REQUEST FOR PROPOSAL

CRUISE TERMINAL & YACHT MARINA

ANNOUNCEMENT NUMBER: HDC (161)-CM/IU/2016/22

ANNOUNCEMENT DATE: 2ND MARCH 2016

PROPOSAL SUBMISSION DATE: 02ND MAY 2016
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1. Introduction and Background Information

1.1 Project Overview
The Yacht Marina is a splendid coastal island proposed to be developed in the western side of Hulhumalé catering to the needs of the increasing numbers of yachts and safaris. With more than 80% of all safaris operated in the Maldives are anchored in the lagoon area to the West of Hulhumalé, there has not been a fully developed yacht marina in the country. Hence, the Marina is expected to fill this market gap and it will be a vital facility for the Maldivian tourism industry. Apart from great water sports facilities, the marina will have amenities such as supply shops, F&B outlets, and a yacht club that includes exhibition space, dry berth facilities and floating dock.

The planned cruise terminal right next to the marina will also be a modern fully equipped facility with an automatic, covered boarding bridge to facilitate cruise lines visiting Maldives.

Zone Area: 994,596 Sqm
Land Area: 242,595 Sqm
Area allocated for water sports: 271,826 Sqm
Area allocated for mooring: 288,684 Sqm
Area allocated for yacht clubs [2]: 30,048 Sqm
Number of plots: 09

1.2 Country overview
The Republic of Maldives is a nation of islands scattered across the Indian Ocean. It comprises a chain of one thousand one hundred and ninety small coral islands, 820 kilometres in length and 130 kilometres in width. Taking up an area of 90,000 square kilometres, the chain forms a part of the Laccadive-Chagos submarine ridge which extends from the south west coast of India into the Indian Ocean. Of these islands, 200 are inhabited by a total population of about 300,000 people.

The islands, which are naturally formed into 26 atolls, are divided into 20 atolls administratively. Most of the islands are elevated to approximately 1.6 meters above sea level. All islands are surrounded by a shallow, crystal clear lagoon enclosed by coral reefs.
The unique archipelagic coral island nature of the Maldives provides the country with an extensive fishery base and a marine ecological system.

### 1.3 Economic Overview

The Maldives is currently going through an era of progressive economic and social transformation. Over the last couple of decades, the country has enjoyed robust economic growth especially through continued expansion and success of the tourism industry. The government of Maldives understands that ensuring future growth requires a paradigm shift in policy perspective in dealing with many of the development challenges of today. There is recognition of the need for greater involvement of the private sector in development efforts and the role of foreign direct investment (FDI) in its quest for growth and sustainability.

With this perspective, there are many liberal policies promoting investments in the Maldives such as the right for 100% foreign ownership of businesses, no restriction on profit repatriation, and a very liberal trade policy system. Additionally, the government is in the process of regulatory reforms to make the country more business friendly and enhance investment security.

<table>
<thead>
<tr>
<th><strong>Quick Economic Facts</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Region</strong></td>
<td>South Asia</td>
</tr>
<tr>
<td><strong>Income Category</strong></td>
<td>Upper Middle Income</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>0.3 million</td>
</tr>
<tr>
<td><strong>GDP</strong></td>
<td>US $3.03 billion</td>
</tr>
<tr>
<td><strong>GDP Growth</strong></td>
<td>8.50</td>
</tr>
<tr>
<td><strong>GDP per capita</strong></td>
<td>US $6153.86</td>
</tr>
<tr>
<td><strong>CPI</strong></td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Unemployment</strong></td>
<td>11.6%</td>
</tr>
<tr>
<td><strong>FDI Inflow</strong></td>
<td>325.3 million</td>
</tr>
<tr>
<td><strong>DB2015 rank</strong></td>
<td>116</td>
</tr>
<tr>
<td><strong>DB 2015 DTF</strong></td>
<td>58.7</td>
</tr>
</tbody>
</table>

Source: The World Bank Group and Maldives Monetary Authority
1.4 Tourism Sector overview

Since tourism has been introduced to Maldives in 1978, the industry has experienced tremendous growth in terms of tourist arrival, popularity of the destination and the service excellence of the tourism supply side. The industry has now become a major player in the nation's economy and the number one contributor to the Gross Domestic Product (GDP) with an annual tourist arrival of over one million during the last few years.

Despite some fluctuations in the international tourist arrivals, national tourism industry has been growing at a rapid pace. The arrival growth rate for Maldives has shown an above global average outstanding performance in most of the years, though there has been some fluctuations in the growth rate. The sector maintained an average annual growth rate of 9% during the past 10 years.

The country’s turquoise lagoons, white sandy beaches, and the magnificent underwater are not just the only factors that contributed the tremendous development in this sector. But, the investment climate and the regulatory policies on the country towards attracting both private sector and foreign investments has played a key role especially in the supply side and the relative quality of hospitality and tourism services currently established in the country. At present, hospitality and tourism sector accounts for 18.9% of the total capital investments undertaken in the Maldives.

