

 <b>GAUTENG PROVINCE</b> PROVINCIAL TREASURY REPUBLIC OF SOUTH AFRICA		<h1>Provincial Supply Chain Management</h1>								
		Request for Information			Page 1 of 3					
RFI NUMBER										
RFI DESCRIPTION										
CUSTOMER DEPARTMENT										
CUSTOMER INSTITUTION										
BRIEFING SESSION	Y		N		SESSION COMPULSORY		Y		N	
					SESSION HIGHLY RECOMMENDED		Y		N	
BRIEFING VENUE					DATE			TIME		
CLOSING DATE					CLOSING TIME					
<b>TENDER BOX LOCATION</b>										
GPT is acting as Common Service Provider or buying organisation on behalf of all Gauteng Provincial Government Customer Departments / Institutions. The goods / services are therefore required by the Customer Department / Institution, as indicated on this form RFI 01.										

### Notes:

- All bids / tenders must be deposited in the Tender Box at the following address: **Gauteng Provincial Treasury, Imbumba House, 75 Fox Street, Marshalltown, Johannesburg**
- Bids / tenders must be deposited in the Tender Box on or before the closing date and time. - Bids / tenders submitted by fax will not be accepted. - The GPT Tender Box is generally open 24 hours a day, 7 days a week. - ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL GPG RFI FORMS – (NOT TO BE RE-TYPED) - ALL REQUIRED INFORMATION MUST BE COMPLETED (FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

The purpose of advertising a Request for Information (RFI) is to obtain as wide an exposure as possible for the requirements and to offer an equal opportunity to as many prospective suppliers as possible to submit quotation, thereby promoting competition. To this effect please note that GPT endeavour to use multiple channels for advertising its Request for Information (RFI), namely the Government Tender Bulletin and local news papers.

### Training sessions

Non-compulsory "How to tender" workshops are held every Wednesday at 75 Fox Street from 10:00-13:00.  
**Contact: BEE Trainers Tel: 011 689-8495**



# Provincial Supply Chain Management

Request for Information

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SUPPLIER INFORMATION					
COMPANY NAME					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:			CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]

<b>SIGNATURE OF BIDDER</b>		<b>DATE</b>	
<b>CAPACITY UNDER WHICH THIS BID IS SIGNED</b>			



# Provincial Supply Chain Management

Request for Information

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**All suppliers are to Register on the National Supplier Database (CSD)**  
<http://www.csd.gov.za>

## ANY ENQUIRIES REGARDING BIDDING PROCEDURE MAY BE DIRECTED TO:

DEPARTMENT	
CONTACT PERSON	
TELEPHONE NUMBER	
FACSIMILE	
E-MAIL ADDRESS	

## ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

DEPARTMENT	
CONTACT PERSON	
TELEPHONE NUMBER	
FACSIMILIE	
E-MAIL ADDRESS	



## **EXPRESSION OF INTEREST**

### **For**

the purpose of inviting interested parties to a unique opportunity for Development, Tenanting and Provisioning of Innovative Project Financing Solutions on a 29 Hectare Commercial and Industrial Site viz. OR TAMBO International Airport Precinct 2 ("ORTIA Precinct 2), which forms part of the OR TAMBO INTERNATIONAL AIRPORT SPECIAL ECONOMIC ZONE ("ORTIA SEZ")

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## 1. Statement of Purpose

The Gauteng Industrial Development Zone SOC Limited ("GIDZ" or "Gauteng IDZ") is a subsidiary of the Gauteng Growth and Development Agency ("GGDA"). Established as a Special Purpose Vehicle Public Sector 3C Enterprise, the Gauteng IDZ is tasked with the development and operations of the OR Tambo International Airport Special Economic Zone ("ORTIA SEZ" or "OR Tambo SEZ").

As the Master Developer of the OR Tambo SEZ programme, the Gauteng IDZ has issued this Expression of Interest **for the purposes of inviting parties interested in strategic partnership with the GIDZ to assist with:**

- (a) Fast-tracking of both bulk and top structure the development.
- (b) The tenanting of the buildings to be developed as well as;
- (c) The provision of innovative financing solutions.

of a 29ha commercial and industrial site forming part of the OR Tambo SEZ expansion phase(s).

## 2. Background of the Gauteng Industrial Development Zone ("Gauteng IDZ")

In lieu of the non-availability of contiguous land parcels around the land initially designated as an Industrial Development Zone (IDZ) at OR Tambo International Airport, the ORTIA SEZ Programme is being developed in a multi-site phase approach.

