



a world class African city

City of Joburg Property Company SOC Ltd.

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10 May 2024

## MUNICIPAL FINANCE MANAGEMENT ACT SECTION 33 INFORMATION STATEMENT

### RFP 33/2023 FY/PF: REQUEST FOR PROPOSALS FOR THE DEVELOPMENT SALE AND/OR LONG TERM LEASE OF PORTION 159 OF THE FARM DIEPKLOOF 319 IQ (SOWETO GATEWAY)

#### 1. OBJECTIVE

The objective of this Information Statement is to inform the community and any other interested parties and stakeholders of the process followed in terms of the request for proposals for the development sale/and or long terms lease of Portion 159 of the Farm Diepkloof, 319 IQ.

#### 2. PROJECT BACKGROUND

Portion 159 of the Farm Diepkloof 319 IQ is along Chris Hani Drive, west of the Chris Hani Baragwaneth Hospital. On the south western side is the SAPS vehicle recovery unit and the Elias Motswaledi Township. The Bara taxi Rank is 500m away. The site is situated along the N1 with great visibility. It is in Region D, in the far eastern part of Soweto and is a main entry into Soweto. The land is approximately 30.529 ha, is vacant and is owned by the CoJ. The site is currently zoned mining and a mixture of land use rights has been applied for.

The development objective for this site is to accommodate a mix of land uses taking advantage of the strategic location of the site within the Baralink Node, complementing and reinforcing surrounding uses and activities such as, institutional, educational, commercial, high profile local manufacturing and training facilities. This is to be well supported by medium to high density mixed income residential, community facilities, recreation and public spaces within a balanced and sustainable urban structure - well-connected and accessible to the rest of Soweto and the City.

#### 3. SUMMARY OF PROCUREMENT PROCESS TO DATE

On 31 October 2018, Council resolved that in terms of Regulation 5 of the Asset Transfer Regulations, 2008, and Section 14(2) of the Municipal Finance Management Act, 56 of 2009, Portion 159 of the Farm Diepkloof 319 IQ, measuring approximately 30.5 ha in extent, was not required to provide the minimum level of basic municipal services and can be disposed of.



Non-Executive Directors: Simon Motha (Chairperson)  
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The City Manager appointed the Bid Specification Committee members on 5<sup>th</sup> May 2023 as empowered in terms of Regulation 26(1)(b) of the Municipal Supply Chain Management Regulations as amended (“**SCM Regulations**”).

The specifications for the RFPS were approved and advertised for 30 days in line with the SCM Regulations.

The invitation for the Request for Proposals advert for the RFPS was published on 2 June 2023 in a national newspaper namely, The Star, including JPC Website and Notice Board and E- tenders website.

The bids closed on 07 July 2023 at 10h30 am (Telkom Time), and bids were opened in the presence of the relevant officials from the JPC, GFIS, GRAS and members of the public on the 3rd floor, Forum I Building, 33 Hoofd Street Braampark Office Park.

On tender closing date, 6 bids were recorded on the tender closing register for the RFP 33/2023 and the bidders were read out at the opening of the bid and were recorded in the bid closing register.

The tender validity period for the RFP was 120 days to enable the COJ/JPC to complete the tender process. The City Manager appointed the Bid Evaluation Committee members on 25 July 2023 as empowered in terms of Regulation 26(1)(b) of the SCM Regulations.

The Bid Evaluation Committee evaluated the bid proposals in accordance with the specifications and requirements set out in the tender document. The evaluation process was subject to, inter alia, the provisions of the MFMA; SCM Regulations; the Preferential Procurement Framework Policy Framework Act, 2000 (Act No. 5 of 2000); the Preferential Procurement Regulations of 2002; and the COJ's Supply Chain Management Policy.

In terms of the RFP the CoJ would incur certain obligations, including financial and contractual obligations, as per the relevant bid documents. These obligations would form the mainstay of the Sale and Lease Agreement, which the CoJ shall conclude with the appointed developer, in line with the resolutions of the Executive Adjudication Committee of the CoJ and subsequent to the finalisation of the Section 33 legislative process.

Some of these CoJ financial and contractual obligations of the proposed contract of leave, are summarised, in accordance with section 33 (1) (a) (i) (aa), below. Section 33 (1) (a) (i) (aa) provides that:

A municipality may enter into a contract, which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only-

- a) has, in accordance with section 21A of the Municipal Systems Act –



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- b) **it has made public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract...**

#### 4. DRAFT AGREEMENT

In accordance with section 33 of the MFMA the draft contract for the above-mentioned RFP is attached hereto for comments if any. The draft and all comments and views received relevant to the contract will be assessed and included in the report to be presented to the COJ Council for the final decision as to whether to enter into a Sale and Lease agreement for the development of Portion 159 of the Farm Diepkloof, 319 IQ.



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