



**REQUEST FOR PROPOSAL**

<b>To:</b>	<b>ALL PROSPECTIVE INVESTORS</b>
<b>Project Name:</b>	<b>Operationalization of Somerset East Mixed-use Industrial Park</b>
<b>Requestor:</b>	<b>Cacadu Development Agency</b>
<b>Proposal No.</b>	<b>09/2022-2023</b>
<b>Notice No.</b>	<b>09 of 2022-2023</b>
<b>Site Clarification Meeting (Compulsory):</b>	<b>20 April 2023, at 10:00 Somerset East Mixed-use Industrial Park.</b>
<b>Proposal to be Delivered by:</b>	<b>26 May 2023 at 12:00</b>

**SPECIFICATION OF ORDER**

**1. Introduction**

The CDA was established in 2012 with the aim of being the special purpose vehicle (SPV) or implementing arm of catalytic projects for the Sarah Baartman District Municipality (SBDM). These projects would find expression in the district and local Integrated Development Plans (IDP) and implemented at local government level. The agency will partner and collaborate with the various levels of government and solidify its role as preferred implementer for various provincial and national sector departments. Identified projects will find expression in the District Development Model (DDM) or One Plan which is a blueprint for complementary development at local level. Partnerships with the private sector and civic organizations will be for the greater good of local development, job creation, skills development, and employment.

A compulsory briefing session will be held at Somerset East Mixed-use Industrial Park, in Aeroville on the **20 April at 10:00**. The geographical coordinates of the session: E: 25°35'37.29" ; S: 32°44'58.58".

**2. Background:**

The Somerset East Mixed-use Industrial and Retail Park is located within the town of Somerset East, Blue Crane Route Municipality in the Sarah Baartman District. Access to the site is off the national road R63 via Cookhouse and R335 towards Addo. Somerset East Industrial Park is developed on a portion of Erf 1, Somerset East Eastern Cape, South Africa. The industrial Park is 165 hectares in extent and the land is owned by the Blue Crane Route Municipality. Bulk infrastructure has been installed on the site and top structure needs to be developed and hence this request for Investors or Developers to take up such an opportunity. The Cacadu Development Agency has developed an Investment and Incentives Policy that provides guidelines on potential offsets in combination with a lease for such investments in the district.

The geographical coordinates of the site are: E: 25°35'37.29" ; S: 32°44'58.58"

CDA has partnered with the Blue Crane Route Local Municipality and concluded a Service Level Agreement giving it development rights on various properties owned by the municipality. The proposed Somerset East Mixed-use Industrial and Retail Park and adjacent Aerodrome are but two of such properties.

Blue Crane Local Municipality covers an area of approximately 11,068 square kilometres. It has a relatively small population of nearly 40 000 people residing in the three (3) major towns of Cookhouse, Somerset East and Pearston with Somerset East being the administrative centre.

Blue Crane Route Local Municipality is characterised by low population densities, agriculture as the main modality of employment, a high prevalence of poverty and declining employment levels.

The Blue Crane economy can be summarised as follows in relation to the Gross Domestic Product (GDP):

- Transport and communication are the largest contributor with 22.8%.
- The government sector in particular health and education contribute 18.8%.
- Finance, business services and manufacturing sectors contributes 12%.
- The contribution of Agriculture has declined and contributes approximately 11.3%.
- The wholesale and retail trade sector has declined immensely in the last 15 years.

The construction industry has experienced growth of around 2% due to the initiation of the renewable energy project(s) i.e., Wind Farms in this area. The highest level of employment is predominately found in the agricultural sector and the community services sector. The agricultural sector employs the highest percentage of people therefore it plays a big economic role.

The area needs investment to address the rising unemployment levels that gives rise to various social ills which contribute to the abrasion of community cohesion, values-based activities and the like. Potential through a Mixed-Use Industrial and Retail investment together with reviving the adjacent Aerodrome and the tourism sector is viewed as stimuli for turning the economic outlook of the area, hence this call for PROPOSALS (RFP) FOR INVESTORS OR DEVELOPERS FOR THE DEVELOPMENT AND EXPANSION OF THE SOMERSET EAST MIXED-USE INDUSTRIAL AND RETAIL PARK.