Registered Bed Capacity at the end of 2013

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Properties</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resorts</td>
<td>109</td>
<td>23,469</td>
</tr>
<tr>
<td>Hotels</td>
<td>20</td>
<td>1,708</td>
</tr>
<tr>
<td>Guest Houses</td>
<td>136</td>
<td>1,918</td>
</tr>
<tr>
<td>Safari Vessels</td>
<td>163</td>
<td>2,716</td>
</tr>
</tbody>
</table>

Source: Ministry of Tourism

1.5 Company Background

Housing Development Corporation (HDC) being one of the largest and well established real estate developers is a 100 percent state owned enterprise with an excellent project portfolio. The corporation was formed in 2009 (formally Hulhumale’ Development
Corporation established in 2005) with the government mandate of undertaking housing, commercial and other related developments in Hulhumale’ and transforming Hulhumale’ into a unique island city in the North Malé Atoll, while creating opportunities for better homes, health, employment and education services in the Maldives.

The corporation has three key roles in fostering the development of Hulhumalé into a luxurious and vibrant city. Firstly, it acts as the master developer, delivering the vision, inspiration and imagination of the project in a manner that is feasible and commercially viable. Secondly, HDC is a builder, investing in the infrastructure necessary for quality living and business prosperity. These include the development of roads, landscaping, and ensuring that basic utilities as well as other essential services are available for investors and residents. Lastly, HDC acts as a regulator, overseeing detailed planning, architectural guidelines and building regulations.

The city’s master plan is designed to create a thriving, vibrant and self-sustained city that works towards achieving the corporation’s vision of becoming a leader in redefining quality living. With this vision, the newly reclaimed phase II of Hulhumale’ is set to develop with a renewed focus on expediting the commercial and tourism aspects of the City.

1.6 The market opportunity
1.6.1 Yacht marina
As per the research carried out by Lucintel in the Global Recreational Boating Industry Analysis and Forecast, the global recreational boat market shipment is expected to increase up to $30.63 billion at the end of 2017, which stood at $18.21 billion in 2009. And, this increment will account for an annual compound growth rate of 8.5%, with the highest growth rates coming from Europe and Asia and the Pacific region.

Looking into the Maldivian boating sector; the country has one of the largest fleets of liveaboards among Asia with 163 registered vessels at the Ministry of Tourism as of 2013, which is an impressive number as the sector only began after the introduction of the tourism industry in the Maldives. Though it accounts for about 9% of the current bed capacity, the sector has been growing and becoming popular among tourists especially those seeking activities such as diving and snorkelling. Also, despite having a proper
harbour and marina facilities established, the sector has been doing well, with 49 super yachts and 46 yachts visited Maldives in 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>Super Yachts</th>
<th>Yachts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>28</td>
<td>88</td>
</tr>
<tr>
<td>2012</td>
<td>29</td>
<td>54</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>2014</td>
<td>43</td>
<td>47</td>
</tr>
<tr>
<td>2015</td>
<td>49</td>
<td>46</td>
</tr>
</tbody>
</table>

1.6.2 Cruise tourism
The global cruise industry is one of the fastest growing sectors in the leisure travel category, with an average annual growth rate of 7.2%. In 2015, it was estimated that 23 million passengers to have cruised globally. The traveller behaviour over the years have been changing with passengers seeking new innovative services, new destinations and new entertainment activities both on board and on-shore.

Based on the current cruise routes and destinations, Maldives is already a prime stop over point despite the lack of cruise terminal and facilities for handling passengers. Based on the current numbers, it is likely that the number of cruise stop overs will increase significantly with the development of a cruise terminal.
1.6.3 Why in Hulhumale’ location advantage
There are several reasons for Hulhumale’ to be one of the most attractive investment destinations in the Maldives:

- The only city connected to the Ibrahim Nasir International Airport
- Majority of liver boards and luxury yachts in the Maldives gathered right next to Hulhumale’
- The urban tourism capital of the Maldives with exponential tourist population growth over the past 5 years
- Value of land and property on the rise
- Accessible banking, insurance and financial services
- Highly educated youth workforce
- Accessible to beaches, water sports, diving, snorkelling, and crystal clear waters
- Close proximity and sea and air connectivity to tourist resorts
- Logistical ease and well planned transport network and infrastructure
- IT infrastructure growing substantially with the proposed city wide fibre network
2. **Transaction objective**

The overall objective of this transaction is to Design, Develop, Manage and Operate the planned cruise terminal and yacht marina in Hulhumale'. This project should be developing Maldives into a leading cruise hub through the development of a world-class cruise terminal with state of the art facilities, which are user friendly and provide efficient and quality services. Also, to provide an excellent berthing along with other supporting and commercial facilities for the liveaboards sector of the Maldivian tourism industry.

