



**REQUEST FOR APPLICATIONS**

**FOR**

**BINGO OPERATOR & SITE LICENCES**

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## **DEFINITIONS**

In this request for applications, including the *annexures* hereto, unless the content indicates otherwise:

“**Act**” means the Limpopo Gambling Act (Act no. 3 of 2013) as amended.

“**Applicant**” means a person who has lodged an application for a Bingo Operator licence, pursuant to this RFA, as contemplated in section 26 of the Act; and shall include all owners, members, partners and shareholders, where applicable.

“**Bingo Operation**” means the premises upon which the game of Bingo is played under a Bingo Operator licence.

“**Bingo Operator**” means the holder of a Bingo Operator licence as referred to in section 49 of the Act.

“**Board**” means the Limpopo Gambling Board, established in terms of section 3 of the Act.

“**CEO**” means the Chief Executive Officer of the Board.

“**Criteria**” means the principles or standards to which the Application will be judged.

“**Disadvantaged Area**” means an area which has been deprived of the basic necessities, and amenities or advantages of life such as housing, recreational facilities or educational facilities or medical care facilities.

“**Employee**” means any person employed at the Bingo Operation, who manages or is directly involved in gambling activities in the Bingo premises.

“**Limited Payout Machine (LPM)**” means a gambling machine outside of a casino in respect of the playing of which the stakes and prizes are limited, as prescribed by the Regulations or National Regulations.

“**Local PDI**” means a natural black person who is a resident within the Limpopo **Province** or a juristic person in whom the majority ownership, employment and beneficiation is held or accrues to are resident in the Limpopo **Province**.

“**Person**” shall include a natural as well as a juristic person.

“**National Act**” means the National Gambling Act (Act no. 3 of 2013) as amended

“**PDI**” means **previously disadvantaged individual**.

“**Province**” means the Limpopo **Province**.

“**Regulation**” means a Regulation which was made in terms of section 85 of the Act; or the Regulations referred to in section 2(8) of Schedule 1 of the Act.

“**Resident**” means a natural person who is ordinarily a resident of the country in terms of the Income Tax Act, 1962 (Act No. 58 of 1962) as amended, and who is ordinarily a resident of the Limpopo **Province** and has a fixed or permanent residential address in the **Province**; provided that such person was physically residing in the **Province** for a period or periods exceeding twenty four (24) months prior to the lodgement of the application in terms of this RFA and remains such for the life of any licence issued in respect of this RFA.

“**Responsible Member**” means the member of the Executive Council responsible for the administration of the Act.

“**RFA**” means the Request For Application, for Bingo Operator and Site licences, as per this document.

“**Rules**” means a rule made by the Board in terms of section 86 of the Act, or the Regulations referred to in section 2(8) of Schedule 1 of the Act..

“**SARGT**” means the South African Responsible Gambling Trust.

## 1. **BACKGROUND**

### 1.1 **INTRODUCTION**

Gambling was introduced in the **Province** in terms of the Act, Regulations and Rules, with a view to achieve the following objectives:

- a) to enhance economic growth and development in the **Province** through the stimulation of the tourism sector, the creation of tourism infrastructure and the creation of employment opportunities within, *inter alia*, the tourism sector;
- b) to uplift, advance and economically empower, historically disadvantaged communities; and
- c) to generate additional revenue for the **Province**.

Following from the above, the **Province** regards gambling as a means towards an end, and not an end in itself. In this regard, gambling is seen as an important vehicle to achieve economic growth and development within the **Province**.

### 1.2 **OBJECTIVES OF LICENSING BINGO OPERATORS AND SITES**

Following from the above objectives, the Board realises that Bingo Operations, on their own, will not fully accomplish the above stated objectives set for the introduction of legal gambling in the **Province**. Bingo Operations are seen as supplementary to Casinos, Bookmakers, Totalizators and LPMs in achieving the above objectives. Although Bingo Operations will contribute to the development of new infrastructure and tourist facilities, it can also play a meaningful role to support and develop existing and new entertainment and recreational facilities throughout the **Province**.

Simultaneously, Bingo Operations could create opportunities for the direct involvement of small and medium size companies within the gambling industry and will provide employment and entrepreneurial opportunities for all the people of the **Province**. In addition, Bingo Operations could also play a major role in satisfying the gambling needs of the people of the **Province**, in that it will have a much wider distribution throughout the **Province**. The Board also realises the potential negative impact that Bingo Operations may have within the **Province**. The Board will therefore regulate this section of the gambling industry to ensure that:

- a) the demand for gambling is absorbed, without over-stimulating the latent demand thereof;
- b) persons under 18 years of age are prohibited from participating in gambling activities;
- c) the maximum stake and prize per play for playing a game of Bingo shall be as determined in the Bingo licence in terms of Regulation 123 & 124; and
- d) gambling levies and fees are regularly paid.

### 1.3 **PURPOSE OF REQUEST FOR APPLICATIONS (RFA)**

The purpose of this RFA is to furnish all prospective applicants for Bingo Operator and Site licences with a clear indication of the underlying principles applicable to the licensing of Bingo Operators and Sites, as well as the process and criteria applicable to the licensing of such applicants. Simultaneously, the RFA will provide all applicants with clear guidelines on the information required by the Board, to evaluate all applications.

## 2. **RFA FOR BINGO OPERATORS AND SITES**

This RFA, prepared pursuant to section 26 of the Act, sets out the procedure for applying for a Bingo licence in Limpopo. This RFA specifies the information required from applicants and their detailed plans for operating such a site. Applicants should note that the **Board shall reject any or all applications which do not adequately satisfy the necessary requirements, details of which are contained in this RFA.** The failure to comply with the terms of this RFA, including, but not limited to criteria, will render a bid incomplete and non-compliant. The Board reserves the right to cancel or amend this RFA and re-issue another RFA, or to restructure the tender timetable, or suspend the RFA.

When considering an application for a Bingo Operator and Site licences, and any conditions and requirements to which any such licence should advisably be made subject, the Board will consider:

- a) the extent to which the applicant will promote sustainable employment in the ***Province***;
- b) whether the issue of the Bingo Site licence to those premises will assist in enhancing the neighbourhood and environment;

- c) the extent to which the applicant will provide training and skills to its employees;
- d) the extent to which the applicant will procure labour, goods and services in the **Province**;
- e) the extent to which the applicant intends to provide for participation in the ownership or profits of the Bingo operation by persons, a group or groups of persons previously disadvantaged by unfair discrimination;
- f) any facility, advantage or contribution which the applicant intends to provide or furnish for the benefit of, or for utilisation and enjoyment by, any needy community at or near the place where the premises are located;
- g) whether granting of the licence will result in the establishment of an unduly large gambling industry in the **Province**, having regard to the number of inhabitants of the **Province** and their financial means and the tourist potential of the **Province**;
- h) any other factors which may affect the question whether it is desirable to grant such application or to attach any such condition or requirement;
- i) the extent to which the applicant will contribute to or provide a programme for combating problem gambling;
- j) any other factors the Board must consider in terms of the National Gambling Act, 2004 (Act No. 7 of 2004) ("the National Gambling Act") insofar as it is not set out herein; and
- k) any other factors the Board considers relevant.

