

RFP NO.02/23/24 THE APPOINTMENT OF AN OPERATOR TO OPERATE CAPE MORGAN NATURE RESERVE'S HOTEL, CONFERENCE CENTRE AND RESTAURANT FACILITIES FOR A PERIOD OF 15 YEARS WITH AN OPTION TO EXTEND FOR A FURTHER PERIOD OF 5 YEARS

No	QUESTIONS	ECPTA RESPONSES
1.	Please unpack the water reticulation and sewerage system for the facility. Also, what is the capacity of the water purification system?	<ul style="list-style-type: none"> • The Design Annual Average Daily Water Demand for the portions of the development is 8,932 litres/day, that is inclusive of conveyance losses of 10%. • The Fire Risk Category for the area has been classified as being Low Risk Group 1, therefore the minimum peak water demand for the fire flow is 15 litres / second. • The domestic storage was designed for 48 hours of the average daily water demand and is therefore 18,000 litres. Therefore, there's 50kl of treated water storage for the development and 60kl of untreated (rain) water storage that is mainly used for fire and toilets
2.	Is the bidder allowed to submit an alternative proposal that is different from the scope outlined in the bid document?	<ul style="list-style-type: none"> • The objective of the constructing the hotel and conference facility was to diversify the tourism and hospitality offering at the Cape Morgan Nature Reserve. ECPTA will prioritise proposals that are in line with the scope outlined in the bid document.

3.	What is the security arrangement at the entrance gate and for the facility as a whole?	<p>ECPTA is responsible for access control at all Reserve entry and exit points, to manage and control access into the nature reserve, for reserve operations purposes.</p> <p>The operator will be responsible for 24-hour security to safeguard the premises, guests, facilities, and equipment</p>
4.	Please unpack the kind of support ECPTA will provide to the Operator, from a Tourism Development and marketing perspective	<p>ECPTA has a mandate to promote Eastern Cape as a preferred tourist destination through various initiatives. Through its participation at various trade and consumer platforms both locally and internationally, ECPTA assists product owners & tour operators to promote their packaged tourism and hospitality experiences.</p> <p>Examples of such platforms include, but not limited to:</p> <ul style="list-style-type: none"> - Africa Tourism Indaba (ATI) - World Travel Market Africa (WTM Africa) - World Travel Market (in London) (WTM) - International Tourism Exchange (ITB Berlin) - Other local trade shows <p>ECPTA has a strong digital marketing presence, through which tourism content is mostly consumed. From a tourism development support perspective, ECPTA has a series of support for tourism businesses.</p>

		<p>These include capacity building and skills development, linkages with Tourist Guides & Tour Operators, market access as well as creation of linkages for community enterprise development.</p> <p>The Agency also develops tourism development plans for nature reserves.</p>
<p>5.</p>	<p>What does Phase III development entail, and will it affect the Operator of the opportunity on offer? Will the rental increase?</p>	<p>Phase III will not form part of the current PPP opportunity. The entity will solicit private investment that will follow its own processes. Agreed upon rental payment will not be affected.</p> <p>It is envisaged that Phase III development development of the recreational facilities will augment the existing hotel, conference, and restaurant. The objective is creating an all-round tourism resort/precinct that will draw more visitors to the Cape Morgan nature reserve and the greater Kei Mouth node. The required development will likely feature:</p> <ul style="list-style-type: none"> • Swimming pool, gym and spa and coffee shop, playground area. • Additional Guest Rooms • Staff Accommodation • Additional parking
<p>6.</p>	<p>What are the indicative timelines for appointment of a successful bidder?</p>	<p>The Entity anticipates appointment of the Operator to take place in April 2024</p>

7.	Can the operator offer an escalating percentage revenue turnover?	Yes, the bidder is allowed to provide a percentage offer that will allow gradual escalation into the outer years, based on the revenue generation assumptions.
8.	Are there community conflicts worth mentioning, such as possible community protests should an Operator not from the local area not be awarded the opportunity?	There are no anticipated conflicts with the local community. The entity has been collaborating very well with the community. Community and stakeholder consultations are important whenever there is a new player in the area. Tourism is understood to be an industry that thrives on collaboration
9.	Any rental payment breaks?	The Operator will be allowed 3 months to set up. Payment break is allowable up to a period of 3 months. However, the Entity will recoup the total value of the payment break (i.e., 3 months rental fee) over a period of 12 months. The commencement date of this 12 months will be from month 4 of operations.
10.	What is the Operating Model?	<p>The Operator will be offered a semi-exclusive use of the facilities, to manage and operate the hotel, conference facility and a restaurant, as a single commercial opportunity. It is envisaged that the Operator will work with local operators to package vibrant tourism and hospitality experiences and blend it with nature-based/eco-tourism experiences in the Cape Morgan Nature Reserve.</p> <p>The bidder is required to clearly express (in the proposal) how they intend using the facilities on offer to deliver value to customers, and how they will sustain their operations.</p>

11.	Is there a swimming pool at the facility?	There is no swimming pool in the facility. ECPTA will consider any configurations or additional infrastructure that is geared towards enhancing the commercial viability of this offer. Those configurations would have to be in line with environmental impact approvals. Such negotiations will only be concluded with the shortlisted bidder.
12.	What did the entity consider when calculating rental? Is it negotiable?	<p>The Entity has re-considered the rental fee structure and proposed what it deems fair. Please refer to Annexure for a revised rental fee refer to Annexure A.</p> <p>ECPTA took into consideration:</p> <ul style="list-style-type: none"> - Total rentable space (It should be noted that non-revenue generating aspects of the facility, such as entrance gate and ablution facilities were not included in the calculations). - Capital costs building the facilities - Return on Investment and opportunity costs
13.	Who is responsible for Utilities, such as Water and Electricity	The Operator will be responsible for all the utilities at the facility during the concession term
14.	Trail to the beach	There currently is no trail to the beach. As indicated earlier, additional features to enhance the commercial opportunity will be negotiated with the successful bidder and will be subjected to environmental management approvals.

I would like to thank you on behalf of Eastern Cape Parks and Tourism Agency (ECPTA) for expressing your interest in the bid.

Yours Faithfully,

Mr. Siviwe Manziwa

SCM MANAGER

DATE

30/11/2023