



Expression of Interest for the Development, Design, Finance, Build, and Operate Watalii
Street Plot, Nairobi

1.0 Background

Tourism Finance Corporation (TFC) is a Development Financial Institution and a State Corporation established under the Tourism Act 2011 (formerly Kenya Tourist Development Corporation Act CAP 382 of the Laws of Kenya). The Corporation wishes to develop its plot located in Nairobi CBD.

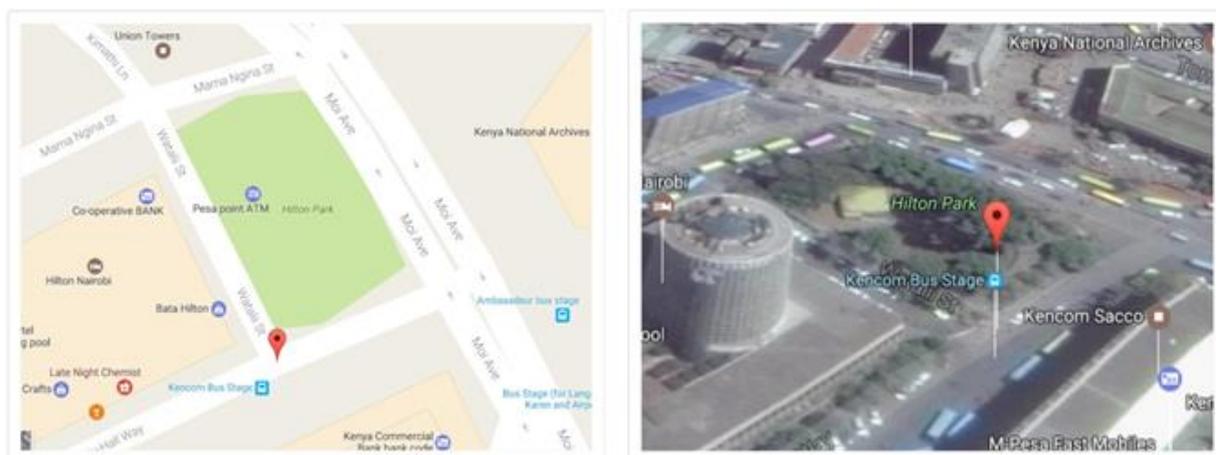
2.0 The Project Sponsor

Tourism Finance Corporation is the sole lessee of the Watalii Street property that is planned to be developed through a Joint Venture.

3.0 Project Site

The site earmarked for development measures 0.16 hectares referred to as LR. 209/7933 and is located along the Watalii Street in Nairobi CBD. The tenure of the leasehold is 99 years from 1st August 1981.

This is a rectangular shaped parcel of land with mains water, electricity and sewerage services connected to the subject property. All the access roads are tar-surfaced. This is a prime commercial property within a neighborhood characterized by major financial institutions, offices and the Hilton Hotel.



4.0 Existing Development and Structure

The area has a public garden with a sunken public information bureau structure in the middle of the site which would be demolished before the project starts.

5.0 Project Component (Brief)

The Corporation is the legal and registered owner of all that parcel of land LR. 209/7933 situated along the Watalii Street within Nairobi CBD. The Corporation is desirous of partnering in developing a commercial or mixed used facility on the property. The Corporation is therefore looking for a Strategic Partner/Investor who is interested in developing the property through a joint venture. The Corporation's contribution in this case shall be the land only with vacant possession. All other activities thereon until completion will be the responsibility of the Strategic Partner/Investor.

The objective of the project assignment is to undertake market and financial viability of the project, carry out detailed design, sourcing for finance, construct, operate and transfer at the end of agreed period. The Corporation shall provide the land for development and shall not be involved in developing the property but only be involved in overseeing the project progress as a joint beneficiary of the final returns.

