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GENERAL NOTICE

No. 350

GAMBLING AND BETTING ACT, 1997 (EASTERN CAPE) (ACT NO. 5 OF 1997) (as amended)

APPLICATION FOR A ROUTE OPERATOR LICENCE

The Eastern Cape Gambling and Betting Board ("the Board"), after consultation with the Honourable MEC for the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) and acting in terms of section 49(2) of the Gambling and Betting Act, 1997 (Act No. 5 of 1997) (Eastern Cape) (as amended) ("the Act"), hereby

- (a) invites applications for one route operator licence for the Province
- (b) refers applicants to the provisions of the Act and the Regulations thereto which contain, inter alia, qualifications and disqualifications for licenses
- (c) states that the evaluation criteria to be applied are set out in the Request for Proposal ("RFP") referred to below, which RFP shall constitute the basis for any tender for the route operator licence
- (d) states that the route operator licence shall, subject to the provisions of the Act, be valid for a period of fifteen (15) years from the date of issue of the such route operator licence
- (e) states that copies of the RFP setting out the Board's requirements in more detail will be available from the offices of the Board, ECGBB Building, Quenera Park Quenera Drive, Beacon Bay, East London, as from Thursday, 15 December 2011 on payment of a non-refundable fee of R2 500.00
- (f) STATES THAT THE CLOSING DATE FOR APPLICATIONS WILL BE 15:00 SOUTH AFRICAN STANDARD TIME ON 15 MARCH 2012.

In accordance with the provisions of section 49(2) of the Act the following evaluation criteria will be applied by the Board:

1. **Empowerment and Community Criteria**
 - Provision of sustainable employment in the Province in general and the areas in which the Site Licensees proposed to be serviced by the Route Operator are located
 - The extent of the provision of training and skills to employees
 - Sourcing of labour, goods and services within the Province
 - Participation by previously disadvantaged individuals, including the disabled and groups in ownership and/or profits
 - Facilities for/contributions to needy communities
 - Development of non-metropolitan areas and rural areas
 - Spatial distribution and prevention of over-concentration
 - Extent to which the demographic profile is represented in the ownership, control and management of the Route Operator, sub contractors, suppliers and service providers
 - Empowerment of PDI's
 - Strategies for the promotion of BBBEE in this regard.
2. **Economic Criteria**
 - Maximisation of new investment in the Province
 - Re-investment in the Province
 - Fiscal implications
 - Opportunities for SMMEs
 - Strategies for the promotion of BBBEE in this regard.
3. **Social Criteria**
 - Social development and upliftment
 - Culture, art and sport facilities
 - Protection of public interest
4. **Financial Criteria**
 - Financial control
 - Financial strength
 - Financing structure and access to capital resources
 - Financial viability and acceptability of assumptions
 - Suitability of funders
 - Strategies for the promotion of BBBEE in this regard.
5. **Management criteria**
 - Propriety and integrity
 - Access to expertise, experience, knowledge of and competence regarding gambling operation and management
 - Strategy and objectives
 - Strategies for the promotion of BBBEE in this regard.
6. **Development criteria**
 - Development strategy
 - Matters relating to intended sites
 - Internal and external security.
7. **Essential Minimum Requirements**

The table below covers the essential minimum requirements in each of the evaluation areas which must be completed. Where an Applicant has not met the requirements as specified in the table below the Board reserves the right to reject the Applicant's proposal.

Evaluation Area	Essential Minimum Requirements
Application	<ul style="list-style-type: none"> • The Applicant shall state the composition of its negotiation team and shall indicate who its Lead Applicant and negotiator will be for licence negotiations with the Board, should it be selected as the Successful Applicant. • Completion of Appendix E (Licence Application)
Financial	<p>The Applicant must provide, as a minimum response, the following:</p> <ul style="list-style-type: none"> • Full details of the amount, term, rates and conditions applicable to all funding required to establish the licensed activities including but not limited to the roll out of the required number of LPMs • Completion of Appendices C and D • Draft completed guarantees in the form of Appendices J and K on the date of submission of the Bid (all insertions to be marked up) • Suitable irrevocable guarantee in the form of Appendix K at 15:00 (South African Standard Time) on 15 June 2012.
Legal	<p>The Applicant must provide, as a minimum response, the following:</p> <ul style="list-style-type: none"> • Proof that the Applicant is a company, duly incorporated in terms of the Companies Act, No. 71 of 2008, and in compliance with section 19 (2) of the Act • Proof that the Applicant's registered and business office is located within the Province or an undertaking that it will be so located if the licence is awarded to the Applicant • A demonstration of which of the Equity Members are the sponsor members of the Applicant.
Target Groups	<p>As a public entity, the Board upholds and promotes the principles enshrined in the legislation pertaining to Black Economic Empowerment and as such, will seek to ensure commitment to, adherence and compliance to BBBEE legislative provisions. Therefore, in addition to the other elements of BBBEE requirements the following minimum requirements are obligatory and the Applicant must provide, as a minimum response, the following</p> <ul style="list-style-type: none"> • Licensee equity, including: <ul style="list-style-type: none"> • a minimum of 40% shareholding by PDI's of which all shall be local inhabitants and 20% of the 40% shall be black women. In the event that the Route Operator's strategic operational activities are managed or directed outside the licensed entity, such entity tasked with the strategic operational activities shall comply with the requirements herein. • Licensee management and employment, including: <ul style="list-style-type: none"> • list of proposed key personnel and management of the Licensee, structure of, membership and/or positions of the Board of directors of the Licensee; and the participation of the Black Shareholders, and • In the event that a management company is used, demonstration that at least 40% of the Total Management Fee accrues to Black Local Inhabitant shareholders. • A clear demonstration of how PDI's are to be funded, and in particular Black Equity
CSI	<p>The Applicant must provide, as a minimum response, a commitment to a contribution of R1 000 000.00 (one million rand) to the Board for CSI, which amount shall be due and payable within three years of the date of issue of the licence. In addition, the Applicant must provide a commitment to an annual contribution of 1% of its Gross Gaming Revenue to the Board for CSI from the third year of the licence period onwards for the duration of the licence period.</p>
Additional Mandatory Requirements	<p>Valid tax clearance certificates for all shareholders of the Applicant</p>

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