



DUBE TRADEPORT AGRIZONE

EXPRESSION OF INTEREST: OPERATOR / STRATEGIC PARTNER FOR THE DUBE TRADEPORT AGRI ZONE TISSUE CULTURE FACILITY

REFERENCE NUMBER: EOI/001AGR/2009

DISCLAIMER

The information contained in this invitation for Expression of Interest (“EoI”) document has been prepared by Dube TradePort, an association incorporated under Section 21 of the Companies Act No.61 of 1973 (as amended) (“Companies Act”) (“DTP”) in good faith based on information obtained from various sources. While all reasonable care has been taken in preparing this EoI, the information contained herein does not purport to be comprehensive or to have been verified by DTP, any of its officers, employees, servants, agents, advisors or any other person. Accordingly, neither DTP nor any of its advisors make any representation or warranty or give any undertaking, express or implied, or accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated herein or any other written or oral information made available in connection with this process and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future. DTP will make only those particular representations and warranties set forth in the definitive transaction documents when, and if, such definitive transaction documents are ultimately agreed and executed, and subject to such limitations and restrictions as may be contained therein.

DTP reserves the right to amend, modify or withdraw this EoI or terminate the process as envisaged in this EoI, at any time, on reasonable prior notice to all respondents but without liability to compensate or reimburse any person in relation thereto.

The EoI does not contain all the information which may be required by a respondent to prepare a possible response to this EoI. Every respondent should conduct its own independent analysis of the requirements and the relevant data supplied or referred to herein or that have been obtained during its investigations. Therefore, any party considering responding to this EoI should seek its own independent financial, legal and other advice.

All costs incurred by respondents in the preparation of their responses will be for the respondents' own cost. No respondent shall have any claim whatsoever against DTP, its officers, employees, agents or advisors arising out of any matter relating to this EoI where such claim is based on any act or omission by DTP under any circumstances whatsoever or such claim is based on the content of or any omission from this EoI of any nature whatsoever.

1. INTRODUCTION

1.1 Background

DTP intends to develop the AgriZone on the Dube TradePort property, at La Mercy north of Durban. This document is an invitation for expression of interest to operate one of the key components of the AgriZone i.e. the tissue culture facility. This is a unique opportunity to operate a high tech tissue culture facility at the Dube TradePort AgriZone.

1.2 Structure of this document

The document is structured as follows:

Section 2: Overview of Dube TradePort

Section 3: Overview of the AgriZone

Section 4: Call for Operators / Strategic Partners for the Tissue Culture Facility

Section 5: Submission Procedures and Conditions

2. OVERVIEW OF THE DUBE TRADEPORT PROJECT

The Dube TradePort is a master planned, green field airport development that is currently being developed on a 2040-hectare site at La Mercy, 30km north of Durban in the Province of KwaZulu-Natal on the east coast of South Africa. The Dube TradePort will consist of three main elements:

- I. **The New International Airport** - This will include an air platform as well as the passenger-focused component of the Dube TradePort. It will consist of a 3,7km runway capable of handling new generation aircrafts such as the A380.
- II. **The Trade Zone** - This will be a specialist freight orientated zone which will incorporate a cargo terminal, perishables centre, inter-modal freight transfer facility, warehousing and a Cyberport.
- III. **Agricultural Zone** – The AgriZone will consist of a number of agricultural activities including high tech greenhouses, packhouses, a nursery, tissue culture facility, a training unit and other facilities. The AgriZone is explained in greater detail in the next section.

3. OVERVIEW OF THE AGRIZONE

The AgriZone will consist of a cluster of facilities that will be developed at the Dube TradePort site to support fresh produce growers interested in selling high value products to international and local markets. The focus will be on products that have a short shelf life which means that they have to be airlifted within a short period after harvesting to preserve quality. The AgriZone will enable this and will reduce transport and logistics costs for growers, as they would be located next to the main point of export.

Furthermore, the AgriZone will provide the necessary cold chain infrastructure and services to ensure an uninterrupted cold chain process from the produce to the importer.

