



**REAL ESTATE UNIT : ERF 11414, 11415, 11416 SITUATED ON A
PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED
ERF (A) AND ERF 11418 AND 11419 SITUATED ON PORTION OF
THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (B)
DURBAN)**

CONTRACT NUMBER: 7E-22666



REAL ESTATE UNIT

REQUEST FOR PROPOSAL FOR THE LONG-TERM LEASING AND REDEVELOPMENT OF ERF 11414, 11415, 11416 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (A) AND ERF 11418 AND 11419 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (B) DURBAN) MEASURING 7 183 m² IN TOTAL COMBINED EXTENT.

EThekweni Metropolitan Municipality, hereby request proposals from interested parties for the long-term leasing of Erf 11414, 11415, 11416 situated on a Portion of the Remainder of Erf 1 Durban (Proposed Erf (A) and Erf 11418 and 11419 situated on Portion a of the Remainder of Erf 1 Durban (Proposed Erf (B) Durban, measuring 7 183 m² in combined extent for a period of 50 years.

THIS DOCUMENTS OF 75 PAGES, IT IS THE RESPONSIBILITY OF THE TENDERER / BIDDER TO SEE THAT ALL PAGES ARE INCLUDED IN THE DOCUMENT.

Name of Bidder _____

DOCUMENTS TO BE SUBMITTED: 1 ORIGINAL AND 1 COPY TOGETHER WITH ONE SOFT COPY (EITHER DISK OR MEMORY STICK) TO BE SUBMITTED BY 11:00 AM ON THE CLOSING DATE.

Closing date of the Bid: 08 March 2024
Closing Time: _____

Issued by: T.E. Mmusinyane
HEAD: Real Estate Unit
4th Floor,
199 Anton Lembede Street

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TENDER ADVERT

REQUEST FOR PROPOSAL FOR THE LONG-TERM LEASING AND REDEVELOPMENT OF ERF 11414, 11415, 11416 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (A) AND ERF 11418 AND 11419 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (B) DURBAN).

eThekwini Metropolitan Municipality, hereby invites interested persons to submit proposals for the leasing of the property stated hereunder:

BID NUMBERS	TENDER DESCRIPTIONS	SIZE
7E-22666	REQUEST FOR PROPOSAL FOR THE LONG-TERM LEASING AND REDEVELOPMENT OF ERF 11414, 11415, 11416 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (A) AND ERF 11418 AND 11419 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (B) DURBAN).	7 183 m ²
Non – compulsory briefing sessions	<p>There will be two clarification meetings.</p> <p>The first clarification meeting will be held on 30th November 2023. All questions and answers from the first clarification meeting will be uploaded onto the eThekwini website by the 14th December 2023.</p> <p>The second clarification meeting will be held on 8th February 2024. All questions and answers from the second clarification meeting will be uploaded onto the eThekwini website by the 15th February 2024.</p>	
Document Availability	10 th November 2023	
Documents Cost	Document Cost: R0,00	
Objective criteria in terms of Paragraph 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000 is to give effect to Section 25 (5) of the Constitution of the Republic of South Africa	<p>In line with Section 25 (5) of the Constitution “The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis.”</p> <p>The objective criteria will be applied in the following manner:</p> <ol style="list-style-type: none"> 1) The demographic profile of property ownership or access to property will be assessed using the Municipality’s lease register in relation to the location of the subject property and the level of participation in the sector. Preference will be given to the most underrepresented groups within that property profile. The graph depicted under Annexure A on page 73 represents the current demographic profile of existing leases that would apply to this bid. <ul style="list-style-type: none"> • Bidders must score a minimum of 70 points for Functionality Evaluation in order to qualify for further evaluation in Price and Preference Goal and the Objective Criteria. 	
Mandatory Requirement	<ul style="list-style-type: none"> • Must be an International recognized Hotel management group/ International chain with proven experience in South Africa and has 4-Star Hotels in its portfolio. • Only proposals that propose a primary use of the building to be a 4 or 5-Star Hotel will be accepted. 	
Mandatory Requirements in line with the requirements of Regulation 41 (4) of the Asset Transfer Regulations of 2008 to ensure that the successful bidder has the ability to develop, maintain and safeguard the capital asset.	<p>Bidders are to provide a funding model to incorporate how and where funding will be sourced/raised, and it must include collateral to be pledged against such funding if required. The bidder is to demonstrate proof of availability of 100% of the funding required for the development. This must include written support from verifiable funding institutions/ expression of interest to fund registered with Financial Sector Conduct Authority (FSCA).</p> <ul style="list-style-type: none"> • the letter from a registered funder with Financial Sector Conduct Authority (FSCA) reflects the full amount of the development cost. • If there is a shortfall and the bidder shows how they will fund the shortfall. • Written confirmation from a registered funder with Financial Sector Conduct 	

	<p>Authority (FSCA) confirming availability of equity funding to cover the full development cost.</p> <ul style="list-style-type: none"> • If the AFS reflects cash and cash equivalents .
Selection Criteria	<p>Above R10 Million</p>
	<p>Regulation 21 of the Municipal Supply Chain Management Regulations, 2005 requires bidders for transactions that exceed R10 million to furnish annual financial statements for the past three financial years. This is required to establish liquidity and financial resources of the bidder to execute the project as indicated in the bid documents and proposals. If the bidder was established within the last three years, the most recent audited financial statements are required to be submitted.</p> <p>Failure to meet the following requirements will invalidate the bid:</p> <ul style="list-style-type: none"> • Failure to meet mandatory requirements. • Any rental offer below the reserve price. • Any Bid that deviates from the Tender specifications. • Any proposal that does not include redevelopment of the property or the proposed usage is not in line with the zoning of the property. • Non-Signature and non-commissioning of the declaration of the Bidder's Past Supply Chain Practices in MBD 8 and Bid Submission in MBD's. • Any development proposal that is outside the scope of this tender. <p>NB: Failure to comply with the above will result in the bid not being evaluated for Stage 1</p>
Closing Date	08 March 2024
Conditions of submission of Request for Proposal	<ul style="list-style-type: none"> • Tax Clearance Certificate, valid on the closing date of the bid, or exemption to pay taxes as issued by the South African Revenue Services (SARS) or Valid Tax Compliant Verification PIN number issued by SARS. • Proof of registration of the Entity as follows: - Natural persons- certified copy of ID document/ passport - Partnership- copy of Partnership Agreement plus IDs of all partners - Company- current CM29 - Close Corporation- current copy of CK1 and/or CK2C - Trust- letter of appointment from the Master of the High Court of SA and deed of trust - Proof of registration of NPO or NGO (Copy of Provincial Registration Certificate etc.) • Up to date Municipal Account not older than three (3) months and not over three (3) months in arrears for the individual for all his/her properties/ Proof that acknowledgements or arrangements have been made to settle arrears / Affidavit stating why an up to date municipal account cannot be submitted for all the properties of the directors. • In the event the bidder is tendering as a Joint Venture/Consortium, all members of the JV/Consortium must submit all required documentation, a JV / Consortium agreement and a Joint Venture B-BBEE Certificate. • Completion and signature of all bid documents. • Central Supplier Data Base (CSD) registration.
Address	<p>Ground floor Engineering Unit, Municipal Centre 166 K.E. Masinga Road (formerly Old Fort Road) DURBAN</p>
Evaluation	<p>Functionality, Rental Offer and Preference Goal of contributor using 90/10. 90 for rental value and 10 for Preference Goal status level of contributor</p>

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (ETHEKWINI METROPOLITAN MUNICIPALITY)					
BID NUMBER	7E-22666	CLOSING DATE	08 March 2024	CLOSING TIME:	11:00
DESCRIPTION	REQUEST FOR PROPOSAL FOR THE LONG-TERM LEASING AND REDEVELOPMENT OF ERF 11414, 11415, 11416 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (A) AND ERF 11418 AND 11419 SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (B) DURBAN).				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO ENTER INTO A LEASE AGREEMENT WITH ETHEKWINI METROPOLITAN MUNICIPALITY.					

BID RESPONSE DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT MUNICIPAL CENTRE, 166 K.E. MASINGA ROAD (formerly Old Fort Road) AND PLACED IN THE TENDER BOX LOCATED IN THE GROUND FLOOR FOYER.

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSMILE NUMBER	CODE		NUMBER		
EMAIL ADDRESS					
VAT REGISTRATION					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE (TICK APPLICABLE BOX)		Yes	B-BBEE STATUS LEVEL SWORN AFFIDAVIT		Yes
		No			No
(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE / SWORN AFFIDAVIT (FOR EMEs & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)					
SIGNATURE OF BIDDER			DATE		
CAPACITY UNDER WHICH THIS BID SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:					

TERMS AND CONDITIONS FOR BIDDING**1. BID SUBMISSION:**

1.1 BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.

1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–OR DOWNLOADED ONLINE (NOT TO BE RE-TYPED)**

1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.

2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFITABLE AND TAX STATUS.

2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.

2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART 3 BELOW.

2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.

2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

3.1 IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

☐ YES ☐ NO

3.2 DOES THE ENTITY HAVE A BRANCH IN THE RSA?

☐ YES ☐ NO

3.3 DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

☐ YES ☐ NO

3.4 DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

☐ YES ☐ NO

3.5 IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

MBD 2

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.

6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

PRICING SCHEDULE: FINANCIAL OFFER

1. This offer is made for the property in accordance with the Property Information stated in MBD 13 and in accordance with the bid specification in MBD 12.
2. Unless stated otherwise all prices excludes VAT.
3. **FINANCIAL OFFER**

<p>A minimum / reserve amount of R3 403 158.75 per month.</p> <p>Any offer below the RESERVED/ MINIMUM RENTAL will not be considered and such bids would accordingly be disqualified.</p>	
Rental Offer Per Month	R
Escalation per annum and rental to be reviewed every five years	7%
Bidder / Entity Name	
Represented By	
Capacity	
Signature	
Date	

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

eThekwini Vendor Portal Registration Number:

PR

C.S.D Registration Number:

MAAA

S.A.R.S Pin Number:

Completion of the following is compulsory. Failure to declare the following will invalidate your offer.

Declaration of Interest

Are any of the entity's directors, managers, principle shareholder or stakeholders currently in the service of the state or have been in the service of the state in the past twelve (12) months? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Is any spouse, child or parent of the entity's directors, managers, principle shareholder or stakeholder currently in the service of the state or have been in the service of the state in the past twelve (12) months? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Name of entity's member	Position in Entity	Name of Relative (if applicable)	Name of State Institution	Nature of Relationship
Do you or any other directors, managers, principle shareholder or stakeholder of your entity have any relationship (spouse, family, friend, associate) with persons in the service of the state and/or who may be involved with the evaluation of this quotation? If yes please furnish particulars below <input type="checkbox"/> Yes <input type="checkbox"/> No				
Name of entity's member	Position in Entity	Name of Relative (if applicable)	Name of State Institution	Nature of Relationship

OFFER TO BE VALID FOR 180 DAYS FROM THE CLOSING DATE OF BID.

4. PAYMENT FOR RATES, TAXES AND SERVICES

In addition to the above amount the lessee will be responsible for the payment of all municipal services and other costs deemed necessary on the property, including rates and taxes levied on the property including electricity, water, sewerage and sanitation removal, which are levied on the property. in the event of the amount stated above, being increased at any time during the lease period, or any renewal thereof, the monthly rental payable by the lessee will be automatically increased by the percentage increase in such amount, from the date on which such increase becomes effective.

5. POSSESSION OF THE SITE

The lessee will take possession of the site on the date of signature of the Lease Agreement by the parties.

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state*.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.

3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name:

3.2 Identity Number:

3.3 Company Registration Number:

3.4 Tax Reference Number:

3.5 VAT Registration Number:

3.6 Are you presently in the service of the state* ** * YES / NO

3.6.1 If so, furnish particulars.

.....

.....

3.7 Have you been in the service of the state for the past twelve months? YES / NO

3.7.1 If so, furnish particulars.

.....

.....

* MSCM Regulations: "in the service of the state" means to be

– (a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional

- institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
 - (f) an employee of Parliament or a provincial legislature.

3.8 Do you, have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.8.1 If so, furnish particulars.

.....
.....

3.9 Are you, aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.9.1 If so, furnish particulars

.....
.....

3.10 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state? YES /NO

3.10.1 If so, furnish particulars.

.....
.....

3.11 Are any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in service of the state? YES /NO

3.11.1 If so, furnish particulars.

.....
.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

.....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

1. Are you by law required to prepare annual financial statements for auditing?

- 1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

***YES / NO**

.....

.....

2. Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

- 2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

- 2.2 If yes, provide particulars.

.....

.....

.....

- 3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material noncompliance or dispute concerning the execution of such contract?

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT.

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids: - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included)

1.2 a) The value of this bid could not be determined, therefore the lowest acceptable tender will be used to determine the applicable preference point system; or

b) The 90/10 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) Preference Goals

1.4 The maximum points for this bid are allocated as follows::

	POINTS
RENTAL OFFER	90
Preference goals	10
Total points for Price and Preference goal must not exceed	100

1.5 Failure on the part of a bidder to submit proof of CSD report, Consolidated BBBEE Certificate for Consortium, Joint Venture, Trust or Consortium, Joint Venture, Trust Agreement together with the bid, will be interpreted to mean that preference points for Preference points are not claimed.