In this regard, the first phase of the SEZ Programme – measuring 7,5ha located within the property boundaries of the OR Tambo International Airport, is presently under construction, with full operations targeted for the latter part of 2022 ("ORTIA Precinct 1"). The 7.5ha land parcel consists of a multi-sector high-value-low mass zone that incorporates the packaging and/or manufacturing of agro, jewellery, diamonds and other high-value-low mass products for export through the OR Tambo International Airport.

In addition to the development of ORTIA Precinct 1, the Gauteng IDZ is in the planning stages of its expansion phases, specifically the 29ha land parcel (**viz. "ORTIA Precinct 2"**) **located adjacent to the first phase and also in proximity to OR Tambo International Airport - the latter land parcel informs the issuance of this Expression of Interest to be later followed by one for a further expansion site which in a form of a 13,9ha land parcel located in Springs, Ekurhuleni.**

### 3. Location and Description of ORTIA Precinct 2

ORTIA Precinct 2 forms part of the ***Remainder of Portion 69 of the Farm Witkoppie 641R***. Measuring 29 hectares in size, the SEZ land parcel is made up of a main portion measuring 25ha to the north and two smaller portions measuring 2ha to the south-west and south-east respectively:



Located some 3kms adjacent to OR Tambo International off Atlas Road, ORTIA Precinct 2 is very well served from a logistical perspective. In addition to its proximity to the Airport, the site is extremely well served by road access. It also represents one of the few undeveloped areas near the Airport, forming *part of the Ekurhuleni Aerotropolis*.

The land parcel, which is owned by Gauteng Province is one of the sites that make up the non-contiguous ORTIA SEZ development that to- date includes:

- (a) **ORTIA Precinct 1:** an existing Airport Park development focused on fresh food processing and packaging as well as mineral beneficiation. This site is developed and tenanted and to be fully operational by the fourth quarter of 2022.





- (b) **ORTIA Precinct 2:** *this site is adjacent to the Airport and has also been earmarked for high value products that lend themselves to air freight; these include perishable food products and pharmaceutical and medical products such as medical devices and consumables; electronic products as well as E-tradeable services*
- (c) **The Springs Precinct:** Located in Springs, Ekurhuleni some 30km away from the OR Tambo International and next to a Platinum Refinery, this site is earmarked for the production of PGM related products such as fuel cells. It is also targeted for the production of component manufacturing in

Each of the above-mentioned sites have and are being supported by detailed sector focused feasibility studies that confirmed the industries to be targeted for localisation.

Specific to ORTIA Precinct 2, the location has been identified as competitively suitable for the following industries:

- Agro-Processing, specifically fresh food products;
- Pharmaceuticals and Medical Devices - this also includes medical consumables and Health diagnostic services;
- Electronics and advanced component manufacturing.

In support of the industries identified for location at the Precinct, **this Expression of Interest has been developed: as a first step in a process defined to inform development of a pipeline of investors that would support the creating of manufacturing precinct and localization of the above activities at the SEZ.**

#### **4. The AEROTROPOLIS and its linkage to the OR Tambo SEZ**

The joint City of Ekurhuleni and Gauteng province Aerotropolis strategy and master plan “anchors the Eastern Development Corridor as Gauteng’s hub for manufacturing, logistics and transport industries” at its core, leveraging the Airport to connect to global markets.

The intention is to create economic opportunities for residents of Ekurhuleni, including for the 460,000 job seekers in the Metro. It also aims to build on the strong position of the Metro and the province in terms of manufacturing, finance real estate and other business services. The Aerotropolis is overall intended to create investment opportunities for the following:

- (a) Property developers
- (b) Industrial and agricultural investors
- (c) Just-in-time logistics companies, warehousing, and cool chain storage
- (d) Research and development





(e) Bio-life products, pharmaceuticals, health care services and training

The Aerotropolis spans an area within 25 minutes travel distance of the airport, with concentric circles of activity:

- (a) 5 minutes radius: Just-in-time logistics companies, warehousing and cool chain storage,
- (b) groundside air logistics and single tenant distribution
- (c) 10 minutes radius: Advanced and heavy manufacturing, single tenant light industrial enterprises, research and development, campuses, bio-life, pharmaceuticals, and healthcare services
- (d) 20-minute radius: Building on existing business such as extended-stay hotels, retail and office campuses
- (e) Beyond 20 minutes: Agri-business

The tools for operationalisation of the Aerotropolis include integrated land use planning, land development, transport linkages, utilities and power, transport, smart links, ICT and logistics.