**Minimum required Specifications**

<table>
<thead>
<tr>
<th>Minimum Acquisition cost: This is the base acquisition cost</th>
<th>Acquisition cost: US$7.5 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration of the lease period</td>
<td>Maximum 25 years</td>
</tr>
<tr>
<td>Duration of Development period</td>
<td>Maximum 4 years</td>
</tr>
<tr>
<td></td>
<td>Minimum 100 berths of the proposed total wet berths for yacht marina within a maximum period of 18 months</td>
</tr>
<tr>
<td></td>
<td>1 berth for cruise ship within a maximum period of 24 months</td>
</tr>
<tr>
<td>Grace period for lease</td>
<td>Maximum 2 years</td>
</tr>
<tr>
<td>Size</td>
<td>At least 2 berths for cruise ships</td>
</tr>
<tr>
<td></td>
<td>Minimum number of berths (300 wet berths) for yacht marina</td>
</tr>
</tbody>
</table>
2.1 Role of Housing Development Corporation

HDC will carry out the following functions as the master developer and regulator of the Hulhumale’ city including the Cruise Terminal and Yacht Marina:

2.1.1 Maintain oversight of long term facilities and changes to the business scope;
2.1.2 Oversight of rates and charges levied;
2.1.3 Setting performance standards and define appropriate regulatory standards for design and operations;

2.2 Role of the Winning Bidder

2.2.1 The Winning Bidder will be handed over the responsibilities specified in this RFP for the design, development, management and operation of the Cruise Terminal and Yacht Marina in Hulhumale’ and the terms that maybe agreed to during one-to-one negotiations between the Winning Bidder and HDC.

2.2.2 The Winning Bidder will have the:
   
   2.2.2.1 Autonomy over the financial and operational management of the business;
   2.2.2.2 Influence over key areas of the business;
   2.2.2.3 Financial flexibility to develop an optimal funding structure;
   2.2.2.4 Ability to promote and develop the business;
   2.2.2.5 Freedom to manage business operations to ensure maximum operational efficiency;
   2.2.2.6 Ability to negotiate commercial agreements with customers to provide long term certainty;

2.2.3 The Winning Bidder shall pay the possible charges to the Government of Maldives as listed in the Table.

<table>
<thead>
<tr>
<th>CHARGE</th>
<th>TAX AMOUNT</th>
<th>TYPE</th>
<th>APPLICABLE DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Tax</td>
<td>USD 6 per day</td>
<td>Tax</td>
<td>Cruise Terminal &amp; Yacht Marina</td>
</tr>
<tr>
<td>Passenger Handling Charge</td>
<td>USD 15 per passenger</td>
<td>Fee</td>
<td>Cruise Terminal</td>
</tr>
<tr>
<td>Port Due per Annum</td>
<td>USD 15 per 10 GT</td>
<td>Fee</td>
<td>Cruise Terminal</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------</td>
<td>-----</td>
<td>----------------</td>
</tr>
<tr>
<td>Port Due on Vessels</td>
<td>USD 15 per 10 GT</td>
<td>Fee</td>
<td>Yacht Marina</td>
</tr>
<tr>
<td>Tourism Goods &amp; Services Tax</td>
<td>12% on price</td>
<td>Tax</td>
<td>Cruise Terminal &amp; Yacht Marina</td>
</tr>
<tr>
<td>Business Profit Tax</td>
<td>15% on profit</td>
<td>Tax</td>
<td>Cruise Terminal &amp; Yacht Marina</td>
</tr>
</tbody>
</table>

3. **Bidding Process**

This Information Memorandum and the Bidding Documents (collectively, the Request for Proposal ("RFP")), is issued by HDC. The Winning Bidder will be required to enter into an agreement for a term of 25 years, with the option of renewing the term for a period mutually agreed upon terms and conditions acceptable to the HDC and the Winning Bidder.

3.1 **Fairness and High Standards Required**

3.1.1 A Bidder is obliged to immediately report to HDC any effort of which it becomes aware that could undermine the fairness and credibility of the Bidding Process.

3.1.2 Where there is reasonable ground for suspecting that a person fails to comply with the procedures, terms and conditions and other requirements of the Bidding Process, HDC will have the right and discretion to disqualify the Bid with which the person is associated from the Bidding Process, and exclude disqualified parties from participation in future Bid of HDC.

3.1.3 Disqualification is without prejudice to any other rights or remedies available to HDC.

3.1.4 HDC will reject a Bid if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Project;

3.1.4.1 On the evidence of corrupt or fraudulent practices by any party in the selection or the execution of the concession agreement, HDC will take appropriate action to rescind or cancel the agreement.
3.1.4.2 Will declare a Bidder ineligible, either indefinitely or for a stated period of time, to be awarded a HDC contract if it at any time determines that the Bidder has engaged in corrupt or fraudulent practices.

