



TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO
CONDUCT A FEASIBILITY STUDY FOR “BUSINESS DEVELOPMENT OPTIONS” OF FOSSIL
SITE (S) IN STERKSPRUIT (QHEMEGHA), EASTERN CAPE.

CLOSING DATE:

22 September 2023 at 16H00

EASTERN CAPE PROVINCIAL HERITAGE RESOURCES AUTHORITY (ECPHRA)
16 Commissioner Street, Old Elco Building, 2nd Floor, East London,

1. PURPOSE

ECPHRA (Eastern Cape Provincial Heritage Resources Authority) hereby invites suitably qualified and experienced professional service providers to conduct a “Business Development Options” study for the establishment of a sustainable Fossil Site (s)/Park in Sterkspruit, Eastern Cape.

2. BACKGROUND

ECPHRA is a statutory body established in terms of the National Heritage Resources Act (No. 25 of 1999) responsible for the management, protection, and promotion of the provincial cultural resources. The offices are located in Eastern Cape on 16 Commissioner Street, Old Elco Building, 2nd Floor, East London.

3. PROJECT HISTORICAL BACKGROUND

The heritage resources of the Sterkspruit region can be divided into two main categories: archaeological and palaeontological resources. Heritage resources in these categories are intertwined with the geological and ecological history of the area which represent our shared history on Earth going back to some 220 million years until the present. This gives the Sterkspruit region its unique character and marks it as a key heritage resource in South Africa and the world at large. Most significantly, is the recent discovery of a “dinosaur graveyard” by local shepherd, Dumangwe Thyobeka, which resulted in further research being conducted by scientists in this area. The fossils of

dinosaurs and other extinct animals enable the linking of geology, ecology, and cultural history in the Sterkspruit region.

4. OBJECTIVES

The idea to create a Fossil Park was initiated upon the discovery of dinosaur fossils in 2018. It seeks to revive the ancient history about the existence of dinosaurs that roamed the northern part of the province millions of years ago and to leverage on the available data, identified paleontological sites archaeological resources and any other local values that can contribute to the sustainable development and transformation of the South African heritage landscape, while benefitting local communities. This initiative must conserve, manage, and promote the paleo-heritage resources (palaeontology and archaeology) including other aspects of heritage resources that present evidence of the ancient life in the region.

4.1. The Feasibility Study for the development of a Fossil Site is a sub-project led by DSRAC (Department of Sports Recreation, Arts & Culture) and ECPHRA.

4.2 The Fossil Project has potential for socio-economic development in the province through developing infrastructure including heritage tourism facilities that are anticipated to contribute to economic growth and employment opportunities in line with the National Development Plan (NDP).

4.3 The project can be bench-marked against some well-known paleo- sites which include but not limited to Maropeng, Karoo trails, Worcester fossil trail, West coast trails and Kirkwood, to mention a few.

5. SCOPE OF WORK

ECPHRA wishes to appoint a suitably qualified service provider whose Feasibility Study should provide an options business analysis for the development of a dinosaur fossil site but not limited only to the concept of a Fossil Park. There is need to explore other creative and innovative options to recommend the most viable, cost effective and sustainable business model for the Fossil site. The study should address the following:

5.1 Provide Business Model Options for the Fossil site in Sterkspruit, Eastern Cape

5.1.1 Based on the archaeological, palaeontological, and other local values (synthesis to be provided by DSRAC to all applicants) of the Fossil site in Sterkspruit, Eastern Cape, present business modelling options, including the recommended one based on innovation and creativity for consideration by the Eastern Cape Department of Sports Recreation, Arts & Culture (DSRAC).

5.1.2 The business modelling options should be benchmarked with comparative and similar initiatives to avoid pitfalls while maximising on sustainability and delivering benefits to all parties involved or to be involved.

5.1.3 The analysis of the business modelling options shall consider the following technical areas/criteria:

5.1.3.1 Economic feasibility of the recommended Business Model: determine the seed capital, working capital and any other capital requirements, such as contingency

capital. The study should provide types of resources needed to implement the Project.

- 5.1.3.2 Legal requirements feasibility analysis for the Business model: laws and regulations that apply to all proposed activities and deliverables for the recommended Business Model, including recommending most favourable legal structure the Project and its investors. Outline the advantages and disadvantages of the preferred business legal structure, including liabilities that come with it. A comprehensive legal due diligence of the preferred option(s) must be presented to ensure that foreseeable legal requirements are met for the development of the project. Common legal issues that arise are around use rights and regulatory matters. Investigate any regulatory matters that may impact on the Institution's ability to deliver as expected. These may include tax legislation, labour legislations, environmental and heritage legislation, as well as sector regulations such as health standards, building codes among many others.
- 5.1.3.3 Market Feasibility analysis of the Business Model: determine whether the project has the potential to succeed in the market by analysing cultural heritage tourism industry overview, SWOT analysis of competitive organisations in the marketplace, conduct market research to determine whether the recommended business model can enter the market or if there are barriers to entry or constraints that might affect the project's ability to compete. Consider variables such as pricing, your unique value proposition, customer demand, new technologies, market trends and any other factors that affect how the proposed business will operate, including identifying the niche market for the envisioned products.
- 5.1.3.4 Technical Feasibility analysis of the Business Model: Estimate resources required to execute the recommended Business Model, and this should be projected on annual basis for the next 20 years. Costing projection should cover raw materials, equipment, and labour.