## **2.1 BINGO OPERATORS**

The Bingo Operator Licence is authorised to own and manage licenced Bingo Sites, thereby conducting all administrative and accounting activities related to the Bingo Operator and Site Licences thereof.

Any failure on the part of an Applicant to comply with the terms of this RFA, read together with all the Briefing Notes, will result in its Application being treated as non-compliant.

Any Application received without all information or data requested in terms of this RFA, or with insufficient information for substantive evaluation thereof, will be regarded as non-compliant.



A bidder agrees to the terms of the RFA **on submission of a bid.**

### **2.1.1 Ownership of Bingo Operator**

Applicants for Bingo Operators Licences shall be Juristic persons registered with the Company and Intellectual Property Commission of South Africa.

At least 30% of the Bingo Operation must be owned by local PDIs. The local PDIs must have representation on the Board of the Bingo Operator, and shall have voting rights. All local PDIs shall be citizens of the Republic of South Africa and shall reside in the ***Province***.

The Board shall view the acquisition of equity in the Bingo market by local PDI's on loan capital, or payment by way of suspension or postponement of payment of dividends as a form of repayment for such equity, in a serious light.

The Board will consider the promotion of Broad Based Black Economic Empowerment in the Bingo market as vital to any application. Objectives in respect of the following areas will have to be clearly and precisely articulated in the application:

- a) promotion of economic transformation in order to contribute to meaningful participation of local black people in the provincial economy;
- b) improvement of the extent to which local previously disadvantaged communities, employees, co-operatives, other collective enterprises, women and youth own and manage existing and new enterprises and increasing the scope of access to economic opportunities, infrastructure and requisite skills;
- c) promotion of investment programmes which will create broad based and meaningful participation of local black people in the economy in order to achieve sustainable development and general prosperity;
- d) promotion and support of access to finance to promote local black economic empowerment, and
- e) the level of general contribution towards broad based black economic empowerment in terms of the relevant codes of good practice.
- f) The Board reserves the right to prescribe the BBBEE level to be achieved at a later date by the successful Bingo Operator Licencees.

### **2.1.2 Financial Interest of other Gambling Licencees in a Bingo Operator**

In terms of the Act, persons holding casino, route operator, manufacturing, maintenance and supplier or site licences may acquire a financial interest in the holder of a Bingo Operator licence. The Board will, however, monitor such interests, to ensure that section 42 of the Act, is complied with.

### **2.1.3 Game Records**

The holder of a Bingo Operator licence shall have a Central Electronic Monitoring System to which all gambling machines shall be connected. The licensee shall, at its cost, provide a link facility for the Central Electronic Monitoring System at the offices of the Board. Such link shall be made available fourteen (14) days prior to commencement of Bingo operations.

- a) The licensee shall further have a computer system, approved by the Board and linked to the control desk, on which shall be recorded, simultaneously with the playing of each game, all information relevant to each game of Bingo.

### **2.1.4 Accounting Records**

Holders of Bingo Operator licences shall in such manner as the Board may approve or require keep accurate, complete, legible and permanent records and returns, as prescribed in Chapter XXVIII (28) of the Regulations.

### **2.1.5 Payment of levies**

It will be the responsibility of the Bingo Operator to pay levies, calculated on gross gambling revenue in accordance with the prescribed formula, to the Board within the specified time frame, as indicated in Regulation 133 & 134.

### **2.1.6 Social Responsibility or Community Development Projects(CDP)**

The Board acknowledges the lack of infrastructure and the need for social or community development projects in the Province and therefore, expects Bingo Operators to spend, on an annual basis, at least two percent (2%) of the Gross Gambling Revenue of the preceding financial year on specific sustainable projects in this regard. The licence bid must clearly indicate how the Bingo Operator will contribute, participate or be involved in the said social responsibility or community development projects.

The Bingo Operator will be expected to spend at least RR500 000.00 on CDP in the event of a negative Gross Gambling Revenue in the preceding financial year.

The Applicant must specify the manner in which they are going to ensure that community projects undertaken will be sustainable and ongoing.

**2.1.7 Registration of employees**

The registration of all employees will take place in accordance with the provisions of the Act, and the Regulations.

**2.1.8 Responsible Gambling Contribution to the South African Responsible Gambling Trust (SARGT)**

The applicant must contribute to the SARGT, in line with the contribution by all operators as set out by the SARGT from time to time

**2.1.9 Management of Bingo Operator**

The applicant must show commitment to BBBEE by ensuring that at least 60% of management of the Bingo Operator are PDIs. If the applicant is not currently compliant with the above requirement, a plan demonstrating how the applicant will achieve this in the three (3) years after obtaining the Bingo Operator Licence.

**2.1.10 Employment Equity**

The Applicant shall commit and demonstrate how they will provide sustainable employment in Limpopo in general, and in the Municipal district in which the Bingo Site will be located

Applicants shall outline their strategy for creating sustainable employment opportunities; as well as specify how they are going to ensure that the maximum number of job opportunities are provided to residents of Limpopo. In particular, the following information shall be provided, in respect of the Bingo Operator and the Bingo Site:

- a) The number of staff members to be recruited and a three (3) year plan and strategy of employment equity. This plan must, at a minimum, be committed to obtain at least 80% of general staff from black local communities and 80%

of management from the same communities. The employment plan must be in line with the Employment Equity Act No. 55 of 1998.

- b) A list of the number of job opportunities in respect of the Bingo operation, differentiating between the different grades of work and the anticipated staff mix in terms of race, gender and disability. This should be further categorised as follows,:
- Construction phase (if applicable) - direct jobs
  - Full operational phase - direct jobs

Direct jobs are those held by employees of the applicant.

The abovementioned information must clearly indicate information relating to the Bingo Operator and Site separately.

#### **2.1.11 Skills Development and Transfer**

Applicants shall:

- a) Outline their long-term human resources development strategies to ensure that people from disadvantaged communities acquire the necessary skills vital to career progression within five (5) years of operation.
- b) Provide the following details of staff and/or any general community training and development programmes:
- Details of individual training courses and facilities to be offered.
  - Relative positions in the organisation of each category of employment and the management training programmes to be implemented for the advancement of locally recruited staff.
  - Career and succession planning strategies, taking into account gender representation.

#### **2.1.12 Preferential Procurement**

The applicant must show good commitment to BBBEE by committing to procure at least 40% goods and services from Limpopo. A three year preferential procurement plan must be submitted with this application and approved by the Board. The Bingo Operator shall be expected to submit another Preferential Procurement Plan once the above mentioned Preferential Procurement Plan has expired.