1.6 The Municipality reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the Municipality.

2. DEFINITIONS

- (a) **“highest acceptable tender”** means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;
- (b) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation.
- (c) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts.
- (d) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by Municipality in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the Municipality and a third party that produces revenue for the Municipality, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions.
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).
- (f) **“Rand value”** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;
- (g) **“tender for income-generating contracts”** means a written offer in the form determined by Municipality in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the Municipality and a third party that produces revenue for the Municipality, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions.
- (h) **“specific goals”** means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;

3. DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

(a)

PRICE POINTS: A maximum of 80 or 90 points is allocated for price on the following basis:

80 / 20 Points System

OR

90 / 10 Points System

$$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where:

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{max} = Price of highest acceptable tender

- (b) A maximum of 10 or 20 points may be awarded to a tenderer for the specific goal specified for the tender.
- (c) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (d) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1 In terms of Regulation 6 and 7 of the Preferential Procurement Regulations 2022 read together with Section 4 (4) and 4 (5) of the EtheKwini Municipality: SCM Policy 2023, preference points must be awarded for specific goals stated in the tender.

For the purposes of this tender the tenderer will be allocated points based on the points claimed for the goal(s) stated in Table 1 below, as supported by proof/ documentation stated in the Conditions of Tender:

- 4.2 In cases where the municipality intends to use Regulation 3(2) of the Regulations, which states that if it is unclear whether the 80/20 or 90/10 preference point system applies, the municipality must, in the tender documents, stipulate in the case of:
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system:
- 4.3 then the municipality must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Specific Goals for the tender and points claimed are indicated as per table 1 and table 2 below. Tenderers are to indicate their points claim for each of the Specific Goals

Ownership Goal

The tendering entity's Percentage Ownership, in terms of the Ownership Category(s) listed below, is to be used in the determination of the tenderer's claim for Preference Points.

Table 1

Goal Weighting 50%			
Ownership Categories	Criteria	80/20	90/10
Race: Black (w1)	0%	0	0
	>0% and <51%	8	4
	≥51% and <100%	15	7.5
	100%	20	10
Proof of claim as declared on MBD 6.1 (1 or more of the following will be used in verifying the tenderer's status) <ul style="list-style-type: none"> Companies and Intellectual Property Commission registration document (CIPC) CSD report. B-BBEE Certificate of the tendering entity. Consolidated B-BBEE Certificate if the tendering entity is a Consortium, Joint Venture, or Trust (Issued by verification agency accredited by the South African Accreditation System). Agreement for a Consortium, Joint Venture, or Trust. 			
The Category Weightings of the Ownership Categories will be: w1 = 50%			

RDP Goal: The promotion of South African owned enterprises

The tendering entity's **Address** (as stated on the National Treasury Central Supplier Database (CSD) or on the eThekweni Municipality Vendor Portal) is to be used in the determination of the tenderer's claim for **Preference Points** for this Specific Goal.

Table 2

Goal Weighting 50%		
Location	80/20	90/10
Not in South Africa	0	0
South Africa	5	2.5
KZN	10	5
ETM	20	10
Proof of claim as declared on MBD 6.1 (1 or more of the following will be used in verifying the tenderer's status) <ul style="list-style-type: none"> CSD report 		

- 4.4 All bidders will have to submit BEE rating certificates, issued by either verification agencies accredited by the South African Accreditation System (SANAS) or by registered auditors approved by the Independent Regulatory Board for Auditors (IRBA) or sworn affidavits in a case of Exempted Micro Enterprises or Qualifying Small Enterprise.
- 4.5 Any enterprise with an annual Total Revenue of R 10 million or less qualifies as an Exempted Micro Enterprise.
- 4.6 Exempted Micro-Enterprises are deemed to have B-BBEE Status of "Level Four Contributor" having a BBBEE procurement recognition of 100% in terms of the Codes of Good Practice.
- 4.7 An Exempted Micro Enterprise (EME) with at least 51% black ownership qualifies as a Level 2 contributor with BBBEE level of 125% in terms of the Codes of Good Practice.
- 4.8 An Exempted Micro Enterprise with 100% black ownership qualifies as a Level 1 contributor with BBBEE level of 135% in terms of the Codes of Good Practice.
- 4.9 An Exempted Micro Enterprise that is regarded as a specialized enterprise with at least 75% black beneficiaries qualifies as a Level 1 contributor with BBBEE level of 135% in terms of the Codes of Good Practice.
- 4.10 An Exempted Micro Enterprise that is regarded as a specialized enterprise with at least 51% black beneficiaries qualifies as a Level 2 contributor with BBBEE level of 125% in terms of the Codes of Good Practice.
- 4.11 A Qualifying Small Enterprise (QSE) with at least 51% black ownership qualifies as a Level 2 contributor.
- 4.12 A QSE with 100% black ownership qualifies as a Level 1 contributor.
- 4.13 A QSE that is regarded as a specialized enterprise with at least 51% black beneficiaries qualifies as a Level 2 contributor with BBBEE level of 125% in terms of the Codes of Good Practice.

4.14 A QSE with less than 51% black ownership is required to submit a BBEE level verification certificate issued by BBEE verification professional.

4.15 A Trust, consortium or joint venture:

- (a) must submit a B-BBEE status level certificate in order to qualify for points;
- (b) will qualify for points as an unincorporated entity provided, that they submit their consolidated scorecard is prepared for separate tender; and
- (c) where no consolidated scorecard exists, the weighted average (in accordance with participation percentages) will be used and rounded off to the nearest status level.

4.16 If a service is provided by only tertiary institutions, such services must be procured from the tertiary institutions identified by means of bidding process. Tertiary institutions must submit their B-BBEE status in terms of the B-BBEE Codes of Good Practice Specialized Scorecard.

4.17 This tender is subject to an Objective Criteria in terms of Section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) as follows:

Objective criteria in terms of Paragraph 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000 is to give effect to Section 25 (5) of the Constitution of the Republic of South Africa	<p>In line with Section 25 (5) of the Constitution "The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis."</p> <p>The objective criteria will be applied in the following manner:</p> <ul style="list-style-type: none">1) The demographic profile of property ownership or access to property will be assessed using the Municipality's lease register in relation to the location of the subject property and the level of participation in the sector. Preference will be given to the most underrepresented groups within that property profile. The graph depicted under Annexure A on page 73 represents the current demographic profile of existing leases that would apply to this bid.• Bidders must score a minimum of 70 points for Functionality Evaluation in order to qualify for further evaluation in Price and Preference Goal and the Objective Criteria.
Tender(s) received need to be evaluated in terms of the preference goal system first. Once the highest points scorer has been ascertained only then the objective criteria will be applied.	

4.18 Award of where Bidders have Scored Equal Points Overall

- 1. In the event that two or more bids have scored equal total points, the successful bid will be the one scoring highest points for specific goals.
- 2. However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal points for special goals, the successful bid will be the one scoring the highest score for functionality.
- 3. Should two or more bids be equal in all respects; the award will be decided by the drawing of lots.

5. DECLARATION WITH REGARD TO COMPANY/FIRM

5.1. Name of company/ firm:.....

5.2. VAT registration number:.....

5.3. Company registration number:.....

5.4. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
 - ☐ One person business/sole propriety
 - ☐ Close corporation
 - ☐ Company
 - ☐ (Pty) Limited
- [TICK APPLICABLE BOX]

5.5. DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....
.....
.....
.....

5.6. COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

5.7. MUNICIPAL INFORMATION

Municipality where business is situated:
Registered Account Number:
Stand Number:

5.8. Total number of years the company/firm has been in business :.....

5.9. I, the undersigned, who warrants that they are authorised to sign on behalf of the Tenderer, certify that the points claimed, based on the specific goal as specified in the tender, qualifies the tendering entity for the preference(s) shown.:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the bidder may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis, or any of

the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have:

- (a) disqualify the person from the tendering process.
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct.
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation.
- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.–

WITNESSES 1..... 2..... SIGNA- TURE(S) OF BIDDERS(S)
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CONSTITUTIONAL COURT JUDGEMENT

Pursuant to the Constitutional Court judgement which declared Preferential Procurement Regulation 2017 (Regulations) invalid and no force and effect, this procurement document abides by the court order and any reference made to the said Regulations is hereby revoked and replaced by Preferential Procurement Policy Framework Act of 2000.

MDB 7: BIDDERS INFORMATION

Name of Bidder			
ID /Passport/ Registration Number			
Nature of bidder (tick one)	Natural Person/ Sole Proprietor		
	School/NGO/Trust		
	Company/ CC/ Partnership		
	Joint Venture (JV)		
Postal Address		Tel	
		Cell	
		Email	
		Fax	
BIDDER BANKING DETAILS			
Name of bidder's Banker			
Contact details of banker			

I,.....
 ...("The Bidder").

in my capacity as

.....
 hereby submit a proposal in the preceding document. I have read the Proposal Call Document in full and hereby submit the MBDs in accordance with the conditions stated in the document, and further declare under oath that the information contained in the MBDs is to the best of my knowledge true and correct. I further state as follows:

Signed and sworn at _____ on this _____ day of _____
 by the Bidder (s) who has stated that:

- ☐ He/she knows and understands the contents hereof and that it is true and correct;
- ☐ He/she has no objection to taking the prescribed oath; and
- ☐ That he /she regards the prescribed oath as binding on his/her conscience
- ☐ That the provisions of the regulations contained in Government Notice R1258 of 21st July 1972 (as amended) have been complied with.

 Bidder (s)

Signed before me

 COMMISSIONER OF OATHS

MBD 8: DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.2.1	If so, furnish particulars:		

4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.5.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)
CERTIFY THAT THE INFORMATION FURNISHED ON THIS
DECLARATION FORM TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE
TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

MBD 9: CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

MBD 9: CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

MBD 10: STANDARD CONDITIONS OF SUBMISSION

The following conditions apply to all bids submitted:

- All bids must be submitted in compliance with the Bid Specifications specified in MBD 12.
- The property is made available in accordance with the information and stipulations contained in REU MDB 13.
- The bidder(s) will be deemed to be familiar with the state, real rights registered against the property, the zoning and locality of the property.

SELECTION CRITERIA

Failure to meet the following requirements will invalidate the bid:

Regulation 21 of the Municipal Supply Chain Management Regulations, 2005 requires bidders for transactions that exceed R10 million to furnish annual financial statements for the past three financial years. This is required to establish liquidity and financial resources of the bidder to execute the project as indicated in the bid documents and proposals. If the bidder was established within the last three years, the most recent audited financial statements are required to be submitted.

- Failure to meet mandatory requirements.
- Any rental offer below the reserve price.
- Any Bid that deviates from the Tender specifications.
- Any proposal that does not include redevelopment of the property or the proposed usage is not in line with the zoning of the property.
- Non-Signature and non-commissioning of the declaration of the Bidder's Past Supply Chain Practices in MBD 8 and Bid Submission in MBD's.
- Any development proposal that is outside the scope of this tender.

NB: Failure to comply with the above will result in the bid not being evaluated

CONDITIONS OF SUBMISSION FOR REQUEST FOR PROPOSAL

- Tax Clearance Certificate, valid on the closing date of the bid, or exemption to pay taxes as issued by the South African Revenue Services (SARS) or Valid Tax Compliant Verification PIN number issued by SARS.
- Proof of registration of the Entity as follows:
 - Natural persons- certified copy of ID document/ passport
 - Partnership- copy of Partnership Agreement plus IDs of all partners
 - Company- current CM29
 - Close Corporation- current copy of CK1 and/or CK2C
 - Trust- letter of appointment from the Master of the High Court of SA and deed of trust
 - Proof of registration of NPO or NGO (Copy of Provincial Registration Certificate etc)
- Up to date Municipal Account not older than three (3) months and not over three (3) months in arrears for the individual for all his or her properties/ Proof that acknowledgements or arrangements have been made to settle arrears / Affidavit stating why an up to date municipal account cannot be submitted.

- ☐ Central Supplier Data Base registration
- ☐ Completed and signed bid documents including MBD 1, 2, 3,4,5,8,9, 15,16,17,18,19, and 20, 21, 22.
- ☐ Completed and signed bid documents including MBD 1 to MBD 22.

SUBMISSION OF PROPOSALS

- Bidder(s) are invited to submit their Proposals by completing the returnable Municipal Bidding Documents (MBDs) and MBDs contained in this document.
- In this regard:
 - No other form of Proposal will be accepted. The MBDs must not be construed as an offer.
 - No other form of Proposal will be accepted. The MBDs must not be construed as an offer.
 - The Bidder(s) must submit one (1) original and one (1) copy of the of the completed Bid document together with one soft copy (either disk or memory stick).
 - All Proposal documentation received shall be deemed EThekweni Municipality property and shall not be returned or thus requested back by any Bidder.
- Proposals must be sealed, clearly marked with RFP name and number, and addressed to Head: Real Estate
- Bidder's return address must be clearly indicated at the back of the envelope.
- The fully completed document with annexures must be submitted before the closing date specified on the front cover, and be deposited in the tender box.
- **PROPOSALS WHICH ARE NOT SUBMITTED IN A PROPERLY SEALED AND MARKED ENVELOPE AND DEPOSITED IN THE BOX BEFORE THE CLOSING DATE, WILL NOT BE OPENED.**
- **PROPOSALS WHICH ARE NOT SUBMITTED IN THE CORRECT FORMAT WITH ANNEXURES ATTACHED, DULY COMPLETED, INITIALLED, COMMISSIONED AND SIGNED, WILL NOT BE CONSIDERED.**
- The information required in the MBDs must be provided accurately and honestly. All details provided by the Bidder(s) will be regarded as material representations, which the Municipality base the evaluation of the Proposal on. Any misrepresentation will be treated as material and will result in the disqualification of the Proposal by the Municipality. Bidders, who fail to provide such information to the satisfaction of the Municipality, will be disqualified.

