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REQUEST FOR EXPRESSION OF INTEREST

REQUEST FOR EXPRESSION OF INTEREST ISSUED BY THE SOUTH AFRICAN HERITAGE RESOURCES AGENCY (SAHRA) IN RESPECT OF THE PROPOSED PUBLIC PRIVATE PARTERSHIP PROJECT FOR THE COMMERCIAL USE OF ERF 1341, REFERRED TO AS DAL JOSAFAT FARM, IN PAARL, IN THE WESTERN CAPE.



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IMPORTANT NOTICE

This request for Expression of Interest (EOI) has been produced by the **South African Heritage Resources Agency (SAHRA)**, in connection with the tourism Public Private Partnership (PPP) opportunity available at Erf 1341, Paarl, Western Cape.

No representation or warranty, expressed or implied, is made, or responsibility of any kind is or will be accepted, by **SAHRA**, with respect to the accuracy and completeness of this EOI, and any liability in connection with the use by any interested Party of the information contained in this EOI is hereby disclaimed.

This EOI has been provided to the recipient to assist in making its own appraisal of the opportunities presented herein and in deciding whether to submit its qualifications in connection with the opportunity. However, this EOI is not intended to serve as the basis for an investment decision on the opportunities, and each recipient is expected to make such independent investigation and to obtain such independent advice, as he or she may deem necessary for a decision.

The **South African Heritage Resources Agency** may amend or replace any information contained in this EOI at any time, without giving any prior notice or providing any reason.

12 February 2018



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ABBREVIATIONS

EOI	Expression Of Interest
SAHRA	South African Heritage Resources Agency
PPP	Public Private Partnership
PFMA	Public Finance Management Act
BEE	Black Economic Empowerment
NDP	National Development Plan



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1. **Introduction**

The South African Heritage Resources Agency (SAHRA) requests Expression of Interest in the commercial -development of available facilities and related tourism facilities on the property referred to as Erf 1341 Dal Josafat Farm in Paarl, Western Cape, through a Public Private Partnership (PPP) agreement.

This request for Expression of Interest (EOI) is issued by SAHRA in accordance with the guidelines for PPP's contained in the National Treasury's PPP Toolkit for Tourism, and in compliance with Treasury Regulation 16 issued in terms of the Public Finance Management Act, 1999 (PFMA).

2. **Important general notes**

- 2.1 SAHRA makes no guarantees about and takes no responsibility for the accuracy and completeness of this request for EOI and disclaims any liability for any interested party's use of the information.
- 2.2 This request for EOI is not intended to serve as the basis for an investment decision. Each recipient is expected to make an independent investigation and to obtain the necessary independent advice for submitting an EOI.
- 2.3 SAHRA may change or replace any information contained in this request for EOI at any time, without giving any prior notice or providing any reason.

3. **The purpose and limits of the EOI process**

- 3.1 SAHRA is currently investigating the feasibility of a PPP opportunity in which it gives a selected private party the right to the appropriate commercial use of the property referred to Erf 1341 Dal Josafat Farm.



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- 3.2 As part of establishing the feasibility of this PPP opportunity, particularly what scale and type of market interest there is in it, SAHRA invites prospective investors or operators to submit an EOI following the format in paragraph 12 below.
- 3.3 SAHRA will assess the EOI and will use the information to assist in concluding its feasibility study. If the PPP opportunity is feasible, SAHRA will may use some of the EOI information it received to compile bid documentation, and a competitive bid will follow. SAHRA reserves the right to ask any investor or operator that submits EOI questions for clarity.
- 3.4 In a typical PPP agreement in this sector, the private party is granted rights to finance, design, build, maintain and operate a tourism facility on state conservation land for a period likely to provide a fair return on investment. In return, the private party will meet agreed heritage, environmental, development, operating and broad-based BEE obligations, and pay a PPP fee to SAHRA. At the end of the agreement term, the facility reverts to SAHRA.
- 3.5 Submitting an EOI does not constitute a bid. No investor or operator will be bound by anything contained in their EOI submission. The information in the EOI will be used solely to assist SAHRA in its feasibility study and prepare bid documentation if it decides to proceed with a PPP.
- 3.6 SAHRA will acknowledge receipt of all EOIs received, but reserves the right not to proceed any further with the proposed PPP.
- 3.7 If a PPP bid process follows for the opportunity at the Erf 1341 Dal Josafat Farm, all interested parties that submitted an EOI will be invited to bid.
- 3.8 SAHRA is following the PPP feasibility and procurement processes set out in *National Treasury's PPP Toolkit for Tourism*. The toolkit can be downloaded from www.gtac.gov.za



