



REQUEST FOR PROPOSAL

FOR

BOOKMAKER OPERATOR LICENCES

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DEFINITIONS

In this request for applications, including the appendices and Annexures thereto, unless the content indicates otherwise:

“Act” means the Limpopo Gambling Act (Act no. 4 of 1996) as amended.

“Applicant” means a person who has lodged an application for a Bookmaker licence, pursuant to this RFA, as contemplated in section 35 of the Act; and shall include all owners, members, partners and shareholders, where applicable.

“Bet or Betting” means to stake any money or thing of value or to stake on behalf of any person, or expressly or impliedly, to undertake, promise or agree to stake on behalf of any person, any money or thing of value on any event or contingency other than the contingency involved in a gambling game.

“Betting Slip” means a means a manual, mechanical or electronically generated document, making reference to details so as adequately to identify all information on betting transactions either physically concluded with a customer or appearing within the customer’s account information reflected on the wagering system.

“Bookmakers Stake” In relation to any bet laid by a licensed bookmaker, means the amount of money a bookmaker will forfeit, excluding the punter’s stake, if he loses such bet.

“Bookmaker” means any person, who earns or endeavours to earn his or her livelihood wholly or partly by directly or indirectly laying or taking fixed odds or open bets on sporting events with members of the public or other bookmakers.

“Board” means the Limpopo Gambling Board established in terms of the Act.

“Contingency” means an event or occurrence of which the outcome is uncertain or unknown to any person until it happens.

“Licensed Premises” means the place or premises specified in a licence on which the activities authorized thereby may be conducted in terms of this Act.

“National Gambling Act (National Act)” means the National Gambling Act No. 7 of 2004, as amended.

“Open Bet” means

a) a bet other than a totalisator bet, taken by a bookmaker on one or more contingencies, in which no fixed-odds are agreed at the time the bet is placed:

or

b) a bet in respect of which the payout is determined after the outcome of the contingency on which such a bet is struck became known, with reference to dividends generated by a totalisator.

“Person” means both natural and a juristic person.

“Player or Patron” means any participant in a gambling game and includes a punter in any betting transaction.

“Premises” means any site, place or location, regardless of whether it is or form part of any permanent structure, building, vessel, vehicle or aircraft.

“Price” means betting odds.

“Province” means the Limpopo Province.

“Regulations” means the Limpopo Gambling Regulations, 1997 (promulgated on 26 September 1997 in terms of the relevant provisions of the Act), and as amended from time to time.

“RFA” means the Request for Applications.

“Rules” means the Limpopo Province Gambling Rules laid down in terms of the relevant section of the Act.

“Winning Bet” means any bet where the person who played the bet correctly predicted the result of the event or contingency or combination thereof in respect of which the bet was placed.

1. BACKGROUND

1.1 INTRODUCTION

Gambling was introduced in the Province 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.

Gambling is seen as an important vehicle to achieve economic growth and development within the Province. Whilst the Board has a duty to prevent the overstimulation of gambling in the Province, it has to explore opportunities to create employment and generate additional revenue for the Province.

1.2 BOOKMAKER LICENCES

Section 34 (B) and Section 34 (C) of the Limpopo Gambling Act, No. 4 of 1996, as amended, states as follows:

"34 (B) (1) No person may apply for a totalizator licence other than in response to a notice published by the Board in the Provincial Gazette and a newspaper circulating in the Province inviting applications and which notice may state-

- (a) the number of licences to be issued and the areas to which the licences will relate;*
- (b) an invitation to tender payment of a lump sum for the acquisition of a licence; and*
- (c) the evaluation criteria to be applied.*

- (2) *The Board shall only grant a totalizator licence to a person who meets the requirements prescribed or determined by the Board.*
- (3) *A totalizator licence shall authorize, subject to the provisions of this Act, the conducting of a totalizator on the licenced premises, in accordance with the rules made by the holder of the licence and approved by the Board.*
- (4) *Nothing in this Section shall prohibit the holder of a totalizator licence from applying for additional licenced premises: provided that the provisions of Sections 24 – 28 shall mutatis mutandis apply in respect of such an application.*

"34 (C) (1) *No person may apply for a bookmaker licence other than in response to a notice published by the Board in the Provincial Gazette and a newspaper circulating in the Province inviting applications and which notice may state-*

- (a) *the number of licences to be issued and the areas to which the licences will relate;*
- (b) *an invitation to tender payment of a lump sum for the acquisition of a licence; and*
- (c) *the evaluation criteria to be applied.*

- (2) *The Board shall only grant a bookmaker licence to a person who meets the requirements prescribed or determined by the Board.*
- (3) *A bookmaker licence shall authorize, subject to the provisions of this Act, the accepting of fixed odds bets on sporting events on the licenced premises."*

2. GUIDELINES APPLICABLE TO BOOKMAKER OPERATORS

2.1 BOOKMAKER OPERATORS

A Bookmaker Licence shall authorise the wagering in or on the licensed premises specified in the licence, on a legal event provided that the maximum charge per wager or bet is as prescribed in the relevant wagering legislation.

