

Request for Expression of Interest

Request for Expression of Interest issued by the Limpopo Department of Sport, Arts and Culture and in respect of the Proposed Finance, Design, Construction, Maintenance and Operation of the Limpopo Provincial Theatre.

CLOSING DATE FOR ACCEPTANCE OF SUBMISSION :

09 MARCH 2020; 12pm (as per Telkom SA Clock: Dial 1026 in RSA)

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DISCLAIMER

The Limpopo Department of Sport, Arts and Culture (“the Institution”) has issued this Request for Expression of Interest document to the public in accordance with the PPP Manual Guidelines issued as a Practice Note in terms of the Public Finance Management Act 1 of 1999. This document (which expression shall include all other information, written or oral, made available during the Expression of Interest process) is being made available by the Institution to potential Respondents on the condition that it is used solely for the purpose of responding to this Expression of Interest (“EOI”).

This document is provided solely for the purpose set out in this notice and is not intended to form any part or basis of any investment decision by Respondents. The recipient should not consider the document as an investment recommendation by the Institution or any of its advisers. Each person to whom this document (and other later documents) is made available must make his own independent assessment of the Project after making such investigation and taking such professional advice as he/she or it deems necessary. Neither the receipt of this document or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Respondent or its advisers, is to be taken as constituting the giving of investment advice by the Institution or its advisers.

Whilst reasonable care has been taken in preparing this EOI and other documents, they do not purport to be comprehensive or true and correct. Neither the Institution nor any of its advisers accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in any document.

No representation or warranty, express or implied, is or will be given by the Institution, or any of its officers, employees, servants, agents or advisers with respect to the information or opinions contained in any document. Any liability in respect of such representations or warranties, howsoever arising is hereby expressly disclaimed.

The Institution reserves the right to amend, modify or withdraw this EOI (which terminates on announcement of Respondents, if any) process for the Project at any time and from to time to time, without prior notice and without liability to compensate or reimburse any party or person.

The Institution is not obliged to accept any response to this EOI. The Institution reserves the right to reject a Response at any time.

1. INTERPRETATION

- 1.1. In this EOI, unless inconsistent with or otherwise indicated by the context –
- 1.1.1. headings have been inserted for convenience only and should not be taken into account in interpreting the EOI;
 - 1.1.2. any reference to one gender shall include the other gender;
 - 1.1.3. words in the singular shall include the plural and vice versa;
 - 1.1.4. any reference to natural persons shall include legal persons and vice versa;
 - 1.1.5. words defined in a specific clause have the same meaning in all other clauses of the EOI, unless the contrary is specifically indicated;
 - 1.1.6. any reference to the EOI, schedule or appendix, shall be construed as including a reference to any EOI, schedule or appendix amending or substituting that EOI, schedule or appendix;
 - 1.1.7. the schedules, appendices and Briefing Notes issued pursuant to this EOI, form an indivisible part of the EOI and together with further clarifying and amending information provided by the Institution, constitute the body of EOI documentation which must be complied with by Respondents;
 - 1.1.8. in the event of any inconsistency between this EOI or other earlier information published with regard to the Project, the information in this EOI shall prevail; and
 - 1.1.9. this EOI shall be governed by and applied in accordance with South African law.

2. DEFINITIONS

- 2.1. In this EOI and in any other Project Documents which so provides, the following words and expressions shall have the meaning assigned to them below and cognate expressions shall have a corresponding meaning, unless inconsistent with the context:
- 2.2. “Affordability” means the meaning given in the National Treasury Regulations 16;
- 2.3. “Institution” means the Limpopo Department of Sport, Arts and Culture;
- 2.4. “Law” includes the common law, all legislation (National, Provincial, Local and subordinate), regulations, ordinances, proclamations, guidelines and policies applicable in South Africa;
- 2.5. “PFMA” means Public Finance Management Act 1 of 1999;
- 2.6. “PPP” means a Public Private Partnership as defined in National Treasury Regulation 16;
- 2.7. “Private Party” means the preferred bidder who is awarded the Project and concludes the proposed agreement; and
- 2.8. “Project” means as described in clause 9 of this EOI.

3. ISSUANCE OF THE EOI

- 3.1. The Institution issues this EOI as part of the Feasibility Study that it is currently being undertaken to investigate the possibility of financing, design, construction, operation and maintenance of the Limpopo Provincial Theatre.
- 3.2. This EOI is being issued in accordance with Public Private Partnership Manual Practice Note of 2004.
- 3.3. This EOI does not form part of the procurement process therefore failure to submit a Response shall not disqualify bidders to participate in the bidding process if the Project does proceed to procurement.