As an expressed priority project of the City's Aerotropolis development framework, the **OR Tambo SEZ supports** the enablement of industries identified in the Aerotropolis framework; these include advanced manufacturing and air cargo and logistics opportunities.

The SEZ is further considered a key tool for the promotion of Foreign Direct Investment ("FDI") in value-added and export focused activities into the region and Gauteng Province.

## 5. Objective Of the Expression of Interest

This Expression of Interest has been developed in response to the need to fast-track the implementation of the envisaged development of ORTIA Precinct 2 and Springs Precinct Phases.

Through this process, the Gauteng IDZ seeks to identify potential partners that are interested in:

- (a) **Development and tenanting of the developed sites** within ORTIA Precinct 2 (i.e., "Property Developers");
- (b) **The establishment of manufacturing activities within ORTIA Precinct 2**, same that would be supported by either facility or land lease arrangements (i.e., Investor Tenants");
- (c) **Provision of innovative Specialized/ Commercial Property Finance** for the funding of the developments on behalf of either the Gauteng IDZ or for potential tenants and/or developers.

It is therefore the intention of the GIDZ to specifically solicit interest from "third party" organisations for both the development and leasing of the land parcels, which are to be subdivided to allow for alienation via notarial lease arrangements.



This process specifically seeks to elicit innovative proposals from property developers, investor tenants and operators as well as financial institutions to provide competitive design, technical and financial propositions that meet the **Gauteng IDZ's defined objectives as Master Developer of the OR Tambo SEZ.**

In respect of the **development/land lease arrangements**, respondents will be required to develop the sites allocated to them at their cost, in line with their proposal or as otherwise agreed to and must do so within specified time frames to be determined by the Gauteng IDZ as the Master Developer.

Both Property Developers and Investor Tenants will be required to comply with the Master Developer's Commercial Policy, Development Framework Plan for the ORTIA Precinct 2 site, Precinct Plan, Tenant and Lease Management and Rental Policy, Asset and Facilities Management Policy, Development Manual, Urban Design Framework and Urban Design Guidelines and institutional mandate of the Gauteng Industrial Development Zone ("Gauteng IDZ") as a Special Economic Zone.

## **6. Unpacking the Expression of Interest's role to the ORTIA SEZ development**

This Expression of Interest has been developed in response to the need to implement the "rollout" of the envisaged development of ORTIA Precinct 2. Through this process, it is envisaged that an investment pipeline in support of the development of ORTIA Precinct 2 can be concretised. Through this approach, commercial and tenant operational arrangements, will be assessed as an outcome of the process and will also be further defined.

It should be noted that the operation, facilities management, and asset management of the entire Precinct (i.e., common areas), is envisaged to remain the responsibilities of the Gauteng IDZ as the "Master Developer" and in line with the existing Assets and Facilities Management Policy Framework and that after a specified percentage of the Precinct has been developed, the **Master Developer may form a Management Association to represent the interests of all strategic partners and lessees. This is specifically keeping within the mandate of the GIDZ to retain control of the operations of the Special Economic Zone** – This specific nuance may form part of the submissions and further engagements with the GIDZ may be undertaken to understand the current institutional arrangements.

The intention of the Management Association would be to archive the following:

- (a) coordinate and control development within the Precinct;
- (b) advance the interests of the members;
- (c) provide, promote and maintain essential services, activities and amenities and assist in the regulation the Precinct.



As part of the conditions of the lease arrangements to be undertaken, the Association members will be levied by the Master Developer in accordance with the lease arrangements to be entered into and commercial terms negotiated therein to allow the Lessor to employ and manage service providers for the provision of all operational expenses of the precinct.

## **7. Current status of the ORTIA Precinct 2 Development**

To-date, the following works have been completed in support of facilitating market readiness of the land parcel:

- (a) Gazetting of the land parcel as an SEZ precinct
- (b) Detailed master plan and spatial development framework
- (c) Commencement of EIA and township establishment processes. Both these processes are earmarked for completion by the second quarter of 2022 calendar year where a Record of Decision and rezoning of the Precinct into “industrial” will be finalised.
- (d) Completion of technical studies identifying bulk infrastructure and enablement works. This has been done as part of the spatial development framework; detailed designs for the bulk works are also underway and will be completed by the second quarter of 2022. It is envisaged that the bulk infrastructure developed for ORTIA Precinct 1 will be leveraged for this Precinct, thereby reducing the costs, and shortening delivery turnaround times.

