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City of Joburg Property Company SOC Ltd.

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Forum 2  
Braam Park  
33 Hoofd Street  
Braamfontein  
2017

PO Box 31565  
Braamfontein  
2017

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www.jhbproperty.co.za

20 January 2016

**MESSRS NEO SOLUTIONS (PTY) LTD LDM JOINT VENTURE  
OAKHURST 2<sup>ND</sup> FLOOR, NORTH WING  
11-13 ST ANDREWS ROAD  
PARKTOWN  
JOHANNESBURG  
2193**

Your Ref:

Our Ref: RFP 32/2015.NS LDM

**ATTENTION: VIVIEN NATASEN**

Tel: 011 484 2833

Fax: 011 484 2899

E-mail: vivien.natsen@neoafrica.com / info@neoafrica.com

**BY HAND**

**RFP 32/2015-REQUEST FOR PROPOSALS: FROM SUITABLE AND QUALIFIED SERVICE PROVIDERS TO DEVELOP A LAND STRATEGY FOR THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY.**

Dear Sir

City of Joburg Property Company (SOC) Limited ("JPC"), acting on behalf of the City of Johannesburg ("COJ"), have pleasure in confirming your appointment to develop a land strategy for the City of Johannesburg Metropolitan Municipality.

## **1. GENERAL CONDITIONS OF APPOINTMENT**

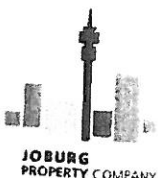
This award is made in terms of JPC's standard general conditions of appointment. All previous correspondence, which has taken place between the two parties in connection with this award, shall be deemed to be of no force and effect and to be replaced by this appointment letter.

The award is subject to the City of Joburg Property Company SOC Limited (JPC) and yourselves entering into an appropriate service level agreement which will be formulated in due course.

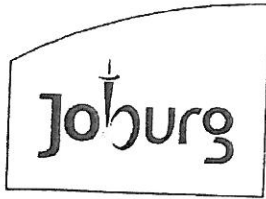
## **2. SCOPE OF WORK**

### **2.1 INTRODUCTION**

The City of Joburg Property Company (SOC) Ltd (JPC) is a dynamic, visionary company mandated to manage and develop the City of Johannesburg (CoJ's) property portfolio. Our core



Non-Executive Directors: A. Mabizela (Chairperson), N. Rau, Prof A Nevhutanda, T Hickman, J Mabaso, D Ntombela, P Msweli, M Rabodila, M Morojele.  
Executive Directors: Helen Botes (Managing Director),  
Imraan Bhamjee (Financial Director).  
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business is to manage the property assets of the CoJ by maximising the social, economic and financial value of the CoJ's property portfolio and enhancing the efficiency of its use through providing:

- Property Asset Management
- Property Management
- Facilities Management
- Property Development
- Property Advisory Services
- Outdoor Advertising and Cell Masts

In response to the City's Growth and Development 2040 Strategy (GDS 2040), JPC developed a JPC 2040 Strategy – “**Transformation through property**”, which will play a role in supporting the CoJ's strategic priorities; including economic and social Development, and the City's service delivery objectives.

JPC is therefore moving towards developing a Land Strategy which will guarantee that the utilisation of the property portfolio is in the interests of the City's strategic and transformative objectives, so as to ensure that;

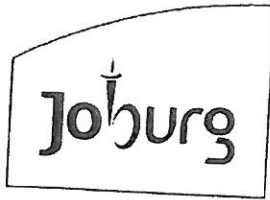
- i. the city's properties are comprehensively well-managed,
- ii. decision-making on property related matters is faster but also well-considered within a sound strategic framework, and
- iii. there are well-considered public property developments supporting City's strategy.
- iv. the Land Strategy supports all strategic frameworks within the City and responds to the City's service delivery requirements.

JPC seeks to enter into partnership with **Neo Solutions (Pty) Ltd LDM Joint Venture** in developing a Land Strategy that is aligned to the GDS 2040 Strategy and Mayoral Flagship Programs.