OPENING OF PROPOSALS

- Proposals will be opened immediately after the closing time on the closing date at the offices of the Municipality at the mentioned address. The RFP number, property description and the name of each Bidder(s) will be announced and recorded in a register.

- Bidder's return address must be clearly stipulated or indicated on the back of the envelope.

EVALUATION OF PROPOSALS

- The Municipality reserves the right to seek clarification or further information from Bidder(s) and to appoint professionals to advise and verify information on aspects of the Proposals submitted in a manner that the Municipality deems appropriate.
- The preferred Bidder(s) may be required to make presentations to the Municipality.
- The Bidder(s) shall be deemed to know and understand the content of the Request for Proposal document and a submission of the MBDs will indicate the Bidder(s) unconditional acceptance of all the terms and conditions contained in the Request for Proposal.
- The Bidder(s) shall be deemed to have satisfied itself as to all of the conditions, procedures and performance and discharge of the obligations required in terms of the Request for Proposal.
- The non-acceptance or variation of any of the conditions, or the inclusion of any other conditions in the Proposal Call document by the Bidder(s) will be treated as a qualified bid.
- The Proposal(s) will be evaluated by the Municipality. The Municipality may accept any Proposal in whole or in part and is not bound to accept any Proposal
- Proposals will be evaluated using the evaluation criteria stated in MBD 11.
- The Proposal(s) will be adjudicated by the Municipality's Bid Adjudication Committee and awarded in terms of the City's Supply Chain Management Policy and the Land Disposal Policy.
- The Municipality will not be held responsible or liable for any costs whatsoever and /or losses incurred or suffered by the Bidder(s) or any other party or parties for whatsoever reason as a result of the Proposal.
- Any Proposal in the name of a partnership or joint venture or consortium will, on acceptance, be deemed as joint and several agreements with all parties.
- All proposals shall remain valid for a period of 120 days after the closing date, provided that bidders may extend the validity of the proposal on request of the Municipality.

RESOLUTIONS OF DISPUTES

- Persons or bidders who are aggrieved by decisions or actions taken in the implementation In terms of Regulation 49 of the Municipal Supply Chain Management Regulations persons aggrieved by decisions or actions taken by the Municipality, may lodge an appeal within 14 days of the decision or action, in writing to the Municipality. The appeal (clearly setting out the reasons for the appeal) and queries with regard to decision of award are to be directed to the office of the City Manager, attention: Ms. S. Pillay, P.O. Box 1394, Durban, 4000; eMail: Simone.Pillay@durban.gov.za.
- The written complaint must contain the following information:

- The bid reference number;
- The section of the Policy, Regulations or Act that has been violated;
- The details of the violation;
- The City Department or Municipal Owned Entity involved;
- Relief sought.

PROHIBITIONS

- The Municipality will not, subject to such amendments to the Act and Regulations and any exemptions as the Minister may promulgate from time to time, award contracts to Bidder(s) who are owned directly or indirectly by the following categories of persons: -
- Defined as an employee or public servant in the service of the state working for Local, Provincial and National Government; or
- Defined as an employee in the service of a government owned entity including the municipal entities;
- If the employee mentioned above is actively or inactively a director, manager or principal shareholder of the service provider concerned (refer to GN44 in GG 28411 of 18 January 2006 for the exemption);
- Is a member of the board of directors of a municipal entity within its area of jurisdiction (refer to GN44 in GG 28411 of 18 January 2006 for the exemption);
- Who is an advisor or consultant contracted to the Municipality for the purposes of assisting the Municipality with defining of requirements, drafting of specifications or evaluation of the Proposals.
- The Municipality will not award Proposals to any Bidder(s) owned directly or indirectly by politicians serving as councillors for any municipality.
- The Municipality will not award Proposals to any Bidder(s) owned directly or indirectly by politicians serving in National Assembly, Provincial Legislatures and National Council of Provinces.
- Failure by the above mentioned persons to comply with the above shall lead to cancellation of the contract.

CONSIDERATION OF PROPOSALS FROM CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

- The Municipality does not encourage awarding of contracts to close family members of employees in decision-making positions in line with Regulation 45 of the Supply Chain Management Regulations.
- The bidder must declare and state whether a spouse, child or parent of the bidder or of a director, manager or shareholder is in the service of the EThekweni Municipality or has been in the service of the state in the previous twelve months.

GENERAL ENQUIRIES

Only email enquiries will be accepted, such enquiries must be directed to Thapelo.Mmusinyane@durban.gov.za

REU MBD 11: EVALUATION CRITERIA

Bids which satisfy the qualification criteria will be evaluated using a two-stage evaluation process as follows:

Stage 1: Functionality Evaluation

Bids will be evaluated in order to establish whether they meet a minimum threshold score of 70 points out of 100 for functionality, based on the following criteria:

FUNCTIONAL CRITERIA	Max Points	Returnable documents to be used in evaluation
PROPOSED DEVELOPMENT CONCEPT	20	
<p>Conformity of the Development Proposal to the vision for the property as expressed in REU MBD 12.</p> <p>Development Concept - High level conceptual design outlining the intended uses = 10 Points</p> <p>High-level conceptual design outlining the intended use = 4 Points</p> <p>Floor area and elevations = 3 Points</p> <p>Sustainability – (demonstrate use of green building principles that are environmentally responsible and resource efficient. = 3 Points</p> <p>No submission = 0 Points</p>	10	<p>A detailed concept plan-the bidder must submit a detailed concept plan that include all the information as outlined on this page. The Business concept should include a list and description of services to be offered, must submit drawings showing the proposed layout and appearance of the facility and the site to be leased site.</p> <p>All final designs must be approved by Council and before construction can commence on the site</p> <p>In addition to providing information on MDB 17, the bidder must submit a development proposal that includes the information as outlined on the this page</p>
<p>Development Programme (10)</p> <p>High level development programme including Inception Stage, Planning, Design, Construction and Commissioning.</p> <p>A high-level plan indicating 5 stages and each timeframe for each stage = 10 Points</p> <p>A high-level plan indicating 4 of the 5 stages and each timeframe for each stage = 8 Points</p> <p>A high-level plan indicating 3 of the 5 stages and each timeframe for each stage = 6 Points</p> <p>A high-level plan indicating 2 of the 5 stages and each timeframe for each stage = 4 Points</p> <p>A high-level plan indicating 1 of the 5 stages and each timeframe for each stage = 2 Points</p> <p>A high-level plan indicating 0 of the 5 stages and each with no timeframe for each stage or no submission = 0 Points</p>	10	<p>Narrative – High level redevelopment/ refurbishment programme including Inception Stage, Planning, Design, Construction and Commissioning and including timeframes for each stage.</p> <p>Bidder to provide a detailed breakdown of timelines.</p>
CAPACITY AND EXPERIENCE	30	
<p>Hotel management experience of the bidding entity (10)</p> <p>The property requires interested bidder with substantial experience and expertise in hotel management, bidders are therefore required a proven track-record in hotel</p>	10	<p>Bidder to complete REU MBD 21 - 1 and the indicate the name of the hotel , location and number of rooms .</p>

<p>management experience. The bidding entity must presently be operating a minimum number of 2 000 rooms.</p> <p>No submission or below 2 000 rooms = 0 Points</p> <p>Between 2 001 rooms – 3 000 rooms = 2 Points</p> <p>Between 3 001 rooms – 4 000 rooms = 4 Points</p> <p>Between 4 001 rooms – 5 000 rooms = 6 Points</p> <p>Between 5 001 rooms – 6 000 rooms = 8 Points</p> <p>Above 6 000 rooms = 10 Points</p>		
<p>The bidding entity must have proven hotel management experience in Africa of no less than 5 years (hotel management experience that must include hotels)</p> <p>Bidding entity have 6 years or more experience of operating a hotel/s in Africa = 10 Points</p> <p>Bidding entity has exactly 5 years' experience of operating in hotel/s in Africa= 5 Points</p> <p>Bidding entity has less than 5 years' experience of operating in hotel/s in Africa= 0 Points</p>	10	<p>Bidder to complete REU MBD 21-2 and explicitly the indicate the name of the hotel, location and country and the year the hotel started operating .</p>
<p>Development Experience of the bidding entity in delivering projects of similar nature in the hospitality industry or hotels.</p> <p>The bidder must demonstrate its experience in delivering building projects. The value of the projects must be clearly stated. scoring will be based on the total value of the developments.</p> <p>R600 mil and above = 10 Points</p> <p>R599 mil – R500 mil = 8 Points</p> <p>R499 mil – R400 mil = 6 Points</p> <p>R399 mil – R400 mil = 4 Points</p> <p>R299 mil – R300 mil = 2 Points</p> <p>R199 mil or less mil = 0 Points</p>	10	<p>Certificate of Practical Completion issued in terms of the Joint Building Contracts Committee (JBCC) clearly reflecting the bidding entity or its Consortium/JV partners as employers or developers.</p> <p>Bidder to complete REU MBD 21-3 and attach proof of completion certificates reflecting the projecting value of the completed developments.</p>
TRANSFORMATION AND EMPOWERMENT PLAN	20	
<p>a Job Creation Plan including the plan</p> <p>During Construction = 5 points</p> <p>After Construction = 5 points</p> <p>Enterprise Development (during and after construction) = 2 points</p> <p>Training and Development Programmes (throughout the lifecycle of the project) = 2 points</p> <p>Demonstrate how the development will benefit the local community and/or community-based organisations = 2 points</p> <p>Procurement of Material from Local Suppliers = 2 points</p> <p>Partnership with Women, Youth, and People with disabilities owned Companies= 2 points</p>		

FINANCIAL CAPABILITY	30	
<p>a) Investment Value</p> <p>Total realistic monetary investment value into the project based on the similar projects backed by the QS report/ estimated development cost and a financial feasibility.</p> <p>The reserved price indicated on the offer page should be used as a benchmark for the market value of the property. =10 Points</p> <p>total investment not specified or below R250 mi= 0 Points</p> <p>total investment value of development of R251 million between and R350 million = 2 Points</p> <p>total investment value of development of between R351 million and R450 million = 4 Points</p> <p>total investment value of development of between R451 million and R550 million = 6 Points</p> <p>total investment value of development of between R551 million and R650 million = 8 Points</p> <p>total investment value of development of between R651 million and above = 10 Points</p>	20	<p>REU MDB 22</p> <p>The Financial Viability that is requested as part of the Development Proposal would also be assessed.</p>
<p>Investment Value with the Durban beachfront precinct</p> <p>Total realistic monetary investment value into the project based on the similar projects backed by the QS report/ estimated development cost and a financial feasibility.</p> <p>The Investment value to invested in the Durban beachfront. =10 Points</p> <p>total investment not specified or below R250 mi= 0 Points</p> <p>total investment value of development of R251 million between and R350 million = 2 Points</p> <p>total investment value of development of between R351 million and R450 million = 4 Points</p> <p>total investment value of development of between R451 million and R550 million = 6 Points</p> <p>total investment value of development of between R551 million and R650 million = 8 Points</p> <p>total investment value of development of between R651 million and above = 10 Points</p>		<p>REU MDB 22</p> <p>The bidder must indicate the total investment to be made on the Durban beachfront precinct and stipulate which property /properties the investment is going to be made. If Bidders do not own a property on the beachfront, they must identify a municipal infrastructure asset that they will renovate/ upgrade .</p>
<p>b) Funding Model</p> <p>Provide funding model to incorporate how and where the funding will be sourced/ raised and it must include collateral to be pledged against such funding if required.</p>	10	<p>REU MBD 22</p> <p>Detailed funding model backed by and signed off by a Quantity Surveyor .</p>

<p>The bidder to demonstrate proof of availability of 100% of the funding required for the development. This must include written support from verifiable funding institutions.</p> <p>Letter from registered funding institutions confirming funding for the project Proof of available funds (bank statements or financial statements of the bidder. = 10 Points</p> <p>Non Submission of a Letter from registered funding institutions confirming funding for the project Proof of available funds (bank statements or financial statements of the bidder = 0 Points</p>		
Total	100	

Bids which do not meet the minimum threshold of 70 points will not be considered further.

STAGE 2: EVALUATION FINANCIAL OFFER & B-BBEE STATUS LEVEL CONTRIBUTION

- The bidder obtaining the highest number of points will be awarded the contract.
- Preference points shall be calculated after financial offers have been brought to a comparative basis.
- Points scored will be rounded off to 2 decimal places.
- In the event of equal points scored, the bid will be awarded to the bidder scoring the highest number of points for specified goals.
- A maximum of 90 points is allocated for financial offer on the following basis:

$$P_s = 90 \left(1 + \frac{P_t - P_{\max}}{P_{\max}} \right)$$

Where

P_s = Points scored for financial offer of bid under consideration

P_t = Rand value of bid under consideration (Net Present Value of the rental amount over the lease period discounted at 10%)

P_{\max} = Financial Offer of highest acceptable bid

- √ Only those bids that attain the minimum threshold score of 70 Points in Stage 1 will be evaluated in this stage. Bids will be evaluated as follows:

EVALUATION CRITERIA	POINTS WEIGHT 90/10
RENTAL OFFER	90
PREFERENCE GOALS	10
Total	100

Ownership Goal

The tendering entity's Percentage Ownership, in terms of the Ownership Category(s) listed below, is to be used in the determination of the tenderer's claim for Preference Points.