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4. SAHRA's Strategic Overview

4.1 SAHRA is a Schedule 3A public entity as per the PFMA (Act No. 1 of 1999). It identifies, conserves, protects and promotes our national heritage resources for the greater good of our society and humanity and contributes to Outcome 14 of the NDP: Social cohesion and national building.

As outlined in the SAHRA preamble, preservation and protection of our heritage is a catalyst and it:

- Encourages communities to nurture and conserve their legacy;
- Defines cultural identity;
- Lies at the heart of our spiritual well-being;
- Has the power to build our nation and the potential to affirm our diverse cultures;
- Shapes our national character;
- Celebrates our achievements; and
- Contributes to redressing past inequities.

Legislation and other mandates that relate to heritage resource management:

- National Heritage Council Act (Act No. 11 of 1999)
- Cultural Institutions Act (Act No. 119 of 1998)
- South African Geographical Names Council Act (Act No. 118 of 1998)
- National Library of South Africa Act (Act No. 92 of 1998)
- South African Library for the Blind Act (Act No. 91 of 1998)
- National Film and Video Foundation Act (Act No. 73 of 1997)
- National Arts Council Act (Act No. 56 of 1997)
- Legal Deposit Act (Act No. 54 of 1997)
- National Archives and Record Services of South Africa Act (Act No. 43 of 1996)
- Pan South African Language Board Act (Act No. 59 of 1995)



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- Culture Promotion Act (Act No. 35 of 1983)
- Heraldry Act (Act No. 18 of 1962)
- South African World Heritage Convention Act (1999)
- National Environmental Management Act (At No. 107 of 1998)

Other relevant legislations and mandates include:

- Public Finance Management Act (Act No. 1 of 1999)
- The Annual Division of Revenue Act (Act No. 10 of 2014)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Labour Relations Act (Act No. 66 of 1995)
- Skills Development Act (Act No. 37 of 2008)
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- The Constitution of the Republic of South Africa, 1996

4.2 Vision

“A nation united through heritage”

4.3 Mission

Our mission in fulfilling our mandate is promoting social cohesion in our country by:

- Identification, conservation and management of heritage resources in South Africa so that they can contribute to socio-economic development and nation building;
- Developing norms, standards and charters for the management of heritage resources in South Africa and codes of international best practices; and
- Contributing to skills and knowledge production and transformation in heritage resources management in South Africa and beyond.



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4.4 SAHRA's Strategic Outcome-Orientated Goals

Moving into the future SAHRA is guided by the following strategic objectives and goals:

- Regulated and protected heritage resources
- Social cohesion and upliftment
- Dynamic functional networks
- Integrated developmental programmes
- Financial sustainability
- Well-governed performing organisation
- Professional and capacitated Heritage Resources Management Sector

5. **Strategic plan for Property Maximisation**

A Property Maximisation Strategy has been developed in 2015.

The objective of the strategy is to repurpose the properties owned by SAHRA to preserve their heritage value and to maximise the properties for income generation, for socio-economic development of communities and for the purpose of education. One of the avenues for commercialisation is through the Public Private Partnership which may provide SAHRA the opportunity to achieve this goal.

High-level commercialisation objectives for SAHRA include any of the following:

- Revenue Generation
- Optimal use of under-performing assets
- Job creation
- Broad based Black Economic Empowerment
- Infrastructure upgrades
- Upgrade/development of historical and/ or cultural sites



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- Tourism promotion, and
- Socio-economic benefits to disadvantaged communities

For more background on SAHRA please visit www.sahra.org.za

6. **Description of Erf 1341 Dal Josafat Farm**

6.1 **Background**

The Dal Josafat Farm comprises of three separate farms namely, Goede Rust, Non Pareille and Roggeland which are now consolidated. The farms Goede Rust and Non Pareille were originally granted in 1690 and Roggeland in 1693. These farms were for centuries in the hands of the French Huguenots and their descendants. Some of the founder and leading members of the Afrikaans Language Movement resided there.