3.2 Objectives of the Bid Process

The Bid Process aims to achieve the following objectives:

3.2.1 Identify a credible Bidder, whose Bid shows proven commercial, management, technical and financial capacity to design and develop a state of the art cruise terminal and yacht marina, and manage and operate the terminal and marina with international standards.

3.2.2 Ensure a fair and reasonable value for HDC with certainty of payment in the context of the other objectives;

3.3 Summary of the Bidding Process

3.3.1 To be eligible for evaluation, a Bid must strictly comply with the Bid Requirements set out in this RFP.

3.3.2 Enquiries

3.3.2.1 All enquiries relating to the RFP shall be emailed or sent to the following address prior to the stated deadline in the schedule, and enquiries made after the deadline will not be answered.

Business Development, Sales & Marketing
Housing Development Corporation
HDC Building, 3rd Floor,
Hulhumale’, Republic of Maldives
Tel : (+960) 3353535
Fax : (+960) 3358892
E-mail: business@hdc.com.mv

3.3.2.2 Date of Closure for Receipt of Bids: The Date of Closure for submission of Bids is 15.00 hours (3 pm Maldivian Standard Time, GMT + 5 hours) on May 2nd, 2016.

3.3.2.3 Opening of Legal Documents: The opening of the Legal Documents will take place immediately after closing time for the receipt of Bids on the Date of Closure.
3.3.2.4 **Evaluation of Legal Documents:** The content of the Legal Documents will be evaluated pursuant to the requirements described in the RFP. If the Legal Documents are evaluated as being fully-compliant, they will receive a "pass" score. If the contents of the Legal Documents are determined as being non-compliant, they will receive a "fail" score. Only the Technical Bids and Financial Bids of the Bidders whose Legal Documents have received a "pass" score will be retained for further evaluation. The Technical Bids and Financial Bids of the Bidders whose Legal Documents have received a "fail" score will not be reviewed and will be returned unopened.

3.3.2.5 **Opening of Technical Bids:** The opening of the Technical Bid will take place the day following the Date of Closure.

3.3.2.6 **Evaluation of Technical Bids**
   3.3.2.6.1 The contents of the Technical Bids are examined to see that the Bids are substantially responsive to the objectives of the transaction and in compliance with the procedures, terms and conditions and requirements of the Bid.
   3.3.2.6.2 If a Technical Bid is not substantially responsive or compliant, the entire Bid is eliminated and no opportunity is given to remedy a defect that makes the Bid non-responsive.
   3.3.2.6.3 After examination for compliance, those Technical Bids that are substantially responsive and in compliance are evaluated. The evaluation is designed to establish the credibility of the Bid. It will be conducted on the basis of the criteria set out in the Request for Proposal. A Bid must achieve at least a pass in the Technical Bid to be eligible for examination and evaluation of the Financial Bid.

3.3.2.7 **Evaluation of Financial Bid**
   3.3.2.7.1 Only the Financial Bids of those Bidders whose Technical Bids will have received a "pass" with at least a score of 75% will be opened, and the representatives of all Bidders will be invited to attend the opening of the Financial Bids.
3.3.2.7.2 All Financial Bids will be opened at the same time by the Evaluation Committee.

3.3.2.7.3 The Evaluation Committee will review the Financial Bids evaluating each Financial Bid by calculating the net present value of the cumulated concession fees (initial and annual) based on a base case forecast with a discount rate of ten percent (10%).

3.3.2.8 **Notification of Award and Signing of the Concession Agreement.**

3.3.2.8.1 If a Bid is won by highest scores after passing through the three stages of evaluation, HDC shall accept the Bid and inform the Bidder and shall conclude an agreement to undertake the proposed project.

3.3.2.8.2 The acquisition fee specified in clause 2 of the RFP shall be made in full at the time of signing the Concession Agreement.

3.3.2.9 **Completion of the Transaction**

3.3.2.9.1 Completion will take place with the fulfilment of all terms and conditions in the Agreement.
4. **Tentative RFP schedule**

<table>
<thead>
<tr>
<th>Estimated Time Table</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of information memorandum and the RFP Bidding Documents</td>
<td>2nd March 2016</td>
</tr>
<tr>
<td>Last date for receipt of comments on Specimen Bank Guarantee</td>
<td>15th March 2016</td>
</tr>
<tr>
<td>Last Date for enquiring from HDC as to acceptability of Bank that is providing Bank Guarantee</td>
<td>20th March 2016</td>
</tr>
<tr>
<td>Last date for receipt of written enquiries in relation to the Bid Process</td>
<td>20th March 2016</td>
</tr>
<tr>
<td>Last Date for HDC to respond to queries</td>
<td>31st March 2016</td>
</tr>
<tr>
<td>Date of Closure for Receipt of Bids</td>
<td>2nd May 2016</td>
</tr>
<tr>
<td>Opening of Technical Bids</td>
<td>3rd May 2016</td>
</tr>
<tr>
<td>Evaluation of Technical Bids</td>
<td>3rd to 11th May 2016</td>
</tr>
<tr>
<td>Opening &amp; Evaluation of Financial Bids</td>
<td>12th to 16th May 2016</td>
</tr>
<tr>
<td>Final Decision and announcement by HDC on Acceptability of Bid</td>
<td>17th May 2016</td>
</tr>
<tr>
<td>Initiate detailed negotiations with the Bidder</td>
<td>18th May 2016</td>
</tr>
<tr>
<td>Signing of the Agreement</td>
<td>1st June 2016</td>
</tr>
<tr>
<td>Bid/Bank Guarantee to be valid for 120 days which may be extended by HDC for a further 120 days</td>
<td>29th August 2016 27th December 2016</td>
</tr>
</tbody>
</table>
5. **Proposal submittal**