### **3. Invitation for Proposals**

- 3.1 The overall objective of the RFP is to secure experienced property investors or developers to fund the development and expansion of the identified site.
- 3.2 The prospective investor or developer must demonstrate the ability to raise funds or utilize its own funds for the development.
- 3.3 Prospective Investors or Developers will be provided to negotiate a lease period based on the investment value and proposal and which is deemed best value for CDA and the municipality.
- 3.4 Prospective Investors or Developers will be responsible for their own market analysis, business cases and feasibility assessments.
- 3.5 This will be a Turn-key development as outlined by CDA Investment and Incentives Policy and roles and responsibilities will be accordingly accepted and applied in relation to all phases of the development and personnel requirements whether for financial deal structuring, consultant services or contractor appointment.
- 3.6 Prospective Investors or Developers will have to develop the site based on potential tenant requirements and conclude sub-lease agreements with all. CDA has a list of potential lessees that has shown interest before and can avail such if required.
- 3.7 Fees to CDA and various municipal services is available in the CDA Investment and Incentives Policy and subject to negotiations where appropriate.

### **4.1 Scope of Services**

- 4.1 The RFP is for INVESTORS OR DEVELOPERS FOR THE DEVELOPMENT AND EXPANSION OF THE SOMERSET EAST MIXED-USE INDUSTRIAL AND RETAIL PARK.
- 4.2 Legal description of the property: Erf 01 Somerset East owned by Blue Crane Route Municipality  
Size of the Extent (Registered): 265 ha
- 4.3 Location: Ward 2 Aeroville  
Physical Address: R335  
The site was a greenfield, currently an amount of R28 million was invested for bulk infrastructure to accommodate the full extent of development on the site for Mixed-Use Industrial and Retail purposes. The site is surrounded by the residential area of Aeroville, an Aerodrome and a farmland; It is zoned as a Business and Commercial area. Somerset East Mixed-use Industrial Park is considered an ideal opportunity for prospective investors.
- 4.4 GPS Co-ordinates: E: 25035'37.29"; S: 32044'58.58"
- 4.5 Municipal Information:  
Zoning: Business and commercial area.

4.6 Site Development Plan(s): To be provided at site briefing session.

### CONFLICT OF INTEREST

CDA expects the bidders to observe the highest standards of ethics during the execution of this contract and reserves the right to terminate the contract at any stage if it is determined that these standards have been or may become compromised.

It should be noted that the agency will request verbal and / or written inputs on an ad hoc basis, as and when required, but it is envisaged that these inputs will be essential to an extent where implementation of project is finally completed.

All relevant information must accompany all proposals submitted. No late or incomplete proposal will be accepted for consideration.

### EVALUATION CRITERIA

#### Functionality Evaluation Criteria

5.1 A maximum of 100 points is allocated to Bid Functionality calculated as follows:

- 80 points for Experience (Experience track record) on previous contracts of a similar nature, scope or complexity and Registration on a relevant professional body.
- 20 points for Key personnel (Organogram) and Capacity (Certified Qualifications and CV /experience of staff allocated to the project / availability of skills to manage) to perform the contract (assigned personnel).

DISCRIPTION	REQUIREMENTS	POINTS
40 Points allocated for experience	<p>Previous successful investment/ development of similar nature.</p> <p>You are required to provide client reference letters, from successful assignments, which must include the following:</p> <ul style="list-style-type: none"> <li>✓ Name of client</li> <li>✓ Description of project</li> <li>✓ Development cost.</li> </ul> <p>No. of projects.</p> <p>2-4 projects = 5 points</p> <p>5-9 projects = 15 points</p> <p>10 – 15 projects = 30 points</p> <p>16 and above = 40 points</p>	40 Maximum points
40 Points is allocated for Professional body registration	<p>An investor/ developer is required to be registered on a relevant professional body example: NPPC etc</p> <p>Submit a valid registration membership or certificate.</p>	40 Points
20 Points is allocated for Key personnel and Capacity.	<p>Key resources and skills - you are required to provide an organogram with the following documentation.</p> <ul style="list-style-type: none"> <li>✓ Comprehensive Resume (CV) of all personnel for the various identified</li> </ul>	20 Points

	<p>phases.</p> <ul style="list-style-type: none"> <li>✓ Related Qualification with the minimum qualification being a National Diploma – certified copies of certificates for each individual team member.</li> <li>✓ Membership / affiliations with relevant bodies in the built environment.</li> <li>✓ Minimum of five (5) years' experience in development finance, consultancy services and/or the built environment.</li> </ul>	
<b>TOTAL POINTS</b>		<b>100</b>