## **2.2 BINGO SITES**

Primarily, Bingo Sites will be authorized to offer and operate Bingo games. Bingo Site Licences are not transferable between the Municipal districts. The positioning of Bingo Sites within the Municipalities shall be subject to local authority zoning regulations.

The Applicant shall provide the Global Positioning System (GPS) coordinates of the location of the proposed Bingo Site. The Municipal district boundaries recognized by the Board will be those as determined by the Municipal Demarcation Board.

**2.2.1** In terms of the Act, a Bingo Site licence shall authorize the playing in or on the licenced premises specified in the licence, of the game of Bingo, provided that the maximum charge per play for playing a game of Bingo shall be of an amount, prescribed by the Board, in terms of Regulation 123.

**2.2.2** The Board does not intend to prohibit applicants from conducting other forms of legal business on the licenced premises, provided that no access to the designated gambling area will be allowed to persons under the age of 18 years and that all legislative requirements are met. Such designated gambling area shall be demarcated in such a manner that it is not visible from the other non gambling business area in the premises. The Applicant shall indicate the types of other businesses, if any, which the Applicant intends to operate in the licenced Bingo Site.

**2.2.3** Any type or style of Bingo may be offered to the public at the licenced Bingo Site, subject to the approval of the Board.

**2.2.4** No application for a Bingo Site Licence may be granted unless:

- a) the premises to which the application relates are, or will on completion be, suitable for the purpose for which they will be used under the licence;
- b) if the premises are situated in the vicinity of a place of worship or a school or in a residential area, the business will be carried out in a manner that will not disturb the proceedings in that place of worship or school or prejudice the residents of that residential area; or
- c) the granting of the licence is in the public interest.

First preference will be given to Applicants whose proposed Bingo Site(s) are not located in the Shopping Malls or Centers.

**2.2.5** The issue of a Bingo site licence will not automatically entitle the licensee to operate LPMs or to be issued with any other gambling licence and shall further create no expectation or preference regarding the issue of such other gambling licence to the Bingo site licence holder.

**2.2.6** Bingo Sites shall be expected to be fitted with surveillance equipment that the Board shall prescribe or approve.

**2.2.7** **Geographic Distribution of Bingo Sites throughout the *Province***

The Board acknowledges that adult entertainment in the form of gambling is inadequate in most of the rural and, specifically, disadvantaged areas within the ***Province*** and that the establishment of Bingo Operations will create an opportunity to address this situation.

The Board therefore prefers that Bingo Sites be established in such areas where inadequate entertainment facilities presently exist. These are the following:

IDENTIFIED AREA	NUMBER OF BINGO SITE LICENCES TO BE ISSUED
<b>Capricorn District Municipality</b> Bochum	01
<b>Waterberg District Municipality</b> Lephalale	01
Bela Bela	01
<b>Sekhukhune District Municipality</b> Groblersdal	01
<b>Mopani District Municipality</b> Tzaneen	01
Phalaborwa	01
<b>Vhembe District Municipality</b> Musina	01
<b>Total Bingo Site Licences to be Issued</b>	<b>07</b>

**Applications in areas outside the designated towns or areas shall be declined.**

The offices of a Bingo Operator, at which the administrative, accounting as well as monitoring and control functions will be conducted, shall be based within the Limpopo *Province*.

#### **2.2.8 Operating Hours**

The hours of operation will be subject to approval by the Board and may form part of the condition of the licence.

**2.2.9 Number of seats per Bingo Site**

The number of seats per Bingo Operation shall be a minimum of 100 seats and a maximum of 400 seats. An application for a Bingo site licence which provides for a number of seats in excess of 400, but limited to 768 seats must furnish motivation to the Board why such a number of seats would be appropriate for licensing in a particular area within a specific district municipality.

**2.2.10 Bingo Equipment**

The game of Bingo shall be played using cards, and such devices or equipment as may be approved by the Board from time to time. Bingo cards shall contain information, as stated under the relevant provisions of the rules.

All gambling equipment shall be supplied and maintained by licensed manufactures, suppliers and distributors.

**2.2.11 Stakes**

The applicant of a Bingo Operator Licence shall propose the stake amount to be charged for participation in the Bingo games at the licenced Bingo Site.

The maximum amount, including participation fee, which may be charged to participate in a game of Bingo, shall be subject to approval by the Board.

**2.2.12 Return To Player**

The Return To Player in any game of Bingo shall not be less than 70 % (seventy percent) of the total amount staked by players on that game, as prescribed by Regulations 124.

**2.2.13 Display of prizes**

All winning combinations, together with the corresponding prizes must be clearly displayed or be easily accessible by the player.

**2.2.14 Credit Extension**

A holder of a Bingo Site licence, shall not, extend credit in any form whatsoever to any patron.



**2.2.15 Site Location and Size**

Applicants shall describe the overall design of the proposed premises in terms of:

- a) its size and prominence in terms of location and visibility; and
- b) nearby land uses; and
- c) nearby business premises.

Premises locality plans, including a plan of the premises shall be provided.

**2.2.16 Site Layout and Design of Features**

Applicants shall describe the premises' design in terms of the gambling area size, including details of any proposed area for the operation of Bingo.

Details are to be provided of all other attractions to be part of the Bingo site, including but not limited to children's areas, dining areas and other such attractions.

**2.2.17 Parking Availability**

Applicants shall describe parking at the proposed site development, which shall either be on the site or in close proximity to the premises, in terms of:

- a) site parking available for motor vehicles;
- b) the extent of off-site parking;
- c) number of parking bays available for people with disabilities;
- d) security arrangements for parking.

**2.2.18 Internal and External Security**

Applicants shall provide details of their planned security arrangements to ensure the safety of patrons and employees. Where the proposed Site is located in the vicinity of schools, playgrounds, children's amusement parks or shops, the Applicant shall provide a security plan to prevent access to the Bingo Site by underage children.

### **3. APPLICATION AND LICENSING PROCESS**

#### **3.1 OVERVIEW OF THE APPLICATION PROCESS**

3.1.1 The Board will undertake evaluations of all applications. To facilitate this process each applicant may be required to provide additional information, in writing and/or by means of interview in a Public Hearing, to clarify particular aspects of their application. The latter shall be deemed as formal oral presentations to the Board.

3.1.2 It is expected that this evaluation process will be completed and the successful applicants notified on a date to be announced.

3.1.3 The terms offered by applicants in the successful bids are likely to form the basis of the Licence Conditions over and above the general conditions of licence.

3.1.4 Should the applicant be successful, such applicant must show that the financial commitments for their proposal are solely for that purpose and no other.

#### **3.2 ENQUIRIES AND CONTACT WITH OTHER BIDDERS**

3.2.1 All communication regarding the licence applications between applicants and the Board shall be strictly in accordance with the protocol set out herein and subject to the Act.

3.2.2 All enquiries and requests for additional information regarding this RFA must be made in writing and received by email or hand-delivered to the address specified in **paragraph 3.8 below**. Responses thereto, if any, will be made in writing and circulated by email to all parties, at the discretion of the Board, who have attended the briefing session or who subsequently paid the non-refundable fee for the RFA. The CEO reserves the right to decline to answer any irrelevant or unreasonable questions.