It was declared a national monument by Government Notice No. 291, as published in Government Gazette No. 9588 of 15 February 1985. Its current status is a Grade 1 (National Heritage Site).

Non Pareille

One of the finest homesteads in Dal Josafat is Non Pareille. Although small, it has all the ingredients that go to the making of a good Cape Dutch house. It was built on land settled in 1690 by Pierre Vivier, brother of the Viviers of Schoongezicht and Goede Rust. From 1802, until well into the 20th century, the farm belonged to the Hugo family. The H-plan house has neo-classical gables dated at 1826. Especially beautiful is the interior woodwork, which includes doors, ceilings, floors, screen and wall cupboards, variously of yellowwood, stinkwood and teak, the differing woods blending and contrasting.



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Goede Rust

The first of a priceless row of three closely adjoining historical farm complexes Non Pareille and Roggeland. The grantee of this farm, like many others in Dal Josafat, was a Huguenot: Jacques Vivier. He had been settled there since 1690, four years prior to the grant. The land was 50 morgen in extent. Two of Jacques's brothers, Pierre and Abraham, had farms nearby — Schoongezicht and Non-Pareil. When Jacques died, he left Goede Rust by will to Abraham. In 1794 the farm was acquired by Georg Stephanus Hauptfleisch; the price he paid indicates the presence of a good house there. In 1814 it went to Pieter Malan Daniel/sn, the price having more than doubled over twenty years, perhaps because of extensions to the homestead; in 1832 the remainder was acquired by Jan Gysbert Hugo. It remained in the Hugo family until 1948.

The homestead of Goede Rust is one of the many houses in this area that were totally altered about the end of the 19th century. Often these alterations, thanks to traditional caution in spending, were only 'skin-deep'; interiors were frequently unchanged, and back facades sometimes left as they were.

This T-shaped homestead, with an extra wing at the back, like many others, lost its gables, its eaves level was raised, and a cast-iron veranda, with central pediment, was added. Some original casements can still be seen at the back, and there is a large outside chimney and bakoond at the end of the tail.

There are outbuildings flanking the homestead, a cellar (in line with it) and a wagon-house-cum-dwelling, set back, that retain reed ceilings, and one still has its thatch.



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Roggeland

This is the third of a row of three most interesting farm complexes. As a farm, this is the oldest in the neighbourhood; its original name, Dal Josafat, spread to the whole district, while the farm itself acquired a different name (cp. De Bottelary). It was 40,5 morgen in size, and was granted to Peter Beuk of Lübeck in 1693; he had been allowed to settle there since the previous year. Beuk sold it almost immediately to Stellenbosch landdrost Gornelis Linnes, the shortness of his ownership making one suspect that the grant was used to bypass the ban on land grants to VOC officials.

In 1778 the farm came into the ownership of Andries Bernhardus du Toit, and in 1827 it passed to his son Guillaume Johannes du Toit - an unusually long ownership - for more than double the price; by now it was called Roggeland (rye lands). It was this AB du Toit who almost certainly built the H-shaped house still standing some time during his ownership. Around the turn of the century the Roggeland complex was one of the many that was overhauled, with an iron roof clipping off all its gables. But some of its original flush casements at the back (the road side), and the very good interior woodwork - ceilings, doors and a four-leaved panelled screen - were retained. The windows and door in front had been installed by GJ du Toit's son of the same name, to whom the farm passed in 1847.

There are several old outbuildings, all with iron roofs. One is L-shaped, its front left half a three-room dwelling, the rest a stable and the back wing a wagon-house. It has a holbol end-gable with a segmental cap, a type belonging to after 1800. A werfmuur running in front of the three aligned buildings, and the stream behind, complete the interesting complex. The complex is now a guest-house.