Table 1

Goal Weighting 50%			
Ownership Categories	Criteria	80/20	90/10
Race: Black (w1)	0%	0	0
	>0% and <51%	8	4
	≥51% and <100%	15	7.5
	100%	20	10
Proof of claim as declared on MBD 6.1 (1 or more of the following will be used in verifying the tenderer's status) <ul style="list-style-type: none"> Companies and Intellectual Property Commission registration document (CIPC) CSD report. B-BBEE Certificate of the tendering entity. Consolidated B-BBEE Certificate if the tendering entity is a Consortium, Joint Venture, or Trust (Issued by verification agency accredited by the South African Accreditation System). Agreement for a Consortium, Joint Venture, or Trust. 			
The Category Weightings of the Ownership Categories will be: w1 = 50%			

RDP Goal: The promotion of South African owned enterprises

The tendering entity's **Address** (as stated on the National Treasury Central Supplier Database (CSD) or on the eThekweni Municipality Vendor Portal) is to be used in the determination of the tenderer's **claim for Preference Points** for this Specific Goal.

Table 2

Goal Weighting 50%		
Location	80/20	90/10
Not in South Africa	0	0
South Africa	5	2.5
KZN	10	5
ETM	20	10
Proof of claim as declared on MBD 6.1 (1 or more of the following will be used in verifying the tenderer's status) <ul style="list-style-type: none"> CSD report 		

REU MBD 12: BID SPECIFICATIONS

The following Specifications apply to this bid:

1. Property Information

PROPERTY DESCRIPTION	ERF 11414, 11415, 11416 SITUATED ON A PORTION OF THE REMIANDER OF ERF 1 DURBAN (PROPOSED ERF (A) AND ERF 11418 AND 11419 SITUATED ON PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF (B) DURBAN)
Ownership	eThekwini Municipality
Locality	53,63 & 83 Snell Parade & 30-34 Playfair Road
Land Size	7 183 m ²
Zoning	General Residential 5
Current Use	Hotel
FAR	7.0
Coverage	100%
Height	n/a
Access	
Building lines	As per scheme
Structural and Physical feature	
Geotechnical Conditional	
Other Requirements	<p>A Site Development Plan shall be submitted to the Local Authority Any further town planning proposals and or rezoning shall be the responsibility of the successful bidder.</p> <p>The bidder is required to comply will all relevant building regulation laws, including but not limited to SPLUMA, NEMA, Municipal Bylaws etc.</p>

2. Overview

The subject property

The subject property is a 21-storey building built across Erven 11414, 11415, 11416, 11418 & 11419 of Durban, situated on 53,63, 83 and 91 Snell Parade and 30/34 Playfair Road. The property comprises of buildings measuring approximately 37 000 m² that were constructed between 1971 and 1973 and are currently being used as follows:

1. A Hotel along 53, 63, 83 and 91 Snell parade, operated as a single hotel providing 734 rooms.
2. A Petrol filling station with a convenient store along 30-34 Playfair Road.

South Africa Hospitality Industry Overview

The Hospitality Industry in South Africa is poised to grow at a Compound Annual Growth Rate of greater than 4% by 2027. South Africa has been one of the top tourist destinations in the African continent. However, the COVID-19 pandemic has had a severe economic impact on South Africa's hotel sector, with several hotels facing bankruptcy and permanent closure. As governments implemented extraordinary measures to contain the virus, such as travel restrictions and physical separation, the hotel industry halted during the pandemic. Job losses, reduced pay, and layoffs have all had a significant impact on employment. Concerns for hotels include cash flow, travel restrictions, guest cancellations, low consumer spending, and the industry's overall economic uncertainty during the COVID-19 pandemic. However, the measures were lifted in April 2022, and the tourism industry has started recovering. As per the Bureau for Economic Research, since all COVID-19 restrictions have been lifted, there has been an increase in the number of patrons from the previous quarter, which caused this growth in the hospitality sector in South Africa in 2022.

Arrivals data as published by Stats SA presents a commendatory recovery for the hospitality industry over the first seven months of the year, with total arrivals exceeding the previous years' corresponding totals each month. The state of the COVID-19 pandemic in the first couple of months in 2021 versus 2022 must be borne in mind when reviewing this data, however. The first half of 2021 saw the second and third waves of infection, whereas in 2022 all containment measures and the state of emergency were lifted between April and May. This would have affected travel perceptions as well as decision-making factors such as travel advisory statements, and COVID testing and quarantine requirements. Between January and July 2022, 5.6 million total arrivals to South Africa were recorded, a near 150% improvement on the corresponding period in 2021. Foreign arrivals comprise around two-thirds of all arrivals. Approximately 73% of foreign arrivals are categorised as tourists, rather than same-day visitors.

The highest number of arrivals were recorded in July 2022 both in terms of South African residents and foreign travelers. This corresponds to the commencement of the northern hemisphere's summer break. In terms of the conversion rate to tourists (overnight visitors), January saw the highest proportion of foreign travelers (88%) and June the lowest (75%). Seventy-six percent of foreign arrivals in July were categorised as tourist arrivals. Tourism accommodation statistics reveal similar trends, with the number of stay units sold in July rising by 116.6% year-on-year in July, and total income (including restaurant and bar sales, and other income) grew by 191.6% y-o-y. With respect to property type, and accommodation income only, hotels reported a 266% annual improvement in July, followed by guesthouses and guest-farms (+238%). No increases are reported in terms of the number of stay-units available over this period, meaning that there has been no 'dilution' in performance over the period.

Per STR data (where the sample spans 75% of the formal hotel market), over the period spanning January to August 2022, South Africa has achieved an overall hotel occupancy rate of 50.7%. This is 72% higher than the corresponding period last year. Among the sample hotels, the five-star segment achieved the highest overall occupancy (54%) and three-star the lowest (50.6%). Despite the 'poor' performance of the three-star segment, comparing the end of Q2 to end-August, this submarket saw the largest improvement in occupancy rates. National annualized ADR growth exceeded 20%, together with better occupancy levels saw RevPAR growth of over 107% for the year (so far). uMhlanga (65.9%) achieved the highest average occupancy rate of the major metros, and of the more competitive ADR levels (R1,465). Cape Town saw the uppermost ADR over the period (R1,770) although occupancy was notably weaker at 49.5%. This is 105% uptick on 2021 levels notwithstanding. Sandton attained the next highest ADR (R1,134) but once again one of the weaker occupancy rates (43.1% of the primary metros).

DURBAN HOTEL SECTOR

Overview

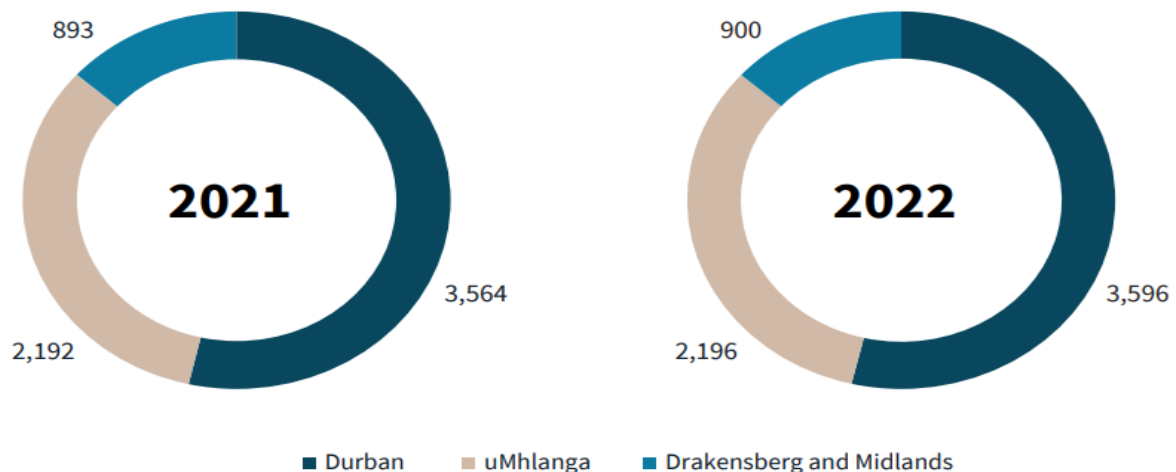
The greater Durban's tourism industry performed relatively well through a large portion of the pandemic, benefiting from pent up demand from the domestic leisure tourism market. The region's favourable climate, proximity to Gauteng, and quality tourist amenities all contributed to the general area's appeal. In recent years, the tourism market has been decentralised out of the traditional CBD and toward uMhlanga and its surrounds. uMhlanga's hotel market consequently achieves higher rates and occupancy levels, bolstered by the region's proximity to a broader and higher-spending corporate base. Being closer to the King Shaka International Airport also benefits corporate, conference, and leisure guests. The typical leisure market in uMhlanga comprises a higher spending traveller who is prepared to pay a premium for the higher-quality accommodation available.

Supply

Two new hotels were opened in uMhlanga between 2020 and 2022, collectively contributing over 400 keys to the total room supply of ±2,200 rooms, as Smith Travel Research (STR) reported in December 2022. The pressure placed on existing hotels by the opening of new properties has resulted in the apparent closure of several properties as well, as room supply in the region has only grown by 138 rooms between the end of 2020 and the end of 2022. Room supply data for Durban CBD shows a net decrease of 200 rooms over the same period.

Between 2021 and 2022 STR indicates one hotel opening in each of the uMhlanga and Drakensberg & Midlands regions. Virtually no change is noted in terms of the room supply for the respective areas, however, which supports the assessment that there were hotel closures over this period as well.

Hotel room supply



Source: STR

Performance

As mentioned, the greater Durban area's hotel market excelled (in relative terms) through the pandemic. The region successfully attracted an influx of domestic leisure demand as soon as COVID-19 restrictions allowed and remains the most active hospitality market nationally, especially from the domestic demand market. This market sector is more price conscious, however, and this is reflected in the average daily rates achieved.

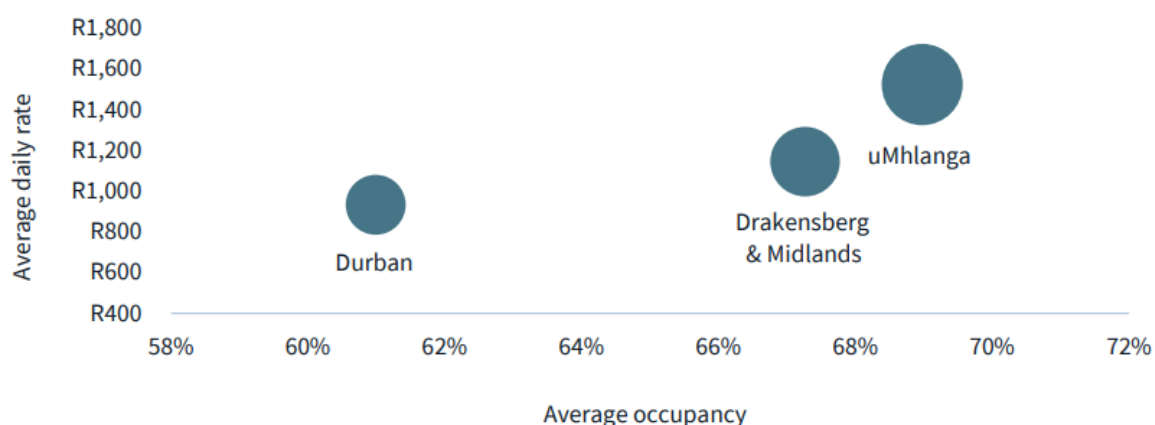
From an occupancy perspective uMhlanga had the highest average occupancy rate country-wide for 2022, managing 69% overall. This is markedly higher than 2021's rate of 49% and the national average of 55%. Although a secondary market in KwaZulu-Natal, Durban's average occupancy for 2022 was an impressive 61% for the year, representing a 35% improvement on 2021 levels. The Drakensberg & Midlands region achieved the best annual occupancy recovery, gaining 2,100bps. The KwaZulu-Natal province is the only market nationally to attain occupancy levels higher than 60% across all value bands and regions.

Rates recovery was less noteworthy, however, particularly in uMhlanga and Drakensberg & Midlands which recorded year-on-year growth of c. 10% and 6% respectively. Demand for hotel accommodation in Durban CBD was more robust in 2022, as hoteliers managed to raise rates by over 26% while simultaneously expanding occupancy. That said, Durban's average rates remain low (R933/room night), and the recovery was off a low base.

It further appears that there is an appetite in this market for a superior quality offering. This is the first full-year tracking that STR has done for Kwa-Zulu-Natal's 5-star segment, which comprises ten properties and 670 keys. The average annual occupancy among this submarket was 66% in 2022, alongside an ADR of c. R2,600/room night. The average daily rate (ADR) is more than double that reported for the 4-star category (R1,100/room night) and occupancy levels between the two are essentially level, although the luxury market is far smaller.

The combined impact of improvements in rates and occupancy is that profitability, measured in terms of Revenue Per Available Room (RevPAR) for hotels in the greater region were able to recover by between 50% and 70% depending on the submarket. Consequently, Durban has now recovered to pre-pandemic levels from a rates perspective, and only just lags this benchmark in RevPAR. uMhlanga is exceeding pre pandemic levels across all key performance indicators.