3.1. Objectives of the Agri Zone

The AgriZone has the following objectives:

- To create a cluster of supporting facilities and services (production, research & development, logistics, information, certification, marketing, etc) to stimulate the growth of the KZN perishables sector.
- To serve as a centre of excellence and a demonstration project for new technology, production methods, training and research in high value agriculture.
- To stimulate a move towards more high value production in the province.
- To act as an incubator for new producers by providing training, mentoring, technical assistance and other support measures
- To maximise the location opportunity presented by close proximity to airport to stimulate air freight exports.
- To provide integrated cold chain management for on site producers.

3.2 Size of the AgriZone

The AgriZone development will be 20 hectares in extent. The area will be used up as shown on the next section.

3.3 KEY FACILITIES OF THE AGRI ZONE

The Agri-zone will consist of the following main components:

- An intensive Production/Growing zone
- Post-harvest handling facilities
- Supporting infrastructure and services

These are outlined in more detail below.

3.3.1 Intensive Production facilities

Greenhouses

This entails intensive, high yield cultivation areas under protection i.e. greenhouses with some temperature and humidity control. This should assist in improving the quality of crops and increasing yields. An area of approximately 18 hectares will be allocated for greenhouses. The rest of the land will be allocated to the remaining facilities which form part of the development, together with roads, parking and open spaces.

Mushroom Production

A Mushroom production facility will be also be established. It will consist of temperature controlled growing rooms and a packhouse for the production of button / exotic mushrooms.

Tissue Culture Laboratory

A tissue culture laboratory will be established for propagating tissue culture micro-plants for onsite production, other local producers and for exports. More details on this are contained in the next section.

3.3.2 Post Harvest facilities

Pack houses

Adjacent to each greenhouse area will be facilities for the processing and value adding of crops from the greenhouses. These packhouses will be used for the cooling, washing, sorting, grading, inspecting and packaging of produce. The packhouses will consist of packing lines, cold storage areas, offices and vehicle drop off points.

3.3.3 Support Facilities

Nursery

The nursery will be one of the first facilities of the AgriZone. It will be used for part of the landscaping on the airport site, as well as interior plant décor of offices at the airport, support zone and trade zone. The nursery will also be used to for rehabilitation of plants in order to meet requirements of the Record of Decision issued at the end of the Environmental Impact Assessment process. The nursery will consist of a potting shed, a staging area, a mist house, offices, ablution facilities and parking areas.

Training Centre

The project presents an opportunity for training and skills transfer programmes. A training centre will be developed to train emerging and interested commercial farmers in intensive farming methods and use of new techniques and technology. Other areas of

training could include financial management training, book keeping, marketing and other areas of business management. The training centre will consist of buildings with teaching facilities for theoretical learning and, more importantly, an area for practical training in intensive agriculture.

Offices

Offices for AgriZone management where administrative functions will be performed and a meeting facility for tenants and visitors will be established. This will include associated ablution and catering facilities as well as parking.

Other support facilities

A range of other support facilities will be established. These include:

- Change houses and ablution facilities provided for each production block.
- A canteen at the entrance of the facility and tea rooms at each production block.
- Vehicle parking areas and drop-off zones for labourers at the entrance of the facility (and additional parking associated with the production blocks).
- A central workshop and storage facility.
- Clinic facilities for staff in keeping with regulatory standards.

3.4 AgriZone Layout

The layout of the AgriZone is shown on the diagram below.¹

¹ An AutoCAD version of the diagram can be made available on request.