3.2.3 In the event that an Applicant identifies any ambiguities, errors or inconsistencies between the various portions of this RFA, the Applicant undertakes to notify the Board in writing accordingly, and the CEO undertakes to provide clarification as to the intended position to all Applicants by way of a Briefing Note; save that should such a notice as to the ambiguities or errors and/ or request for clarification be

received later than seven (7) Business Days before the Closing Date, the CEO shall not be obliged to provide such clarification.

- 3.2.4 Briefing Notes will be sequentially numbered and will indicate whether they supplement, vary or amend any portion of this RFA. All Briefing Notes shall be provided to the Applicant via e-mail to that address provided by the Applicant. The Applicant shall ensure that its Proposal is prepared taking into account all such Briefing Notes.
- 3.2.5 The Board accepts no responsibility for the failure by the Applicant to receive a Briefing Note issued, whether by virtue of such Applicant's contact details provided being incorrect or otherwise.
- 3.2.6 The Board will not entertain any RFA enquiries after the date for submission of Applications.
- 3.2.7 The Board's agents are permitted to communicate in writing with the applicants on matters of technical interpretation of their bid submission. Applicants may not contact the Board or its agents unless in response to such written enquiry or submission of a request to amend an application.
- 3.2.8 No other communication with the Board or its agents, initiated by the applicants, will be allowed after the submission date (close of tenders). Applicants, their employees or any stakeholders of the applicants are strictly limited to the form of communication described above with the Board, its employees and agents. Any attempt to communicate regarding these licence applications, other than as prescribed above or to otherwise obtain information outside of this process, could lead to the disqualification of an application. This does not apply to the presentations, site visits, interviews or requests for further information as contemplated in this RFA.
- 3.2.9 The company/personal history section of each bid shall be provided as a separate, detachable section of the application.

3.2.10 The master copy must have the signature of at least two directors of the applicant. Proof of their authority to sign shall also be provided.

3.2.11 Each page of the application must be initialled to indicate that applicants have checked their answers for completeness and accuracy.

3.2.12 All information must be delivered and accompanied by a bidder representative to the Board at the address specified in **paragraph 3.8 below**, by 10H00 on 28 March 2015.

3.2.13 Facsimiled or e-mailed proposals will not be accepted.

### **3.3 RECEIPT OF APPLICATIONS**

An acknowledgement of receipt will be issued, on the submission date, to each applicant who submits an application and the necessary fees and investigation deposit.

### **3.4 CHANGES TO INFORMATION SUPPLIED**

The Board must be notified immediately of any material changes to any of the information contained in any of the applications during the period between the submission of an application and the issue of the licences. The licence will require the successful applicant to notify the Board of any changes or proposed changes in the identity of directors, shareholders, stakeholders and key employees of the applicant, once the licence has been issued.

### **3.5 BINGO LICENCE APPLICATION FORM**

Complete the application form as specified in **Annexure E**.

### **3.6 EXECUTIVE SUMMARY**

The executive summary should summarise the key aspects and benefits of the applicant's proposed Bingo operation. Applicants are requested to restrict the executive summary to a reasonable length. The key benefits of the proposed operation should be described, taking into account the evaluation criteria set out in

paragraph 3.12 below. The executive summary must include at least the following information:

**3.6.1 *Applicant and Project Team***

Identities of the applicant and key parties (developer(s), operator(s), financier(s), consultant(s), etc.) in the applicant's project team, including a detailed organisational chart of the shareholding structure depicting both direct and effective shareholdings in the applicant.

**3.6.2 *Development and Operating Experience***

A summary of the qualifications, experience and ability of the applicant to establish and run Bingo Operations. Details of the proposed Bingo Operator licence holder including name, company registration number, address and details of contract. Evidence of any draft or conditional agreement (if any) needs to be supplied.

**3.6.3 *Summary of Project Concept***

- a) Exact proposed location of the proposed site, including the district and local municipality within which such site is situated.
- b) Outline of the project concept and development schedule.
- c) Highlights of the key features of the project.

**3.6.4 *Project Viability and Financial Returns***

- a) Summary of the sourcing, level and nature of financing and the ability to meet financial obligations.
- b) Summary of the estimated financial returns to the applicant from the project over a ten (10) year period.

**3.6.5 *Benefits to the Economy***

A summary of the key benefits (other than direct financial benefits) to the economy and to the citizens of Limpopo.

**3.7 DETAILED PROPOSAL**

- a) The detailed proposal shall be a comprehensive document, which shall address all aspects of the applicant's proposed project.
- b) The requirements regarding the contents of the detailed proposal together with supporting schedules to be completed are set out below.

- c) The precise information required in each section will clearly depend upon the nature of the project and as such is largely left to the discretion of the applicant. Where appropriate, supplementary sections may be included in the proposal.
- d) The information provided should be as specific and measurable as possible. Wherever possible, there should also be a time frame attached to the information provided.
- e) Applicants must bear in mind that any undertakings made in their proposals will be subject to performance audits once the licences have been awarded. Successful applicants will be subject to ongoing monitoring by the Board to ensure maintenance of standards and compliance with the conditions of licence.

**3.8 CONTACT DETAILS OF THE BOARD**

Applicants may seek clarification of the requirements of this RFA, during office hours. All requests for clarification must be in a formal written and signed letter, and may be sent by facsimile or e-mail.

Requests for clarification should be directed to:

**THE CHIEF EXECUTIVE OFFICER  
LIMPOPO GAMBLING BOARD  
PRIVATE BAG X9520  
POLOKWANE  
0700**

OR

**THE CHIEF EXECUTIVE OFFICER  
LIMPOPO GAMBLING BOARD  
08 HANS VAN RENSBURG STREET  
POLOKWANE  
LIMPOPO *PROVINCE*  
0699**

Telephone : (015) 230 2300

Facsimile : (086) 505 3460

E-mail : [ceo@lqb.co.za](mailto:ceo@lqb.co.za)

Office Hours : 07H45 to 16:30 – Monday to Friday

### **3.9 SUBMISSION OF APPLICATIONS**

**3.9.1** The Application shall be submitted as follows:

- a) 1 x original Master Application;
- b) 2 x copies of the original Application one of which shall be in a loose leaf format;
- c) 2 x public copies of the Application marked as such (which shall exclude confidential information in terms of the Act); and
- d) 1 x electronic (soft) and/ or scanned copy of the Original Master Application.
- e) 1 x electronic (soft) and/or or scanned copy of Public Copies of the Application.

Applicants must tender original proof of purchase of the RFA, Proof of Payment of Application and Investigation fees upon submission of application, as failure to do so will render the application invalid.

The application must be in English, mainly in black and white, preferably on standard A4 and A3 size, and be lodged with the Chief Executive Officer of the Board at the physical address stated in paragraph 3.8 above. Floor plans and other annexures may be submitted in such larger paper size as may be appropriate to enable the Applicant to express the requirements of this RFA.