## **8. Summary of the Expression of Interest Process to be followed**

The GIDZ is currently working on getting the ORTIA Precinct 2 land parcel prepared for development by having the land Zoned for industrial purposes and getting an Environmental Impact Assessment Record of Decision issued. This deliverable is earmarked to be completed in the current financial year of 2022/23.

The next milestone is to rollout bulk Infrastructure as part of land preparation. While this is undergoing, the Gauteng IDZ seeks to commence engagements with interested commercial partners including developers that may be interested in financing the required bulk Infrastructure.

The **Expression of Interest** process is envisaged to involve the following stages:

**In Stage 1:** The Expression of Interest is issued.

Interested parties may obtain any additional information which is available from Gauteng IDZ, comprising of the background to the project and the Development Framework Plan for the ORTIA Precinct 2 site. Meetings with the Master Developer to obtain details of the proposed development are also welcome and encouraged.



**In Stage 2:** Submission of Preliminary Proposal.

The preliminary proposal must comprise of the documents, sketches and the like which the Developer/Lessee / Operator best believes will show case its proposal. The Developer/ Lessee Preliminary proposal should be a concept proposal (a broad concept proposal for sites or premises, in written and/or sketch plan form), and ideally should comprise:

- (a) a sketch plan of what the Lessee / Operator proposes for the site or premises (if applicable).
- (b) the commercial proposal.
- (c) internal or building design, design concept and aesthetic.
- (d) proposed site/s and or premises.
- (e) proposed uses.
- (f) proposed tenant mix (if applicable).
- (g) operation or tenancy commencement date and period.
- (h) details of the legal entity to enter into the lease and details of that entity's membership / shareholding.
- (i) information concerning standing and credentials including information around the respondent's history and or experience with reference to similar project experience
- (j) experience of the professional team

The Preliminary Proposal as a whole must provide the Master Developer with a high-level 'look and feel' of the project to enable the Master Developer to determine if the preliminary proposal is acceptable to it.

**In Stage 3:** This is the detailed RFP process.

Proposals from Stage 2 will be assessed by the Master Developer who will then invite the Developer/Lessee/ Operators who have submitted suitable proposals to participate in this stage of the process.

**N.B: The Master Developer reserves the right to accept or reject any proposal, and to cancel this process and to reject all proposals at any time (either in this stage or in the entire process) prior to the conclusion of any binding property transaction without incurring any liability to any Lessee / Operator or any obligation to inform the Lessee/ Operators of the grounds of the Master Developer's actions.**



## 9. ORTIA Precinct 2 Layout and Design Vision

The architecture should be of an international standard and should comply with guidelines designed to ensure that the built environment is distinctive in its quality, responsive to the character and locality of the OR Tambo International Airport. There may be further guidelines intended to ensure that the establishment of the Precinct is cohesive, legible and identifiable with ORTIA Precinct 1.

Development in the Precinct is to be integrated with the existing ORTIA Precinct 1. The development will also need to conform to all urban form regulations. ***See Annexure detailing indicative land use, site development options, Developable Areas, and Potential Design Layout.***

## 10. The Commercial Nature of Proposed Transactions

The Proposals will be considered based on the following three (3) categories and their suitability in respect of defined components i.e.:

Category 1	Category 2	Category 3
<b>Investor Tenants wanting to enter into facility Lease</b> arrangements in support of their manufacturing operations (Top Structure funded by Master Developer)	<b>Investor Tenants wanting to enter into land Lease</b> arrangements in support of their manufacturing operations (Top Structure funded by Investor)	<b>Property Development Partners wanting to enter into land lease arrangements</b> supported by sub-lease arrangements (Top Structure funded by Property Developer)
<b>Operational Component</b> <ul style="list-style-type: none"> <li>Type of manufacturing proposed i.e., in line with select sectors or industries</li> </ul>	<b>Operational Component</b> <ul style="list-style-type: none"> <li>Type of manufacturing proposed i.e., in line with select sectors or industries</li> </ul>	<b>Operational Component</b> <ul style="list-style-type: none"> <li>Type of manufacturing proposed i.e., in line with select sectors or industries</li> </ul>