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**The Land Strategy must support and respond to the following outcomes of the GDS 2040:**

- i. Improved quality of life and development-driven resilience for all

The City envisages a future that presents significantly improved human and social development realities, through targeted focus on poverty reduction, food security, development initiatives that enable self-sustainability, improved health and life expectancy, and real social inclusivity. By 2040, the City aims to achieve substantially enhanced quality of life for all, with this outcome supported by the establishment of development-driven resilience.

- ii. **Provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy**

The City plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (e.g. housing, eco-mobility, energy, water, waste, sanitation and information and communications technology), to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low carbon economy initiatives.

- iii. **An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens**

The City of Johannesburg will focus on supporting the creation an even-more competitive, 'smart' and resilient city economy, when measured in relation to national, continent and global performance. The City will promote economic growth and sustainability through the meaningful mobilisation of all who work and live here, and through collaborating with others to build job intensive long-term growth and prosperity, from which all can benefit.



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**iv. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region**

The City envisages a future where it will focus on driving a caring, responsive, efficient and progressive service delivery and developmental approach within the GCR and within its own metropolitan space, to enable both to reach their full potential as integrated and vibrant spaces. The shifts reflected in this document, including the development of long-term outcomes, outputs and indicators, are representative of changes nationally and globally, where strategies have shifted to being more outcomes-based in nature. The outcomes-based approach strikes the balance between defining, with relative certainty, a 'future development path' – while still accommodating for change. This is particularly relevant in the current paradigm of uncertainty and volatility, within which target-setting is particularly difficult, given the range of unknown variables.

**The Land Strategy must also support the following Priority Implementation Plans:**

- Financial sustainability and resilience
- Agriculture and food security
- Sustainable human settlements
- SMME and entrepreneurial support
- Investment attraction, retention and expansion
- Green economy
- Engaged and active citizenry
- Resource sustainability
- Smart City
- Safe City



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**JPC Land Strategy**

**WORKSTREAMS**

Contract Closure

Project Mobilization Workshop

Developing and Implementing the Decision Making Platform

Setting up the Stakeholder Forum with Terms of Reference

Develop the Communications Plan

Stakeholder Consultation Process

Identifying and Training Change Agents

Stakeholder Forum Mee

Setting up the Information Portal

Approval of Milestones and Deliverables

Approval of the Land Strategy

Developing the Policy Framework

Review of current strategies, plans and policies

Draft revised Policies based on information obtained from Stakeholders

Redraft Policies based on the Development of the Land Strategy

Approval of Policies

Research and Analysis

Research of National and International Best Practice Models

Assess current challenges and constraints on development

Document current property portfolio, usage and planned developments

Analysis of Transport Systems

Market Analysis

Document Development Framework

Approval of Research Findings

Developing the Property Portfolio

Assessing Site Suitability

Document Possible Development Models based on Suitability

Assess Transport Systems

Develop Transport Models Aligned to the Development Models

Assess Site Availability and Achievability

Refine Development Models based on Site Availability and Achievability

Approval of Property Portfolio

Developing the JPC Land Strategy

Formulating the Development Models

Identifying Possible Developments

Options Analysis and Development Optimization

Best Fit Assessment

Development of the JPC Land Strategy

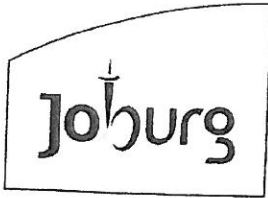
Approval of JPC Land Strategy

Revision of Strategy based on input from Stakeholder Forum

Developing the enabling Policies, Instruments and Institutional Models

Approval of Enabling Policies, Instruments and Institutional Models

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### 3. TIME FRAMES

The award is effective for a period of Nine (09) months commencing from **25 January 2016 until 26 October 2016**, subject to certain terms and conditions which will be communicated to you in due course. Notice will be given thirty (30) days before termination of the contract. On termination by effluxion of time or otherwise **Neo Solutions (Pty) Ltd LDM Joint Venture** will hand over all work in progress to JPC and will have no claim for cost other than stipulated in the Service Level agreement.