If, in the opinion of the Board, an Applicant fails to provide adequate information sought by this request, or by a subsequent request by the Board, such failure will be taken into account by the Board during the evaluation process.

### **3.10 APPLICATION AND INVESTIGATION FEES**

Each application for a Bingo Operator licence must be accompanied by a non-refundable application fee of R100.00 per seat with a maximum of R81 400.00.

In terms of Regulation 131, any person who submits an application to the Board, shall be liable for and pay to the Board, all reasonable direct expenses incurred by the Board, if any, to conduct the investigations referred to in the Act and Regulations.



An initial deposit of R 300 000.00 shall be paid by each Bingo Operator Licence Applicant, to the Board as contemplated in Regulation 131 of the Regulations, on submission of the Application. The deposit will also cover the applications for Bingo Site Licences.

Should it be deemed necessary, the Board may require an additional investigation fee during the investigation of an applicant.

### 3.11 INFORMATION REQUIRED BY THE BOARD

The following minimum information is compulsory for purposes of lodging an application for a Bingo Operator and Site Licence:

	<b>DETAILED APPLICATION</b>	<b>PART 1</b>
<b>A</b>	<b>Bid proposal</b>	
1)	Consolidated and costed Business plan in response to this RFA	<b>Annexure 1</b>
2)	Project floor plans (Interior and exterior) for the Bingo Sites	<b>Annexure 2</b>
3)	Land and zoning rights	<b>Annexure 3</b>
4)	Approval of the local Authority as per Section 26(3)(d) of the Act	<b>Annexure 4</b>
5)	Property ownership / lease agreements / Commitment by the Landlord to lease or sell property to the Applicant upon issue of Licence and draft lease or sale agreement	<b>Annexure 5</b>
6)	Shareholding and Organisational structure of the Bingo Operator Licence Applicant	<b>Annexure 6</b>
7)	Shareholders agreements	<b>Annexure 7</b>
8)	Management Commitment	<b>Annexure 8</b>
9)	Employment Equity Plan	<b>Annexure 9</b>

	<b>DETAILED APPLICATION</b>	<b>PART 1</b>
10)	Skills Development and Transfer plan	<b><i>Annexure 10</i></b>
11)	Social Responsibility and Community Development Projects	<b><i>Annexure 11</i></b>
12)	Preferential Procurement Plan	<b><i>Annexure 12</i></b>
13)	Business Entity Disclosure Form	<b><i>Annexure 13</i></b>
14)	Copies of prescribed notices	<b><i>Annexure 14</i></b>
15)	Confirmation of payment of prescribed fees	<b><i>Annexure 15</i></b>
16)	Bingo Site Location Plan and Proposed sites' GPS Coordinates	<b><i>Annexure 16</i></b>
17)	Bingo Site Floor plan	<b><i>Annexure 17</i></b>
18)	Latest three (3) years Audited Financial statements / Certificate of dormancy	<b><i>Annexure 18</i></b>
19)	Where applicable: (a) Copies of valid Liquor and other relevant licences (b) S41 and 42 approvals –in terms of the Liquor Act no. 27 of 1989	<b><i>Annexure 19</i></b>
20)	Valid Original Tax Clearance Certificate	<b><i>Annexure 20</i></b>
21)	Valid business registration (CIPC)	<b><i>Annexure 21</i></b>
22)	Third Party agreements (if applicable)	<b><i>Annexure 22</i></b>
23)	Financial projections	<b><i>Annexure 23</i></b>
<b>B</b>	<b>Personal History Disclosure Forms</b>	<b><i>Annexure 24</i></b>

	<b>APPLICATION FOR PUBLIC INSPECTION</b>	<b>PART 2</b>
1)	Business Entity Disclosure Form	<b>Annexure 1</b>
2)	Copies of prescribed notices	<b>Annexure 2</b>
3)	Bingo Operation Location Plan and Proposed sites' GPS Coordinates	<b>Annexure 3</b>
4)	Bingo Site Floor plan	<b>Annexure 4</b>
5)	Approval of the Local Authority as per section 26(3)(d) of the Act	<b>Annexure 5</b>
6)	Where applicable: a) Copies of valid Liquor and other relevant licences; (c) S41 and 42 approvals –in terms of the Liquor Act no. 27 of 1989	<b>Annexure 6</b>
7)	Land and zoning rights	<b>Annexure 7</b>
8)	Property ownership / lease agreements / Commitment by the Landlord to lease or sell property to the Applicant upon issue of Licence and draft lease or sale agreement	<b>Annexure 8</b>
9)	Shareholding structure	<b>Annexure 9</b>
10)	Copies of prescribed notices	<b>Annexure 10</b>
11)	Valid Original Tax Clearance Certificate	<b>Annexure 11</b>
12)	Third Party agreements (if applicable)	<b>Annexure 12</b>
13)	Management Commitment	<b>Annexure 13</b>
14)	Employment Equity Plan	<b>Annexure 14</b>
15)	Skills Development and Transfer plan	<b>Annexure 15</b>

	<b>APPLICATION FOR PUBLIC INSPECTION</b>	<b>PART 2</b>
16)	Social Responsibility and Community Development Projects	<b>Annexure</b> 16
17)	Preferential Procurement Plan	<b>Annexure</b> 17
18)	Financial Projections	<b>Annexure</b> <b>18</b>

In providing the information required by the Board in the above **Annexures**, applicants should note the following:

- a) the Board assumes that applicants are in possession of copies of the Act, Regulations and Rules and, that they have familiarised themselves with each of the provisions contained therein;
- b) failure to provide all the information required by the Board, could result in a delay in the processing of an application;
- c) the Board may deny an application for a Bingo Operator or Site licence, if any of the information contained in an application for a Bingo Operator and Site licences was false in any material respect, or was subject to omission with the intention to mislead the Board; and
- d) the Board may also suspend and/or revoke a licence subsequent to the issuing thereof, should it at a later stage be found that any of the information contained in an application for a Bingo Operator licence was false in any material respect, or was subject to omission with the intention to mislead the Board.

### **3.12 CRITERIA APPLICABLE TO THE EVALUATION OF APPLICATIONS**

#### **3.12.1 Objectives of the Board**

The primary objectives of the Board in evaluating Bingo licence applications are to ensure that, within commercial cost and time constraints, a reasonable level of assurance is provided that successful applicants will establish and operate Bingo operations in Limpopo which are likely to result in:

- 3.12.1.1** viable businesses which will contribute meaningfully to the development of the province;
- 3.12.1.2** directors, shareholders and management of such applicants, and persons connected to the applicants, being of an unimpeachable, high level of integrity and professionalism;
- 3.12.1.3** financially sound businesses supported by shareholders who are committed to the long term success of these ventures and who have adequate cash and financial resources to:
- a) fund these operations over the long term; and
  - b) meet the empowerment, community, economic, social, financial, management, development, environmental and any other objectives set by the Board.