Hotel sector performance, 2022



Source: STR

Outlook

Greater Durban, and more specifically uMhlanga's, hospitality sector is poised for further growth in 2023. The sector is opening up to international travellers through additional airlines opening direct routes to the King Shaka International Airport. This is contingent on the local authorities repairing water and sanitation infrastructure that was damaged during the floods of April 2022 which resulted in the prolonged closure of several of the region's beaches through the course of the year and had a negative impact on bookings and arrivals levels. Naturally loadshedding is another impediment to recovery and growth of the sector.

Moreover, the persistently weak economy is affecting consumer spending, and hence discretionary spending on expenses such as travel will likely be curbed going forward. It is therefore essential for this region's hotel market to diversify its base through attracting greater proportions of corporate and international travel demand.

The window for a full recovery, considering macroeconomic factors such as inflation and consumer and business confidence levels, is around three to four years. This notion is supported by BER's 'Other Services' survey results for Q4 2022. Hotels, restaurants, transport, and real estate and business services make up the 'other services' sector that saw stakeholder confidence rose from 53 in Q3 2022 to 68 in Q4. This means that more than two thirds of survey respondents were satisfied with prevailing business conditions in the final quarter of 2022, with the return of international tourism cited as leading the recovery in hospitality and transport sectors specifically. When the macroeconomic conditions of this period are borne in mind, the outlook can only be positive (barring further economic deterioration or other negative externalities).

4. CONDITIONS OF THE DEVELOPMENT LEASE.

The property is made available in accordance with the site information made available in MBD13.

Suspensive Condition

This transaction is subject to the following suspensive conditions:

1. Funding

This Agreement is subject to the suspensive condition that within 90 (ninety) days after the Signature Date, a loan be approved / bank guarantee granted to the Lessee by a funder registered with Financial Sector Conduct Authority (FSCA) inter alia, the following conditions –

- 1.1 Against registration of a first mortgage bond as security for the loan for the total development cost of the lessee.

In this regard it is specifically agreed that the aforementioned condition precedent shall be fulfilled as soon as a financial institution has issued the Lessee with a pre-agreement/quotation/ guarantee, in whichever form, as provided for in the National Credit Act, No. 34 of 2005. For the avoidance of doubt the suspensive condition shall be deemed to have been met upon approval of the Loan/ submission of the guarantee.

- 1.2 If the suspensive condition in clause 3.1.1 is not fulfilled within the time period contemplated above (**“the Specified Date”**), then this Agreement shall automatically lapse and be of no further force and effect, but any Party may, on written notice prior to the expiry of the specified date (**“the Notice”**) to the other Party, require that the suspensive condition be fulfilled within 30 (thirty) days after the Specified date of the Notice and, failing fulfilment (to the extent legally permissible) of the suspensive condition within the aforesaid 30 (thirty) day period, then this Agreement shall cease to be of any force and effect and no Party shall have any claim against the other of them as a result of the failure to fulfil of the suspensive condition.

2. Rental deferment

- 3.1 The rental be suspended for up to 3 (three) year from date of registration of the lease to allow for the renovations and upgrade of the properties provided that the capital investments is above R250 mil. Should the developer not complete the development within the 3-year period an application can be made to the Head: Real Estate to submit a request to full Council to consider an extension of time to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.

3. Employees

- 3.1 With effect from the Operation Commencement Date, all employees of Current Operator will automatically have their employment transferred to the successful bidder(in accordance with Section 197(1) of the Labour Relations Act, 1995 (Act No. 66 of 1995), (as amended).
- 3.2 The Lessee undertakes to assume and discharge all obligations of Current Operator to those of its employees who are transferred to the Lessee as envisaged in Clause 3.1.
- 3.3 The Lessee confirms that it will recognise all previous years of service of employees of Lessee who become employed by the Lessee in the Business from the Operation Commencement Date.
- 3.4 It is recorded that certain of the employees maybe are entitled to post-retirement medical aid company contributions in accordance with Current Operator employment conditions. The Lessee shall assume and acknowledges that these employees will continue to enjoy the benefit of post- retirement medical aid contributions and that the financial and administrative aspects of executing this benefit will be the responsibility of the Lessee.
- 3.5 The Lessee undertakes to procure that the actuarially valued balance of all employees' retirement fund entitlements (whether the pension, provident or other) including any surplus or accumulated benefits shall be transferred in the normal course to the Lessee's pension fund without delay after the Operation Commencement Date. The Lessee will have the right to appoint its own actuary for the purpose of verifying the value of each member's share of Current Operator retirement fund.

4. **Subcontracting of a minimum of 30% of the Construction Cost line with paragraph 5.12.4 of the eThekweni Municipality Land Disposal and Granting of Rights Policy read together with paragraph 52 (21) (e) of the eThekweni Municipality: Supply Chain Management Policy, 2023.**

- 4.1 The Lessee must subcontract a minimum of 30% of the construction cost to companies owned costs to local companies that 51% black owned in line with paragraph in line with paragraph 5.12.4 of the eThekweni Municipality Land Disposal and Granting of Rights Policy read together with paragraph 52 (21) (e) of the eThekweni Municipality: Supply Chain Management Policy, 2023.

5. Property Tenure

The Property shall be made available by means of a long-term lease agreement in accordance with EThekweni Municipality's standard agreement. The following terms of contract are non-negotiable:

1. The lease period will be for a period of **50 (Fifty) years**. Upon expiry or termination of the Development and Lease agreement, possession of the property will revert to the eThekweni Metropolitan Municipality without any compensation.
2. Bidders are required to make an offer not less than the minimum acceptable offer for the lease of the property as part of the proposal form; as indicated in REU MBD 3.
3. Market Rental will be reviewed every five years.

4. Should the successful bidder's proposal include land use rights over and above the allowable proposed land uses, costs of acquiring consents for additional land uses will be for the bidders account.
5. The Lessee will not be entitled to cede and /or assign all or any of its rights and /or obligations relating to the construction of the Development under this agreement to any third party, without the prior written consent of eThekweni.
6. The Lessee shall not be entitled to cede and/ assign all or any rights and obligation under this agreement to any other party without a prior written consent of the Lessor, which consent shall not be unreasonably withheld or delayed unless the cession / assignment will result in a reduction of ownership % upon which the awarding of the lease was based upon by the Lessor, the BBBEE Level must be the same or better than that imposed at the time of award.
7. Any change of directorship of the company or transfer of the Lessee 'shares, capital or any transaction which results in a change in the effective control of the Lessee shall constitute an assignment of lease. A change in control of the Lessee without the written consent of the Lessor shall deemed to be a breach of the Lease in terms.
8. The successful bidder will be responsible for the cancellation, protection and/or relocation of all servitudes that may be registered over the property.
9. The successful bidder will be responsible to obtain all statutory approvals (Environmental, Water Use Licence, Site Development Plan/s, Building Plan/s, etc.) which are required for the development of the property.
10. Development shall be subject to all related legislation and Municipal by-Laws.
11. Bidders are required to demonstrate their ability and capacity to deliver and manage the proposed development by submitting a detailed projects they have successfully completed development. They must further demonstrate their ability to secure funds required to carry out the project.
12. The property shall only be utilised for the purpose as advertised and may not be rezoned for any other purposes for the duration of the lease period;
13. That, a deposit equal to one month's rental shall be paid by the lessee upon signature of the lease agreement. Such deposit shall be refundable if all rental amounts are paid up date at the time of the expiry of the lease agreement or vacation of property, subject to the property being returned in a clean and tidy condition.
14. All administrative and incidental costs relating to the drafting of the lease shall be for the lessee's account.
15. Bidders are required to submit a financial proposal which is not limited to but should include;
 - A detailed cost estimate, together with supporting documentation of the costs of development.
 - A time schedule for the redevelopment of the building.

16. That, the application shall be liable for the payment of all sewerage, refuse removal fees, Levied or payable in respect of the site and all electricity and water supplied to the site.
17. That all environmental and related legislation and By-laws applicable to the Property shall be complied with and that all building plans to be submitted to the Local Authority for approval prior to any construction.
18. That, all Emergency Management Services By-laws be complied with and adhered to and that access to emergency vehicles should be provided on the property.
19. The Council and its authorised representatives/agents shall have 24 hours' unrestricted access to the electricity, water and any Municipal Servitudes on the property and that no structures will be allowed within these servitudes.
20. The bidder is expected to submit a detailed empowerment plan demonstrating how the following will be achieved:
 - a. Job Creation Plan (during and after redevelopment)
 - b. Enterprise Development (during and after construction)
 - c. Training and Development Programmes (throughout the lifecycle of the project)
 - d. Demonstrate how the development will benefit the local community and/or community based organisations
 - e. Procurement of Material from Local Suppliers
 - f. Partnership with Women Owned Companies

Bidders are expected to advise and provide a detailed plan and how the numbers are achieved.

REU MBD 13: PROPERTY INFORMATION

1. Ariel Photo





2. SITE INFORMATION

Property Description	ERF 11414, 11415, 11416 SITUATED ON A PORTION OF THE REMIANDER OF ERF 1 DURBAN (PROPOSED ERF (A) AND ERF 11418 AND 11419 SITUATED ON PORTION OF THE RE-MAINDER OF ERF 1 DURBAN (PROPOSED ERF (B) DURBAN)
Size (Lease area)	7 183 m ²
Zoning	General Residential 5
Structures and Physical features	The property is a building measuring 37 000 m ² in a good condition. The interior of the structure is in a good condition.
Current Use	Currently occupied by and used as hotel and petrol filling station.
Minimum Acceptable Rental Offer	R3 403 158.75 per month
Highest and Best Use	The highest and best use is in line with town planning scheme and Inner-City Local Area Plan, reflected as beach zone precinct in see attached controls. Rezoning and special consent will be responsibility of successful bidder if it required based on the proposal submitted.

CURRENT ZONING



DEVELOPMENT PLANNING ENVIRONMENT & MANAGEMENT UNIT Development Planning Department Land Use Management Branch

166 K E Masinga Road, Durban, 4001
P O Box 680, Durban, 4000
Tel: 031 311 1111
www.durban.gov.za

Our Reference : Internal Request
Enquiries : Mrs C Palayan
Telephone : 031 3117186
eMail : Chantel.Palayan@durban.gov.za

eTHEKWINI MUNICIPAL LAND USE SCHEME: CENTRAL SUB-SCHEME

Date : 16 February 2023
Name of Enquirer : Thapelo Mmusinyane
SITE PARTICULARS:
Description : **Remainder of Erf 1 Durban**
Street Address : 65 Snell Parade (The Elangeni and Maharani Hotels)

GENERAL LAND USE MANAGEMENT INFORMATION

SPLIT ZONING : General Residential 5
FLOOR AREA RATIO : 7.0
COVERAGE : 100%
MAX. PERMITTED HEIGHT : 59° angle from opposite side of street (max. width 30m) or 110m
with a 5.0m setback at 15.0m
BUILDING LINE : Nil
SIDE SPACE : Nil
REAR SPACE : Nil
(D'MOSS) : N/A

ADDITIONAL CONTROLS (if applicable) : See Attached

NB: The controls given above are those specific to the land use zone in which the property falls. However, attention is drawn to the Scheme Clauses where, in certain cases, additional requirements can be called for at the discretion of the Head: Development Planning and Management and no information recorded above can be taken as comprehensive. Specific detailed information can only be given in respect of an application after it has been lodged showing the detailed proposals of the development.

REMARKS:

Note 1: This information has been compiled at the above date, but as the Scheme is in the course of preparation it may be amended from time to time.

Note 2: The information given is in respect of Land Use Management requirements only and must not be construed as indicating requirements in terms of the eThekweni Municipality By-Laws, the National Building Regulations, Environmental Legislation or any restrictive conditions in Title Deeds.

Note 3: Please note that if the site is affected by DMOSS or a watercourse, please consult the Biodiversity and Climate Protection Branch on 031 311 7517 in this regard.

Note 4: See Additional Controls on the Attached Development Facilitation Table Extract from the Scheme.

COMPILED AND CHECKED BY:

NAME : Chantel Palayan

SIGNATURE: *Chantel Palayan*

DATE: 16 February 2023

5. PARKING DISTRICTS: DURBAN CBD AREA

ANCILLARY NOTES AND REQUIREMENTS

1. This Section must be read in accordance with figure 1 of this sub-section. This figure indicates the CBD and demarcates it into a number of parking districts.
2. All parking shall be provided on the application site.
3. The design of ingress/ egress points to both parking within a building and Parkades shall:-
 - I. Afford motorists leaving a clear view of approaching pedestrians on both sides whilst the vehicle is wholly within the site or an alternative method of control acceptable to the Head: ETA, and
 - II. Ensure that the appearance of those points preserve or enhance the continuity of the street frontage of existing buildings.
4. Access to parking within a building shall be to the satisfaction of the Head: DPEM and Head: ETA.
5. Loading requirements will be to the satisfaction of the Head: ETA.

DISTRICT A

1. There is NO minimum parking requirement within this district.
2. A maximum of 1 bay per 100m² of PFA.
3. A minimum street frontage of 30.0m for vehicular access is to be permitted.
4. Minimum spacing between vehicular access points of 30.0m.
5. Max of 300 bays served by each vehicular access point.
6. No Bonus bulk for parking shall be available /or considered within this district.
7. No Public Parkades shall be permitted within this zone.