Electronic submission will not be accepted. Proposals are to be submitted in a sealed mailing envelope clearly marked “Proposal: Yacht Marina and Cruise Terminal Design, Development, Management & Operation”, on the cover and sent to:

Housing Development Corporation

HDC Building, 3rd Floor,

Hulhumale’, Republic of Maldives

Tel: (+960) 3353535

Fax: (+960) 3358892

6. **Proposal Evaluation:**

There are three steps in evaluation of the proposals submitted.

**Stage 1: Compliance of the legal documents**

At this stage; the evaluation will check whether all the required documents for HDC’s due diligence is submitted. If the bid includes all the applicable documents specified in the below table, it can proceed to the Stage 2 of the evaluation.

<table>
<thead>
<tr>
<th>Document Type</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid Form</td>
<td></td>
</tr>
<tr>
<td>Bid Security</td>
<td></td>
</tr>
<tr>
<td>Power of Attorney</td>
<td></td>
</tr>
<tr>
<td><strong>Technical Proposal</strong></td>
<td></td>
</tr>
<tr>
<td>Financial Proposal</td>
<td></td>
</tr>
<tr>
<td><strong>Company background of the proposed investor</strong></td>
<td></td>
</tr>
<tr>
<td>Memorandum of association</td>
<td></td>
</tr>
<tr>
<td>Articles of association</td>
<td></td>
</tr>
<tr>
<td>Company profile inclusive of vision/ mission statements, years in operation and past experience</td>
<td></td>
</tr>
<tr>
<td>List of directors of the board and their registered addresses and contact details</td>
<td></td>
</tr>
<tr>
<td>Summary of workforce, with an organization chart listing at least up to key functional departments / division levels</td>
<td></td>
</tr>
<tr>
<td><strong>Financial and capital structure information</strong></td>
<td></td>
</tr>
<tr>
<td>Audited income statements, balance sheets, and cash flow statements for the most recent three years</td>
<td></td>
</tr>
</tbody>
</table>
List of all major shareholders, with shareholdings, options, warrants or notes

If investor is a listed company, information for the most recent three years summarizing share performance for all listed exchanges

**Other information**

Board resolution confirming interest to enter into negotiations for investment

**Supplementary information**

Summary of all key debt instruments/ outstanding debts/ bank lines with key terms and conditions

List of the investor’s key bankers, financial institutions and appointed public auditors

Declaration of any key outstanding legal matters, either against or by the investor

Summary of technical capacity, should the investor also be providing such technical contribution to the investment

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**Stage 2: Evaluation of Technical and Financial plan**

The Technical Bids shall consist of **at least** all the elements listed above in respect of the Business Plan, Construction Programme and the required Experience shall be evaluated on a "pass / fail" basis to ensure compliance with the Works Plan, Standards and Key Performance Indicators as set forth for the development and operation of the project. A score of **at least 75%** is required to pass this stage and proceed to the next stage of financial evaluation.
<table>
<thead>
<tr>
<th>Deliverables/ Details</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Detailed Business Plan</strong></td>
<td>25%</td>
</tr>
<tr>
<td>- Long term vision, objectives and key strategies for development and management of the Cruise Terminal and Yacht marina in Hulhumale';</td>
<td></td>
</tr>
<tr>
<td><strong>A financial Plan:</strong></td>
<td></td>
</tr>
<tr>
<td>- Strength and soundness to financial planning and financing of future development: (i) assumptions on financial ratios within reasonable limits of Industry Standards, (ii) a detailed outline of the financial structure contemplated for financing the future works of the cruise terminal and marina, and (iii) an outline of how financial closing will be achieved to ensure sufficient funds are available for the Project;</td>
<td></td>
</tr>
<tr>
<td>- Details of project finance mechanism</td>
<td></td>
</tr>
<tr>
<td>- Financial strength of the bidder</td>
<td></td>
</tr>
<tr>
<td>- Total investment cost of the project including development cost and recurring costs over the life of the lease term</td>
<td></td>
</tr>
<tr>
<td>- Detailed estimation of operational costs, revenue forecasts from the operations of the terminal and marina facilities and from other commercial activities in the area, traffic forecasts for cruise terminal and marina.</td>
<td></td>
</tr>
</tbody>
</table>