<p><b>Financial Component</b></p> <ul style="list-style-type: none"> <li>Financial strength of the proposal and the financial standing and track record of the developer/tenant</li> <li>The economic and other return on funds invested.</li> </ul>	<p><b>Financial Component</b></p> <ul style="list-style-type: none"> <li>Financial strength of the proposal and the financial standing and track record of the developer/tenant</li> <li>The economic and other return on funds invested.</li> </ul>	<p><b>Financial Component</b></p> <ul style="list-style-type: none"> <li>Financial strength of the proposal and the financial standing and track record of the developer/tenant</li> <li>The economic and other return on funds invested.</li> </ul>
<p><b>Commercial Component</b></p> <ul style="list-style-type: none"> <li>Commercial terms (i.e., duration of the lease, rental rate, operating expenses, etc.)</li> <li>The timing of the proposed development.</li> <li>The extent to which developers are able to construct their proposed development within an agreed and reasonable time frame and maintain and enhance their sites.</li> <li>The “value add” of the proposal (e.g., ability to secure a prestigious anchor tenant, commercial terms, job creation, economic benefit, symbiosis with air and freight platforms etc.) which are in line with the intended investor tenant strategy of the Gauteng IDZ.</li> <li>The ability of the proposal to enhance and contribute to the Master Developer’s stated objectives, and the extent to which the proposal contributes to the Master Developer’s vision for the precinct.</li> </ul>	<p><b>Commercial Component</b></p> <ul style="list-style-type: none"> <li>Commercial terms (i.e., duration of the lease, rental rate, operating expenses, etc.)</li> <li>The timing of the proposed development.</li> <li>The extent to which developers are able to construct their proposed development within an agreed and reasonable time frame and maintain and enhance their sites.</li> <li>The “value add” of the proposal (e.g., ability to secure a prestigious anchor tenant, commercial terms, job creation, economic benefit, symbiosis with air and freight platforms etc.) which are in line with the intended investor tenant strategy of the Gauteng IDZ.</li> <li>The ability of the proposal to enhance and contribute to the Master Developer’s stated objectives, and the extent to which the proposal contributes to the Master Developer’s vision for the precinct.</li> </ul>	<p><b>Commercial Component</b></p> <ul style="list-style-type: none"> <li>Commercial terms (i.e., duration of the lease, rental rate, operating expenses, etc.)</li> <li>The timing of the proposed development.</li> <li>The extent to which developers are able to construct their proposed development within an agreed and reasonable time frame and maintain and enhance their sites.</li> <li>The “value add” of the proposal (e.g., ability to secure a prestigious anchor tenant, commercial terms, job creation, economic benefit, symbiosis with air and freight platforms etc.) which are in line with the intended investor tenant strategy of the Gauteng IDZ.</li> <li>The ability of the proposal to enhance and contribute to the Master Developer’s stated objectives, and the extent to which the proposal contributes to the Master Developer’s vision for the precinct.</li> </ul>



<b>Investor Tenants wanting to enter into facility Lease arrangements in support of their manufacturing operations (Top Structure funded by Master Developer)</b>	<b>Investor Tenants wanting to enter into land Lease arrangements in support of their manufacturing operations (Top Structure funded by Investor)</b>	<b>Property Development Partners wanting to enter into land lease arrangements supported by sub-lease arrangements (Top Structure funded by Property Developer)</b>
<b>Design and Planning Component</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>	<b>Design and Planning Component</b> <ul style="list-style-type: none"> <li>Architectural merit.</li> <li>Compliance with zoning and planning parameters.</li> <li>The impact of the proposed development on environmental factors and the impact on bulk services</li> <li>Any other criteria developed by the Master Developer from time to time.</li> </ul>	<b>Design and Planning Component</b> <ul style="list-style-type: none"> <li>Architectural merit.</li> <li>Compliance with zoning and planning parameters.</li> <li>The impact of the proposed development on environmental factors and the impact on bulk services</li> <li>Any other criteria developed by the Master Developer from time to time.</li> </ul>
<ul style="list-style-type: none"> <li>N/A</li> </ul>	<b>Design and Planning Component</b> <ul style="list-style-type: none"> <li>Architectural merit.</li> <li>Compliance with zoning and planning parameters.</li> <li>The impact of the proposed development on environmental factors and the impact on bulk services</li> <li>Any other criteria developed by the Master Developer from time to time.</li> </ul>	<b>Design and Planning Component</b> <ul style="list-style-type: none"> <li>Architectural merit.</li> <li>Compliance with zoning and planning parameters.</li> <li>The impact of the proposed development on environmental factors and the impact on bulk services</li> <li>Any other criteria developed by the Master Developer from time to time.</li> </ul>

*N.B. Participants are encouraged to address Black Economic Empowerment in their proposals and shareholding structure.*

## 11. Property and Facilities Management

The ownership of the Special Economic Zone will continue to reside with the Master Developer. The management of Gauteng IDZ will remain responsible for the facilitation of the maintenance, operational and development related issues across the Precinct.