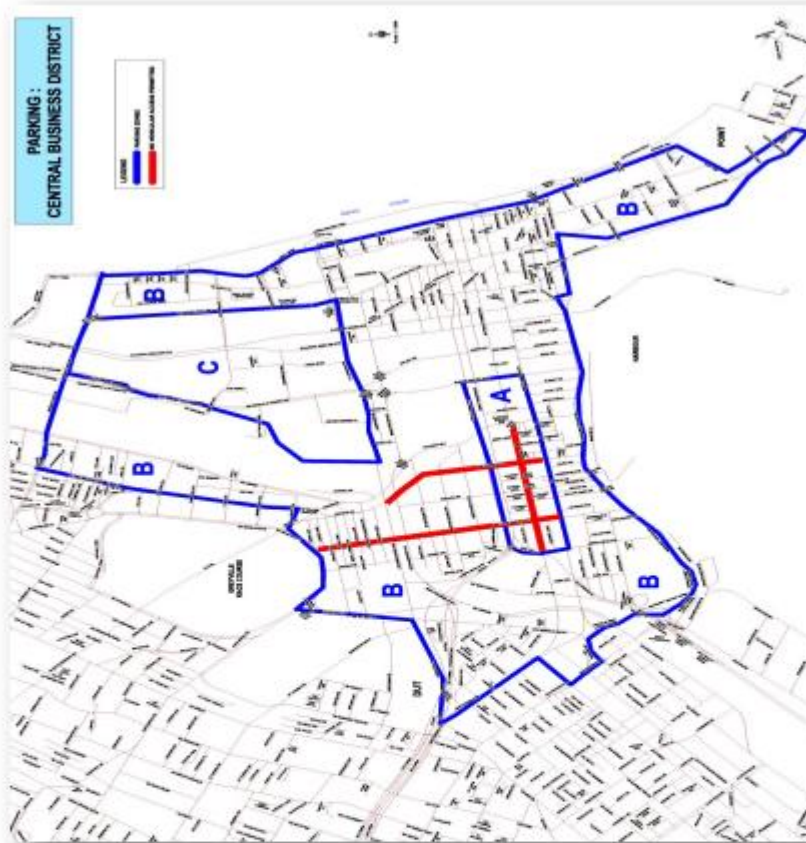
DISTRICT B

1. No minimum parking requirement within this district.
2. When a proposal involves the provision of on-site parking, such parking provided, in terms of the number of bays provided, accessibility, and ingress / egress, shall be to the satisfaction of the Head: eThekweni Traffic Authority.
3. Within this district, in General Business (Central), bonus bulk shall be applicable and an amount representing not more than 20% of the total PFA shall not be taken into account where such amount is to be used for the parking of motor vehicles.

DISTRICT C

1. A minimum of 2 bays per 100m² of proposed floor area shall be provided. In the case of Kingsmead Office Park, the more onerous of these requirements and the requirements of the Precinct Development Framework Plan administered by the Lot Owners association shall apply.
2. The Head: DPEM may in consultation with the Head: ETA, and upon motivation received from the applicant relax either the minimum or maximum parking requirements.

FIGURE 1: PARKING DISTRICTS - CBD





SPARTIAL DEVELOPEMT FRAMEWORK (SDF)

in terms of the SDF 2022/ 2023 the site is broadly identified for Mixed Use.

ZONE: MIXED USE 1

SCHEME INTENTION: To provide, preserve, use land or buildings for:-

• Residential and Commercial activities that compliment or function alongside of each other. Mixed uses areas which would accommodate residential, office and commercial activities.

• Development appropriate to residential areas particularly Special Residential, Intermediate Residential and General Residential zone areas

MAP REFERENCE: Blue border with Yellow background and blue Cross Hatch

MAP REFERENCE:

PRIMARY	SPECIAL CONSENT	PRECLUDED
<div><div>• Arts and Crafts Workshop</div><div>• Boarding House</div><div>• Display Area</div><div>• Dwelling House</div><div>• *Flat</div><div>• Flea Market</div><div>• Garden Nursery</div><div>• Health & Beauty Clinic</div><div>• Health Studio</div><div>• Hotel</div><div>• Museum</div><div>• Offices</div><div>• Office - Medical</div><div>• Pet Grooming Parlour</div><div>• Restaurant/ Fast Food Outlet</div><div>• Shop</div><div>• </div></div>	<div><div>• Action Sports Bar</div><div>• Betting Depot</div><div>• Car Wash</div><div>• Crèche</div><div>• Educational Establishment</div><div>• Fuelling and Service Station</div><div>• Government / Municipal</div><div>• Institution</div><div>• Market</div><div>• Motor Display Area</div><div>• Parkade</div><div>• Place of Public Entertainment</div><div>• Place of Public Worship</div><div>• Special Building</div><div>• Student Residence</div><div>• Telecommunication Infrastructure</div><div>• Any other use authorised in terms of Section 9.4</div></div>	<div><div>• All other uses not indicated in the Primary and Special Consent columns</div></div>

ADDITIONAL CONTROLS – LAND USE

1. *Flats are not permitted on the ground floor.

2. Parking shall be in accordance with Section 8 of this Scheme.

In the case of Felix Dlamini Activity Precinct Zone:

1. Details of Primary, Special Consent and Precluded uses are in terms of the Precinct Plans for this zone.

2. Any uses authorized in terms of sub-section 9.4 shall be with the Special Consent of the Municipality.

3. Note: All even as indicated on the precinct plans approved by the Municipality shall, on application to the Municipality be zoned in accordance with this zone read in conjunction with the precinct plans.

In the case of Portion 25 of Erf 351 Brickfield the following shall apply:-

• The open portion of the site shall be suitably landscaped to the satisfaction of the Municipality.

• *Offices - portion of the site shall be suitably landscaped at the discretion of the Municipality.

• *Flat – is restricted to a maximum floor area of 70% and such use shall not be permitted on ground floor.

• *A Dwelling House may be permitted to accommodate a manager, caretaker or security personnel.

• Open portion of the site shall be suitably landscaped to the satisfaction of the Municipality.

• Private garages detached from the main building or Carports may be erected closer to the side boundary than herein specified.

Details of development parameters are in terms of the precinct plans for this zone.

1. In the case of Portion 25 of Erf 351 Brickfield the following shall apply;

Building Line: 7.5m

Side and Rear Space: Residential and Office uses = 4.5m

Dwelling units per hectare: N/A

Minimum Erf size: 900m²

Height: 5 storeys

Coverage: 45%

Floor Area Ratio: 1.7.

DEVELOPMENT PARAMETERS

SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m²)	HEIGHT	COVERAGE (%)	FLOOR AREA RATIO
BUILDING LINE	SIDE AND REAR SPACE					
3.0m	3.0m	Net site area divided 90 the resultant quotient being taken to the nearest unit or, if there is a fraction of one-half, to the next highest unit	400	N/A	50	2

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		ZONE: MIXED USE 2				
SCHEME INTENTION: To provide, preserve, use land or buildings for:-						
<ul style="list-style-type: none">• Residential and Commercial activities that compliment or function alongside of each other. Mixed uses areas which would accommodate residential, office and commercial activities.• Development appropriate to residential areas particularly IR and GR zones areas						
MAP REFERENCE: Blue border with darker Yellow background and blue Cross Hatch				MAP REFERENCE:		
PRIMARY		SPECIAL CONSENT		PRECLUDED		
<ul style="list-style-type: none">• Arts and Crafts Workshop• Boarding House• Dwelling House• *Flat• Flea Market• Health & Beauty Clinic• Health Studio• Hotel• Launderette• *Multiple Unit Development• Museum• Offices• Office - Medical• Pet Grooming Parlour• Private Open Space• Restaurant/ Fast Food Outlet• *Shop• Veterinary Clinic		<ul style="list-style-type: none">• Action Sports Bar• Betting Depot• Car Wash• Crèche• Display Area• Educational Establishment• Fuelling and Service Station• Garden Nursery• Government / Municipal• Industrial - Light• Institution• Market• Motor Display Area• Parkade• Place of Public Entertainment• Place of Public Worship• Special Building• Student Residence• Telecommunication Infrastructure• Warehouse• Any other use authorised in terms of Section 9.4		<ul style="list-style-type: none">• All other uses not indicated in the Primary and Special Consent columns		
ADDITIONAL CONTROLS – LAND USE						
<p>3. All landscaping at the discretion of the eThekweni Municipality.</p> <p>4. *Residential uses (other than a Dwelling House) are not permitted on the ground floor and shall be restricted to the 3rd and 4th storeys only.</p> <p>5. *Office and Office-Medical land uses shall be restricted to the ground floor and 2nd Storey only.</p> <p>6. *Shops, Restaurant and Fast-food Outlets are restricted to ground floor only.</p> <p>7. Parking shall be in accordance with Section 8 of this Scheme.</p>						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m ²)	HEIGHT	COVERAGE (%)	FLOOR AREA RATIO
BUILDING LINE	SIDE AND REAR SPACE					
7.5m	4.5m	Net site area divided 55, the resultant quotient being taken to the nearest unit or, if there is a fraction of one-half, to the next highest unit	N/A	6	80	1.5



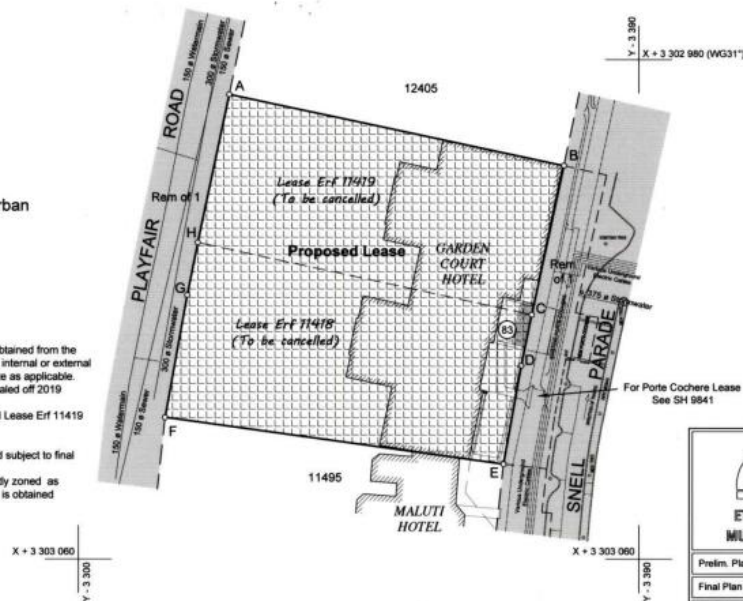
HANDPLANS **SJ 4770/2 & SJ 4655/9**

Plan Showing
Land to be Leased
Snell Parade
Suburb of North Beach
Ethekwini Municipality

Cadastral Description :
Proposed Lease on Erf 1 Durban

Notes :

1. Street address is encircled.
2. All services, shown or otherwise, are as obtained from the Corporate GIS database or other relevant internal or external departments, and should be verified on site as applicable.
3. Building positions are approximate and scaled off 2019 aerial photography.
4. Existing Lease Erf 11418 (LV 7 F 29) and Lease Erf 11419 (LV 7 F 30) are to be cancelled.
5. This plan supersedes SJ4655/10.
6. Area and dimensions are approximate and subject to final survey as required.
7. The area of the Proposed Lease is currently zoned as General Residential 5. Zoning information is obtained from the Corporate GIS database.



Sides	Metres
AB	54.9
BC	24.4
CD	8.4
DE	16.0
EF	54.9
FG	19.9
GH	8.6
HA	24.2

Area = 2783 sq m

SCALE 1 : 500

Existing Road Area

Land to be Leased to Garden Court Hotel (2783 sq m)

Existing Buildings

OWNERSHIP SCHEDULE

PROPERTY	REGISTERED OWNER	DIAGRAM	CURRENT DEED
----------	------------------	---------	--------------

Rem of Erf 1 Durban	Ethekwini Municipality	GV 38/8	G 1737/1855
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Ownership details obtained via "DEEDSWEB"

		Approved Deputy Head : Surveying & Land Information
Prelim. Plan Date : 2018/08/06 Final Plan Date : 2020/02/04		SJ 4770/2
Sheet No. : 1 : 1000 U42 1 : 2000 U43		
Drawn by : S. Laloo		Job No. : 2018/137
Checked by : B. Byrnes		Ward No. : 26 Digital Ref : 4770_2
Survey Correspondence Ref. : S202 Land Transactions Ref. : LA 3876 Vote No. : 31521.27999.7101.99000.7101.P0001.0010		
Prepared by: Surveying & Land Information Department Engineering Unit 166 K.E. Masinga Road (Old Fort Road) Durban		
Tel : 031 - 311 7226		

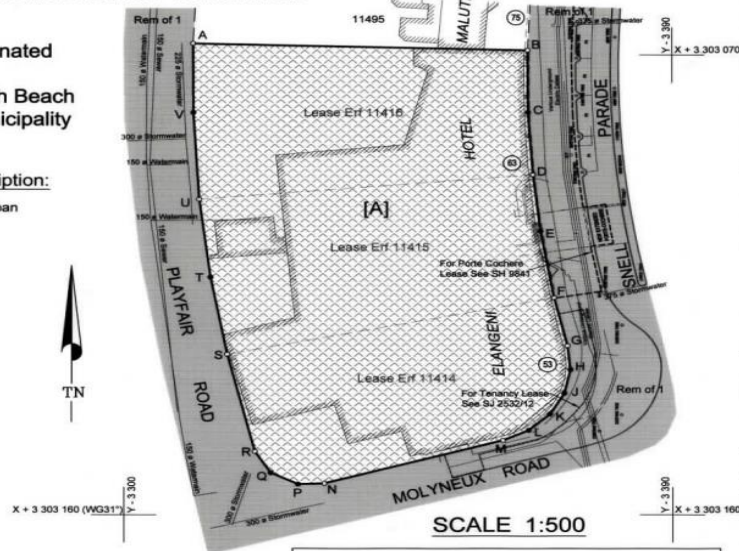
PROJECT TITLE: ELANGENI HOTEL
CONVERSION FROM LEASEHOLD TO FREEHOLD

Plan showing
Land to be Alienated
Snell Parade
Suburb of North Beach
eThekweni Municipality

