



EMALAHLENI LOCAL MUNICIPALITY



REQUEST FOR PROPOSAL FOR THE DEVELOPMENT OF EMALAHLENI RECREATIONAL RESORT AND NATURE RESERVE:

SCOPE OF WORK

BACKGROUND

eMalahleni hosts the renowned Witbank Dam, celebrated as the largest municipal dam in the southern hemisphere, with a catchment area surpassing 3,540 square kilometres. Naturally, this splendid dam is perfect for a wide range of exhilarating water sports, including skiing, windsurfing, and fishing.

The municipality seeks proposals from prospective investors with experience in property development, hospitality knowledge and innovative projects to invest in a key infrastructure and economic development project. The intention is to initiate a partnership with key role players in the private sector through a Public-Private Partnership to revitalise the resort by creating an appealing destination with recreational facilities, host events, establish a hotel and a conference centre at the Emalahleni Resort. The facility is currently perceived as underutilized.

The resort is a key tourist destination known for its scenic beauty and recreation amenities. Bordering the Witbank Dam is the Witbank Nature Reserve located on the eastern outskirts of the town. The facility offers accommodation options, including chalets, caravan spots, and camping areas. The camping sites and caravan spots have ablution facilities and are equipped with power outlets. The facility is an excellent spot for fishing.

The resort requires expansion to meet the increasing demand for recreational facility, cultural activities, accommodation and conferencing services around the city. The need for economic growth is huge in the city, the economic impact that the investment can bring will be significantly positive as the facility has the potential to draw visitors from outside the local area, thereby supporting local businesses and generating income through tourism.



DESCRIPTIONS OF WORKS

Develop Emalahleni Recreational Resort and Nature Reserve.

PROJECT SPECIFICATION

The prospective investor must be able to demonstrate the following technical capacity and capabilities

- Investors technical expertise.
- Investors industry knowledge (hospitality and tourism)
- Investors project management capabilities
- Investors facilities and operations management capabilities
- Investors demonstration of understanding of the project demands/complexities
- Approach and methodology to project

It is common cause that tourism is a key strategic industry in terms of National Tourism Sector Strategy document as it supports government objectives of alleviating the triple challenges of unemployment, poverty and inequality. The solution must address all the challenges and solutions thereof.

SCOPE OF WORK

SERVICE PROVIDER REQUIREMENTS

This is an exciting but complex project that requires careful planning and consideration. The development of the concept and feasibility study for the project will assist the bidder in determining the procurement and construction requirements. This requires critical thinking and an expert-driven approach to develop a solid business plan that comprises of the following mandatory documents.

Concept and Vision

- **Define the Resort Concept:** Define concept and the unique features that will set it apart.

Feasibility Study

- **Site Analysis:** Evaluate the physical characteristics of the site, including accessibility, utilities, environmental impact, and local regulations.
- **Market Analysis:** Assess the community demands, location, including competition and potential customer base.

Financial Planning

- **Funding:** Secure financing through investors, loans, or other funding sources.



- **Budgeting:** Develop a detailed budget covering all aspects of the project, from concept development, construction and marketing.

Design and Planning

- **Architectural Design:** Create a design that blends with the environment and meets the needs of your target market.
- **Sustainability:** Incorporate eco-friendly materials and renewable energy sources to minimize environmental impact.

The proposal incorporates the following

- a) **Inclusive and Accessible Design:**
 - Ensure the facility is accessible to people of all ages and abilities.
- b) **Sustainable and Eco-Friendly:**
 - Use sustainable building materials and energy-efficient systems.
 - Create green spaces with native plants to promote biodiversity.
- c) **Multi-Functional Spaces:**
 - Design flexible spaces that can be used for various activities, such as sports, arts, and community events.
 - Include indoor and outdoor areas for year-round use.
 - Provide spaces for both individual and group activities.
- d) **Health and Wellness Focus:**
 - Offer facilities for physical activities like swimming pools, and sports courts.
- e) **Technology Integration:**
 - Equip the facility with modern technology for enhanced user experience.
 - Offer free Wi-Fi, charging stations, and interactive information kiosks.
 - Implement smart systems for energy management and security.
- f) **Safety and Security:**
 - Ensure the facility is safe with well-lit areas, security cameras, and emergency response systems.



g) **Aesthetic Appeal:**

- Design the facility to be visually appealing with modern architecture and vibrant colours.
- Incorporate public art and murals to reflect the community's culture and history.

Construction

- **Project Management:** the construction process, ensuring it stays on schedule and within budget.
- **Quality Control:** Implement quality control measures to ensure the resort is built to high standards.

Marketing and Operations

- **Marketing Strategy:** Develop a marketing plan to attract guests, including online presence, partnerships, and promotions.

The service provider must have the following:

- A proven track record of the necessary knowledge and experience in conducting feasibility studies and implementation plans.
- The capacity to deliver on the key deliverables identified with a relevant project team.
- At least three reference names from government, non-government and other stakeholders in relevant initiatives.

Risk Allocation:

- Design and Construction Risk

Private Partner: Responsible for the design and construction, ensuring the project meets all specifications, quality standards, and deadlines. This includes bearing the costs of delays and any construction cost overruns.

Municipality: Assists with providing necessary permits, land disposal processes, and approvals. Ensures no legal hindrances arise during construction.

- Financial Risk

Private Partner: Secures financing for the project, bearing the risks of interest rate fluctuations and refinancing. The private entity is responsible for structuring the financial model to ensure profitability.



- Operational Risk

Private Partner: Manages the operation and maintenance of the project, ensuring it meets performance standards and service levels. This includes handling all operating costs, maintenance, and technology upgrades.

Municipality: Monitors performance to ensure compliance with the agreed standards and service levels.

- Revenue Risk

Private Partner: Bears the risk related to revenue fluctuations due to demand variability, user fees, and tariff adjustments. The private partner must develop strategies to manage demand risk.

- Market Risk

Private Partner: Faces risks associated with market conditions such as competition, price changes, and shifts in demand.

Municipality: Creates a supportive regulatory environment and market conditions that enhance the project's sustainability.

- Legal and Regulatory Risk

Private Partner: Adapts to changes in laws and regulations that could impact the project.

Municipality: Ensures a stable regulatory environment and supports the project against adverse regulatory changes.

- Political Risk

Shared: Both partners bear the risk of expropriation, changes in government policies, and political instability.

- Force Majeure Risk

Shared: Both parties share the risk of unforeseen events such as natural disasters, wars, or other force majeure events. The contract should clearly outline how these risks are managed and shared.



- Environmental Risk

Private Partner: Ensures compliance with environmental regulations and manages environmental impacts during construction and operation.

Municipality: Supports the private partner in obtaining environmental clearances and handling public opposition related to environmental concerns.

- Technology and Innovation Risk

Private Partner: Bears the risk of technology failure or obsolescence and ensures continuous innovation to maintain operational efficiency.

Municipality: May support research and development initiatives to encourage the use of advanced technologies.

- Social Risk

Private Partner: Manages public relations and ensures community engagement to mitigate social opposition and maintain public support.

Municipality: Assists in managing social risks and public consultations to address community concerns.