The Master Developer will through its Asset and Facilities Management Policy manage the operations of all common use areas and implement its Strategy accordingly and shall strive to provide a secure world class business and trade environment through a well-maintained precinct focusing on security, aesthetics, and maintenance.

The IDZ's scope of envisaged facilities management operations is currently defined to include, but is not limited to, the following:

- (a) Compliance with the International Standards Organisation (ISO) and any other relevant and applicable standards to be adhered to for the full FM service (hard, soft and potential future components).
- (b) Hard Facilities Management Services for all common internal and external areas including:
- (c) Soft FM services including
- (d) Potential Future Components may include:
  - Move management.
  - Project management
  - Pre-planning
  - Occupancy Planning (e.g., strategy, space planning, etc.)
  - Shipping and Receiving/Dock Management
  - Food Service Operations
  - Administrative Site Services (such as Conference Room Schedule and Set Up)
  - Special Events Set Up and Coordination
  - Master Planning
  - Facility Assessment

## **12. Envisaged Procurement Process following this Expression of Interest**

Two varying procurement processes have been defined i.e., one in respect of Land Lease transactions and one in respect of Facility Lease transactions:

### **12.1 Land Lease Transaction Process**

It is intended that the Expression of Interest process may involve 4 additional stages:

**In Stage 3:** the Master Developer will issue an RFP where bidders will be required to comply with all the technical specifications, requirements and provide all information and documentation requested for submission as per bid document.

**In Stage 4:** the successful bidder(s) and Master Developer will conclude a Memorandum of Understanding detailing their agreement on the process going forward which includes a statement



of intent between the parties, their understanding of the proposed development and the way forward, the time periods within which the developer's final proposal is to be accepted and proposed construction timelines.

The Memorandum of Understanding signals the parties' respective commitment to the proposed transaction as a sign of good faith and intent by the developer. This provides for the site to be reserved for the developer for a finite period to enable them to develop a detailed proposal and design that meets the Master Developer's stated criteria, the Precinct Plan, Development Manual and Zoning parameters. It is recorded that no binding agreement is concluded between the parties until the conclusion of the Development Agreement and Notarial Lease contemplated in Stage 5.

**In Stage 5:** the Developer must prepare and submit its final proposal, which includes:

- The Developer's Proposed Legal Structure
- The Proposal, Planning and Design including:
  - Design concept
  - Compliance with Master Developer's vision, objectives and development framework
  - Compliance with architectural guidelines and vision
  - Compliance with the ROD
  - Physical layout
  - Land use and density
  - Traffic circulation
  - Pedestrian movement
  - Public and private space allocation
  - Bulk and form
  - Public facility provision
  - Public transport provision
  - Landscaping proposal
  - Market feasibility
  - Proposed tenant mix
  - Rental structure (Tenants secured, Estimated cost)
  - Investment yield
  - Likelihood of proceeding
  - Phasing (if any)
  - Development program
- Financial Proposal
  - Financial offer
  - Commercial terms/proposal
  - Method of financing
  - Indication of financial capacity (bankers reports)
  - Infrastructure cost provision



- Guarantees

***\*This process will involve a determination of the extent and comprehensiveness of the developer's commercial terms and financial offer, and an assessment of the developer's capacity to raise project financing.***

- Empowerment

Preference in allocation of sites may be given to developers who meet Gauteng IDZ's empowerment objectives. This is essentially an assessment to determine whether the developer has complied with the Property Charter, and the extent of empowerment in the development process, ownership and the spread of empowerment in equity distribution. The following issues will feature in the assessment: -

- Equity share
- Responsibilities of empowerment component
- Distribution of equity
- Participation in professional/technical team
- Empowerment policy
- Contracting and subcontracting
- Marketing
- Post construction employment
- Job training
- Social development proposals
- SMME opportunities
- Empowerment performance.