### 4. PAYMENTS TO NEO SOLUTIONS (PTY) LTD LDM JOINT VENTURE

As compensation to **Neo Solutions (Pty) Ltd LDM Joint Venture** for full and complete performance of the work and in compliance with all terms and condition of this AGREEMENT, JPC shall pay **R21 922 200.00 (Twenty One Million Nine Hundred and Twenty Two Thousand and Two Hundred Rand)**, including VAT, Disbursements and subject to budget clarification.

### 5. PAYMENTS

5.1 Payments shall be effected against **Neo Solutions (Pty) Ltd LDM Joint Venture** invoice within 30 days (Thirty) after invoice and statements.

5.2 The tax invoice shall contain at least the following information:

- Contract Number
- Contract address where the services were rendered
- VAT number for both parties
- Description of the Project
- Invoice number

5.3 Invoices must be submitted to:

**City of Joburg Property Company (Pty) Ltd**  
**P O Box 31565**  
**Braamfontein**  
**2017**

JPC will not be liable for any additional costs incurred by **Neo Solutions (Pty) Ltd LDM JV** through whatever cause, unless JPC has specifically instructed **Neo Solutions (Pty) Ltd LDM JV** to incur such costs due to a substantial and material change to the services rendered which has been caused by an act of omission on JPC' part.



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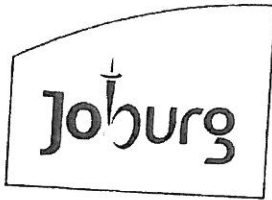
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## GENERAL CONDITIONS OF APPOINTMENT

1. **Appointment in Force and Authorized Signatories:** This appointment is considered to have come into force immediately after all the necessary signatures have been appended.
2. **Independent Contractor:** The consultant is appointed as an independent contractor and no contract of agency and/or employment is created. Save as may be expressly authorized by JPC from time to time in writing, the consultant shall not hold itself out to be the agent of JPC and/or commit JPC to any contract or obligation of whatever nature.
3. **Alterations:** Should circumstances arise which call for modifications of the appointment, these may be made by mutual consent given in writing. Proposals in this respect from one party shall be given due consideration by the other party.
4. **Assignment:** The Consultant shall not without the prior written consent of JPC, cede or assign any of the benefits and obligations under this appointment.
5. **Sub-Contracts:** Any sub-contracts or modifications or termination thereof relating to the performance of the services by the Consultant shall be made only with the prior written consent of JPC.
6. **Compliance with Laws, By-laws and Ordinance:** The consultant shall comply strictly with every applicable law, by-law and ordinance including every regulation, code of conduct or other directive to which the consultant may be subject in its professional capacity. In this regard, the consultant's particular attention is drawn to the requirements of the Occupational Health and Safety Act (OHSA) and its regulations as well as to the Financial Intelligence Centre Act (FICA).
7. **Insurance:** The consultant shall at its own cost and expense maintain professional indemnity insurance and public liability insurance with an insurer approved of by JPC in an amount and for duration as specified in the letter of appointment to which these general conditions of appointment relate.
8. **Postponement and Termination:** JPC may give written notice to the Consultant at any time of its intention to abandon the services, in whole or in part, or to terminate this appointment. The effective termination date of this appointment shall not be less than fourteen (14) days after receipt of such notice, or such other shorter or longer periods as may be agreed between the parties. Upon receipt of such notice, the Consultant shall take immediate steps to bring the services to a close and to reduce expenditure to a minimum. Upon termination of the appointment the consultant shall deliver to JPC the originals of all documents in the possession of the consultant relating to and/or in connection with the appointment in both hard copy and (insofar applicable) electronic format.
9. **Force Majeure:** The Consultant shall promptly notify JPC, in writing, of any situation or event arising from circumstances beyond its control and which he could not reasonably foresee, which makes it impossible for the Consultant to carry out in whole or in part, his obligations under this appointment. Upon the occurrence of such a situation or event, the services shall be deemed to be postponed for a period of time equal to the delay caused by the Force Majeure and a reasonable period not exceeding two weeks.
10. **Claims for Default:** Any claims for damages arising out of default and termination, shall be agreed between JPC and the Consultant, or failing agreement, shall be referred to arbitration in accordance with clause 20.
11. **Rights and Liabilities of Parties:** Termination of this appointment for whatever reason shall not prejudice or affect the accrued rights or claims and liabilities of either party to this appointment.
12. **Confidentiality:** The consultant shall maintain all information relating to the appointment in the strictest confidence.