The Board does not intend to prohibit Applicants from conducting other forms of legal business on such licensed premises, provided that no access to the designated wagering area will be allowed to persons under the age of 18 years and that all the legislative requirements are met.

Any type or style of wager or betting as approved by the Board may be offered to the public, except person to person betting.

2.2 CORPORATE STRUCTURE

A Bookmaker operation must be owned by a South African company or person and be financially controlled by citizens of the Republic of South Africa with offices in the Limpopo Province.

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

2.3 OPERATING HOURS

The hours of operation for Bookmaker operations will be subject to approval by the Board and may form part of the conditions of the licence.

2.4 WAGERING SOFTWARE

Wagering activities shall be conducted through approved wagering software and in line with the standard rules and regulations of wagering operations in South Africa. All wagering software must be tested by an accredited test laboratory in South Africa, certified by the National Regulator for Compulsory Standards and approved by the Board.

Any ticket or form used for wagering purposes should adhere to wagering rules applicable in South Africa or as may be determined by the Board from time to

time. Any mode to place a wager or a bet on an event should be limited to legal activities and/or events and shall be made in a manner approved by the Board.

All wagering software shall be supplied and maintained by licensed manufactures, suppliers and distributors in South Africa.

2.5 DISPLAY OF DETAILS OF THE BOOKMAKER OPERATOR

A holder of a Bookmaker Licence must conspicuously display the name of the licensed Bookmaker. A board must also be displayed identifying the events on which bets are accepted and the names of participants competing in such events together with the respective odds or dividends for each participant or event, whichever is applicable.

A holder of Bookmaker Licence should display a notice that all wagers and bets are subject to wagering rules which are available on request.

All winning combinations, together with the corresponding prizes or dividends must be clearly displayed or be easily accessible to punters.

2.6 CREDIT EXTENSION

A holder of a Bookmaker Licence shall not extend credit in any form whatsoever to any patron.

2.7 ACCOUNTING RECORDS

The holders of Bookmaker Licences, shall in such manner as the Board may approve, or as prescribed by the relevant legislation, keep accurate, complete, legible and permanent records and returns.

2.8 PAYMENT OF LEVIES

It will be the responsibility of the Bookmaker to pay levies, calculated in accordance with the prescribed formula, to the Board within the specified time frames, as indicated in the relevant legislation.

2.9 RESPONSIBLE GAMBLING CONTRIBUTION TO THE NATIONAL RESPONSIBLE GAMBLING PROGRAM (NRGP)

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

2.10 MANAGEMENT OF BOOKMAKER OPERATION

The applicant must show commitment to BBBEE by ensuring that at least 51% of management of the Bookmaker operation is acquired by blacks

2.11 EMPLOYMENT EQUITY

The applicant must show commitment to BBBEE by submitting a 3year plan and strategy of employment equity. This plan must at a minimum be commitment to obtain 70% of general staff from black local community and 60% of management from the same community. The employment plan must be in line with the Employment Equity Act No.55 of 1998

2.12 SKILLS DEVELOPMENT AND TRANSFER

The applicant must show commitment to BBBEE by submitting a skills transfer plan. This plan must ensure that skills are transferred to black local community within 5 year of operation which will enable the community to fully operate and manage the Bookmaker operations

2.13 PREFERENTIAL PROCUREMENT

The applicant must show good commitment to BBBEE by committing to procure goods and services, if obtainable, from local community. A three year preferential procurement plan must be submitted with this application and approved by the Board

2.14 REGISTRATION OF EMPLOYEES

The registration of all employees will take place in accordance with the relevant legislation.

2.15 BOARD'S DISCRETION TO ISSUE LICENCES

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

3. APPLICATION AND LICENSING PROCESS

The application process will be an open ended process for a licence and the duration of the process shall extend beyond the stipulated time period unless otherwise determined by the Board.

3.1 SCHEDULE OF DATES

The timetable outlined below provides the anticipated timing of the licensing process by the Board. The Board reserves the right to amend or deviate from the schedule.

| | ACTIVITY | DATE |
|---|---|-------------------|
| 1 | Publication of RFA | 02 September 2011 |
| 2 | Start Date for Purchase of RFA | 09 September 2011 |
| 3 | Submission of written questions for clarification | 16 September 2011 |
| 4 | Written response to clarification questions | 23 September 2011 |
| 5 | Start date for submission of applications | 30 September 2011 |

3.2 CLARIFICATION OF RFA

Applicants may seek clarification of the requirements of this RFA, during office hours (07:45 to 16:30). All requests for clarification must be in a formal written and signed letter, and may be sent by facsimile or e-mail. If requests for clarification are raised which, in the opinion of the Board, are relevant to all other prospective applicants, the Board will provide written clarification to be published in the website of the Board (www.lgb.org.za).