**Operational and management plan**

- The proposed management plan for terminal and marina operations should include details of processes, procedures and systems on handling cruise passengers and marina tourists quickly and efficiently providing a customer service level equal or higher than the popular cruise terminals and yacht marinas around the world.
| - The proposed plan should also include the responsibility for maintenance and repair of the facility and equipment of the cruise terminal and yacht marina.  
- A detailed security management plan including adherence to international and national standards  
- A separate facility operational plan for managing both the cruise terminal and the marina in an internationally acceptable standard.  
- Details on how parking will be organized and coordinated for cruise operations, special events on cruise and non-cruise days and during off seasons and peak seasons for the marina.  
- Proposed detailed marketing plan for the terminal and marina including plans for conducting conferences, special events, etc., that would be consistent with the unique geographical location, enhance the overall tourism sector of the Maldives and enhance the overall experience of the cruise and marina passengers.  
- Proposed business development plan that provides details on how to attract more cruise calls, increase the occupancy of the yacht marina, increase the overall maritime activates in the zone, and on how to develop and position other commercial activities in the area. This should and include approaches to improve the overall performance of the terminal and marina.  
- A detailed environmental and sustainability management plan for both construction/development and operations specifying how the proponent intends to manage and mitigate environmental impacts); particular reference must be given to the procedures for undertaking and reporting the Environmental Baseline Survey, and subsequently the Management
and mitigation plan, with particular reference to groundwater quality, maritime impact, lagoon impact, waste and wastewater disposal, vessel fuel supply/storage interception, imported construction materials, removal and disposal of materials, terminal and marina drainage, cruise ship noise and emissions and consideration of all of the above in respect of construction and operation. Explanation of design, construction and operational solutions in respect of achieving HDC’s green and sustainability objectives.

- A human resources plan that provides details of employment and management of a well-trained, well-experienced and professional workforce in the operations of the terminal and marina. This should include details and specific numbers on how many jobs will be created during development and operation of the terminal and marina.

- A proposed management structure that exhibits the capacity, capability, and flexibility to manage the operations of both the cruise terminal and yacht marina including proposed professional qualifications and experiences of the assigned key personnel.

<table>
<thead>
<tr>
<th>2</th>
<th>Construction Programme for the Works (outline details, layout plan, specifications) and other facilities layout and specifications.</th>
<th>25%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A proposed Concept Design including a Development plan that includes but not limited to following specifications:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Design and develop a cruise terminal and a yacht marina that is at par with international standards.</td>
<td></td>
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</tbody>
</table>
The marina and cruise terminal should have built-in flexibility of different types and sizes of vessels, and meet the needs of various cruise line companies.

The facility should provide an overall experience in addition to just a vacation to the cruise passengers and recreational boating passengers, via providing excellent user friendly services and facilities.

The cruise terminal and marina should be an iconic structure in the city of Hulhumale'.

Regulatory compliance

- Must comply with the relevant international standards in the development and operations of the cruise terminal and yacht marina.
- Must comply with the relevant rules and regulations of the Maldives in the development and operations of the cruise terminal and the yacht marina.

Cruise Passenger Terminal building

*Apron Facilities for two mega cruise berths at the same time in the cruise terminal building, hence, the facilities should include:*

- an apron area, fender and mooring systems, passenger gangways, etc. which allow for the berthing of different types and sizes of cruise vessels including mega cruise vessels
- the embarking and disembarking of passengers (check-in and check-out), baggage, supplies, etc. for cruise vessels;

*Supporting facilities for cruise terminal operation*

- Passenger check-in and check-out
- Immigration
- Customs
- Baggage handling system
- 24/7 security
### Telecommunication services and integrated ICT systems for passenger handling

### Commercial area
- Duty free shops and retail facilities
- Cafés, restaurants and other food and beverage outlets
- Hotels/accommodation facilities
- Office spaces (for supporting service providers, cruise liner companies, etc.)
- Meeting and conference areas
- Other amenities and services required by passengers and visitors

### Yacht Marina

#### Primary facilities to be provided in the marina
- Berthing
  - 300 to 350 berthing facilities
  - 3 meters to 100+ meters
  - Berthing inquiry form
  - Map of berths
- Utility services (water, electricity)
- Wifi and cable TV
- 24/7 security
- Services and repair facilities
- Fuelling services
- Fire hydrants
- Marina rules and regulations
- Way finding systems