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13. **Indemnity:** The consultant indemnifies JPC and holds JPC harmless against any loss or damage that may be suffered by JPC (including and without limiting the generality of the foregoing any claim that may be brought or threatened against JPC by any third party) arising from or by reason of the failure by the consultant to comply with its obligation in terms hereof.
14. **Skill, Care and Diligence:** The Consultant shall exercise all reasonable skill, care and diligence in the performance of the services under the appointment and shall carry out all his responsibilities in accordance with recognised professional standards. If any documentation prepared or submitted by the consultant to JPC is approved by JPC such approval shall not limit the professional liability of the consultant in respect thereof. The consultant shall remain professionally liable in respect of such documentation notwithstanding the approval thereof by JPC.
15. **Faithful Advisor:** The Consultant shall, in all professional matters, act as a faithful advisor to JPC and, in so far as his duties are discretionary, act fairly as between JPC and third parties.
16. **Indirect Payments:** The remuneration of the Consultant charged to JPC, shall constitute his only remuneration in connection with the appointment and neither he nor his personnel shall accept any trade commission, discount, allowance or indirect payment or other consideration with or in relation to the appointment or to the discharge of his obligations thereunder.
17. **Royalties:** The Consultant shall not have the benefit, whether directly or indirectly, of any royalty on or of any gratuity or commission in respect of any patented article or process used on or for the purposes of the appointment, unless it is agreed to by JPC in writing that he may.
18. **Ownership of Equipment, Materials, Supplies and Facilities:** Equipment, materials, supplies and facilities furnished to the Consultant by JPC or purchased by the Consultant with funds wholly supplied or reimbursed by JPC shall be the property of JPC and shall be so marked. Upon completion or termination of the services under this appointment, the Consultant shall furnish to JPC, inventories of the equipment and materials referred to above as it then remains and dispose of same as directed by JPC.
19. **Copyright:** All copyright in and to all documents, plans, designs and other material of whatever nature prepared or produced by the consultant in the course and scope of its appointment shall be and remain vested in JPC for which purpose the consultant cedes to JPC all such copyright.
20. **Settlement of Disputes:**
  - a. Any dispute or difference arising out of this appointment, including those considered as such by only one of the parties, shall be finally settled by Arbitration.
  - b. Such arbitration shall be conducted in accordance with the provisions of the Arbitration Act (Act No. 42 of 1965, as amended from time to time), provided that:
    - i. The arbitration proceedings shall take place at Johannesburg.
    - ii. It shall not be compulsory to strictly apply the requirements of the law of procedure or procedure of the usual rules of evidence.
    - iii. The arbitrator shall be a practicing senior advocate as appointed by the chairman of the Johannesburg Bar Council.
    - iv. The arbitrator shall be entitled to call for the evidence of specialists as required by the nature of the dispute.
    - v. The decision of the arbitrator shall be final and binding on both parties and may be made an order of a competent court.
  - c. Unless otherwise requested by JPC, the implementation of the project shall, despite the submissions of a dispute to arbitration, in no manner be suspended or in any way delayed by the consultant.



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Please signify your acceptance of appointment by signing the endorsement at the foot of this letter and returning same to us.

Signed for and on behalf of City of Joburg Property Company SOC Ltd.