4. PURPOSE OF THE EOI

This EOI has been prepared for the following purposes :-

- a) To gather information from potential bidders that would assist the Institution in finalising its Feasibility Study;
 - b) To test the commercial viability of establishing the Limpopo Provincial Theatre and the commercialisation of the area in the identified site (“Project”);
 - c) To ascertain the requirements of potential bidders with regard to their participation in the Project;
 - d) To disseminate information on the Project contemplated in this EOI;
and
 - e) To give guidance to Bidders on the preparation of their EOI Responses.
- 5.** The Project will be regulated in terms of the requirements of National Treasury Regulation 16 issued in terms of section 76 of the PFMA and will be overseen by the National Treasury. In this regard the Institution has identified the Project as one that may be concluded as a PPP and as such has registered the Project with the National Treasury.

6. BACKGROUND AND OVERVIEW

Limpopo has a rich cultural and natural heritage which should be exploited to the benefit of communities. Sport, Arts and Culture can play an important role in creating that sense of well-being and inclusion and in promoting safe secure and sustainable community life. The performing arts in the province of Limpopo is growing exponentially. There is a lot of talent in the drama, poetry, comedy, theatre, music and dance among others.

The policy position on the promotion of arts and culture in the Limpopo province has demonstrated that the core challenges for the take-off and promotion of cultural activities is largely due to the lack of or inadequate infrastructure support to the development goals of the province. There is therefore a compelling rationale that the construction of the Limpopo Provincial Theatre could play a transformational role in promoting and developing arts and cultural activities in the province.

The Limpopo Department of Sport, Arts and Culture is mandated to enhance unity in diversity through the provision of sport, arts, culture and heritage services for sustainable development. Such plans seek to address the infrastructural challenges that hindered the promotion of art and cultural activities that are in line with the provincial government's developmental goals. The development of the Limpopo Provincial Theatre will have a positive socio-economic benefit on the province because of the sustainable job opportunities created.

The construction of the Limpopo Provincial Theatre will create temporary employment for the people hired to build the structure, permanent employment for people hired to be part of the daily operations of the Limpopo Provincial Theatre, create an opportunity for the successful bidder and SME's awarded subcontracting work and play a transformational role within the province through the provision of a mixed use precinct. Furthermore, local content producers will have the opportunity to showcase their work in Limpopo before touring the rest of the country. This structure also has the additional potential to provide local event organisers the opportunity to host events at the Limpopo Provincial Theatre such as Comedy events and Gospel Events.

The Department of Sport, Arts and Culture applied for the registration of the Limpopo Provincial Theatre Project as a Public Private Partnership (PPP) and this was duly approved, following which the Limpopo Department of Sport, Arts and Culture procured the services of a Project Officer and a Transaction Advisor for the Project.

The Transaction Advisor together with the Institution are in a process of finalising the feasibility study for the Project.

The aim of the institution and the objective of this Project is therefore, to partner with suitable private parties in a mutually beneficial manner, and within an established framework for Public Private Partnership, meeting the following required objectives:-

- the possible financing, design, construction, and operation of the Limpopo Provincial Theatre; and
- commercialising the site identified for the Project by creating development that is related to the Limpopo Provincial Theatre.

If the outcome of the feasibility study demonstrates that a PPP solution is deemed appropriate, and if the Institution requires it, then the Institution will issue a tender calling for proposals from bidders to bid for the Project.

7. MISSION OF THE INSTITUTION

The Limpopo Department of Sport, Arts and Culture sees itself as a champion of sport, arts, culture and heritage services for socio-economic development in Limpopo. The mission of the Limpopo Department of Sport, Arts and Culture is to enhance unity in diversity through the provision of sport, arts, and culture and heritage services for sustainable development.

8. INSTITUTION'S STRATEGIC AND PROJECT OBJECTIVES

8.1. The Project objective is to create spaces that will nurture and grow the performing arts sector in Polokwane, Limpopo.

8.2. The Institution's strategic outcome-orientated goals are:

- a) to develop and implement citizen participation programmes;
- b) achieve an unqualified audit report;
- c) develop and implement capacity building programmes;
- d) promote and develop sustainable arts, culture, museums and heritage, and language services programmes;
- e) advance artistic disciplines into viable industries; sustain three existing provincial museums' infrastructure annually;
- f) develop and implement literature programmes;
- g) develop library and information services infrastructure;
- h) provide relevant library material; develop and implement records management services; conserve and preserve archival;
- i) implement sports and recreation programmes;
- j) establish, support and transform institutional structures; and
- k) develop and nurture sports management skills.

9. THE PROJECT

9.1 The Project entails the design, financing, construction, design and operation and maintenance of the Limpopo Provincial Theatre and also includes the revenue generation component which will comprise of granting a right to the Private Party to use the remainder of the Project site for commercial activities related to the Limpopo Provincial Theatre.

9.2 The following output specifications are of a typical mixed-use theatre of the same size.

9.2.1. A four-theatre complex was suggested with the following requirements:

- a) Main theatre – 600 seating capacity.
- b) Secondary theatre – 200 seating capacity.
- c) Small theatre – 100 seating capacity.
- d) Open outdoor theatre – no seating (e.g. amphitheatre).

- e) Mobile truck theatre/ mobile stage trailers (e.g. large outdoor performances or events).

9.2.2. Other revenue generating services that would support the revenue generated by the theatre, such as restaurants, mobile stages, etc.