### **3.12.2 Evaluation Methodology**

- 3.12.2.1** The Board will only evaluate applications based on the initial committed project. Future projected phases which the applicant is not prepared to commit to as a condition of licence, will not be taken into account and must be excluded from the financial projections in **Annexure 23 of the detailed application and Annexure 18 of the Application for Public Inspection**. In evaluating applications for Bingo licences under this RFA, the Board will consider all relevant factors and will in particular take into account the matters below, which are not listed in any particular order of importance.
- 3.12.2.2** In respect of each application and all applications where more than one application is received, Board members will deliberate; consider and evaluate the respective proposals of Applicants as against the RFA requirements and other requirements, be they statutory or otherwise. In each case Board members would be guided by *inter alia* the bid documents, the Act, the Regulations, the RFA, presentations by Applicants, objections, responses, investigations, public hearings etcetera.
- 3.12.2.3** In evaluating applications for the Bingo Operator and Site Licence under this RFA, the Board will consider all relevant factors and will in particular take into account the

matters set out in the table below, which are not listed in any particular order of importance:

- a) All the requirements determined elsewhere in this RFA;
- b) Relevant, adequate and credible application;
- c) Compliance with the Act and National Gambling Act 2004 (Act No. 7 of 2004);
- d) Appropriate knowledge or experience, or ability to acquire such knowledge and experience, to operate a Bingo Operation;
- e) Suitability of source of funding;
- f) Financial strength of the applicant;
- g) Financial sustainability of the Bingo operation;
- h) Shareholding and corporate structure;
- i) Employment equity
- j) Management Control
- k) Skills development and Transfer
- l) Preferential Procurement
- m) Economic and community benefits derived from the Bingo operation;
- n) Level of local PDIs participation in ownership and management;
- o) Entrepreneurial opportunities created by the Bingo operation;
- p) Fiscal benefits to the **Province**;
- q) Proximity to other gambling venues, within the **Province**;
- r) Responsible promotional activities and measures to introduce Bingo to the public;
- s) The extent to which the Bingo Operation is situated in the vicinity of a place of worship, a school or residential area;
- t) The availability of sufficient parking on the property where the Bingo Operation is situated, or in the proximity, or both;
- u) Visibility of designated gambling area to the general public, from the outside of the Bingo Site or designated gambling area;
- v) Adequacy of internal and external security at the Bingo Site;
- w) Operating hours.
- x) Provision of sustainable employment in the **Province**;
- y) Propriety and Integrity;
- z) Access to expertise and experience;

- aa) Strategy and objectives;
- bb) Development strategy;
- cc) Site location and size;
- dd) Site layout and design features;
- ee) Compliance with Health and Safety Standards;
- ff) Accessibility by children under the age of eighteen (18) years; and
- gg) Compliance with Responsible Gambling requirements.

Applicants shall satisfy the Board that they comply with the above criteria, setting out the relevant information in support of this.

If any of the above criteria are not met, the Board reserves the right to disqualify an applicant failing to meet the above criteria.

### **3.13 ADDITIONAL CONSIDERATIONS FOR EVALUATIONS**

**3.13.1** In addition to the above criteria the Board will in selecting the preferred bidder consider any other additional information and commitments made by the applicant in support of the application in determining the best bid.

**3.13.2** Regardless of the number of the licences to be issued in terms of this RFA the Board shall have the discretion to limit the number of licences if it deems appropriate to do so on the basis of the quality of the bids submitted.

### **3.14 EVALUATION PROCESS**

**3.14.1** Evaluations of all applications will be undertaken by the Board. To facilitate this process, each applicant may be required to provide additional information in writing, in order to clarify particular aspects of their application. Applicants may also be requested to attend recorded interviews by the evaluation team at the Board's offices. In addition, applicants may be requested to deliver formal oral presentations to the evaluation team and visits to the applicants' proposed sites may be undertaken.

**3.14.2** Once applications are received, they will be reviewed for compliance with this RFA, both as regards the completeness of information as well as the format of the applications. Applicants should note that the Board reserves the right to reject any or all applications which do not in its opinion adequately satisfy the requirements of this RFA.

**3.14.2.1** The applications will then be evaluated against the evaluation criteria stated in paragraph 3.12. It is at this point that applicants may be requested to provide additional information, attend interviews and deliver formal presentations. The Board will make every effort to ensure that all applicants are given an equal opportunity to state their cases. The results of these investigations will be reported to the Board. Where there is more than one applicant, the respective applications will be compared against each other in terms of the stated evaluation criteria.

**3.14.3** The Board will also take cognisance of any objections lodged against the respective applications, as well as applicants' responses thereto. In addition, the Board will consider the oral and written presentations made in the public hearings.

**3.14.4** Final adjudication by the Board will only commence once:

- a) all investigation reports have been finalised;
- b) where there is more than one application per Municipal District, comparative evaluations have been performed;
- c) all objections and responses have been considered; and
- d) public hearings have been held.



### **3.15 ISSUING OF LICENCE**

Should the Board decide to grant a licence to an applicant, an annual licence fee shall be payable by the applicant, in terms of Regulation 132, as follows:

The number of seats used for purposes of this calculation will be the maximum number of seats intended for use on the Bingo Operation. No licence will be issued to an applicant, until such time as all fees are paid to the Board.

Prospective Bingo applicants should also note that the following matters will be considered prior to issuing a licence and authorising the commencement of the operation of the Bingo Operation:

- a) Internal controls;
- b) Specifications of computer system;
- c) The terms and conditions contained in the standard contracts between prospective Bingo Operators and other licensees (if applicable);
- d) Signage, and advertising may be permitted subject to the provisions of the Act and the National Act.
- e) The entrance to the gambling areas, should clearly state that persons under the age of 18 years are not allowed;
- f) Requirements of Bingo Operation;
- G) Verification of the Bingo Operation layout, in terms of the floor plan as submitted in the detailed application.

Bingo Operator and Site Licences will not be issued in isolation; hence, a Bingo Operator Licence shall not be issued unless the Applicant has also qualified for a Bookmaker Site licence, and vice versa.

## **4**      **GENERAL TERMS AND CONDITIONS**

### **4.1**      **GOOD FAITH**

Applicants shall undertake to act in good faith in all their dealings with the Board and shall include in their proposals a statement of willingness to negotiate and to finalise agreements with the Board in such spirit.

Applicants are to timeously inform the Board of any grounds for disqualification which arise after submission of the application.

### **4.2**      **CONFLICT OF INTEREST**

Applicants shall certify in their proposals that they do not have any direct or indirect connection with any member or staff member of the Board, which may in any way constitute or be deemed or seen to constitute a conflict of interest.

### **4.3**      **CONFIDENTIALITY**

Any information relating to the project received by the applicants, through the process or otherwise, shall be treated in strict confidence.