**SUPPLY CHAIN MANAGEMENT UNIT**

Name: Fitzgerald Ramaboea

Title: Senior Manager: Supply Chain Management Unit

Signature: *F Ramaboea*

Date: 21/1/16

**FINANCE**

Name: Imraan Bhamjee

Title: CFO

Signature: *Imraan Bhamjee*

Date: 21/1/16

**CHIEF EXECUTIVE OFFICER**

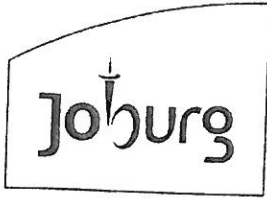
Name: Helen Botes

Signature: *Helen Botes*

Date: 21/1/16



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**Signature on behalf of Neo Solutions (Pty) Ltd LDM Joint Venture**

Name: VIVIEN NATHAN

Capacity: CEO

Signature: 

Date: 25/1/2016



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**CITY OF JOBURG PROPERTY COMPANY  
MINUTES OF THE BID ADJUDICATION COMMITTEE MEETING HELD ON 23<sup>rd</sup> November 2015**

**MINUTES OF THE BID ADJUDICATION COMMITTEE MEETING FOR RFP NO: 32/2015 - REQUEST FOR PROPOSALS FROM SUITABLE AND QUALIFIED SERVICE PROVIDERS TO DEVELOP A LAND STRATEGY FOR THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY, RFP NO: 34/2015 -APPOINTMENT OF SUITABLY QUALIFIED AND EXPERIENCED COMPANIES/JOINT VENTURES/CO-OPERATIVES AND /or INDIVIDUALS FOR THE DEVELOPMENT AND PROVISION OF A FACILITY MANAGEMENT STRATEGY, FACILITIES MANAGEMENT FRAMEWORK AND FACILITIES MANAGEMENT MASTERPLAN SUPPORTED BY AN ADVANCED FACILITIES MANAGEMENT SYSTEM ON BEHALF OF THE CITY OF JOBURG PROPERTY COMPANY (JPC) HELD ON 23 NOVEMBER 2015, AT THE JPC'S FREEDOM SQUARE BOARDROOM, 1ST FLOOR, BRAAMPAK, 33 HOOFD STREET AT 14H00 PM**

**1. Present:**

- |                     |                        |
|---------------------|------------------------|
| Imraan Bhamjee      | Chairperson            |
| Gavin Mothapo       | Finance Representative |
| Elizabeth Ganswyk   | Legal Representative   |
| Patricia Monama     | Legal Representative   |
| Fitzgerald Ramaboea | SCM Representative     |

**2. In Attendance:**

- |                  |                         |
|------------------|-------------------------|
| Verusha Morgan   | Project Manager         |
| Jay Sunker       | Project Manager         |
| Simphiwe Ngejana | User Department         |
| Tshepiso Serame  | Committee Officer (SCM) |

**3. Opening and Welcome:**

The Chairperson welcomed everyone present and officially opened the meeting.

**4. Attendance register:**

The attendance register was circulated and signed by all the officials who were present at the meeting.

**5. Apologies:**

No apologies were noted for this meeting.

**6. Quorum:**

The quorum was confirmed.

**7. Disclosure of Interest forms:**

The disclosure of interest were circulated and signed by all the officials who were in the meeting and there was no conflict of interest declared.

**8. Discussion:**

The Chairperson indicated that the purpose of this meeting is for the Bid Evaluation Committee to provide feedback on the negotiations as mandated by the Bid Adjudication Committee at its previous meeting.

The Project Manager indicated that the objective of this report is to provide feedback to the Committee of the outcomes of the negotiations between JPC and the preferred bidder for the



**CITY OF JOBURG PROPERTY COMPANY  
MINUTES OF THE BID ADJUDICATION COMMITTEE MEETING HELD ON 23<sup>rd</sup> November 2015**

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development of a Land Strategy and Facilities Management Framework for the City of Johannesburg Metropolitan Municipality.

The Project Manager indicated that a meeting was convened with the preferred bidder as was mandated by the Bid Adjudication Committee to identify and discuss the overlaps between the two proposals and thereafter negotiate prices for cost saving purposes and realize value for money.

That the negotiations did not produce the envisaged results as the preferred bidder had indicated it will not be possible to reduce the cost or resources deployed for both projects without compromising the project success as they are of the view that both projects Scopes of Work are distinctly different and the resources to be allocated for both projects do not overlap.