Cadastral Description:
Proposed Erf [A] Durban

Sides	Metres
AB	54.9
BC	12.2
CD	12.2
DE	11.1
EF	13.2
FG	9.6
GH	4.7
HJ	4.7
JK	4.7
KL	4.7
LM	4.7
MN	30.5
NP	4.3
PQ	4.9
QR	4.9
RS	19.5
ST	15.3
TU	15.3
UV	17.0
VA	13.6

Area = 4400 sq m



SCALE 1 : 500

Existing Road Area

Land to be Alienated for Hotel (4400 sq m)

Existing Buildings

OWNERSHIP SCHEDULE

PROPERTY	REGISTERED OWNER	DIAGRAM NUMBER	CURRENT DEED
----------	------------------	----------------	--------------

Rem of Erf 1 Durban	eThekweni Municipality	GV 38/8	G 1737/1855
---------------------	------------------------	---------	-------------

Ownership details obtained via "WINDIED"

Notes :

1. Street addresses are encircled.
2. For reference purposes only, proposed portion is numbered alphabetically in square brackets. Official numerical cadastral description is to be obtained from SGO on final survey.
3. All services, shown or otherwise, are as obtained from the Corporate GIS database or other relevant internal or external Departments, and should be verified on site as applicable.
4. Building positions are approximate and scaled off 2013 aerial photography.
5. Existing Lease Erf 11414 (LV 7 F 12), Lease Erf 11415 (LV 7 F 13) and Lease Erf 11416 (LV 7 F 14) are to be cancelled.
6. Area and dimensions are approximate and subject to final survey as required.
7. For Porte Cochere Lease see SH 9841.

		Approved Deputy Head : Surveying & Land Information
Prelim. Plan Date : 2013/05/07 Final Plan Date : 2014/03/10		SJ 4655/9
Sheet No. : 1 : 1000 : U42 1 : 2000 : U43		
Copy to Surveyor On : 2013/06 By :		Job No. : 2013/06 Vote No. : 11961.36630 Ward No. : 26
Drawn by : C.G.		Survey Correspondence Ref. : S202 Land Transactions Ref. : LA 3876/1 Digital Ref : 4655_9
Checked by : U.S.		
Prepared by: Surveying & Land Information Department Engineering Unit 166 K.E. Masinga Road (Old Fort Road) Durban		
Tel : 031 - 311 7226 Fax : 031 - 311 7220		

MBD 14: REGISTRATION DOCUMENTS

The following documents must be submitted at the time of tender closing

- Natural persons, Sole proprietors and JVs – copy of ID document/passport
- Schools – copy of Provincial School registration certificate
- NGO – copy of Provincial registration certificate
- Society Club/ Association – copy of Constitution / founding document
- Partnership -copy of partnership agreement plus IDs of all partners
- Closed Corporation - Copy of CK1 and/or CK2 and members' agreement
- Company – current CM29,
- Trust – letter of appointment from the Master of the High Court of SA and deed of trust
- Joint Venture / Consortiums– JV agreement plus ID documents/ company Registration document of all members of JV/ Consortiums.

MBD 15: AUTHORITY TO SUBMIT BID

If bidder is a legal entity, a company resolution /Power of Attorney must be attached (these documents must authorise the named person to submit this application and to enter into agreements with the eThekweni Municipality should the application be successful)

Is a company resolution attached?	Yes		No	
-----------------------------------	-----	--	----	--

Is the bidder a natural person?				
---------------------------------	--	--	--	--

Is a certified ID copy attached?	Yes		No	
----------------------------------	-----	--	----	--

Is a copy of the bidder's power of attorney attached?	Yes		No	
---	-----	--	----	--

MBD 16: PAYMENT OF MUNICIPAL ACCOUNT



DECLARATION OF MUNICIPAL CHARGES FROM TENDERER

EtheKwini Revenue
Florence Mkhize Building
251 Anton Lembede Street
Durban
4001

Tel: 031 328 1200
Fax: 031 328 1002
E-Mail: revline@durban.gov.za
Website: <http://www.durban.gov.za>

I, _____
(Full Name and Surname)

ID Number in my capacity as the duly authorised member / director /
owner or partner of

(Full name of Company / Close Corporation / partnership / sole proprietary/Joint Venture) hereinafter referred to as the
TENDERER

do hereby declare that all Municipal charges of the aforesaid TENDERER, are, as at the date hereunder, fully paid or an
Acknowledgement of Debt has been concluded with the Municipality to pay the said charges in installments.

The following account details relate to property of the said TENDERER:

ACCOUNT	ACCOUNT NUMBER
ELECTRICITY	_____
WATER	_____
RATES	_____
OTHER (specify)	_____

I acknowledge that should the aforesaid Municipal charges fall into arrears, the Municipality may take such remedial action as is
required, including termination of any contract, and any payments due to the Contractor by the Municipality shall be first set off
against such arrears. **ATTACHED** please find copies of the above account's and or agreements signed with the municipality.

- Where the **TENDERER'S** place of business or business interests **are outside the jurisdiction** of eThekweni municipality,
a copy of the accounts/agreements from the relevant municipality must be attached.
- Where the tenderer's Municipal Accounts are part of their lease agreement, then a copy of the agreement, or official letter
to that effect is to be attached.

Full Name and Surname

Signature

Date

Designation

Company Stamp

Contact No

REU MBD 17: DEVELOPMENT PROPOSAL

Bidders are required to submit a concise development proposal for the site. The development proposal must include a concept Site Development Plan, an Architectural concept of the proposed development, proposed tenancing and preservation of the natural environment. The redevelopment/refurbishment proposal must contain the following:

Concept Site Development Plan (Tenancing)	Total Floor area (m2)
Building footprint	
Public places	
Parking bays (Number of bays)	
Landscaping	
Others	
Totals	

1.2 Proposed improvements summary (if any)

Use	Total Floor area (m2)
Totals	

1.3 Estimated Cost of Development.

A breakdown of all costs to be incurred by the bidder in the preparation of the site must be provided. The cost provided in this section will form a critical part of the evaluation of proposals and will be a contractual condition of the development agreement awarded.		
No	Item Description	Estimated cost (Including vat)
1	Civil and Electrical Services	R
2	Civil Works	R
3	Top Structure (Building) Costs	R
4	Professional Fees	R
5	Sundry Development Costs	R
6	External/Bulk Services Contributions	R
7		R

	Other	
8	Totals	

1.4 Estimated development time frames

Estimated time, in months, from date of signature of lease agreement to date of start of construction.	Months
Estimated time, in months, from start of redevelopment/ refurbishment to completion of construction.	Months

REU MBD 18: SUSTAINABILITY MODEL (FUNDING/ DONOR/ SPONSOR)

Ideas in sourcing and growing the following aspects: <ul style="list-style-type: none">- Membership- Subsidy- Sponsor- Donation- Fund Raising- Bank Institution	
--	--

REU MBD 19: PUBLIC/SOCIAL BENEFIT PROPOSAL

It is a requirement that bidding entity or individual should demonstrate the following social benefits:

1. Demonstrate how the development will benefit disadvantaged communities, youth, women and people with disabilities	
2. Demonstrate how the development will benefit the local community and/or community-based organisations	

REU MBD 20: PROPOSED EMPOWERMENT PLAN

FRAMEWORK FOR ACCELERATING ECONOMIC EMPOWERMENT AND TRANSFORMATION

1. EThekweni municipality is and will remain deliberate about transformation and its economic empowerment goals and is committed to the empowerment agenda.
2. The successful bidder will be required to champion the entrenchment of true economic transformation and empowerment in its spheres of influence. The successful bidder will be required to go beyond redressing historical imbalances and towards intrinsic true value that will result in active deliberate facilitation of sustainable and meaningful participation of Black people in the mainstream of the economy through its assets, investments and projects.
3. The bidder will be required to commit to the achievement of the following specific targets by completing the table below. The commitments made on the table below will be measured against the targets and used in the evaluation of the functional compliance evaluation. The commitments made in this table will form part of the contractual obligations of the successful bidder:

EMPOWERMENT TARGETS

DESCRIPTION	TARGET	Bidders Commitment in numbers of persons
Job Creation & Job intensive plan		
Total number of jobs to be created during construction	Total jobs created	
Total number of jobs to be created after construction	Total jobs created	
Training & Development programme		
Training and Development Programmes (throughout the lifecycle of the project)	60% of workforce	
Rand value of spend to local SMMEs that have black ownership	50% of project value	
Full use of locally sourced or locally assembled material and/or products	70% of project value.	
Procurement of Material from Local Suppliers	30% of project value	
Enterprise Development Enterprise (during and after construction)		
In line with paragraph 5.12.4 of the eThekweni Municipality Land Disposal and Granting of Rights Policy, 2019 read together with paragraph 52 (21) (e) of the eThekweni Municipality: Supply Chain Management Policy, 2023.	Subcontracting a minimum of 30% of the Construction Cost to companies owned costs to local companies that 51% black owned companies.	
Partnership with Women, Youth, and People with disabilities owned Companies	Total jobs number of Companies	
Demonstrate how the development will benefit the local community and/or community based organisations		

REU MBD 21-1: HOTEL MANAGEMENT EXPERIENCE OF THE BIDDING ENTITY

Bidders must indicate the name of the hotel, location and number of rooms, with proof of ownership or operator agreement clearly reflecting the bidding entity or its Consortium/JV partners as the owner or operator.

No	NAME OF HOTEL	COUNTRY	TOWN	PHYSICAL ADDRESS	NUMBER OF ROOMS
1					
2					
3					
4					
5					
6					
7					
8					

9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

REU MBD 21-2: EXPERIENCE OF THE BIDDING ENTITY OF OPERATING HOTELS IN SOUTH AFRICA

The Bidder must indicate the name of the hotel, location and country and the year the hotel started operating, with proof of ownership or as operator agreement clearly reflecting the bidding entity or its Consortium/JV partners as the owner or operator.

No	NAME OF HOTEL	COUNTRY	TOWN	PHYSICAL ADDRESS	YEAR (THE YEAR THE HOTEL STARTED OPERATING)	STAR RATING
1						
2						
3						
4						
5						
6						
7						

REU MBD 21-3: HOTEL / HOSPITALITY DEVELOPMENT EXPERIENCE OF THE BIDDING ENTITY

Development Experience of the bidding entity in delivering projects of similar nature in the hospitality industry or hotels.

Certificate of Practical Completion issued in terms of the Joint Building Contracts Committee (JBCC) clearly reflecting the bidding entity or its Consortium/JV partners as employers or developers, indicating the name and type of development.

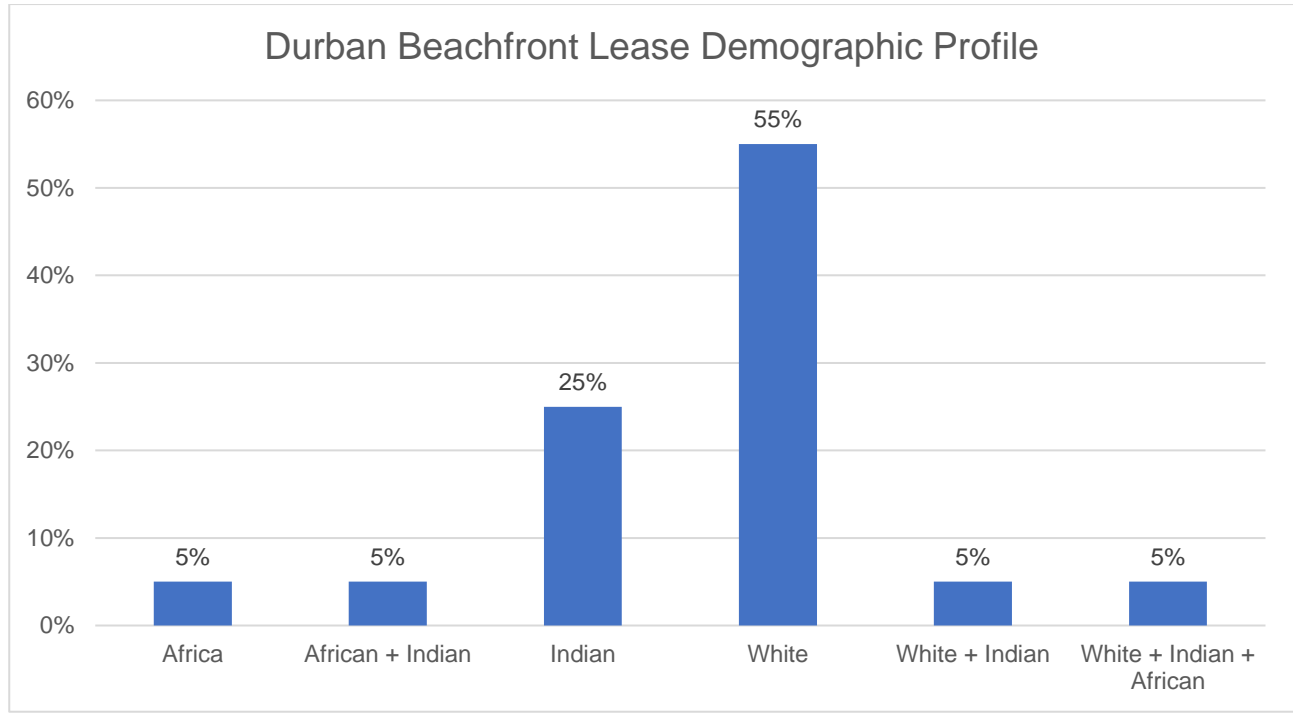
No	NAME OF THE DEVELOPMENT	DATE OF COMPLETION	PROJECT VALUE IN Rands	PRINCIPAL AGENT NAME	CONTACT DETAILS (PHONE NUMBER AND EMAIL ADDRESS)
1					
2					
3					
4					
5					
6					
7					
8					