Unless required by law, applicants shall not disclose in whole or in part, any details pertaining to their proposals and the process to anyone not specifically involved in their proposals, unless written consent is obtained from the Board prior to such disclosure.

Applicants shall not issue a media release or make any other public announcements pertaining to details of their proposals or the process without the prior written consent of the Board.

Applicants, its officers, employees, agents, advisors and representatives shall use this RFA solely for the purpose of considering, developing and preparing the application and for no other purpose whatsoever. Applicants shall not divulge or distribute any information contained in this RFA to any third party without the prior written approval of the Board.

**4.4 COPYRIGHT**

Copyright in this RFA vests in the Board. Consequently, it cannot be copied, in whole or in part, in any form or in any format without the prior written consent of the Board.

**4.5 LICENCE PRECONDITIONS**

Applicants shall provide details of any confirmations, clearances, permissions, approvals or conditions necessary to be met.

**4.6 CORRUPT GIFTS AND PAYMENTS**

Neither the Applicant, its Shareholders nor any of their advisors shall directly or indirectly offer or give to a member of the Board, any person in the employment of the Board or any other government official, who is directly involved in the Project and the award of the Licence, any gift or consideration of any kind as an inducement or reward for appointing the Applicant as the Preferred Applicant, or for showing or omitting to show favour or disfavour to any Applicant, its Shareholders in relation to the Project and the award of the Licence.

**4.7 DISQUALIFIED PERSONS**

No Person who is a member of or employed or previously employed by the Board (within the past 12 months) may advise any Applicant or its Shareholders or be a member or director or shareholder of any Applicant without the prior written consent of the Board.

**4.8 NO COLLUSION AND NO CREATION OR AGGRAVATION OF MONOPOLIES**

The attention of each of the Applicant and its Shareholders is drawn to Section 4(1) (b) (iii) of the Competition Act, 1998, which prohibits collusive tendering.

In submitting a Proposal, each of the Applicants and its Shareholders warrants that its Proposal –

- (a) has been prepared without consultation, communication or agreement for restricting competition with any other Applicant, member of another Applicant, or any other competitor or potential competitor;

- (b) has not been disclosed by it, nor will it be disclosed by it to any other Applicant, member of another Applicant, or any competitor or potential competitor; and
- (c) no attempt has been made or will be made by it to induce any other person not to submit a Proposal for the purpose of restricting competition.

#### **4.9 RIGHT TO CANCEL OR AMEND THIS RFA**

The Board reserves the right to cancel, suspend or amend this RFA, or restructure or cancel the process, but without liability to compensate or reimburse any person in relation thereto.

Should the Board exercise such right, the Applicants will be advised by way of written notice, subject to such other reasonable conditions as determined by the Board.

Changes to the RFA will only be valid if given in writing by the Board. No reliance should be placed on any other information or comment from any other persons, or source.

#### **4.10 POSSIBILITY OF CHANGES IN LEGISLATION**

Each Applicant shall be aware that the legislation, taxation and directives pertaining to gambling and betting may change from time to time. Neither the Provincial Government, the responsible MEC, the Board or their employees or agents will take any responsibility for such changes. The Limpopo Department of Economic Development Environment and Tourism is in the process of a legislative review of the Act and the Regulations in order to amend same. This will also result in the Gambling Rules of the Board being amended. In the event that the provisions of the RFA and/or the conditions of licence, following an amendment of the Act, Regulations and the Gambling Rules of the Board, is in conflict thereof the amended Act, Regulations and Rules shall prevail.

#### **4.11 RECTIFICATION**

It shall be the duty of each Applicant to advise the Board forthwith in writing of any information contained in its proposal which the Applicant subsequently establishes to be incorrect.

**4.12 REFUSAL, SUSPENSION OR REVOCATION OF LICENCE**

The Board may in terms of the law, refuse, suspend or revoke a Licence if any information contained in a proposal is found to be false in any material respect or subject to any material omission, with the intention to mislead the Board, at the time the information was provided.

**4.13 DISSEMINATION OF INFORMATION AND RETENTION OF MATERIAL**

The Board reserves the right to publicly disseminate any information of a non-confidential nature contained in any proposal. Any and all eligible Proposals including all related material shall become the property of the Board and shall not be returned to any Applicant or the source from which they originated.

**4.14 NO BINDING AGREEMENT**

This RFA and the Proposal from the Preferred Applicant(s) shall not constitute a binding agreement and the selection of a Preferred Applicant does not mean that such Applicant's proposal is necessarily acceptable in the form submitted. The Board reserves the right to decline to issue a Licence to the Preferred Applicant should such Applicant fail, neglect or refuse to conform with any further or alternate requirements or conditions stipulated by the Board, or should any of the information contained in the Proposal of the Preferred Applicant be invalid, or incorrect. In such event the Board may, at its sole discretion, either select another Applicant from the remaining Applicants for the Licence or re-advertise for Applications.

**4.15 ANY OTHER RELEVANT INFORMATION**

Applicants shall provide other relevant information to the application, if any.

**4.16 COMPANY HISTORY AND DEVELOPMENT INFORMATION**

**4.16.1 Business history disclosure**

Applicants shall complete all information as per **Annexure B**

**4.16.2 Personal history disclosure**

Applicants shall complete all information as per **Annexure C**.

**4.17 PRESENTATIONS WITH REGARD TO PHASES TO WHICH APPLICANT IS NOT PREPARED TO COMMIT**

In its application the applicant shall clearly indicate those projected phases of the Bingo operation to which it is not prepared to commit. Such phases shall be excluded from any and all presentations and application documentation which are available for public inspection.

**4.18 SOCIAL**

**4.18.1 Culture, art and sport Promotion**

Applicants shall provide details of how they will promote art, culture and sports.

**4.18.1.1 Protection of Public Interest**

Applicants shall outline their strategy to ensure that the public interest is protected. In particular, applicants shall detail their social responsibility objectives and strategies with regard to problem gambling and its potential negative effects on the community.

Applicants shall provide details regarding the proximity of schools, churches as well as other educational and/or social institutions, to their proposed Bingo developments.

**4.18.2 Financial Aspect**

**4.18.2.1 Financial Control**

As an overall requirement, applicants should provide sufficient details to enable the Board to establish the control structure and control mechanisms applicable to the applicant at the date of the issue of the licence and throughout the licence period. Accordingly, applicants should provide the following:

- a) Signed shareholders' agreements between all shareholders in the applicant, all shareholders in any empowerment entity and any other major participant in the application.
- b) Lease agreements between applicant and any property owner.
- c) Memorandum of incorporation, rules of company and/or memorandum of association whichever is applicable.
- d) Full names, addresses and identity numbers (if an individual) or registration numbers (if a company) of the applicant and all shareholders in the applicant and effective shareholdings in the applicant.
- e) Full names, addresses and identity numbers of all directors and managers in the applicant and their effective shareholdings in the applicant.
- f) Full names, addresses and identity numbers or registration numbers of all shareholders of shareholders in the applicant, effective shareholdings in the applicant and full names of directors.
- g) Full details of all circumstances and/or agreements affecting the control of the applicant by either the shareholders or the directors, or both.
- h) The memorandum of incorporation, rules of company, memorandum of association and/or shareholders' agreements (whichever is applicable) in respect of the applicant must set out clearly how many directors are to be appointed, by whom, who appoints the chairman and whether the chairman has a casting vote. The applicant is required to reveal any interest which may cause its project to be disqualified in terms of section 49 or 50 of the National Gambling Act.