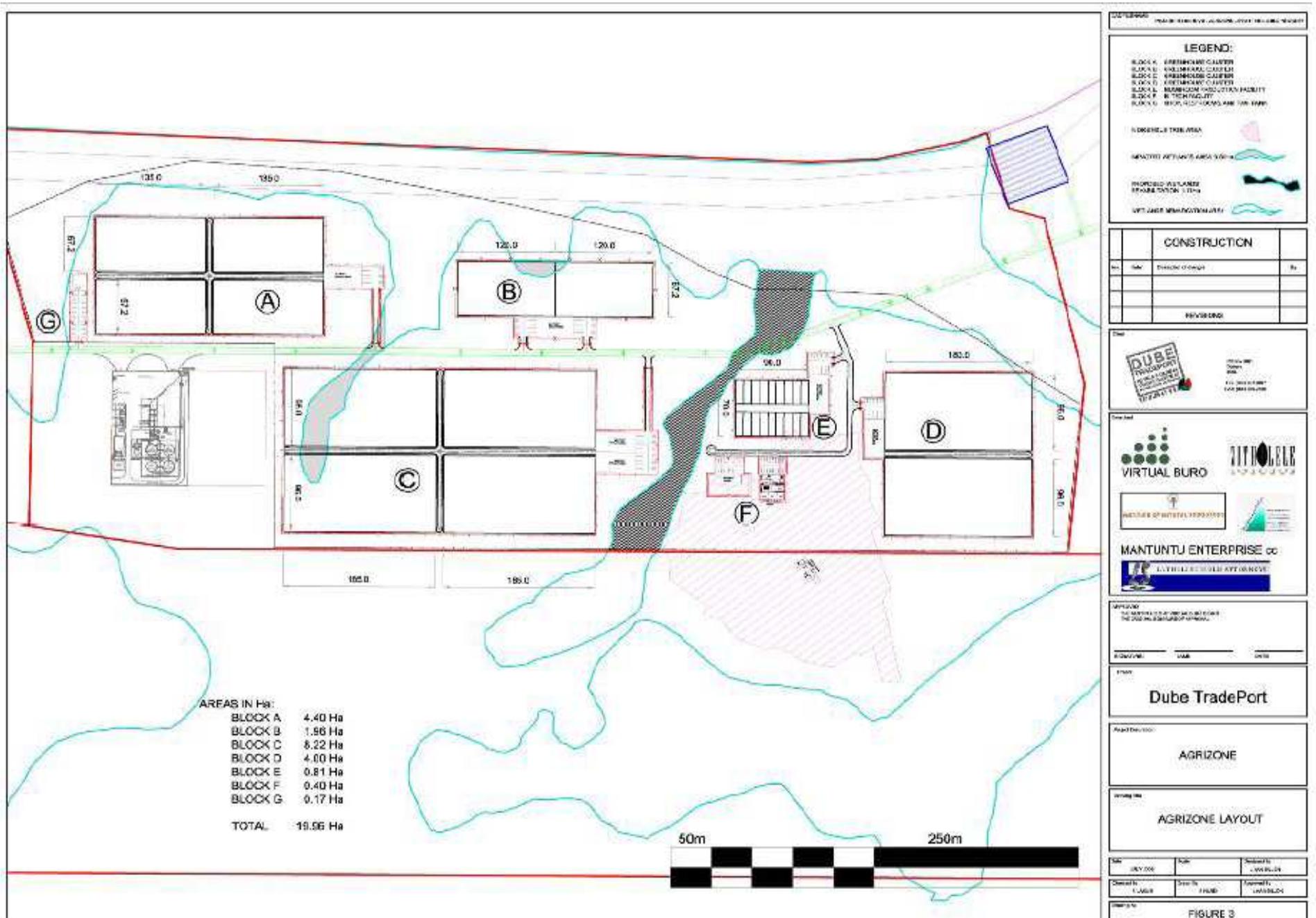


Figure 1: AgriZone Layout. The tissue culture lab will be located in block F.

As shown above, The AgriZone is divided into a number areas or Blocks:

- Block A consists of four 1 hectare greenhouse units with climate control and production fittings, packing facilities with parking, water storage capacity, control room, fertigation unit, offices and ablution facilities for staff.
- Block B consists of two 1 hectare greenhouse units with climate control and production fittings, packing facilities with parking, water storage capacity, control room, fertigation unit, offices and ablution facilities for staff.
- Block C consists of four 2 hectare greenhouse units with climate control and production fittings, packing facilities with parking, water storage capacity, control room, fertigation unit, offices and ablution facilities for staff.
- Block D consists of two 2 hectare greenhouse units with climate control and production fittings, packing facilities with parking, water storage capacity, control room, fertigation unit, offices and ablution facilities for staff.
- Block E consists of eighteen 300m² growth rooms for mushroom production with climate control and production fittings packing facilities, water storage capacity, control room, offices and ablution facilities for staff.
- Block F consist of a **tissue culture laboratory** with 10 flow benches, associated preparation facilities and growth rooms, ablutions facilities and parking for staff and visitors. In addition, Block F provides meeting facilities for tenants and training sessions involving between 15-20 learners with associated ablution and catering facilities as well as parking.
- Block G consists of a drop-off area for staff with canteen and clinic facilities.