**The Chairperson opened the floor to the Bid Adjudication Committee members for discussions and the following questions were raised;**

- 1 Whether the two tenders can be combined to become one contract?  
Legal Representative responded that for audit purposes the two contracts it is best to separate the two contracts and award them individually but in terms of project management they can be managed as one project.
- 2 Whether is there budget confirmation for both projects?  
SCM Representative responded that though there is a limited budget for both projects the report should indicate the budget for 2015/16 financial year and also indicate that for the next financial year budgetary provisions will be made for the remainder of the project.
- 3 Whether the respective user departments had met to discuss where both scopes overlap?  
The user department responded that the analysis and identification of overlaps on both projects was conducted whereby issues like project management, stakeholder consultation and the issue of the GIS were identified and discussed as overlaps at the negotiations.

The Chairperson proposed that the items be recommended for approval to the Chief Executive Officer.

**Recommendations**

**RFP 32/2015:**

1. That RFP 32/2015 - Request for Proposals from Suitable and Qualified Service Providers to Develop a Land Strategy for the City of Johannesburg Metropolitan Municipality be awarded to Neo Solutions (Pty) Ltd and LDM JV for a fee of R21 922 200.00 including VAT subject to budget clarification.
2. That the award be valid for a period of nine (09) months from the date of award.
3. That the Senior Manager: Legal in consultation with the Chief Executive Officer be authorized to sign the Service Level Agreement with Neo Solutions (Pty) Ltd and LDM JV.
4. The BEC confirming that none of the Directors of the preferred bidders are not in the employ of the State.

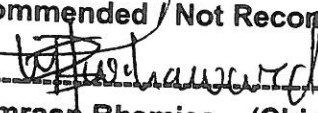
**CITY OF JOBURG PROPERTY COMPANY  
MINUTES OF THE BID ADJUDICATION COMMITTEE MEETING HELD ON 23<sup>rd</sup> November 2015**

- 5 The Bid Evaluation Committee confirming that none of the Companies recommended are listed on the National Treasury list of defaulting companies.

**RFP NO: 34/2015 :**


- 1 That RFP 34/2015 -Appointment Of Suitably Qualified And Experienced Companies/Joint Ventures/Co-Operatives And /Or Individuals For The Development And Provision Of A Facility Management Strategy, Facilities Management Framework And Facilities Management Masterplan Supported By An Advanced Facilities Management System be awarded to Neo Solutions (Pty) Ltd for an amount not exceeding R19 978 709.21 including VAT and disbursements subject to the following conditions/deliverables:
- Complete and comprehensive Asset Management Plans for all properties in the portfolio, and train a JPC resource/s to development and customization of the Asset Management Plans for individual properties in accordance with an agreed prioritization of properties.
  - Integrate GIS requirements with the existing GIS functionality used by COJ and JPC.
  - Assist JPC in enhancing revenue via accurate measurement of property rentable areas in terms of SAPOA methodology.
  - Web based App for reporting and monitoring for various internal and external users.
- 2 That the award be valid for a period of eighteen (18) months from the date of award.
- 3 That the Senior Manager: Legal in consultation with the Chief Executive Officer be authorized to sign the Service Level Agreement with Neo Solutions (Pty) Ltd.
- 4 The BEC confirming that none of the Directors of the preferred bidders are not in the employ of the State.
- 5 The Bid Evaluation Committee confirming that none of the Companies recommended are listed on the National Treasury list of defaulting companies.
- 6 That Neo Solutions (Pty) Ltd non- compliance with the qualification criteria be condoned, that before the award the preferred bidder be requested to submit the outstanding compliance document which is a one (1) year financial statement.

Recommended / Not Recommended

  
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Mr. Imraan Bhamjee – (Chief Financial Officer)  
Chairperson  
Bid Adjudication Committee

Date: \_\_\_\_\_

Approved / Not approved

  
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Helen Botes  
Managing Director (Chief Executive Officer)

Date: \_\_\_\_\_