**In Stage 6:** the Master Developer will accept the Developer's proposal and thereafter negotiates with the developer to conclude the Development Agreement and Notarial Lease. The negotiations are non-binding, and any agreements are only valid and enforceable if reduced to writing and signed by all parties.

**In Stage 7:** the Developer(s) is required to finalize any outstanding design issues required and to obtain local authority approval for its building and development plans. After all the conditions precedent have been met, the developer must commence and conclude construction works by the agreed upon dates.



## 12.2 Facility Lease Transaction Process

**For planned Master Developer led developments**, there are opportunities to submit proposals to lease and/or operate any available or future available space. The Lessee / Operator will be required to sign a long-term lease, the details of which will depend on the nature of the Lessee / Operator's proposal.

This process seeks to elicit innovative proposals from Lessee / Operators which provide the best financial offers and meet the Master Developer's clearly defined objectives, specifically to facilitate manufacturing in its select industries.

It is intended that the process will involve 4 additional stages:

**In Stage 3:** the Lessee / Operator and Master Developer conclude a Memorandum of Understanding detailing their agreement on the process going forward which includes a statement of intent between the parties, their understanding of the proposed transaction and the way forward, the time periods within which the Lessee /Operator's final proposal is to be accepted and proposed timelines of the commercial transaction.

The Memorandum of Understanding signals the parties' respective commitment to the proposed transaction and good faith. This provides for the site or premises to be reserved for the Lessee / Operator for a finite period to enable them to develop a detailed proposal and design that meets the Master Developer's stated criteria, the Tenant and Rental Policy, the Precinct Plan, Development Manual and Zoning parameters. It is recorded that no binding agreement is concluded between the parties until the conclusion of the Final Lease contemplated in Stage 5.

**In Stage 4:** the Master Developer accepts a Lessee / Operator's proposal and thereafter negotiates with the Lessee / Operator to conclude the Final Lease. The negotiations are non-binding, and any agreements are only valid and enforceable if reduced to writing and signed by all parties.

**In Stage 5:** the Lessee / Operator is required to finalize any outstanding design or operation issues required by the Master Developer or Panel and to obtain local authority approval for its internal layout, building and development plans (if applicable). After all the conditions precedent have been met and payment of the lease deposit has been made, the Lessee / Operator can commence operations.



### 13. Terms and Conditions

This document constitutes a guide to the Expression of Interest process. Developers/ Investor Tenants must familiarize themselves with the specific provisions of any document governing the design, legal or commercial aspects of this process.

Prospective Developers and Tenants submitting proposals undertake to do so in accordance with the terms of this document and acknowledge that they agree to be bound by the terms of this document and will strictly adhere to its requirements.

This document sets out the rules and guidelines for participation in this Expression of Interest and guides developers/tenants on the preparation of proposals to enable the Master Developer to select developers and tenants that:

- offer the best design / urban solutions.
- offer the best commercial, technical, financial and legal terms.
- are most able to construct their proposed development within an agreed upon and reasonable timetable and to maintain and enhance their sites; and
- comply with the Master Developer's development framework and criteria.

Invitations to the procurement stages (Stage 3) will be assessed by the Master Developer who will only commence negotiations with Developers who have submitted suitable proposals. The Master Developer reserves the right to:

- Accept or reject any proposal.
- Cancel this process.
- Reject all proposals at any time prior to the conclusion of any binding property transaction without incurring any liability to any party.
- Shorten the process where it deems appropriate.

Further to the above, the Master Developer may, without limitation of any of its rights the Master Developer expressly reserves the right to:

- request clarification on any aspect of an offer or proposal received from a developer or tenant, which requests, and responses will be in writing.
- enter into non-binding negotiations with any developer or tenant after the evaluation of the proposals, without prior notice to any other developer/tenant or any other party.
- exercise in its discretion all rights of ownership, including the rights to redesign or restructure the Precinct in any manner it chooses prior to concluding binding agreements; and,
- accept or reject any proposal and to annul this process and to reject all proposals at any time prior to the conclusion of any binding property transaction without incurring



any liability to any developer/tenant or any obligation to inform the developers/tenants of the grounds of the Master Developer's actions.

#### **14. General Information**

The information to be submitted by the Respondents should be prepared simply and economically, providing a concise description of the Respondents ability to deliver on the Expression of Interest's request.