(Information from: www.artefacts.co.za)



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6.2 Location

Dal Josafat farm and is located approximately 8km north east of the Paarl CBD. The area surrounding the property is made up of farms and low cost residential developments in areas known as Groenenheuvel and Mbekweni. The property borders the urban edge of Paarl.

The subject property is irregular in layout as a result of previous subdivision and or consolidations. The farm measures 232.5850 ha and boasts a total of 19 buildings.

6.3 Access

Access to the property can be gained from the Bo Dal Road, an unpaved road in a well maintained condition. The access road is considered to be a low traffic route. The subject property is considered to be in moderate proximity to modern amenities such as banks, schools, places of worship, sports facilities, shopping centres, restaurants and retail facilities all located in the nearby town of Paarl (some 8km away).

6.4 Topography

The subject property slopes in a northerly direction towards the northerly Bo Dal Road, where after it again elevates in a northerly direction. Currently the farm is covered with natural vegetation as no farming practices are undertaken. Areas surrounding the buildings offer maintained gardens. Overall a fairly level topography is present.

6.5 Construction Material and Finishes

Roof:	Corrugated iron or Thatched
Superstructure:	Brick with plaster & paint
Window:	Wooden window frames fitted with clear glass panes, shutters



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Floor covering: Timber / Floated Concrete / Carpeted / Tiled floors

Ceiling: Timber ceilings

6.6 Construction Areas

Measurements taken on site indicate the following:

No.	Building	Approx. Size
Goede Rust:		
1	Cellar	143m ²
2	Manor House	180m ²
3	Wagon House	149m ²
4	Katies Cottage	95m ²
Non Pareille		
5	Boland Cottage	162m ²
6	Writers Cottage	60m ²
7	Jonkeerhuis	303m ²
8	Manor House	212m ²
9	Cellar	224m ²
10	Trix Cottage	75m ²
11	Nederburg 1 & 2	343m ²
12	Milkshed	287m ²
Roggeland		
13	Manor House	260m ²
14	Cellar	180m ²
15	Suites	210m ²
16	Garden Cottage	133m ²
17	Swimming Pool & Thatched lapa	42m ²
18	Ouma se Huis	191m ²
19	Ouma se Huis outbuilding	90m ²



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6.7 Town Planning Information

The subject property is pre-scheme use and, as such, is not subject to prevailing town planning controls. However, in the event of redevelopment of the respective sites, prevailing controls and other environmental aspects will have to be considered and adhered to.

7. Proposed Development

The area can be developed and utilized for varying purposes to achieve the goals. Development of the property may be suitably demarcated.

8. Value for Money Targets

The request for EOI will provide SAHRA information to focus the feasibility study appropriately and in the subsequent procurement phase, to enable SAHRA to draft the RFP documents with bid evaluation criteria clearly specified, to evaluate bids precisely, and to negotiate the terms of the PPP agreement appropriately.

Value for money however does not only depend on the actual monetary receipts from a PPP. It includes numerous factors some of which may be deemed as equally important by SAHRA for example, repurposing and/or developing a property can be done while at the same time highlighting the significant history of the property. The feasibility study for the project can determine the viability from the Operation's perspective and the anticipated monetary benefits to SAHRA. Value for Money targets may be set for any combination of the following objective:

- Revenue generation for SAHRA
- Loss minimisation or savings on existing operations
- Optimal utilisation of under-performing assets
- Job creation



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- Black Economic Empowerment
- Infrastructure upgrades
- Tourism promotion

9. Market Review

9.1 Competitor Analysis

The Dal Josafat Farm is surrounded by competitive products. The surrounding areas comprise of a number of farms with conference and accommodation facilities and there is no evidence of a demand supply problem in the vicinity. Tourism is a significant economic sector around the world, and it makes a substantial contribution in the developed and developing countries. According to the latest Tourism and Migration Survey released by Stats SA, almost 3,5 million travellers passed through South African ports of entry in August 2017. However, since August 2016, there has been a slight drop in the volume of arrivals and departures of foreign travellers. The top five overseas countries with the largest number of tourists visiting South Africa were the USA, UK, Germany, The Netherlands and France. With regard to tourists arriving in South Africa from the African continent, nearly all were from SADC countries. Zimbabwe tops the list at 31%, followed by Lesotho, Mozambique, Swaziland and Botswana. The factsheet on South Africa's Inbound Tourism Performance reveals that tourist arrival for the period April – June 2017 increased by 6.5% as compared to April – June 2016.

