

**MEDIA RELEASE – 18 July 2018**

**STATEMENT FROM THE WESTERN CAPE PROPERTY DEVELOPMENT FORUM ON THE CANCELLATION OF FORESHORE FREEWAY PROJECT BY CITY OF CAPE TOWN**

In 2016, the City of Cape Town announced its Request for Proposals (RFP) for the development of the Foreshore precinct in the Cape Town CBD. Central to this project, was the question whether the freeway bridges should be completed or not and if the private sector could propose feasible scenarios to address the City's traffic gridlock crisis.

The submission and adjudication process was a two-phase process; phase one assessed the development concept, and the second phase would have assessed the detail financial feasibility, guarantees and contractual matters. The process never reached phase two.

Six proposals were presented to the City which were all presented for public viewing and comment. All of the proposals entailed multi-billion rand investment into Cape Town. Anyone who visited the exhibition of the six projects that were put on display at the Civic Centre in the CBD, would have appreciated the time and effort that was invested by the various bidders to conceptualise, research and present their ideas. The combined value of the proposals submitted represented tens of millions of rands based on professional time and production costs.

The process was hailed as a partnership between City and the private sector and the new way of procuring solutions to difficult challenges.

Each of the consortiums behind the six projects were given an opportunity of presenting their proposals to an expert panel and each proposal was interrogated in its micro detail. The process was deemed to be so important for the City that it engaged the services of independent auditors to monitor and track the process.

With an eye on the value of the proposed projects one would expect a high level of scrutiny. One would also expect a level of second guessing and questioning of each other's bids between bidders. The stakes were, understandably, high.

But what none of the bidders could foresee was that the wheels would come off on the side of the City - the body that initiated the call for RFPs in the first place.

In notifying bidders of the cancellation of the project, the City has declared that its own Request for Proposals document lacked sufficient clarity "rendering the evaluation criteria vague". To put it into

different words, the City's own RFP document now seems to have failed the City's own procurement requirements.

The Western Cape Property Development Forum (WCPDF) never promotes specific developments. Our mandate is to promote and lobby for fair and transparent processes and decision making that impact on the development industry. We are not interested in who wins the bid. We are interested in bids being awarded, in investment being made and development takes place. We were also interested to see an effective public private partnership be established that would, among other things, deliver much-needed affordable accommodation into the Central City. This will now not take place in the case of the Foreshore Freeway Development.

With various members of our industry having participated in and invested vast amounts of time and money towards this RFP process, the WCPDF is obliged to ask the following probing questions of the City:

- What process did the City of Cape Town follow to ensure that the RFP fulfilled its own procurement requirements prior to calling on the private sector to incur the cost of preparing proposals to the City?
- What processes did the City put in place during the assessment process that would ensure the City's ability to award the project to a successful bidder?
- Was the City ever intent in partnering with the private sector or was this call for RFPs no more than lip service?
- What message is this process sending to local and international investors? Is Cape Town open for business or not?
- Who in the City will be held accountable for this failure?

Whether one agrees with any of the six development proposals or not, was this RFP process one that the City of Cape Town can be proud of or just another very expensive lesson in how not to treat investors and the private sector? Should the private sector take future Cape Town calls for proposal seriously?

**Issued on behalf of the Western Cape Property Development Forum (WCPDF) by:**

Deon van Zyl, Chairperson

Contact: [chairman@wcpdf](mailto:chairman@wcpdf)

Landline: 021 461 0411