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
22 SCHOEMAN STREET
POLOKWANE
LIMPOPO PROVINCE
0699**

Telephone : (015) 295 5581
Facsimile : (015) 295 3566
E-mail : ceo@lgb.co.za

3.3 SUBMISSION OF APPLICATIONS

3.3.1 The Application shall be submitted as follows:

- (i) 1 x original Application;
- (ii) 2 x copies of the original Application one of which shall be in a loose leaf format;
- (iii) 2 x public copies of the Application marked as such (which shall exclude confidential information in terms of the Act); and
- (iv) 1 x electronic (soft) or scanned copy of the Application.

The copies submitted shall be separately bound and shall contain all information required in terms of this RFA. The application must be in English, prepared in black and white and in standard A4 format

Applicants must tender original proof of purchase of the RFA upon submission of the Application. Failure to do so will render the application invalid.

Applications must be hand-delivered by the Applicant, to the Board, for the attention of the Chief Executive Officer from 30 September 2011.

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

OR

**THE CHIEF EXECUTIVE OFFICER
LIMPOPO GAMBLING BOARD
22 SCHOEMAN STREET
POLOKWANE
LIMPOPO PROVINCE
0699**

Telephone : (015) 295 5581
Facsimile : (015) 295 3566
E-mail : ceo@lgb.co.za

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.

3.4 APPLICATION AND INVESTIGATION FEES

Each application for a Licence for a Bookmaker’s operation must be accompanied by a non-refundable application fee of R 10 653.00.

A person who submits an application to the Board for a Licence for a Bookmaker operation, shall be liable for and pay R 10 000.00 to the Board for all reasonable direct and indirect expenses that will be incurred by the Board for all investigations to be undertaken in respect of the Application, to conduct the investigations referred to in section 28 of the Act. The investigation fees shall be paid to the Board, prior to the commencement of the investigation. Should it be necessary, the Board may require additional investigation fees during the investigation of an Applicant.

Participation in this bid by an Applicant signifies acceptance of this condition.

3.5 INFORMATION REQUIRED BY THE BOARD

3.5.1 The following minimum information is compulsory for purposes of lodging an application for a Bookmaker Licence:

| | DETAILED APPLICATION |
|----------|---|
| A | Bid proposal |
| 1) | Consolidated and costed Business plan in response to this RFA |
| 2) | Business Entity Disclosure Form |
| 3) | Confirmation of payment of prescribed fees |
| 4) | Original Tax Clearance Certificate |
| 5) | Property ownership and/or lease agreements |
| 6) | Shareholding and Corporate structure |

| | |
|----------|---|
| | DETAILED APPLICATION |
| 7) | Shareholders agreements (if applicable) |
| 8) | Bookmaker operation Location Plan |
| 9) | Bookmaker operation Floor plan |
| 10) | Financial statements (latest audited) |
| 11) | Copies of Advertisements required by section 24(2)(b)(ii) of the Act |
| 12) | Approval of the Local Authority as per section 24(2)(b)(i) of the Act |
| 13) | Copies of Liquor and other relevant licenses (if applicable) |
| 14) | Valid business registration (CIPC) |
| 15) | Third Party agreements (if applicable) |
| 16) | Management Commitment |
| 17) | Employment Equity Plan |
| 18) | Skills Development and Transfer plan |
| 19) | Social Responsibility and Community Development Projects |
| 20) | Preferential Procurement Plan |
| B | Personal History Disclosures |
| C | APPLICATION FOR PUBLIC INSPECTION |
| 1) | Business Entity Disclosure Form |
| 2) | Copies of prescribed notices |
| 3) | Bookmaker Operation Location Plan |
| 4) | Floor plan |

| | DETAILED APPLICATION |
|-----|---|
| 5) | Approval of the Local Authority as per section 24(2)(b)(i) of the Act |
| 6) | Copies of Liquor and other relevant licences |
| 7) | Land and zoning rights |
| 8) | Property ownership and/or lease agreements |
| 9) | Shareholding structure |
| 10) | Copies of prescribed notices |
| 11) | Management Commitment |
| 12) | Employment Equity Plan |
| 13) | Skills Development and Transfer plan |
| 14) | Social Responsibility and Community Development Projects |
| 15) | Preferential Procurement Plan |

In providing the above information required by the Board, 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 rejection or delay in the processing of an application;
- c) the Board may deny an application for a Bookmaker Licence, if any of the information contained in the application 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 Bookmaker Licence was false

in any material respect, or was subject to omission with the intention to mislead the Board.