#### **4.18.2.2 Financial Strength**

Applicants shall provide:

- a) The three most recent audited annual financial statements ("AFS") for the applicant and all companies holding an effective 5% or more shareholding in the applicant, and an interim report if this is more recent than the most recent AFS.
- b) For all dormant companies, an auditor's confirmation of dormancy or a confirmation that the company is not subject to any undisclosed or contingent liabilities.

#### **4.18.2.3 *Financing Structure and Access to Capital Resources***

Applicants shall:

- a) For all companies having a direct holding in the applicant, specify the nature, terms and conditions of all debt financing and details of all other financial commitments, including letters of commitment from financiers for the full debt requirements.
- b) Provide names of contactable representatives of all financiers of the applicant, financially responsible consortium members and empowerment vehicles.
- c) Provide the proposed capital structure of applicant.
- d) Specify whether any of the project capital expenditure is based on cash flows from the gambling operations and detail secondary sources of funding if the primary cash flows fail.
- e) Specify and schedule the ultimate source of all funding for the project.
- f) Give comprehensive details of commitments for intended funding or funding or previously disadvantaged individual shareholders' contribution to equity, including sources, terms and conditions relating to it.

#### **4.18.2.4 *Financial Viability***

- a) Applicants shall provide financial projections relating to the applicant to cover a ten (10) year period. Additional or alternative information shall be provided by applicants in the form of clearly cross-referenced supporting schedules. This information must be provided in both hard copy and electronic form. The electronic recording medium must be clearly labelled with the applicant's name and contents and shall be write-protected.
- b) Applicants shall provide a written report to support the financial information included in the proposal. In particular, all critical assumptions shall be clearly documented and cross-referenced to where they apply. Significant potential risks and uncertainties shall be specified.
- c) Financial information shall be presented in conformity with generally accepted accounting practice wherever applicable and accounting policies shall be stated.
- d) The balance sheet to be prepared shall be related to the applicant's cash flow projections, equity and debt financing and capital expenditure



assumptions for the Bingo development. Assumptions in respect of average working capital balances or other items included in the balance sheet should be clearly stated. All forms and sources of financing not disclosed on the balance sheet shall be fully disclosed by way of notes setting out details and amounts of all related assets and obligations relating to such financing. Full details of all material guarantees or securities provided to or by the applicant shall be provided by way of notes.

- e) Applicants shall be aware of all fees, taxes and levies payable, which they need to take into account when preparing their proposals.
- f) Applicants shall also provide assumptions of rates used to prepare the projections for a ten (10) year period.

#### **4.18.2.5 Suitability of Funder**

Applicants shall specify whether any party other than financially responsible consortium members has committed a deposit, line of credit or any other form of guarantee for the financing of the project and detail the terms and conditions of the guarantees, particularly in relation to the control of the applicant.

### **4.18.3 Management Aspect**

#### **4.18.3.1 Propriety an Integrity**

Applicants shall provide the following in respect of the management structure:

- a) Details, including an organizational chart, of intended senior staff to be dedicated to the management of the proposed site.
- b) An organizational chart, which shall identify the persons responsible for specific areas of the site and the number of persons reporting to them.

#### **4.18.3.2 Access to Expertise and Experience**

Applicants shall provide details of their access to operating expertise in terms of:

- a) Their experience in managing and operating the Bingo business located on the site and how this experience and expertise will be applied to the project.
- b) The persons (including all directors, executives, principal officers, associates and consultants) associated with entities that will be responsible for the operation of the project.

- c) The relationship between themselves and such persons.
- d) The applicant shall outline in broad terms internal controls planned to be incorporated in the Bingo licence holders which shall be consistent with internationally accepted standards.(The Board will adopt certain minimum requirements for internal controls to be incorporated in all site operations in the province, which shall be consistent with internationally accepted standards.)
- e) Applicants shall state the measures they intend to implement to reduce the risk of money laundering activities going undetected as the Board is particularly concerned about the risk of gambling businesses being targeted for money laundering activities.

#### **4.18.3.3 Strategy and Objectives**

Applicants shall:

- a) State the overall mission of the proposed Bingo operation and define its business and geographic area of operations.
- b) Describe the projected business environment, including external forces, which are expected to impact upon the business.
- c) State the critical objectives of the proposed Bingo operation and the critical success factors for the achievement of each of the objectives (i.e. activities that need to be performed well to achieve the stated objectives). Also, applicants shall state the significant business risks which threaten the achievement of the stated objectives.
- d) Describe the corporate strategy adopted to achieve the objectives and the key performance indicators that will be used to monitor the achievement of the critical success factors.

#### **4.18.4 Development Aspect**

##### **4.18.4.1 Development Strategy**

Submissions shall clearly set out the applicant's strategy regarding the development of the project. The strategy shall include the development of the Bingo Site. The strategy shall also include the following aspects:

- a) Future expansion plans for the Bingo Site.

- b) The proposed timetable for the development, completion, opening and operation of the Bingo Site.
  - c) The management control and review structure to be used for the purpose of monitoring the development to ensure that it will be completed on time, within the budget and in accordance with agreed quality standards.
  - d) The costing of the development and the relative raising of finance up to the completion of all aspects of the Bingo operation, emphasizing critical paths.
  - e) The compliance with the relevant liquor Legislation applicable in the **Province** and/or the current status of any application in respect thereof where applicable.
  - f) Assumptions underlying cost forecasts and critical dates.
  - g) Details of project specific insurances (e.g. contractor's all-risk or equivalent, professional indemnity, public liability, etc.).
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**ANNEXURE****ANNEXURE A****SCHEDULE OF DATES**

The timetable below provides an indication of the critical dates for application and licensing process. The Board reserves the right to change the timetable as and when necessary of its discretion.

	<b>ACTIVITY</b>	<b>DATE</b>
1	Publication of RFA	31 October 2014
2	Closing Date for Purchase of RFA	05 December 2014
3	Submission of Questions for clarification	07 February 2015
4	Clarification of questions	To be announced
5	Closing Date for Submission of Applications	30 June 2015
6	Public viewing and objections	01 July to 03 August 2015
7	Submission of written objections	04 August to 03 September 2015
8	Written responses to objection	To be communicated to the applicant
9	Commencement of Evaluation of Applications	07 September 2015
9	Public Hearing	To be announced
10	Announcement of Board's Decision	To be announced

Annexure "B" and "C" contain pro-forma forms which must be completed by Applicants in accordance with the instructions of the RFA.