3.5 Management of the AgriZone

DTP will employ the services of horticulturists, agronomists, marketing people, administrative staff and other necessary people to manage the precinct. This team will be responsible for providing the following services to tenants:

- Maintenance of AgriZone buildings, equipment and structures
- Water supply
- Power supply
- Site housekeeping, sanitation and waste management
- Maintaining key food safety standards such as EUREPGAP and HACCP
- On-site security and gate control
- Other facilities management activities

In addition to general facilities management, the AgriZone operator will also provide business development support to tenants operating from the AgriZone. Areas of support may include marketing, branding and research.

4. CALL FOR AN OPERATOR / STRATEGIC PARTNER

4.1 Scope of Work

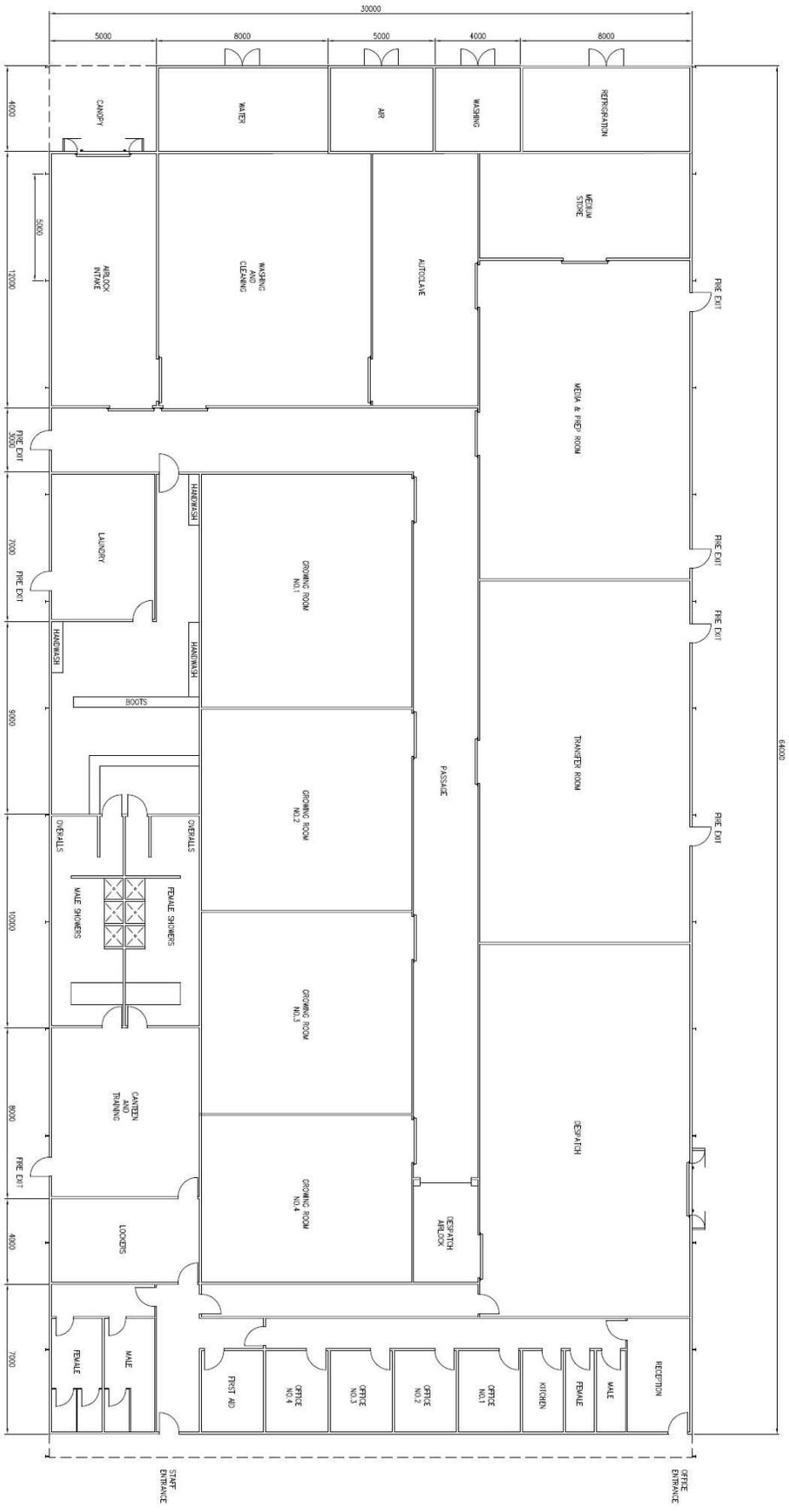
DTP requires a company to operate the tissue culture facility that will be developed as part of the project. Alternatively, Dube TradePort will get into a strategic partnership with a company and develop the business together. The tissue culture facility will consist of the following:

- Growing rooms
- Media Preparation and washing area
- Storage Area
- Aseptic Transfer Area
- Offices, a training area and and ablution facilities
- A kitchen
- change rooms and Lockers
- A Parking Area outside the building

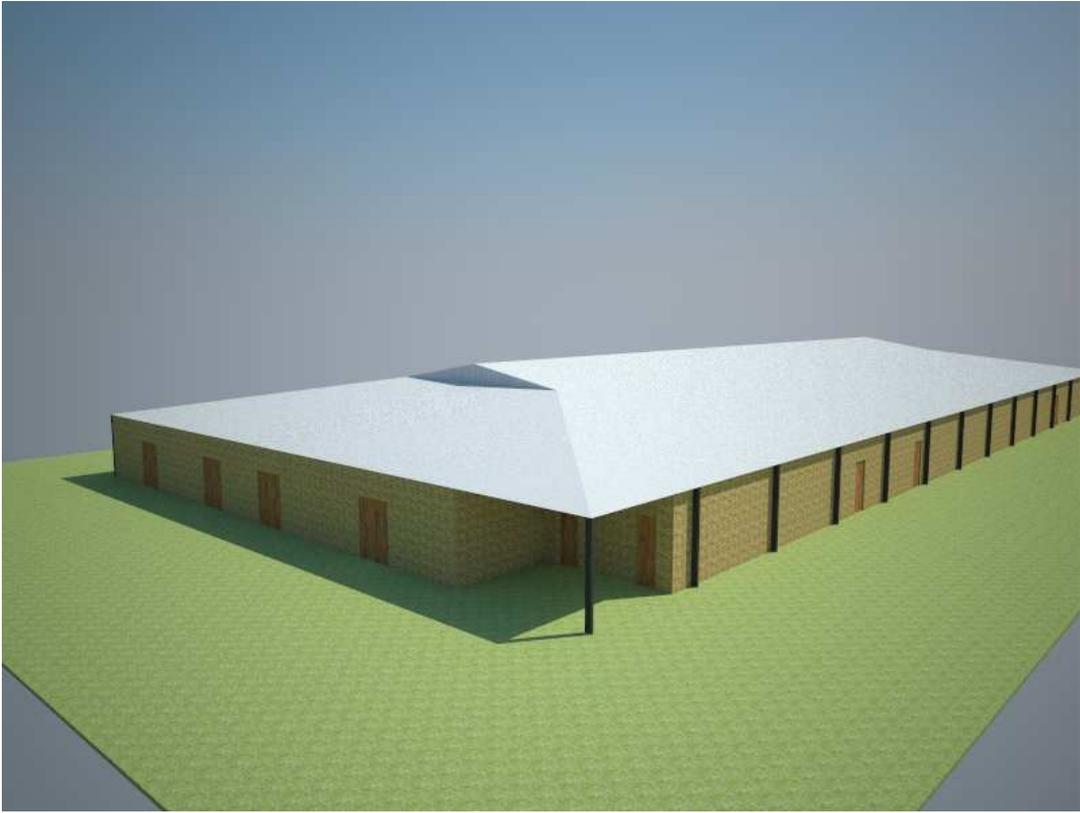
The various parts of the lab are shown on the diagram below.²

² An AutoCAD version of the diagram can be made available on request.

TISSUE CULTURE LABORATORY: FLOOR PLAN



TISSUE CULTURE LABORATORY: FLOOR PLAN



Images of the Tissue Culture building

Process for Designing and constructing the facility

As can be seen above, a high level conceptual design of the building and layout has been done. DTP intends to enter into a contract with an operator / strategic partner before finalising this and the process to construct the facility. Together with this partner or operator, DTP would then procure the necessary equipment suppliers and contractors for building the facility with DTP still responsible for establish all the necessary infrastructure and facilities required.