9.3 The overall design of the building should meet international standards for theatres, specifically in terms of the size, building materials and technology (for video/recording) provided within the facility. Architectural designs should ideally include unique heritage symbols within Limpopo, such as the Baobab tree and Rhinoceros.

10. PROJECT SITE

10.1. The land to be used for the development of the Project, which is Portion 7 of the Palmietfontein Farm 24 KS named Bakone Malapa, is owned by the Polokwane Local Municipality and the Institution will sign a land use agreement with the Municipality. The Site is along the R37. The site is within the Bakone Malapa Northern Sotho Open Air Museum under Polokwane Local municipality. The extent of the site is 105Ha.

Link to site: <https://goo.gl/maps/n42RJyX2giPTSbby8>

10.2. The Municipality is currently undertaking a process of establishing a township and rezoning for multiple usage of land.

11. SERVICES REQUIRED

11.1. The key service output for this Project is for the finance, design, construct and operate and maintain the Limpopo Provincial Theatre will include the following key elements:

- a) Design & Construction
- b) Funding
- c) Reactive & Planned Preventative Maintenance (hard services)
- d) Operation (soft services)
- e) Commercialisation of remainder of Project Site

12. INFORMATION REQUIRED

12.1. Contact Details

- 12.1.1. Name of person submitting EOI
- 12.1.2. Company name
- 12.1.3. Position in company
- 12.1.4. Contact details
 - Postal address
 - Telephone
 - Fax
 - Cell phone
 - Email

12.2. Company's profile and experience in the Construction and Operating of Theatre or Similar Buildings

- 12.2.1. Names and locations of current operations
- 12.2.2. Market segment(s)
- 12.2.3. Number of years in operation
- 12.2.4. Any activities operated for income generation, in addition to operating the Theatre

12.3. Interest in a PPP opportunity for the Project

Bidders are requested to provide information that will enable the Department to structure the Project to be relevant to the public need being delivered, as well as the potential structures that would be suitable for the private sector party. The following information is therefore required:

- i) Would the bidder be interested to bid for an opportunity to design, finance, build and operate the Limpopo Provincial Theatre?
- ii) Please indicate, based on knowledge of the arts industry and theatres, what potential revenue earning ideas could be relevant to the Limpopo Provincial Theatre.

- iii) Given the indication that the Project will be structured as a PPP, please indicate a Project structure that would be suitable to you, in the event that you were appointed as the preferred bidder.
- iv) How do you envisage funding the Project?
 - a. What Debt: Equity ratio do you envisage?
 - b. Have you funded the development of any theatres before? Please provide more information on the size of the theatre, the capital costs, and where the theatres are located.
 - c. Have you co-funded the development of a theatre where grant funding was also included? Please provide more information on the % that was allocated as a grant, debt, and equity.
 - d. Would you envisage that the Department provides some form of security for such a Project? If so, please elaborate on the nature of security/support that would be expected.
- v) In your past and current experience, and with respect to operating a theatre, please provide the following information :
 - a. Have you operated theatres? Please elaborate on the roles and responsibilities, and what is excluded from your operations contract.
- vi) What type of B-BBEE structure do you envisage for the Project?
 - a. Please elaborate on areas where you envisage BEE to be included in the Project.
 - b. Would the bidder have any reservations/risks/concerns about the Limpopo Provincial Theatre promoting local content (to support local artists) at a minimum of 25% of the Limpopo Provincial Theatre performances? If so, please highlight such risks and provide suggestions on how these concerns/risks can be mitigated.
- vii) Please refer to the output specification. The bidder is required to comment on whether there are aspects of the output specification that the bidder would propose to be included, excluded, in the output specification.
- viii) What duration of the PPP would you envisage to be realistic for a Project of this nature?

13. BRIEFING SESSION AND SITE VISIT

A non-compulsory briefing session will be held on **24 February 2020** at **10am** at the Bakone Malapa Open Air Museum, R 37 – Chuenespoort Road, Polokwane, 0700. GPS Coordinates (-23.987488,29 and 29.458823)

A non-compulsory site visit will be held on **24 February 2020** at **10am** at the Bakone Malapa Open Air Museum, R 37 – Chuenespoort Road, Polokwane, 0700. GPS Coordinates (-23.987488,29 and 29.458823).

14. WHAT TO SUBMIT, WHERE AND WHEN

Consortiums, companies and persons interested in this opportunity should submit information under the headings provided in Clause 13 of this EOI. You are welcome to provide any additional information that might assist the Institution in finalising its options.

Response to the EOI must be submitted to:

Name / Institution:	Limpopo Department of Sport, Arts & Culture
Physical Address:	21 Biccard Street, Polokwane, 0700
Contact Person	Director Infrastructure: Kingsley Modjadji
Telephone:	015 284 4043
Cell:	083 673 5436
E-Mail:	modjadjik@sac.limpopo.gov.za

The closing date for submission of the Response to the EOI is **09 March 2020**.