Public Update 13 May 2014

Dear Interested Party

The report has been circulated internally and accepted.

The report is of a high level nature and recommends the following:

1. It is apparent that market appetite exists and there are credible bidders.
2. An alternative funding model exists, the viability however requires a further analysis, the assumptions must be revisited and a more detailed estimate of costs.
3. The legal opinion obtained concludes that state-owned land can be lawfully sold to the Lessors. An open tender process is required which invites bids for a) acquiring the land from the Western Cape Government and b) the lease to the Department of a hospital to be constructed and maintained on the land according to the Department’s specifications, would not be inconsistent with the Act, GIAMA or PFMA. Recommended leasing term of forty years proposed.
4. Discussions are still to be held with the Department of Transport and Public Works and Provincial Treasury which is to be conducted in phase two.

The mandate has recently been given to the Business Development Unit to begin phase two and compile a more detailed proposal that defines the output specifications required. Approval to action the proposal requires a Cabinet Resolution, thus the outcome is to be tabled at a Cabinet meeting and we wish to complete the proposal within six months provided all the internal stakeholders are able to deliver on time.

Kind regards

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