

## THEMBISILE HANI LOCAL MUNICIPALITY



### INVITATION FOR PROPOSAL OF A LONG-TERM LEASE OF PORTION 1(REMAINING EXTENT) AND 11 OF THE FARM KLIPFONTEIN 256 JS FOR AGRICULTURAL COMMERCIAL LEASE.

THLM/SCM11/2026/2027/PED02

#### SCOPE OF WORK

#### C 3.1.1 DESCRIPTIONS OF WORKS

##### PART C3 SCOPE OF WORK / SPECIFICATION

##### C3.1 Description of the Service

#### 1. BACKGROUND

The Municipality is the lawful owner of Portion 1 (remaining extent) and 11 of the farm Klipfontein 256 JS measuring 745,9864 Ha and 642,399 Ha respectively, herein referred to as “the Property” which is being made available for long-term lease to a qualified and capable bidder. The intention of this Request for Proposal (RFP) is to promote sustainable agricultural and/or commercial use of the property while advancing local economic development, job creation, and skills transfer in line with municipal development strategies.

The property (Portion 1 remaining extent and 11 of the Farm Klipfontein 256 JS) and surrounding portions of the same farm is currently subject to existing lease agreements and/or occupancies, which will remain in force and must be respected by the successful bidder. Portions 2 and Portion 11 of the Farm Klipfontein 256 JS are associated with water rights that will be made available for farming operations undertaken on the leased properties.

## 2. PURPOSE

The Municipality hereby invites suitably qualified, experienced, and financially capable bidders to submit proposals of the long-term lease of Portion 1 (remaining extent) and 11 of the Farm Klipfontein 265 JS for, the agricultural commercial use of the municipal farm for a fixed period of Forty-nine (49) years.

## 3. SCOPE OF WORK AND RESPONSIBILITIES

The successful bidder herein referred to as the Lessee shall be responsible for the following:

| No  | Clause                                                                                                   | Requirements                         | Bidder/Lessee's Responsibility                                                                                                                                                                                                                                                                                         |
|-----|----------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1 | Lease and Utilisation of the Property                                                                    | Lease of Property                    | Lease the farm on a voetstoots (as-is) basis and acknowledge the current condition of the land and existing infrastructure.                                                                                                                                                                                            |
|     |                                                                                                          | Agricultural/Commercial Operations   | <ul style="list-style-type: none"> <li>Develop, implement, and manage a viable agricultural and/or commercial farming operation on the property.</li> <li>Ensure that all activities conducted on the property are lawful and comply with applicable municipal by-laws, policies, and national legislation.</li> </ul> |
| 3.2 | Coexistence with Existing Occupants                                                                      | Harmonious Coexistence               | Coexist harmoniously with current occupants of Portion 1 (remaining extent) and Portion 11 of Farm Klipfontein 256 JS, as well as occupants of surrounding portions, without interfering with their lawful rights and activities.                                                                                      |
|     |                                                                                                          | Resource Coordination                | Coordinate activities, where necessary, to minimize conflicts and promote efficient utilization of shared resources.                                                                                                                                                                                                   |
| 3.3 | Land Use                                                                                                 | Permitted Use                        | Utilize the property for farming activities, including but not limited to crop production, livestock farming, or mixed farming enterprises, subject to compliance with municipal zoning and land-use regulations.                                                                                                      |
| 3.4 | Infrastructure Maintenance, Farm Restoration and Rehabilitation (once a lease agreement has been signed) | Infrastructure Responsibility        | Assume full responsibility for the repair, restoration, rehabilitation, improvement, and ongoing maintenance of all infrastructure on the property.                                                                                                                                                                    |
|     |                                                                                                          | Cost of Improvements and Restoration | Undertake all repairs, maintenance, restoration, rehabilitation and upgrades at the Lessee's own cost and without recourse to the Municipality.                                                                                                                                                                        |
|     |                                                                                                          | Compliance Standards                 | Ensure that all infrastructure improvements comply with applicable standards, legislation, approvals, and regulatory requirements.                                                                                                                                                                                     |
|     |                                                                                                          | Restoration Plan                     | Prepare and implement a comprehensive Farm Restoration and Rehabilitation Plan detailing proposed interventions, timelines, budgets, and performance targets for restoring and improving the property once a lease agreement has been signed with the municipality.                                                    |
|     |                                                                                                          | Baseline Assessment                  | Conduct a baseline assessment of the farm, including infrastructure, agricultural land, fencing, water systems, access                                                                                                                                                                                                 |