Objectives of the Facility

The objectives of the tissue culture facility are as follows:

- To propagate some of the plant material for onsite producers at the AgriZone such as:
 - Cut flowers
 - Pot plants
 - Vegetables
 - Mushrooms
 - Nursery

- To produce plantlets for local and international markets
- To produce for international breeding companies in the medium term
- To stimulate a shift towards high value agribusiness activities in KZN

In order to achieve the objectives of the facility a commercial and operational plan have to be prepared. The following documents should be prepared by companies interested in being the operators / strategic partner of the tissue culture facility.

- Commercial Plan
- Operational plan

4.1.1 Commercial Plan

The commercial plan should outline the following, inter alia:

- Whether the company is interested in an operating contract or a strategic partnership arrangement
- Company's Vision and Strategic Intent for Tissue Culture Facility
- Target Production volumes
- Target Customers
- Geographic Markets
- Pricing Structure
- Potential Partners
- Projected Duration of Lease of Facilities
- Any other appropriate commercial issues

4.1.2 Operational Plan

The operational plan should outline the following, inter alia:

- Required Equipment
- Staffing requirements
- Daily operations – key activities
- Administrative Costs
- Maintenance requirements & costs
- Utility Requirements & Costs
- Other appropriate operational issues

NB: These are guidelines. Companies should include whatever information they feel is necessary to include in their responses.

4.2 Expertise Required

The Tissue Culture operator / Strategic Partner is expected to demonstrate skills and experience in the areas outlined below:

- Business Management
- Operating High Tech Equipment
- Plant propagation methods
- Phytosanitary controls
- Quality Control Management
- Maintaining Legal and regulatory procedures
- Technical Supervision and Monitoring
- Managing Laboratory Documentation

5. SUBMISSION PROCEDURES & CONDITIONS

Any response which does not contain a duly signed declaration set out in Annexure A to this EoI may be rejected outright at DTP's sole discretion.

5.1. Structure of Response

The submissions must contain the following information:

- Brief Company Profile including current operations (crops, quantities produced, production capacity, staff employed, key customers etc)
- Demonstration of Experience in a similar facility or similar facility
- Commercial Plan
- Operational Plan
- Key Staff

5.2 Assessment of Responses

Responses will be assessed in terms of the criteria shown on the table below.

- Experience, Resources and Technical Capability
- Commercial and Operational Plans
- Demonstrated Understanding of the AgriZone Vision
- Innovative suggestions
- Broad Based Black Economic Empowerment

5.3 Status of this EoI

Respondents are advised that this is not a call for tenders, request for proposals nor a request for pre-qualification. The intention of this EoI is to solicit interest from the market which will inform DTP's choice of appropriate procurement process for the project. After assessing the responses DTP will, in its sole and absolute discretion, determine whether (a) to call for tenders, or (b) request proposals, or (c) invite some or all respondents to this EoI for negotiations with a view to concluding an operation agreement or forming a strategic partnership with DTP, or (d) abandon the process envisaged in this EoI. In the event of DTP determining to proceed with (a) or (b) above, then this EoI does not purport to be a request for pre-qualification and any response to it shall not entitle any respondent to pre-qualification to submit a tender or proposal.

In the event that DTP determines to proceed in terms of (c) above, it shall make such determination based on its assessment of the criteria set out in paragraph 5.2 above. Any respondent not invited to enter into negotiations shall be informed in writing of the reasons for the decision not to invite it. All potential respondents are advised that, and each respondent shall respond to this EoI on the express understanding that DTP's assessment of the criteria set out in paragraph 5.2 above shall be qualitative and not quantitative and therefore shall not require DTP to disclose any detailed numerical scoring (whether it exists or not) when informing it of its decision.

In terms of DTP's procurement policy the CEO has an obligation to:

- Ensure that there is an appropriate procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective; and
- Prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policies of DTP.

The policy applies to the procurement of all goods and services by DTP and may be deviated from by the CEO for good reason; provided that the reasons for deviating from the policy are recorded and approved by DTP's board of directors.