REU MBD 22: ACCESS TO FUNDING

<p>The bidder must submit proof of availability of 100% of the funding required for the development as per MDB 17.</p> <p>Please note that the following definitions will be used in assessing the proof of availability of finance:</p> <p>Proof of available funds qualifies as a letter/ expression of interest from a registered funder with Financial Sector Conduct Authority (FSCA) on an official letter head confirming the bidder's ability to access the funding required for the proposed development.</p> <p>Provide funding model to incorporate how and where the funding will be sourced/raised, and it must include collateral to be pledged against such funding if required.</p>	
Total Development Cost	<u>R</u>
<u>Debt Finance</u>	<u>R</u>
<u>Equity Investments (if any)</u>	<u>R</u>
<u>Source of Debt Finance</u> <ul style="list-style-type: none"> <u>Letter confirming access to debt funding</u> 	
<u>Source of Equity Finance</u> <ul style="list-style-type: none"> <u>Written confirmation of equity funding</u> <p><u>(Note: this source may not be a bank loan).</u></p>	

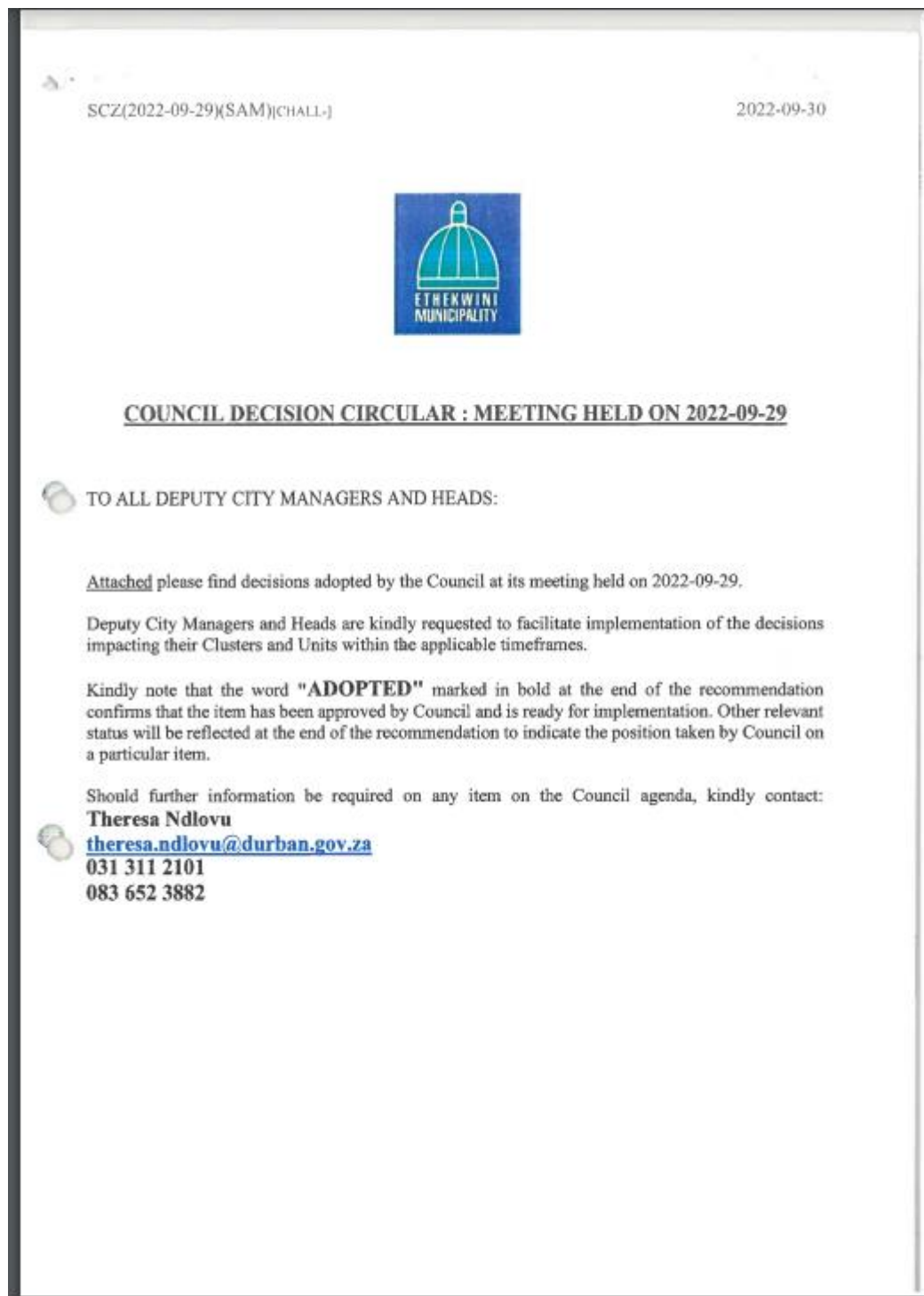
ANNEXURE A: DEMOGRAPHIC PROFILE

Current demographic profile of existing leases- Durban Beachfront



In instances where the leased premises is currently vacant the historic demographic profile was used.

COUNCIL DECISION – 29 September 2022



COMMITTEE RECOMMENDS:

- 2.5.1 That the Budget Statement report for the month ended 2022-08-31 and the supporting documents, submitted by the City Manager as per his report dated 2022-09-14, in compliance with Section 71 of the Local Government: Municipal Finance Management Act No. 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, relating to the "Local Government: Municipal Finance Management Act 2003, the Municipal Budget and Reporting Regulations", be noted.
- 2.5.2 That in compliance with Section 32(2) of the Local Government: Municipal Finance Management Act 2003, Council notes that there was no Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) incurred for the month of August 2022, as per the report by the line departments on Section 10 of the Budget Statement Report.
- NOTED.**

3. DIRECT EXCO REPORTS

- 3.1 PROPOSED GRANTING OF RIGHTS TO USE, CONTROL OR MANAGE EXISTING LEASES ERF 11414, ERF 11415, ERF 11416, SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF A DURBAN) AND EXISTING LEASES ERF 11418 AND ERF 11419, SITUATED ON A PORTION OF THE REMAINDER OF ERF 1 DURBAN (PROPOSED ERF B DURBAN), BY WAY OF A LONG-TERM LEASE (17/2/1/2/5)

(Page 1)

The lease for the Southern Sun Hotel Corp (Pty) Ltd, now known as Tsogo Sun, expires on 31 December 2025 with no right of renewal. The Municipal Council then resolved that a public participation and a competitive bidding process be followed with regard to the property. Also, to solicit the views of the Provincial and National Treasury as the value of the property is over R10 Million.

The public participation process has been concluded and there were no comments received in this regard. Also, no comments were received from the Provincial Treasury. Meanwhile, the National Treasury noted the process and submitted the following:

- That the Municipality should ensure compliance with the provisions as stipulated in Section 14 of the Local Government: Municipal Finance Management Act (MFMA) 2003 read together with Chapter 4 of the Local Government: Municipal Assets Transfer Regulations (MATR) 2008; as well as Section 14(2)(a) of the MFMA, and obtain a Council resolution, hence, the submission of the matter;
- That the Municipality should engage local business chamber for comment, of which this has been done by the Municipality;
- That the Municipality should include a Clause in the lease addressing conditions relating to the use, maintenance of the assets and the surrounding area, security and job creation; and

- That the transaction should be concluded in a transparent process, bringing the best value to the Municipality and fully compliant with the MFMA; MATR; and the Municipal Supply Chain Management Regulations.

Accordingly, the matter is submitted for Council approval, as per the statutory requirement. The DA abstained on this matter at the Executive Committee level. With the other Parties being in support,

COMMITTEE RECOMMENDS:

- 3.1.1 That the Municipal Council notes the outcome of the Public Participation Process, which records no comment received and with the National Treasury having raised aspects relating mainly to the importance to achieve the necessary compliance requirements.
- 3.1.2 That the Municipal Council declares in terms of Section 14 of the Municipal Finance Management Act (MFMA) No 56, 2003, that:
 - 3.1.2.1 The existing leases Erf 11414, Erf 11415, Erf 11416 situated on a portion of the Remainder of Erf 1 Durban (Proposed Erf [A] Durban and Existing leases Erf 11418 and Erf 11419 situated on a Portion of the Remainder of Erf 1 Durban (Proposed Erf [B] Durban) in extent 4400m² and 2783m², are not required to provide a minimum level of basic Municipal services and are considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said properties.
 - 3.1.2.2 The Municipality has considered fair market value of the assets, the economic and community value to be received in exchange for the assets and the current market value of the properties being R430 000 000.00 (Four Hundred and Thirty Million Rand) and an assessed market rental of R3 403 158.75 (Three Million Four Hundred and Three Thousand One Hundred and Fifty-Eight Rand Seventy-Five Cent) per month has been considered.
- 3.1.3 That the Municipal Council approves in-principle the granting of right to use, control or manage the capital assets described as existing leases Erf 11414, 11415 and Erf 11416, situated on a Portion of Remainder of Erf 1 Durban (proposed Erf [A] Durban) and existing leases Erf 11418 and 11419 situated on a Portion of the Remainder of Erf 1 Durban (proposed Erf [B] Durban) in extent 4400m² and 2783m², as depicted on SJ Plan 4655/9 and SJ 4655/10 in terms of Regulation 34(1)(b) read with Regulation 36 and 41 of the Municipal Assets Transfer Regulation 2008, and the approval to consider the following:
 - 3.1.3.1 That a long-term lease is proposed to be granted in respect of the capital assets;
 - 3.1.3.2 That the properties described as existing leases Erf 11414, 11415 and 11416, situated on a Portion of the Remainder of Erf 1 Durban (proposed [A] Durban) and existing leases Erf 11418 and Erf 11419, situated on a Portion of Erf 1 Durban (proposed [B] Durban) in extent 4400m² and 2783m², be leased by way of public tender taking into account the provisions of the SCM Policy with respect to the participation process, at a basic rental of R3 403 158.75 (Three Million Four Hundred and Three Thousand One Hundred and Fifty Eight Rand Seventy Five Cent) per month, escalating by 7% per annum and, reviewable every five (05) years for a period of fifty (50) years with no rights of renewal.

- 3.1.3.3 That all costs incidental to the transaction shall be borne by the lessee and all the developmental plans must be submitted to the Local Authority.
- 3.1.3.4 That the rental be suspended for up to three (03) years from the date of registration of the lease to allow for the renovations and upgrade of the subject properties provided that the capital investment is above R250 Million, and should the developer not complete the development within a 3-year period, an application can be made to the Head: Real Estate to submit a request to full Council to consider an extension of time to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.
- 3.1.4 That subject to the adoption of .1 to .3 above and the approval by the Bid Adjudication Committee, authority be granted to the City Manager to sign all documents necessary to conclude the required lease agreement.

ADOPTED, by a majority vote.

3.2 REPRIORITISATION OF 2022-23 WATER & SANITATION UNIT CAPITAL BUDGET WS 2022/189 (7/1/2/2)

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Authority is sought to adjust the capital budget for the Water and Sanitation Unit to assist with the storm damages and related projects. Various sanitation pump stations and treatment works are in a very poor state due to storm damages and are non-functional which leads to polluting the environment. Repairs to various water infrastructure is undertaken by the in-house construction team and funding is required to expedite the repairs. To repair, replace and maintain existing infrastructure, a need exists to reprioritize capital budget. Approval of the capital budget reprioritization will assist in fasttracking projects and improve service delivery which is the prime objective of the Unit.

The DA abstained on the matter, and with the other Parties being in support,

COMMITTEE RECOMMENDS:

- 3.2.1 That Council approves the transfer of funds as detailed in report WS2022/189 in the Water and Sanitation Unit Capital Budget and reflected in the table below to assist with storm damage related projects and the projects affected due to budget cut, it being recorded that the budget reprioritization aligns with bottom line for the 2022/2023 financial year.

2022/23 FY Capital Funding Adjustments:

DESCRIPTION	PROJECT	AMOUNT R	DESCRIPTION	PROJECT	AMOUNT R	
Storm damage Sanitation infrastructure	Y9163	40,525,000	WATER INFRASTRUCTURE DUE TO STORM DAMAGE	X8616	20,000,000	X8616 has R33m but R5m given to Sid for PSC and R8m for internal construction team to work on trunk mains