Please note that responding to this Expression of Interest is not a prerequisite for responding to any future solicitations related to this project and a response will not create any contract rights.

All responses to this Expression of Interest will become property of the Gauteng IDZ and the information gathered during this process is part of an ongoing procurement process. In order to prevent any unfair advantage among potential respondents, the responses will not be available until after the completion of evaluation of any responses, proposals, or bids resulting from a Request for Qualifications, Request for Proposals, Invitation to Bid or other procurement method.

In the event that the Gauteng IDZ chooses not to go further in the procurement process and responses are never evaluated, the responses to the procurement including the responses to the Expression of Interest, will be considered confidential by the Gauteng IDZ.

The Gauteng IDZ will not pay for any costs associated with responding to this Expression of Interest and the Respondents will be allowed to participate in further engagements per the tender requirements at the next stages as outlined in the contents of the document above.



## 15. Informational Forms

The Gauteng IDZ is requesting the following information from all interested parties. Please fill out the following forms or provide the below requested information on a separate attachment:

<b>Expression of Interest</b> <b>TECHNICAL INFORMATION FORM</b>	
1.	RESPONDENT LEGAL ENTITY NAME:
2.	RESPONDENT CONTACT PERSON: Name, Title: Address: Phone Number: Email:
3.	Provide a short narrative of your company's knowledge and experience in the property development sector and projects mentioned in the background section. Please be specific about experience, responsibilities and capabilities to cover the extent of the proposed space within the precinct of the GIDZ, and the variety of property development facilities owned and developed, which include but are not limited to: <ul style="list-style-type: none"> <li>i) Industrial Parks/Estates and Buildings</li> <li>ii) Office Buildings</li> <li>iii) Retail Centres and other</li> <li>iv) Canteen/Restaurants</li> <li>v) Parkade facilities</li> <li>vi) Other Construction works</li> </ul>
4.	Provide a short narrative on the following: As the GIDZ progresses toward an official solicitation, we would like to know, as specifically as possible, what information potential Respondents need from the GIDZ to be able to respond succinctly and accurately about their qualifications to provide these services. Please try to organize your requested information into categories. Example categories may include, but are not limited to, timeline/implementation, service level agreements, KPI's, and geographic vendor presence.
<b>COST INFORMATIONAL FORM</b> <b>PLEASE DO NOT INCLUDE ANY SPECIFIC PRICING</b>	
1.	Describe what your envisaged gross rentals per square metre would be for a typical proposed project.
2.	Typical outgoings and vacancies (where applicable)
3.	Typical Operational expenses
4.	Capitalisation Rates
5.	Any other cost and projected cashflow considerations





6. Describe the typical projected letting fees (if applicable)
7. Financial feasibility Model (i.e., Expected Effective ROI)

ADDITIONAL CONSIDERATIONS
1. Please provide input on alternative approaches to the development of the precinct and the best possible land use options, zoning, subdivision and other technical and legal considerations typically offered in the market for the effective rollout as discussed in the background and/or additional matters to consider that might benefit the Gauteng IDZ.

## 16. Procedure for Submission

The Respondents must submit a response to the Expression of Interest, integrating the technical, design specifications and the financial proposals as per milestones indicated herein.

In addition to an Executive Summary (that can be read independently or as part of the broader document), the Final Report will be required to be organized according to the delivery tasks indicated herein, all consolidated into one document.

Final deliverables must be provided in English using Arial Font size 12 for the body content of the report. Final deliverables may be provided electronically in the following formats:

- (i) Adobe Acrobat readable copies of all documents.
- (ii) source files for all documents in MS Word, MS Power Point, MS Excel and
- (iii) At least one hard professionally bound copy (If electronic copy is not submitted)

All financial models must be in Excel format, and clearly set out all assumptions made, sensitivity analysis carried out, and model outputs.

In addition to the documents to be developed, the preferred service provider may also be required to make a presentation to the GIDZ Senior Management Team as per stages outlined herein.

## 17. General Information: technical enquiries and process enquiries

Clarity seeking questions regarding the *process inquiries* may only be directed to GIFAs SCM, email: [m.modumo@gifa.co.za](mailto:m.modumo@gifa.co.za) and for the Terms of Reference *technical enquiries* to Project Coordinator, email: [m.motsepe@gifa.co.za](mailto:m.motsepe@gifa.co.za). The project sponsor shall on receipt of questions on the same date or by the next day, consolidate questions and provide responses.