5.4 Grounds for Disqualification

5.4.1 Corrupt gifts and payments

- a) Neither the respondent, its members if it is a consortium, nor any of their employees, agents, potential lenders or advisors shall directly or indirectly offer or give to any person in the employment of DTP or any other government official or any of DTP's advisors any gift or consideration of any kind as an inducement or reward for selecting or recommending the selection of the respondent to enter into negotiations with DTP with a view to concluding any agreement, or for showing or omitting to show favour or disfavour to any of the respondents in relation to the project envisaged in this EoI.
- b) In the event that any of the prohibited practices contemplated under subparagraph (a) above is committed, DTP shall be entitled to terminate the concerned respondent's further participation in any further part of the procurement of the project.

5.4.2 No collusion

- a) The attention of each respondent, its members if it is a consortium, as well as its advisors and agents is drawn to Section 4(1)(b)(iii) of the Competition Act, 1998, which prohibits collusive tendering.
- b) In submitting a response, each respondent, its members if it is a consortium, certifies that its response:

- i) has been prepared without consultation, communication or agreement for restricting competition with any other respondent, member of another respondent, or any other competitor or potential competitor;
- ii) has not been disclosed by it, nor will it be disclosed by it to any other respondent, member of another respondent, or any competitor or potential competitor; and
- iii) no attempt has been made or will be made by it to induce any other person not to submit a response for the purpose of restricting competition.

Any respondent found to violate the above conditions will be subject to disqualification, which decision shall be in DTP's sole discretion.

5.4.3 Non-eligible Persons

Any response including the involvement of:

- a) any person blacklisted by the National Treasury under the Register for Tender Defaulters in terms of GN 194 of 11 March 2005 issued in terms of the Prevention & Combating of Corrupt Activities Act, 2004;
- b) any person listed on the Disqualified Director's Register (maintained by the Companies and Intellectual Property Registration Office) in terms of section 218(1A)(6) of the Companies Act;
- c) any party defined as an "institution" in terms of the Treasury Regulations and major public entities (as listed in Schedule 2 of the Public Finance Management Act, 1999) or other public entities;
- d) persons who were convicted of fraud or corruption during the past five years;
- e) persons who wilfully neglected, reneged on or failed to comply with a government contract during the past five years;
- f) persons whose tax matters are not cleared by South African Revenue Services;

may be rejected by DTP at any stage of the processes contemplated in this EoI.

5.5 Response Confidentiality

- a) In respect of the EoI:

- i) In submitting a response, the respondent, and its members if it is a consortium, agrees to keep its response confidential from third parties other than DTP, DTP's employees, officials and advisors who are required to review same for the purposes of procurement of the project.
- ii) All information and data submitted by the respondent shall become the sole property of DTP, with the exception of copyrighted material, trade secrets or other proprietary information clearly identified as such by the respondent.
- iii) The respondent, by virtue of its response, agrees to indemnify DTP and hold it harmless from any loss, damage, liabilities, claims, actions, proceedings, demands, costs, charges or expenses of whatsoever nature suffered by DTP for its refusal to disclose materials marked confidential, trade secret or other proprietary information to any person seeking access thereto.
- iv) The provisions of this paragraph 5.5 shall not apply to any information which is made available as required by any law or any regulatory authority, or which is or becomes public knowledge, other than by way of breach of this paragraph 5.5, or which was in the possession of such party prior to its disclosure or which is received from a third party who lawfully acquired such information and is under no obligation restricting its disclosure.
- v) All confidential information disclosed to the respondents, its members if it is a consortium and their employees, agents and advisors shall remain the property of the DTP and shall be returned to DTP on demand or destroyed if DTP so requests.
- b) DTP undertakes to, and shall procure that its officials, employees and its advisors shall keep confidential all information received from a respondent which is clearly identified as confidential in such respondent's response as contemplated in paragraph 5.5a)ii) and which is not excused from confidentiality as contemplated in paragraph 5.5a)iv) and on condition that the respondent provides DTP with a written undertaking in its response to indemnify DTP in respect of any losses suffered by DTP in it refusing to disclose the relevant material or data to any person seeking access thereto. Failure to include such an undertaking shall be deemed to be a waiver of the respondent's rights to confidentiality and shall entitle (but not oblige) DTP to provide copies of material / data forming part of the response to third parties on due request therefore.

