



THEMBISILE HANI LOCAL MUNICIPALITY

**INVITATION FOR APPLICATIONS FOR THE ACQUISITION AND
DEVELOPMENT OF MUNICIPAL PROPERTIES.**

CLOSING DATE: 14 OCTOBER 2026

TIME: 12H00PM

ISSUED BY: THEMBISILE HANI LOCAL MUNICIPALITY

Private Bag X4041

Mpumalanga

0458

CONTACT: 013 986 9100

NAME OF BIDDER:

CSD REGISTRATION NUMBER:

AMOUNT INCLUDING VAT.....

1. BACKGROUND

The Municipality has identified the property described below for the establishment of high-density temporary overnight accommodation in a form of a Hotel. KwaMhlanga has emerged as the Municipality's economic and administrative node, experiencing sustained growth in recreational activity, commercial activity, public sector services, educational institutions, and investment. This growth has resulted in an increasing influx of sports enthusiasts, government officials, business travellers, contractors, consultants, students, and individuals seeking temporary accommodation within close proximity to places of employment and essential services.

Despite this growth, there remains a limited supply of quality, purpose-built temporary accommodation capable of meeting current and projected demand. The Municipality has therefore identified this strategically located municipal property as a catalytic development opportunity to address this gap while supporting the continued expansion of the KwaMhlanga Development Node.

The disposal and development of the property forms part of the Municipality's strategy to leverage municipal assets to attract private sector investment, stimulate economic development, promote efficient land utilisation, and strengthen KwaMhlanga as the urban growth centre within the municipality.

Accordingly, the Municipality seeks proposals from suitably qualified investors with the financial, technical, and operational capacity to acquire properties, design, finance, construct, and operate a high-density temporary accommodation development that will:

- Provide quality and affordable temporary accommodation for sports enthusiasts, government officials, professionals, contractors, students, business travellers, and other short- to medium-term occupants;
- Support the continued growth and expansion of the KwaMhlanga Development Node;
- Promote compact and efficient urban development through the optimal utilisation of strategically located municipal land;
- Attract private sector investment and unlock the economic potential of municipal assets;
- Create employment opportunities during both the construction and operational phases;
- Increase economic activity within the KwaMhlanga Node and surrounding businesses;
- Enhance the municipal rates base and contribute to long-term municipal revenue generation; and
- Contribute towards the implementation of the Municipality's Integrated Development Plan (IDP), Spatial Development Framework (SDF), and Local Economic Development (LED) Strategy.

1.1 Property Description

Property Description	Size	Current Zoning
Portion 3 of Erf 976 KwaMhlanga B	22 500m ²	Undetermined
Portion 4 of Erf 976 KwaMhlanga B	22 500m ²	Undetermined

The Municipality is the lawful owner of Portion 3 and Portion 4 of Erf 976 KwaMhlanga B with Portion 3 measuring approximately 22 500m² in extent and Portion 4 measuring 22 500m² in extent, herein referred to as “the Property” which is being made available for disposal in a form of sale of municipal land for business development. The intention of this request is to promote sustainable spatial development while advancing local economic development, job creation, and skills transfer in line with municipal development strategies.

Portion 3 and Portion 4 of Erf 976 KwaMhlanga B are currently zoned Undetermined.

2. PURPOSE

The purpose of this Request for Proposals is to identify a suitably qualified investor to acquire and develop the property into a high-density temporary overnight accommodation facility that will serve as a catalytic project for the KwaMhlanga Development Node. The Municipality intends to find an investor capable of delivering a financially sustainable, high-quality development that responds to the growing demand for temporary accommodation while advancing the Municipality's strategic objectives of economic growth, urban regeneration, investment attraction, and sustainable development.

This motivation frames the project as a creation of employment strategy through skills development, catalytic investment initiative emphasizing that the development is intended not only to meet accommodation demand but also to reinforce KwaMhlanga's role as the municipality's primary growth node and attract further investment into the area.

According to the Thembisile Hani Local Municipality's Land Use Management Scheme, 2020, Business use and Hotel are defined as follows:

Business: means land or a building used to conduct a business and includes a shop, office, filling station, restaurant, medical use, funeral parlour, pharmacy, nursery, place of worship, place of assembly, place of education, general residential, parking and access, hotel, guest house, car wash, drive-thru restaurant, place of entertainment or conference facility.