5.2 Analyse the Contribution of the Business Model in:

- 5.2.1 Mitigating the observable and identified needs of heritage tourism needs of the area in the context of the National and Eastern Cape Tourism Strategies
- 5.2.2 Facilitating integration and co-existence of conservation of heritage resources and Sustainable development (SD) within the heritage sector
- 5.2.3 Linking National & provincial tourism strategies while creating a niche product and market for the Fossil sites
- 5.2.4 Facilitating Local Community development beyond the rhetoric of unfulfilled promises
- 5.2.5 Facilitating the protection and conservation of heritage resources
- 5.2.6 Recommending governance and the organisational structure for the Fossil Site that are inclusive, transparent, and fostering sustainability.

5.3 Provided Alternatives for the location of the Fossil site in Sterkspruit, Eastern Cape

- 5.3.1 Identify suitable location for the proposed tourism development of the Fossil site in Sterkspruit, Eastern Cape, including analysing the implications of the associated land ownership issues, land uses and any other factor that may affect the project.
- 5.3.2 Define the applicability of business model options, including the preferred one to the existing land tenure of the selected location for the project
- 5.3.3 Provide a comparative analysis of the locations assessed for the project with clear base line information on exact location, legal standing, land uses, state of infrastructural support, existing attractions already open to the public and the hectareage available and any other facts that are relevant.

5.4 Cost-Benefit Analysis

- 5.4.1 Estimate the costs and benefits of project or investments to determine their profitability for the Eastern Cape Department of Sports Recreation, Arts & Culture (DSRAC) and the Community Partners.
- 5.4.2 Consider the costs associated with the preferred Business Model option for the project taking into consideration the following: direct costs, indirect costs, intangible costs, opportunity costs and costs of potential risks
- 5.4.3 Consider the benefits associated with the preferred Business Model option for the project taking into consideration the following: direct and indirect benefits, total benefits, and net benefits
- 5.4.4 Provide the best investment opportunities in different scenarios for the preferred Business Model.
- 5.4.5 Ensure the Cost-Benefit Analysis will assist DSRAC in determining whether the recommended business option is feasible by determining whether it meets technical, economic, legal and market criteria.

5.5 Project Timescale

- 5.5.1 Unpack the planning process that would be required to be undertaken to develop the Fossil Park, stating the activities, timeframes, roles, and responsibilities of role players for the achievement of the project.
- 5.5.2 Provide a tentative and costed implementation plan

5.6 Financial Model and Costing

- 5.6.1 Recommend a sustainable financing model of the preferred Business Model for the Project, including indicating potential sources of seed funding and support for the project.
- 5.6.2 Provide cost estimates associated with the pre-construction, planning process, construction, collections/heritage assets, maintenance, and operations over the full project cycle (see item 5.2.2).

5.7 Outline Expected Returns for the Project

- 5.7.1 Describe the service(s) that the Dinosaur Fossil hub needs to deliver, and the outputs required to deliver that service(s).

- 5.7.2 Specify the minimum standards for the outputs.
- 5.7.3 This will ensure that the service delivered by the project meets the DSRAC/ ECPHRA's expectations

5.8 Stakeholder Consultation Report

- 5.8.1 Demonstrate inclusive engagement and involvement of stakeholders in the conceptualisation of the Business Model for the Project
- 5.8.2 Provide a detailed Stakeholder consultation report outlining role players and major stakeholders identified.

5.9 Risk Analysis & Mitigation Measures

- 5.9.1 Identify and clearly categorise the risks associated with the recommended Business Model for the Project.
- 5.9.2 Indicate the risk mitigation strategy for dealing with each particular risk, and the attendant cost of such mitigation. This is the most important part of the risk assessment and should identify specific steps taken or to be taken to mitigate risks.

5.10 Develop and Submit a Feasibility Study Report

Based on the above analysis, develop, and submit a Feasibility Study Report on the recommended Business Model option for the Project taking into consideration but not limited to the following areas:

- Executive summary
- Description of product/service
- Technology considerations
- Product/service marketplace
- Marketing strategy
- Organization/staffing
- Schedule
- Financial projections
- Findings and recommendations

6. APPLICATION REQUIREMENTS

- Company Profile (incl. CVs of directors / main team)
- Proof of Company Registration (incl. CSD database)
- Two (2) contactable references
- Proven experience in the compilation of a business feasibility study, and experience with heritage sector will be an added advantage.
- Sample of completed and approved business feasibility study
- Project Implementation Plan with estimated time frames, activities, and costs for the execution of the feasibility study.
- Consultation Plan (detailing how and when consultation will take place during the project preparation period of the project cycle and how the views and contributions of key stakeholders will be incorporated into the project).

7. TIMEFRAMES

A proposed work plan with a list of identified stakeholders must be submitted to ECPHRA within two weeks from appointment. The project must be completed within five (5) months from the date of appointment. The service provider will be required to provide ECPHRA with monthly updates.

8. SUBMISSION

Should you not receive a response within two (2) weeks after the closing deadline, please consider your application unsuccessful.

NOTE: The Scientific Feasibility Study of Sterkspruit is available upon request.

For Bid Enquiries	
Contact: Mr. Unathi Diamond	
Tel: 043 492 1940 / 061 450 9954	
Email: unathid@ecphra.org.za	OR Post to:
ECPHRA, 16 Commissioner Street, Old Elco Building, 2 nd Floor, East London, EC.	