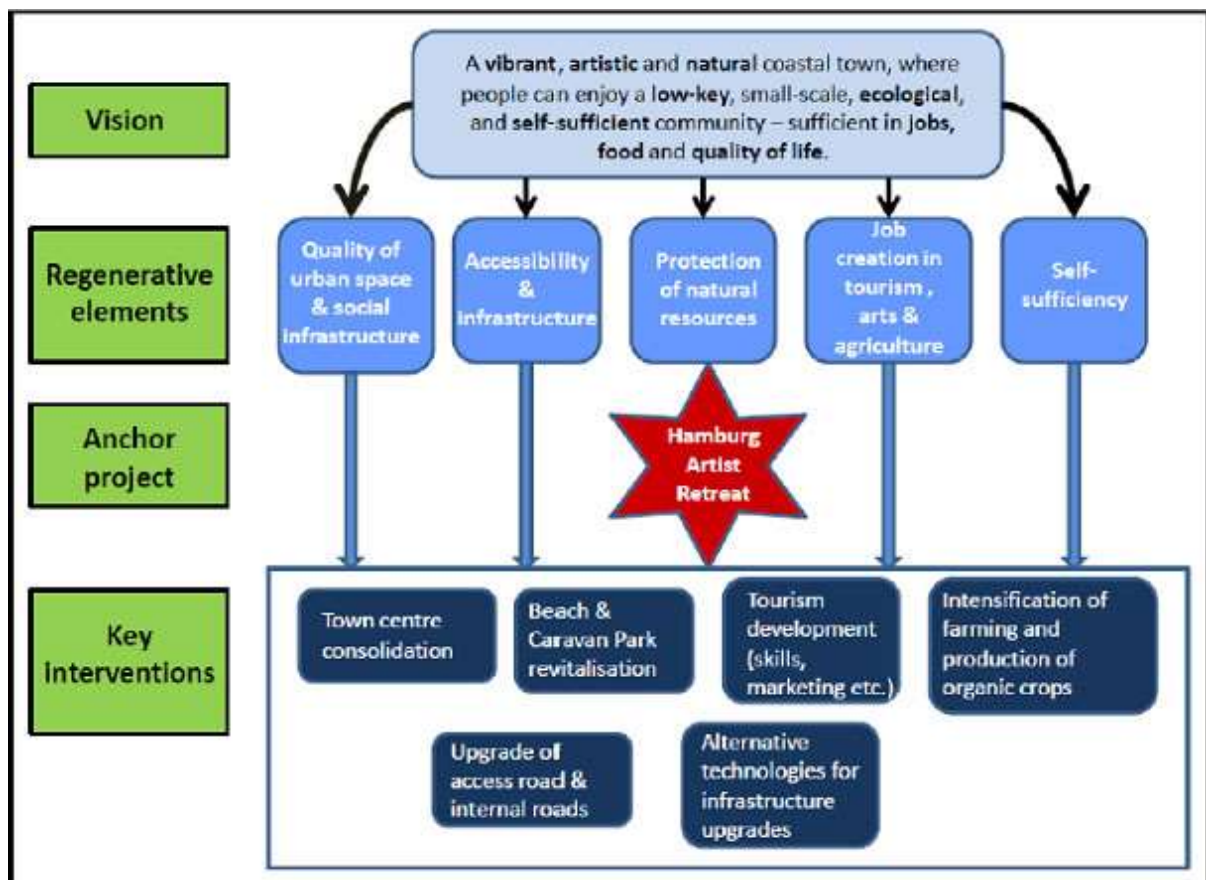
A SMALL TOWN REGENERATION STRATEGY FOR HAMBURG

The development vision that was compiled for Hamburg based on various stakeholder engagements, is for the town to become tourism destination.

"A vibrant, artistic and natural coastal town, where people can enjoy a low-key, small-scale, ecological, and self-sufficient community – sufficient in jobs, food and quality of life".

The vision is based on five core regenerative elements:

- The quality of urban space & social infrastructure – which points to the need to develop Hamburg as a place which is attractive, spatially functional and provides the necessary social infrastructure for its population.
- Accessibility & infrastructure – highlighting the need to enhance the accessibility to sites (residential, business, social services, municipal administration, recreation, etc.), especially for pedestrians. This requires a focus on infrastructure upgrading and densification/consolidation of services and functions.
- The protection of natural resources – which are a significant resource to the Hamburg lifestyle and economy, as well as its future positioning as an ecologically sustainable coastal town;
- Job creation which focuses on tourism, the arts and agriculture; and
- Self-sufficiency, which promotes the possibility of Hamburg becoming self-sufficient in terms of local jobs, food production and overall quality of life.