#### Support facilities and commercial services
- Bathroom and showers
- Laundry services
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Food and Beverage outlets</td>
</tr>
<tr>
<td></td>
<td>Supermarket and grocery stores</td>
</tr>
<tr>
<td></td>
<td>Gym/yoga/spa/swimming pool</td>
</tr>
<tr>
<td></td>
<td>Accommodation facilities</td>
</tr>
<tr>
<td></td>
<td>Parking areas and green spaces</td>
</tr>
<tr>
<td></td>
<td>Sports and recreational facilities</td>
</tr>
<tr>
<td>3</td>
<td>Experience</td>
</tr>
<tr>
<td></td>
<td>5 years of experience in operating, managing and maintaining a cruise terminal of international standards</td>
</tr>
<tr>
<td></td>
<td>3 years of experience in operating yacht marinas</td>
</tr>
<tr>
<td></td>
<td>10 years of experience in developing, managing and marketing large commercial projects of with minimum construction cost of $1 billion.</td>
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<tr>
<td></td>
<td>The bidders must demonstrate proven track record in;</td>
</tr>
<tr>
<td></td>
<td>Developing, operating, and maintaining a marina and a cruise terminal of international standard.</td>
</tr>
<tr>
<td></td>
<td>Developing, managing and marketing mega commercial projects</td>
</tr>
<tr>
<td></td>
<td>Proven track record can include engagement of senior management/key personnel with relevant experience and expertise.</td>
</tr>
<tr>
<td>4</td>
<td>Financial Strength of the Bidder</td>
</tr>
<tr>
<td></td>
<td>The Bidder must submit Audited financial statements of the most recent 3 years and any other document proving the financial strength of the Bidder.</td>
</tr>
<tr>
<td></td>
<td>The scores for this section will be based on submitted audit reports, and the following ratios will be measured:</td>
</tr>
<tr>
<td></td>
<td>Working Capital</td>
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<tr>
<td></td>
<td>Cash &amp; Cash Equivalents</td>
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<tr>
<td></td>
<td>Share Holders' Equity</td>
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<tr>
<td></td>
<td>Debt Ratio</td>
</tr>
<tr>
<td>5</td>
<td>Proposed CSR projects (In value and type)</td>
</tr>
</tbody>
</table>
Stage 3: Evaluation of the financial proposal

- Only the Financial Bids of those Bidders whose Technical Bids will have received a "pass" with a score of 75% or more will be opened, and the representatives of all Bidders will be invited to attend the opening of the Financial Bids.

- The Bidders must submit the Financial Bids (the “Financial Bid”) by completing the Financial Bid Form set out in Schedule 1 - Form A or Form B (the “Financial Bid Form”). A Bidder can have one of the following two options:
  - Proposed Acquisition Fee, Monthly Lease for Land and Lagoon only (Form A)
  - Proposed Acquisition Fee, Monthly Lease for Land and Lagoon and a Variable Concession Fee (Form B)

- A Bid submitted with an adjustable price quotation shall be treated as non-responsive and shall be rejected.

- The Evaluation Committee will review the Financial Bids evaluating each Financial Bid by calculating the net present value of the cumulated concession fees (initial and annual) based on a base case forecast with a discount rate of ten percent (10%).

- The Evaluation Committee will then proceed to rank the Financial Bids.

7. Bid Security

Bids must be accompanied by a Bank Guarantee for United States Dollars Three Hundred Thousand (US$ 300,000.00). A Specimen Bank Guarantee is included with the Document. The guarantee must be given by a reputable bank that is acceptable to HDC and should be valid for 120 days, from 2nd May 2016, which can be extended by a further 120 days. It is the responsibility of the bidder to retain the bank guarantee valid from the date of bid submission to the date of agreement signing and in case a bidder withdraws it, the proposal shall not be valid. Bidder should submit comments on the Specimen Bank Guarantee and enquire from HDC as to the acceptability of the Bank that is intended to give the bank guarantee on or before 15th March 2016. The Bank Guarantee shall be promptly returned to the unsuccessful Bidders who have complied with the process.
8. General Conditions

8.1 Before submitting a Bid, a Bidder is deemed to have become familiar with and must at all times comply with the laws of the Republic of Maldives.

8.2 HDC may not be held liable for such risks, taxes, costs, fees, expenses and liabilities. Neither HDC nor any of its advisors or consultants may be held liable in the event that a court of competent jurisdiction or other governmental authority declares the Bidding Process, selection and/or award invalid or sets it aside, for any reason whatsoever at any future date.

8.3 The information contained in the RFP does not constitute a binding obligation of HDC or any of its advisors or consultants to select a Winning Bidder.

8.4 Requesting and/or receiving Bids or any other information or document will not constitute an invitation or commitment by HDC or any of its advisors or consultants to enter into any agreement, undertaking or covenant with a Bidder.

8.5 HDC at their own discretion, reserve the right to:

- 8.5.1 accept or reject any or all Bids or any part thereof;
- 8.5.2 withdraw from the proposed transaction or any part of the Bidding Process or to vary any of its or their terms at any time without giving any reason therefore;
- 8.5.3 waive any defect contained therein;
- 8.5.4 draw the full amount of the Bid Security should any condition for drawing contained therein occur with respect to such Shortlisted Bidder; and
- 8.5.5 exercise any other remedy granted by the laws of the Republic of Maldives or the RFP.