Hotel: A building designed and used for temporary overnight accommodation for transient guests, where lodging and meals are provided, including ancillary facilities normally directly related to a hotel such as restaurants, cocktail bars, shops, conference facilities, entertainment facilities, gymnasiums, beauty salon,

swimming pools and liquor sales outlets, but excluding self-catering accommodation. A hotel may comprise of a single or separate buildings.

3. SCOPE OF WORK AND RESPONSIBILITIES

The successful bidder shall be responsible for the following:

Tender Document	Submit fully completed tender document
Comprehensive development proposal	Submit a detailed proposal including: (i) Proposed use of the properties/Development concept; (ii) Market and demand analysis. (iii) Target market. (iv) Marketing strategy. (v) Operational plan. (vi) Economic Benefits. (vii) Job creation potential. (viii) Financial projections. (ix) Funding model. (x) Risk management strategy.
Skills Transfer Programme	Submit a detailed skills transfer and training programme.
Employment Plan	Submit a local employment and job creation plan.
	Provide evidence of successfully completed projects of a similar nature and scale.
Supporting Documentation	Submit audited financial statements and/or proof of bank guarantee
Employment Plan	Submit an employment plan outlining proposed job creation targets and employment categories.
Financial Capability The bidder shall demonstrate the financial capacity to undertake the proposed development by submitting	Submit valid bank guarantee supported by audited financial statement and/or formal investor commitment letter and/or approved grant funding confirmation.

- The successful bidder will also be expected to develop the property at his/her own cost and risk for a lawful commercial business-related purpose, subject to applicable planning legislation and municipal approvals.
- The total amount due by the purchaser must be paid in full within 90 days from the date of acceptance.
- The erf may not be sold before the lapse of three calendar years from the date of sale without written consent of the Municipality (which also requires that the site be fully developed).
- Submit land use applications to amend the zoning from Undetermined to Business Use 2 for purposes of a hotel.
- The site must be fully developed in accordance with the approved building plans as required in terms of

the Building Regulations within a period of 24 months from date of issuing an offer, unless an extension of the stated period is approved by the municipality.

3. LOCATION OF THE WORKS:

Thembisile Hani Local Municipality

4. TERMS AND CONDITIONS

- The Municipality reserves the right to accept, reject, or negotiate proposals and to cancel the process at any time without liability.
- The successful bidder must comply with all land use, environmental, municipal and all other applicable regulatory requirements prior to the operation.
- The Municipality is not obliged to accept the highest or any proposal.

4.4 FORM A: EVALUATION SCHEDULE - TENDER COMPLIANCE

Tender compliance by the bidders

It must be noted that the bidder must obtain a total of **35** points for the requirements as listed in the table below; failure to do so will result in the tender being automatically eliminated from any further evaluation.

Evaluation Criteria	Evaluation Criteria	Elimination Factor	Points obtainable	Points Claimed
Delegation of Authority (Note 01)	Delegation of Authority for Signatory signed by Senior Directors and/or Shareholders, nominating a representative on the project	Yes	5	
Completing the application document (Note 02)	Must initial every page in the application document, signing and fill the application document in full	Yes	5	
Company registration (Note 03)	Proof of Company Registration with the Companies and Intellectual Property Commission (CIPC) and proof of shareholding	Yes	5	
Identity Documents (Note 04)	Submit certified copies of identity documents of Company Director/s	Yes	5	
Tax Verification Pin (Note 05)	Proof of Tax verification pin and Compliance with the South African Revenue Service (SARS)	Yes	5	
Municipal Account (Note 06)	A statement of the municipal account which does not owe municipal services for more than 90 days must be attached.	Yes	5	
CSD Report (Note 7)	Attach a copy of the CSD report of the company, which is not older than 1 (one) month. Failure to attach the CSD report shall warrant an automatic elimination of the tender from any further evaluation.	Yes	5	
Total 35				

Note 01: Delegation of Authority

In case of a Company, a delegation of Authority signed by the Consulting Firm's Board of Directors nominating a Team Leader as a delegated and authorised Signatory must be attached. In case of a Closed Corporation, a delegation of Authority signed by the Contracting Firm's majority Shareholders nominating a Team Leader as a delegated and authorised Signatory must be attached. Failure to attach a delegation of authority shall warrant an automatic elimination of tender from any further evaluation.

Note 02: Completing tender document

As stipulated in the tender rules or in addition thereto, a application document shall be completed in full with all the provided spaces signed, every page initialled accordingly and required documentation attached. Failure to complete the Tender Document which shall warrant an automatic elimination of tender from any further evaluation.