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|     |                                 |                              | roads, environmental conditions, and any existing assets requiring rehabilitation once a lease agreement has been signed with the municipality.                                                                       |
|     |                                 | Rehabilitation Measures      | Identify and implement measures to restore and rehabilitate degraded agricultural land, infrastructure, water resources, grazing areas, and other farm assets where required.                                         |
|     |                                 | Environmental Sustainability | Apply sustainable agricultural and environmental management practices aimed at improving soil health, water conservation, biodiversity protection, and long-term productivity of the farm.                            |
|     |                                 | Infrastructure Restoration   | Restore and upgrade existing farm infrastructure, where necessary, to support the proposed farming operations and improve operational efficiency.                                                                     |
|     |                                 | Monitoring and Reporting     | Submit annual progress reports to the Municipality outlining restoration activities undertaken, improvements achieved, challenges encountered, and future rehabilitation actions.                                     |
|     |                                 | Exit Condition               | At the expiry or termination of the lease, the farm shall be returned to the Municipality in a condition that is equal to or better than its condition at the commencement of the lease, fair wear and tear excepted. |
| 3.5 | Skills Development and Transfer | Skills Development Programme | Develop and implement a structured skills development and knowledge-transfer programme for local community members.                                                                                                   |
|     |                                 | Training Initiatives         | Provide training in agricultural production, farm management, technical skills, business operations, and other relevant areas.                                                                                        |
|     |                                 | Reporting                    | Maintain records and submit annual reports demonstrating the effectiveness, outcomes, and reach of the programme.                                                                                                     |
| 3.6 | Local Employment                | Local Recruitment            | Prioritize employment opportunities for residents from surrounding communities.                                                                                                                                       |
|     |                                 | Employment Plan              | Submit an employment plan outlining proposed job creation targets and employment categories.                                                                                                                          |
|     |                                 | Labour Compliance            | Comply with all applicable labour legislation and fair employment practices.                                                                                                                                          |
| 3.7 | Lease Period                    | Lease Term                   | The lease agreement shall be for a fixed period of Forty-Nine (49) years.                                                                                                                                             |
|     |                                 | Renewal Option               | Renewal may be considered subject to terms and conditions stipulated in the lease agreement and satisfactory performance by the Lessee.                                                                               |
|     |                                 | Continued Occupation         | Continued occupation shall be subject to compliance with contractual obligations and performance standards.                                                                                                           |
| 3.8 | Financial Capability            | Financial Capacity           | Demonstrate financial capability to undertake and sustain the proposed operations, including infrastructure rehabilitation, maintenance, and operational expenses.                                                    |
|     |                                 | Supporting Documentation     | Submit audited financial statements and/or proof of funding.                                                                                                                                                          |
| 3.9 | Experience and Expertise        | Relevant Experience          | Demonstrate agricultural, technical, and management expertise relevant to the                                                                                                                                         |

|      |                     |                               |                                                                                                                                     |
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|      |                     |                               | proposed farming operation.                                                                                                         |
|      |                     | Track Record                  | Provide evidence of successfully completed projects of a similar nature and scale.                                                  |
| 3.10 | Proposal            | Business and Operational Plan | Submit a comprehensive business and operational proposal.                                                                           |
| 3.11 | Method of Reporting | Reporting                     | Provide regular performance, compliance, and progress reports to the Municipality.                                                  |
| 3.12 | Risk and Liability  | Operational Risk              | The Lessee shall bear all risks associated with the operation of the farm, including infrastructure rehabilitation and maintenance. |
|      |                     | Municipal Indemnity           | The Municipality shall not be liable for any losses, damages, claims, or costs incurred by the Lessee during the lease period.      |
| 3.13 | Compliance          | Legislative Compliance        | Comply with all applicable environmental, land-use, labour, occupational health and safety, and other relevant legislation.         |
|      |                     | Permits and Approvals         | Obtain and maintain all necessary permits, licences, approvals, and authorisations before commencing operations.                    |
|      |                     | Sustainable Use               | Ensure sustainable, responsible, and environmentally sound utilisation of the property throughout the lease period.                 |

#### 4. BID SUBMISSION REQUIREMENTS

##### 4.1 Submission Process

Proposals must be submitted at the designated tender box as indicated in the document, before the closing date and time. Late submissions will not be considered.

##### 4.2 Mandatory Documents

|                               |                                                                                                                                                                                                                                                             |
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| Tender Document               | Submit fully completed tender document                                                                                                                                                                                                                      |
| Business and Operational Plan | Submit a detailed proposal including:<br>(i) proposed use of the farm;<br>(ii) production plans;<br>(iii) market strategy;<br>(iv) sustainability measures; and<br>(v) financial viability (including projected income, expenditure, and investment plans). |
| Skills Transfer Programme     | Submit a detailed skills transfer and training programme.                                                                                                                                                                                                   |
| Employment Plan               | Submit a local employment and job creation plan.                                                                                                                                                                                                            |
| Track Record                  | Provide evidence of successfully completed projects of a similar nature and scale.                                                                                                                                                                          |
| Supporting Documentation      | Submit audited financial statements and/or proof of funding and/or bank guarantee.                                                                                                                                                                          |
| Employment Plan               | Submit an employment plan outlining proposed job creation targets and employment categories.                                                                                                                                                                |
| Financial Capacity            | Demonstrate financial capacity to implement the project by submitting verifiable proof of access to a minimum of <b>R20 million</b> . Acceptable supporting                                                                                                 |

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|  | documentation includes a valid bank guarantee, formal investor commitment letter, or approved grant funding confirmation. The submitted evidence must clearly indicate that the funds are available and committed for the purpose of implementing the project. |
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## 5. Site Inspection and Briefing

A compulsory briefing session will be held at the Municipality's Shelter on **09 October 2026 at 11h00**. Interested bidders are encouraged to attend for clarity on land conditions and existing land use.

## 6. TERMS AND CONDITIONS

- The proposed lease period is forty-nine (49) years from the date of signing the lease agreement.
- Existing cooperatives on the property Portion 1 (remaining extent) and 11 of the Farm Klipfontein 256 JS) and surrounding portions of the same farm possess valid occupation rights; proposals must include land coexistence strategies.
- 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 lease agreement will be subject to the Municipality's standard terms.
- The Municipality is not obliged to accept the highest or any proposal