A Joint Venture model with the Strategic Partner will be applied to undertake the development. The Corporation will adopt an arrangement where the Strategic Partner shall at their own cost:-

- (i) Provide a detailed market and financial feasibility study report
- (ii) Provide proposals for best use development
- (iii) Provide conceptual designs, drawings and layouts
- (iv) Provide cost estimates based on the conceptual designs, drawings and layouts
- (v) Give financing strategy and plan of the project
- (vi) Provide a marketing plan for a completed project
- (vii) Provide proposals for best fee sharing under the Joint Venture

Among some of the main components of the project that would be expected to be captured during design stage includes the following:

- (i) Multi-story office/retail space complex/mixed use facility
- (ii) Exhibitor space, Leisure & recreation zone and orchestra Hall
- (iii) Parking facilities

6.0 Terms of Engagement

The terms of engagement shall be;

- (i) Establish market and financial viability of the project
- (ii) Implement the project through a Joint Venture
- (iii) Responsible for designing, financing, building, operating & transfer on agreed dates
- (iv) Strategic Partner should be a consortium of developers, financiers, and real estate

agents

- (v) Lease period for a period between 30 to 35 years
- (vi) Annual Lease and fee sharing to the Corporation.
- (vii) Review of terms every 5 years
- (viii) Transfer terms to be agreed at the time of signing Joint Venture Agreement

7.0 Technical Specifications

The specifications are as below;

- (i) Demonstrate ability to carry out detailed market and financial study report
- (ii) Provide visual representations of the overall design of the entire project in accordance with all applicable laws that may be deemed optimal for that location.
- (iii) Present a site inventory and analysis that will form their design concept.
- (iv) To provide a summary of capital cost breakdown based on the conceptual designs
- (v) To provide a detailed project financing plan
- (vi) Identify all risks to the project and suggested mitigation plans.
- (vii) To prepare an implementation schedule for the project;
- (viii) To highlight any further features that would make the development distinctive within a niche market.

8.0 Role of the Strategic Partner

The strategic partner will be responsible for, but not limited to:

- (i) Assembling a suitable development team experienced in the development, financing, design, construction, implementation, branding, and operational management of the facility.
- (ii) Be responsible for all services provided whether directly by the strategic partner or by the Financing Partner, Architect, Operator or any of its team or sub consultants.
- (iii) The project to be implemented in compliance with international standards on green energy (renewable energy)
- (iv) The strategic partner will be responsible for providing, through the remaining process all elements of suitable and successful real estate development and operation.
- (v) Entering in to a design, build, finance, operate and transfer arrangement such that the present and future economic, operational and connectivity goals and objectives of the project are aligned with the selected private-sector development entity.

- (vi) The successful partner and full team will apply industry best practices, appropriate upscale real estate design, building codes, and the use, selection, and availability of construction materials trending in the upscale real estate sector.
- (vii) Demonstrate what they consider to be the best methodology for actualizing this development from inception, detailed design, construction and eventual handover.
- (viii) Detail the amount of time they will require to deliver the full scope of works as per the proposed methodology. The proposed duration for each stage must be specified.
- (ix) Present detailed curricula vitae of all the relevant personnel (consultants, contractors and financiers); that they propose to deploy for this assignment from inception to handover.
- (x) Present the cost and all the relevant attributes of the finance that the consortium proposes to utilize.
- (xi) The strategic partner and team will have the responsibility for overseeing and implementing the Project on a daily basis pursuant to its agreement(s) with the Corporation, and will provide the resources and expertise necessary to effectively monitor, review, and help coordinate as necessary, on the Corporation's behalf, services performed by others involved in the Project.

9.0 Deliverables

The Strategic Partner will;

- (i) Enter into a joint venture agreement with the Corporation to develop the property.
- (ii) The Strategic Partner who offers proposals that are evident to provide the highest returns will have an added advantage.
- (iii) The Strategic Partner shall submit conceptual designs, drawings, and layouts;
- (iv) Provide cost estimates based on the Conceptual designs, drawings, and layouts
- (v) Provide financing strategy
- (vi) Provide fee sharing plan for the Joint Venture
- (vii) Propose the best exit and transfer plan.

To Note:-

1. The strategic partner will be welcome to give additional proposals on how the existing structures on the site should be brought down without incurring a lot of wastage or how losses will be minimized.
2. The strategic partner may offer suggestions and improvements in the technical specifications that would result in better implementation of the assignment.