The Western Cape's MEC for Economic Opportunities revealed that historically repeat visitors explore other regions, outside of Cape Town, and these regions need to prepare themselves for the second wave of growth. To respond to these trends there is the need to build the tourist asset base by increasing investment into new attractions. The new increases in the tourist numbers speaks to the "emergence of the Western Cape as one of the world's leading tourism destinations, on the back of a new, focused approach to growing tourism, and a surge in the private sector investment in the hospitality infrastructure." (<http://www.gov.za/speeches/state-tourism-western->



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[cape-24-jan-2017-0000](#)). Therefore there is no shortage of tourists worldwide. It is mainly a function of the right product market fit.

Product owners' need to discover and determine their competitive advantage and the unique selling features of the subject property.

9.2 Stakeholder analysis

It is important that product owners operating in the concession areas support the objectives of SAHRA while establishing an awareness of their own products in the marketplace. Product owners are responsible for the marketing of their product. Stakeholders may include the adjacent neighbouring communities, local municipality, provincial entities, and any other government entities which may have stakes in the community and surrounds. Engagement is recommended with the surrounding municipalities to explore how best to align the concepts with the municipal Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs).

10. Conclusion

Indicators are generally positive for tourism growth in the South Africa. The Western Cape is primarily a tourist attraction and good comfortable and well-priced accommodation is often sought after. The Dal Josafat Farm, situated in Paarl, offers scenic and serene views of its surroundings. The town is referred to as the Pearl of the Cape Winelands and may suit those who appeal to cultural and historical attractions with bountiful nature reserves. The town has many examples of Gregorian, Victorian and Cape Dutch buildings that are lined in spaces in close proximity to entertainment amenities. The property is ideally located and has the potential to grow into a profit situation by increasing its tourist appeal. A 'holiday accommodation' facility, for example, will need a good room occupancy rate to



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be viable. A scenario may be developed for the different concepts and with each of it can indicate that phased development over a period time can turn into a healthy profit situation without increasing the operating costs significantly.

11. **Submission of EOI**

11.1 Tourism investors / operators and developers interested in this PPP opportunity should submit information under the headings in paragraph 12. They are welcome to provide additional information.

11.2 EOI must be submitted to SAHRA with details provided in paragraph 11.3 no later than **30 April 2018**.

11.3 Enquiries can be sent in writing to:
South African Heritage Resources Agency
111 Harrington Street,
Cape Town 8000
Tel: 021 462 4502
Email: zallie@sahra.org.za



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12. Required Information for an EOI

12.1 Contact Information

12.1.1 Name of Person submitting the EOI

12.1.2 Company Name

12.1.3 Position in Company

12.1.4 Contact details

- Postal Address
- Telephone
- Fax
- Cell phone number
- Email

12.2. Company's Profile and Experience in the Tourism Industry

12.2.1 Names and locations of current operations

12.2.2 Market segments

12.2.3 Number of years in operation

12.2.4 Number of visitors per year for last three years

12.2.5 Annual turnover per year for the last three years

12.2.6 Black Economic Empowerment profile measured by the Tourism BEE scorecard

12.2.7 Membership / affiliations / accreditations

12.3 Interest in a PPP opportunity at Dal Josafat Farm

12.3.1 Fully describe the **type**, **scale**, and **market segment** of tourism you would be interested in.

12.3.2 Are you interested in as an **investor** or as an **operator** or both?

12.3.3 What level (ballpark) of **capital investment** would you will be prepared to consider?

12.3.4 What **period** of PPP agreement would you deem viable?



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12.3.5 What specific conditions would **encourage** you to bid?

12.3.6 What specific conditions would **discourage** you from bidding?

13. Closing Date

13.1 The closing date and time for submission of EOI: **30 April 2018 at 11h00**

13.2 EOI is to be placed in a sealed envelope and placed in the Tender Box situated in the foyer of the SAHRA Head Office at 111 Harrington Street, Cape Town.