Note 03: Company registration

A proof of company registration from Companies and Intellectual Property Commission (CIPC) shall be attached including a copy of a certificate for proof of shareholding. Failure to attach the company registration certificate shall warrant an automatic elimination of tender from any further evaluation.

Note 04: Identity Documents

Attach certified copies of identity document of Director(s). Failure to attach the certified identity documents of directors shall warrant an automatic elimination of tender from any further evaluation.

Note 05: Tax Verification Pin

A copy of tax registration and compliance (**Tax Pin**) with relevant tax legislation in the form of a valid verification pin certificate shall be attached. Failure to attach the Tax Pin shall warrant an automatic elimination of tender from any further evaluation.

Note 06: Municipal Account

Attach an original or a copy of a municipal utility account not older than three (3) months and the account must **not be** in arrears for more 90 days of any of the registered Director(s) **AND** Company. Alternatively attach a copy lease agreement, whereby the company is leasing the property its operating from. Failure to attach the municipal account shall warrant an automatic elimination of tender from any further evaluation.

Note 07: CSD Report

Attach a copy of CSD summary report of the company which is not older than one (01) month must be attached reflecting that the bidder is tax compliant. Failure to attach the central supplier database report shall warrant an automatic elimination of tender from any further evaluation.

FORM B: EVALUATION SCHEDULE: FUNCTIONALITY

The bidder must obtain a minimum of 34 points out of the 45 points above to be considered Specific Goals.

The bidder's tender responsiveness in relation to points is therefore summarised as follows:

Summary of functionality	
Business and Operational Plan	20
Financial Viability and Investment Capacity	15
Company Registration with affiliation body	5
Accreditation with training authority	5
Total	45

No	Criteria	Points	Points Claimed
Business and Operational Plan (20 Points)			
1.	The submitted business and operational plan includes: Proposed use of the properties/Development concept;	2	
	The submitted business and operational plan includes: Market and demand analysis.	2	
	The submitted business and operational plan includes: Target market.	2	
	The submitted business and operational plan includes: Marketing strategy.	2	
	The submitted business and operational plan includes: Operational plan.	2	
	The submitted business and operational plan includes: Economic Benefits.	2	

	The submitted business and operational plan includes: • Job creation potential.	2	
	The submitted business and operational plan includes: • Financial projections.	2	
	The submitted business and operational plan includes: • Funding model.	2	
	The submitted business and operational plan includes: • Risk management strategy.	2	
Financial Viability and Investment Capacity (15 Points)			
2.	financial capacity of a minimum of R30 Million supported by audited financial statement	15	
	Financial capacity of R25 Million supported by audited financial statement	10	
	Financial capacity of R20 Million supported by audited financial statement	5	
Company Registration with affiliation body (5 Points)			
3.	Attached copy of Company Registration with Quality Council for Trades & Occupations (QCTO)	5	
Accreditation with training authority (5 Points)			
4.	Attached copy of accreditation with Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSETA)	5	
	Total	45	

TOTAL SCORE: _____/45

4.5 THIRD AND FINAL STAGE OF EVALUATION: PRICE AND SPECIFIC GOALS

The municipal Supply Chain Management Policy will be used for evaluation of Prospective Service Providers as per the approved scoring system by the specification committee.

The evaluation will be done as per Preferential Regulations, 2022 issued in terms of section 5 of PPPFA, Act No. 5 of 2000.

Tenders will be evaluated using the 80/20 points allocation system as prescribed. The total points out of a possible maximum of 100 are calculated using the formula below.

Tender Price evaluation

Score points are distributed as follows:

80 – Points (For Price)

Item No.	Description	Allocated Points
1.	Price Competitiveness	80

In relation to tendered price, the points allocated to the tender price will be calculated using the following formula:

A maximum of 80 points is allocated for price on the following basis:

Where-

$$P_s = 80 \times \left(\frac{P_t - P_{\min}}{P_{\min}} \right)$$

Points scored for price of tender under consideration;

Price of tender under consideration; and

Price of highest acceptable tender.

20 — Points (For Specific Goals)

SPECIFIC GOALS	Points (20)
Women	5
Youth	5
Disability	5
Military Veteran	5
Bidder within Mpumalanga	5

Bidder from any other Province	2
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A joint venture will qualify for points for their Specific Goals status level as an unincorporated entity, provided that the entity submits their consolidated Specific Goals scorecard as if they were a group structure and that such a consolidated Specific Goals scorecard is prepared for every separate