B. Objectives

The project aims to regenerate and stimulate economy of Hamburg town by:

- Appropriate financial returns to Council from investment in the caravan parks;
- Meeting the expectation of visitors to the caravan parks whether visiting for a day or overnight;
- Improving environmental outcomes;
- Ensuring regulatory compliance (in terms of the Caravan Park Regulations and other relevant Acts);
- Improved marketing of the caravan parks to attract a wider range of tourists
- Work alongside the ASPIRE Town Centre redevelopment team, Ngqushwa Local Municipality, Eastern Cape Tourism and Parks Agency, etc.
- In line with the municipality's promotion of local business and skills development, the service provider will be expected to make use of local materials which have been quality assured by a recognised organization from the local co-operatives which are in partnership with the co-operative development centre and local labour during the implementation of the project.

Scope of Work

1. Bidders are expected to submit property management proposals indicating the operational plan that will be implemented, including any other value addition issues around the development project. (Bids must be accompanied by sketches and artist impressions together with detailed descriptions that will enable lay people to understand the submission)
2. The successful bidder will be given the right to manage the properties and claw back the investment for the duration of the proposed developmental lease period and this will include the development of the Caravan Park and expansion of the existing restaurant/pub building to standards acceptable to the municipality. At the end of this

period, the property will be handed over to the municipality with all the relevant information and records.

3. The successful bidder will be responsible for the tenant selection and contracting, which will take into account Small and Micro enterprise promotion. The bidder must indicate how they will cater for small and micro enterprises during the management of the facility during the lease period.

INTEREST IN THIS PROJECT

At a very high level please respond to the following:

- What sort of commercial operation would you establish with these properties?
- 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?
- 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 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.

PROJECT DURATION

The successful bidder will be expected to commence with the project within three months of the agreement being signed. The bidder will also indicate the proposed developmental lease period and the management plan of the properties during this period, indicating how the municipal will be involved and provided with regular reports on the maintenance of the building. Maintenance plans will be agreed upon as part of the lease agreement.

SUBMISSIONS

Minimum details to be included in the proposal

1. A detailed operational plan
2. The proposed development and value addition items, supported by draft plans and sketches
3. Contactable references and track record of successful property management projects
4. Confirmation of the availability of funding to undertake the project
5. Demonstrate the ability to assist Small and Medium Enterprises on leasing retail or office space
6. Demonstrate the ability to manage and maintain the property during the lease period

Compulsory documents to be submitted

1. Valid tax clearance Pin
2. Certified copies of company registration documents with clear percentage of ownership
3. Detailed company profile with references of commercial property development projects successfully completed
4. Municipal clearance certificate certifying that no municipal rates and service charges are owed or in arrears more than three months by the bidder or any of its directors to the local municipality where their business operations or residences are located
5. All proposal to be submitted with required supporting documents, i.e. Certified identity doc not more than 3 months, Sworn Affidavit, Valid Tax Clearance Pin, Ck doc and must be registered on CSD on appointment.
6. Joint Ventures must submit a JV agreement signed by all parties

Bidders must note the following:

- Bidders to familiarize themselves with the property and raise questions for clarity.
 - Bidders are advised to make themselves familiar with the town of Hamburg in order to determine the best use for the proposed development in order to be able to secure tenant for the development.
 - Registration with the Treasury Central Supplier Database will be required with the successful bidder within seven working days upon Intension to appointment.
 - Complete proposal must be deposited in the tender box at the office of Ngqushwa Local Municipality, in a sealed envelope clearly marked with Bid No. and Description.
 - Bids which are late and unsigned or submitted by facsimile or electronically will not be accepted.
 - Proposals received after the published closing time will not be considered and will be immediately returned to the bidder unopened.
 - All bids to be addressed to the Municipal Manager Ngqushwa Local Municipality, Erf 313 Main Road, Peddie 5640
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- For further details, interested parties should kindly refer all enquiries (from 08H00-16H30) via email to the following officials:
 1. Coastal Area Manager: Miss N.Jakavula
,njakavula@ngqushwamun.gov.za,
 2. Mr. V Mbangi ymbangi@ngqushwamun.gov.za,
 3. Mr A Dlula ADlula@ngqushwamun.gov.za

Extension of Contract

1. Extension of contract duration may be granted by Ngqushwa Local Municipality in case of any necessary contract variation or additional work that would render the completion of the project as originally scheduled impossible, provided that the consultant is not at fault with respect to the circumstances causing the need for such contract extension. Any contract extension shall be at no cost to Ngqushwa Local Municipality.
2. Any request for extension of contract duration shall be made by the Consultant in writing including the full details of the circumstances

underpinning the request as well as the justification/s for such extension. Ngqushwa Local Municipality, upon receipt of the Consultant's request, shall decide on the validity thereof, and shall agree with the Consultant on the appropriate amount of extension of contract duration should it find said request justifiable and meritorious.

3. No extension of contract time shall be granted the consultant due to inexcusable failure or negligence to provide the requirement.
4. No extension of contract time shall be granted when the reason given to support the request for extension was already considered in the determination of the contract time during the conduct of detailed preparation of the contract documents as agreed upon by the parties before contract perfection.