***An Investor/Developer scoring less than 70 points in Functionality will be considered as DISQUALIFIED for any further consideration.***

### **PROPOSAL EVALUATION**

- 5.2 Respondents will be required to submit a detailed proposal outlining their PROPOSALS (RFP) FOR INVESTORS OR DEVELOPERS FOR THE DEVELOPMENT AND EXPANSION OF THE SOMERSET EAST MIXED-USE INDUSTRIAL AND RETAIL PARK.
- 5.3 The proposal will be evaluated in terms of the criteria stated in the RFP document including the following:
- 5.3.1 Ability and commitment to be a long-term investor.
  - 5.3.2 Ability to fund / raise cost effective capital for the development.
  - 5.3.3 Ability to develop sizable property assets.
  - 5.3.4 Asset management skills and capacity.
  - 5.3.5 Inclusion of Highly Disadvantaged Individual (s) and commitment to economic development and how the developer will uplift community of the BCRM.
  - 5.3.6 The proposal must demonstrate both market and financial feasibility. A project will be deemed feasible if it meets the following criteria:
    - ✓ Net Present Value is positive.
    - ✓ Average Return on Investment is equal to or above the required rate of return over at least a 5-year period. However, lower returns may be considered based on the developmental impact.
    - ✓ The internal rate of return is higher than the cost of capital.
    - ✓ Loan to value ratio does not exceed 80% where borrowings are applicable.
    - ✓ **Attach audited annual financial statement, for the past three years ( 2022/2021, 2021/2020, 2020/2019).**
  - 5.3.7 The risks of each proposal will be considered to assess return requirements.
  - 5.3.8 The criteria above serve as a guideline and each proposal will be assessed based on its unique merits.
- 5.4. Proposals must be clear, concise, comprehensive and must directly address the specific requirements.
- 5.5. The RFP (Proposal) must include the following documents:
- 5.5.1. A description of the approach to be used to address the project objectives and scope.
  - 5.5.2. Cash flow projections of income and expenditure for at least 25 years.
  - 5.5.3. Calculations of all key ratios including Net Present Value, Return on Investment, Internal Rate of Return, Debt to equity ratio.
  - 5.5.4. References for similar developments - you are required to provide client reference letters, from successful assignments, which must include the following:
    - ✓ Name of client
    - ✓ Description of project
    - ✓ Development cost

**NB: Failure to provide the above-mentioned documentation will result in the proposal not being considered.**

Proposals should be delivered in a sealed envelope clearly marked: **“09/2022-2023 – OPERATIONALIZATION OF SOMERSET EAST MIXED-USE INDUSTRIAL PARK”** and be deposited in the official Tender Box, at the Cacadu Development Agency offices, **32 Govan Mbeki Avenue, Port Elizabeth** not later than **Friday 26 May 2023 at 12h00.**

For enquiries please contact Nceba Gomba on 041 5087070 or email [ngomba@cacadudevelopment.co.za](mailto:ngomba@cacadudevelopment.co.za) cc [zsibeko@cacadudevelopment.co.za](mailto:zsibeko@cacadudevelopment.co.za) please quote refence number on the subject line.

APPROVED:   
CHIEF EXECUTIVE OFFICER (CDA)

DATE: *05.04.2023*

**DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
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.
- 3 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative: .....

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>): .....

3.4 Company Registration Number:.....

3.5 Tax Reference Number: .....

3.6 VAT Registration Number: .....

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

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

3.8.1 If yes, furnish particulars. ....

.....

<sup>1</sup>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.

<sup>2</sup> Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

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

3.9.1 If yes, furnish particulars .....

.....

3.10 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

3.10.1 If yes, furnish particulars.

.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between any other 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

3.11.1 If yes, furnish particulars

.....

.....

1

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

3.12.1 If yes, furnish particulars.

.....

.....

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

3.13.1 If yes, furnish particulars.

.....

.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. YES / NO

3.14.1 If yes, furnish particulars:

.....

.....

4. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

## 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](http://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](http://www.sars.gov.za).

**2 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? (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><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <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)? <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>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?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	<p>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?</p>	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"/>
4.7.1	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 bids<sup>1</sup> 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).<sup>2</sup> 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:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> 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 consortium<sup>3</sup> 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.

<sup>3</sup> 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.

**MBD 9**

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