10. Evaluation Criteria

Interested firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the services.

MANDATORY REQUIREMENTS

[Bidders who fail to attain the mandatory requirements shall have their Expression of Interest disqualified]

- i. The legal status of the firm (enclose copy of certificate of incorporation/ registration) or equivalent.
- ii. Copies of valid VAT, PIN and tax compliance certificate or equivalent for non-local firms.
- iii. Provide details (names, qualifications and relevant experience) of key staff members who shall be involved in the assignment;
- iv. Provide references of at least three (3) reputable organizations where you have provided similar services of the same value giving contact details and e-mail.
- v. The firm should have at least five (5) years relevant experience in similar undertakings
- vi. Provide audited accounts for the past recent three (3) years (2015 -2017):
 - Sound liquidity ratio for the last three (3) years.
 - The average turnover of Kenya Shillings One and a Half Billion (Kshs 1,500,000,000.00) for the last 2 years.
- vii. Evidence of adequacy of working capital (cash at hand) for this assignment and or access to line(s) of credit facilities from banks/ financiers all to a minimum facility (ies) of Kenya Shillings Five Hundred Million (Kshs 500,000,000.00). Attach bank statements for the same.

GENERAL REQUIREMENTS

- i. Proponents are allowed to form Consortia to submit Expression of Interest, provided that each Consortium member may participate, either directly or indirectly, in only one (1) bidding Consortium. Consortia submitting the

Expression of Interest are required to nominate the lead partner. The lead partner will be expected to:

- a) have a substantial shareholding participation in the Consortium;
- b) have control over key management, operational and strategic decisions.

The lead partner will represent the Consortium in communications with TFC and with the Evaluation Committee throughout the competitive award process and, unless provided for in a Consortium agreement

- ii. Full details of the incorporated body of each member of the Consortium. This information shall include the registered office address, telephone number, facsimile number, contact name and e-mail address;
- iii. A certified copy of the latest copy of the memorandum and articles of association, and a certificate of good standing for each company whether participating in a Consortium or not;
- iv. A certified copy of the identification card or passport of each director and ultimate beneficiary of each company whether participating in a Consortium or not;
- v. Curriculum vitae of each director and ultimate beneficiary of each company whether participating in a Consortium or not;
- vi. A certified copy of the Board resolution approving the contents of the Proposal and additionally in the case of a Consortium, a declaration by all Consortium members approving the contents of the Proposal;
- vii. A certified copy of a detailed group structure of each company or Consortium member;
- viii. In the case of a Consortium, the Consortium agreement is to be submitted. This agreement must clearly identify all of its members, their relative roles, the proportion held by each member within the Consortium and the lead partner. The agreement shall also include a declaration confirming that all members assume joint and several liability for the eventual execution of the project. The agreement must identify a person, being the lead partner, who shall be vested with the right to represent, receive instructions and enter into agreements for and on behalf of all the Consortium members individually and collectively. Requests for further information by the Evaluation Committee Proponents or Preferred Proponents may be required to submit additional information to clarify particular aspects of any submissions or Proposals. To this end, the Evaluation Committee reserve the right to request in writing further particulars from the Prospective Proponents, Proponents or Preferred Proponents. Any such clarification or additional details requested are to be provided in writing within such time as the Evaluation Committee may reasonably require in terms of its request. With a view to facilitating any such communication, each Prospective Proponents, Proponents or Preferred Proponents is to designate an individual as its authorized contact person throughout the evaluation process.

11. Submission

Expression of Interest and accompanying documents shall be put in a plain sealed envelope, clearly marked as stated in the particular document showing the reference and title should be addressed to:-

The Managing Director
Tourism Finance Corporation (TFC)
Utalii House, 11th Floor,
P.O. Box 42013-00100, Nairobi

Completed documents shall be deposited in the Tender box located at the reception area on 11th Floor, Utalii House, Nairobi, so as to be received on or before Friday 11th May, 2018 not later than 10.00 AM

Request for Proposals will be issued to the short-listed firms thereafter. The Corporation reserves the right to accept or reject any or all applications.