3.6 CRITERIA APPLICABLE TO THE EVALUATION OF APPLICATIONS

The following criteria will be applicable during the evaluation of applications for Bookmaker Licences:

- a) The Applicant is not disqualified to hold a licence in terms of section 22 of the Act and section 50 of the National Act.
- b) The Applicant has appropriate knowledge or experience, or is able to acquire such knowledge and experience, to operate a Bookmaker;
- c) Suitability of source of funding;
- d) Financial strength of the Applicant;
- e) Financial sustainability of the Bookmaker operation for the period of the license;
- f) Shareholding and corporate structure;
- g) Employment equity
- h) Management Control
- i) Skill development and Transfer
- j) Preferential Procurement
- k) Economic and community benefits derived from the Bookmaker operation
- l) The extent to which the Bookmaker operation is situated in the vicinity of a place of worship, a school or residential area;
- m) Adequacy of security; and
- n) The layout of the Bookmaker operation must prevent any access by persons under the age of 18 years to wagering areas.

3.7 ISSUING OF LICENCE

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 Bookmaker operation:

- a) internal controls;
- b) the Wagering System;
- c) signage, and advertising may be permitted subject to the provisions of the Act and the National Act;

- d) entrance to the wagering areas, should clearly state that persons under the age of 18 years are not allowed;
- e) requirements of Bookmaker operation as stated in the Rules.

4. GENERAL TERMS AND CONDITIONS

4.1 GENERAL DISCLAIMER

This RFA supplies information on a wide range of matters, many of which depend on interpretation of the law in its widest sense. The information contained is not an exhaustive account of the statutory and licensing requirement and shall not be taken as an authoritative statement of the relevant law. Each Applicant shall consult its own legal, tax, financial and other advisors on all relevant matters.

The information contained in this RFA has been compiled in good faith solely for the purpose of assistance to the Applicants. The Responsible Member, the Board, its employees and agents or advisors accept no responsibility for the accuracy or otherwise, any omissions or opinion of law expressed herein, nor liability for any loss or damage, whether resulting from negligence or otherwise, howsoever caused or arising from the reliance of any person upon the statements or information contained in this RFA.

4.2 CONFIDENTIALITY

An Applicant may in the application concerned, identify any document or information included in the application, which in the opinion of the Applicant is confidential or should for any reason not be disclosed to the public and show cause why the Board may determine that such document or information should not be open to public. Applicants are therefore, required to submit a list containing all information deemed confidential, as well as the reasons why such information should not be disclosed.

In terms of the Act, the Board may further determine that any document or information relating to the financial capacity of any person participating in an application, to the names of prospective employees or the business plans of an applicant, shall not be open to the public, provided such document or information can be separated from the remainder of the application and is marked confidential.

The Board is unable to guarantee confidentiality if ordered by a competent court to disclose such information.

4.3 **VARIATIONS**

The Board may, at its discretion, vary, supplement or update any of the contents of this request. It may also vary procedures, time-tables, requirements and any other aspect of, or in connection with the evaluation process, without being obliged to give any reason for doing so.

The Board reserves the right to approve amendments to an Applicant's application, subsequent to the receipt thereof. An application may, with the approval of the Board, be amended at any time prior to the Board's deliberation thereon. Furthermore, any amendment to an application shall have the effect of establishing the date of such amendment as the new date of submission of such application with respect to the time requirements for action on such application.

The Board may, subject to informing all Applicants, also consider further, other or alternative factors in its decision to grant/deny a licence.

4.4 **COMPENSATION**

The Board will not, under any circumstances, be liable to compensate an Applicant or any other party for any costs, expenses or losses incurred or suffered by that Applicant or party, in evaluating or acting upon this request, in supplying any information to supplement, update or amend this request, in registering an interest, in submitting an Application and/or otherwise participating in any evaluation process.

An Applicant must accept any risk of adverse publicity, embarrassment, criticism or financial loss which may result from action with respect to an application and expressly waive any claim for damages against the Board, as a result thereof.

4.5 **REJECTION**

An application for a licence, registration, finding of suitability or approval is seeking the granting of such privilege, and the burden of proving qualification to

receive any licence, registration, finding of suitability or approval shall at all times rest with the Applicant.

The Board reserves the right to reject any and all offers for applications at its sole and absolute discretion and to waive any immaterial defect or lack of compliance with any formality in any application or application procedure. Applicants should understand that the Board also reserves the right to consider any factor, including economic factors, in its selection process.

4.6 DENIAL, SUSPENSION OR REVOCATION OF LICENCE

The Board may, in terms of the Act, deny, suspend or revoke a licence if any information contained in an application made by an Applicant or licence holder for the purposes of obtaining a licence was, at the time the information was furnished, false in any material respect or was subject to any material omission with the intention of misleading the Board.

5. APPENDICES

Appendices "A" to "B", contain pro-forma forms which must be completed by Applicants in accordance with the instructions of the RFP