5.6 No contract

- a) This EoI does not constitute an offer to enter into a contractual relationship with any respondent
- b) Notwithstanding any selection, the respondent has no rights, expressed or implied with respect to any of the elements of the project as a result of their participation in the EoI process.

5.7 EOI Inconsistencies

- a) In the event that the respondent identifies any ambiguities, errors or inconsistencies in this EoI, the respondent undertakes to notify DTP in writing accordingly, and DTP undertakes to provide clarification as to the intended position to all potential respondents by way of a briefing note. Should such a request be received later than seven (5) business days before the Closing Date set out in paragraph 5.9 below, no clarification shall be made.

5.8 Submission Format & Delivery Address

Each respondent should submit one hard copy and one electronic copy of its response. Hard copies of responses should be submitted in sealed envelopes and deposited into the “Tender Box” at Dube TradePort offices at the following address:

22 Dorothy Nyembe Street (formerly Gardiner Street), 15th Floor the Marine, Durban

These should be clearly marked “Expression of Interest to Operate the Tissue Culture Facility at the DTP AgriZone” and should be addressed to the Mlibo Bantwini. Electronic copies should either be emailed to mlibo@dubetradeport.co.za or placed on a CD and sent to the above-mentioned address.

5.9 Time-Frames

The target time frames for the project are outlined on the table below:

Invitation for Expression of Interest Issued	10 June 2009
Closing date for submission of Expressions of Interest	21 July 2009
Assessment of Responses	30 July 2009
Request for Proposals or commencement of negotiations with one or more respondents to this EoI	August 2009

5.10 Enquiries regarding this invitation for Expressions of Interest

All enquiries regarding this invitation for Expressions of Interest must be made in writing and clearly referred to Mlibo Bantwini by email to mlibo@dubetradeport.co.za or by fax on 031 307 2636. Enquiries will be responded to until there are 5 working days before the closing of this EoI.

5.11 DTP's Rights

Without limitation of any rights held by DTP, DTP expressly reserves the right to:-

- (1) request clarification on any aspect of a proposal received from a respondent, which requests and responses will be in writing;

- (2) enter into non-binding negotiations with any respondent after the assessment of the responses, without prior notice to any other respondent or any other party;
- (3) exercise in its discretion all rights of ownership of the Tissue Culture facility, including the rights to operate or restructure the facility in any manner it chooses prior to concluding the process envisaged in this EoI or any subsequent procurement process; and,
- (4) accept or reject any response and/or vary or annul the process and reject all responses at any time prior to the conclusion of any of the processes envisaged in this EoI without incurring any liability to any respondent or any obligation to inform the respondents of the grounds of DTP's actions.

Annexure A

DECLARATION

As required under paragraph 5 of the EoI, the respondent is required to complete the attached declaration as part of its response.

Name of Respondent: _____

Date: _____

Dube TradePort
22 Dorothy Nyembe Street (formerly Gardiner Street)
Durban
4001

Attention : Mlibo Bantwini

EXPRESSION OF INTEREST: OPERATOR OF THE DUBE TRADEPORT AGRI
ZONE TISSUE CULTURE LABORATORY REFERENCE NUMBER:
EOI/001AGR/2009 (EoI): SUBMISSION IN RESPONSE TO EoI: DECLARATION

Capitalised terms utilised in this letter shall have the same meaning as ascribed thereto in the EoI, unless the context indicates otherwise.

In making this response and appending the signature of its duly authorised representative, the respondent:

- 1) agrees to be bound by the terms of the EoI insofar as obligations thereunder are imposed on it;
- 2) confirm that all documentation forming part of this response is factually correct and true;

- 3) confirm that this response shall remain valid for a period of at least 90 days after the Closing Date;
- 4) confirm that in submitting its response, neither the respondent nor any of its members have committed an offence in terms of the Prevention and Combating of Corrupt Activities Act, 2004 in relation to the project or are blacklisted under the National Treasury's Register for Tender Defaulters;
- 5) declare that they are fully acquainted with the laws of South Africa, and
- 9) in making this response, as well as any subsequent procurement process shall comply fully with all applicable laws, the terms of this EoI and all subsequent project documentation should they be selected.

Yours faithfully

Signature: _____

Name: _____

Designation: _____

Who warrants his authority hereto.