8.6 Where no Bid is received or where only one Bid is received, the Bidding Process can continue to be implemented.
SCHEDULE 1 – Forms A & B

FINANCIAL BID FORM A

CONCESSION OF CRUISE TERMINAL AND YACHT MARINA IN HULHUMALE’:
PROPOSED ACQUISITION FEE AND MONTHLY LEASE ONLY

[Date]
To: [●]

Ladies and/or Gentlemen,

In the scope of the Invitation to Bid issued by Housing Development Corporation concerning the award of the Design, Development, Management and Operation of a Cruise Terminal and Yacht Marina in Hulhumale’, we herewith enclose this Financial Bid offer as our Financial Bid.

We acknowledge that our Financial Bid shall only be evaluated on the net present value of our proposed cumulated concession fees (Acquisition Fee and Proposed monthly lease rate for land and lagoon) based a base case forecast (as determined by HDC) with a discount rate of ten percent (10%).

Formula of calculation is: NPV of: Proposed Acquisition fee (at year 0) + Proposed Monthly Lease for Land and Lagoon (from year 2 to year 25) at a discount rate of 10%.

We further acknowledge that the Proposed Acquisition fee (●) should be equal or more than the minimum acquisition fee as set forth in clause 2 of the RFP for the Design, Development, Management and Operation of the Cruise Terminal and Yacht Marina in Hulhumale’.

Our Proposed Monthly Lease for Land USD [●] and Lagoon USD [●]

The Bid shall be valid until 29th August 2016 and Housing Development Corporation Ltd. may extend the validity of the Bid until 27th December 2016.
We acknowledge and agree that Housing Development Corporation Ltd. will not be responsible for any errors or omissions on our part in preparing this bid, and we shall indemnify the Housing Development Corporation Ltd. fully in connection therewith.

Yours faithfully,

Authorized Representative of Lead Member Name and Title of Signatory

Name of Bidder

Address
FINANCIAL BID FORM B

CONCESSION OF CRUISE TERMINAL AND YACHT MARINA IN HULHUMALE’:
PROPOSED ACQUISITION FEE, MONTHLY LEASE AND VARIABLE CONSESSION FEE

[Date]
To: [ ● ]

Ladies and/or Gentlemen,

In the scope of the Invitation to Bid issued by Housing Development Corporation concerning the award of the Design, Development, Management and Operation of a Cruise Terminal and Yacht Marina in Hulhumale’, we herewith enclose this Financial Bid offer as our Financial Bid.

We acknowledge that our Financial Bid shall only be evaluated on the net present value of our proposed cumulated concession fees (Proposed Acquisition Fee, Proposed monthly lease rate for land and lagoon, and Variable Annual Concession Fee) based a base case forecast (as determined by HDC) with a discount rate of ten percent (10%).

Formula of calculation is: NPV of: Proposed Acquisition Fee (at year 0) + Proposed Monthly Lease for Land and Lagoon (from year 2 to year 25) + Variable Annual Concession Fee (from year 2 to year 25) at a discount rate of 10%.

We further acknowledge that the Proposed Acquisition fee (●) should be equal or more than the minimum acquisition fee as set forth in clause 2 of the RFP for the Design, Development, Management and Operation of the Cruise Terminal and Yacht Marina in Hulhumale’.

Our Proposed Monthly Lease for Land USD [●] and Lagoon USD [●]
Our Variable Annual Concession Fee shall be a [●] % of Gross Revenue from the Operation and Management of the Cruise Terminal and Yacht Marina, OR
Our Variable Annual Concession Fee shall be a [●] % of Gross Revenue from the Operation and Management of the Cruise Terminal; PLUS A [●] % of Gross Revenue from the Operation and Management of the Yacht Marina.

Our proposed Variable Annual Concession Fee shall as follows:

<table>
<thead>
<tr>
<th>Periods (P)</th>
<th>Variable Annual Concession Fee as a Percentage of Gross Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1:</td>
<td>Variable Annual Concession Fee1 (AIF) = [X] % of Gross Revenues</td>
</tr>
</tbody>
</table>

The Variable Annual Concession Fee can be proposed in various Percentages for different revenue components of the Cruise Terminal and Yacht Marina in the above specified format of this Schedule.

Where Gross Revenues means, for any calendar year or part thereof, the aggregate gross revenues of the Investor and any Person in which the Investor may directly or indirectly own any class of capital stock or other equity interest in respect of such calendar year or part thereof, as determined in US dollars (USD) in accordance with IFRS;

The Bid shall be valid until 29th August 2016 and Housing Development Corporation Ltd. may extend the validity of the Bid until 27th December 2016.

We acknowledge and agree that Housing Development Corporation Ltd. will not be responsible for any errors or omissions on our part in preparing this bid, and we shall indemnify the Housing Development Corporation Ltd. fully in connection therewith.

Yours faithfully,

Authorized Representative of Lead Member Name and Title of Signatory
Name of Bidder
Address