



**GOVERNMENT OF THE REPUBLIC OF MALDIVES**

**INVEST MALDIVES,**

**MINISTRY OF ECONOMIC DEVELOPMENT**

**REQUEST FOR PROPOSALS**

**FOR 300 HOUSING UNITS IN HULHUMALE' FOR THE**

**MALDIVES POLICE SERVICE STAFF**

6<sup>th</sup> September 2010

Prepared by:

Finance Department / Maldives Police Service

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**Schedule of Critical Dates:**

<b>ACTIVITY</b>	<b>ACTION DATE</b>
1. Release of Request for Proposal	6 <sup>th</sup> September 2010
2. Pre-proposal meetings (individual)	From 15 <sup>th</sup> September 2010 to 07 <sup>th</sup> October 2010 (in Male')
3. Site visits	Open from the date of release of RFP. All costs of site visit to be borne by the Proponent. All available information will be given to the Proponent by the Maldives Police Service through Invest Maldives.
4. Pre-proposal Conference	10 <sup>th</sup> October 2010 Time and place to be confirmed (in Male')
5. Last day to submit queries (by proponents)	15:00 hrs 17 <sup>th</sup> October 2010
6. Last day to send answers to queries (by Client)	25 <sup>th</sup> October 2010
7. <b>Deadline to submit proposals</b>	14:00 hrs 14 <sup>th</sup> November 2010
8. Proposed date of award of contract	21 <sup>st</sup> December 2010

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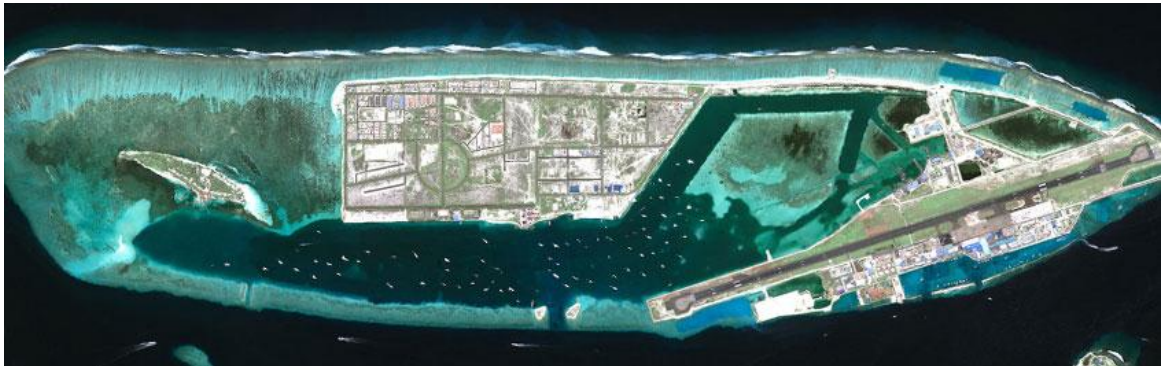
## 1 FOREWORD

Maldives Police Service (hereinafter referred as “Client” in this Request for Proposal (RFP) document) desires to create a public or private partnership, by seeking a private-sector partner to develop three hundred (300) housing units in Hulhumale’.

The purpose of the RFP is to select a private-sector partner (a single provider or group of partnering providers) to finance, construct, and deliver the three hundred housing units. This housing project is aimed at providing affordable housing for the Maldives Police Service Staff.

The proposals submitted by the Proponents will be evaluated based on the terms, conditions and the criteria set in this document.

Hulhumale’ is a reclaimed land with an area of 188 hectares. Hulhumale’ is situated within the capital region of the Maldives within close proximity of the capital island Malé and the international airport, Hulhule. It lies 3 kilometers from Male and 1 kilometer from Hulhulé. There is continuous ferry service between Hulhumale’ and Male’ and bus service between Hulhumale’ and Male’ International Airport at Hulhule’.



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## 2 LETTER OF INVITATION

Dear Proponent,

The Government of Republic of Maldives invites you to respond our Request for Proposal (RFP) for the development of three hundred housing units in Hulhumale' for the staff of Maldives Police Service. We would like to request you to strictly adhere to the guidelines outlined in this document.

Submit Proposals to:	<p>Chief Inspector of Police Hassan Nashid Head of Finance Department Maldives Police Service</p> <p>Finance Department Maldives Police Service Shaheed Hussain Adam Building   Ameeru Ahmed Hin'gun, Male', Rep. of Maldives Tel: +960 332 2112, Mob:+960 793 3140 Fax: +960 332 1298</p> <p>Email: <a href="mailto:finance@police.gov.mv">finance@police.gov.mv</a> <a href="mailto:h.nashid@police.gov.mv">h.nashid@police.gov.mv</a> copy to: <a href="mailto:pc@investmaldives.org">pc@investmaldives.org</a></p>
Please Submit:	<p>Two (2) printed, signed original proposals. Two (2) copies of the original proposals. One (1) CD-ROM containing electronic version of the proposal and any supporting documentation.</p>
Delivery of proposals:	<p>Proposals shall be submitted on or before 14<sup>th</sup> November 2010, 14:00 hrs. Late submission will not be accepted or reviewed. Proposals shall be delivered to by:</p> <ul style="list-style-type: none"><li>• Mail , In person, or by courier service</li></ul>

### 2.1 Compliance Statement

Proponents shall state that the offer is made in accordance with the Request for Proposal. Proponents who offer additional or alternative conditions shall clearly state those in their proposals.

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## **2.2 Guidelines for Submitting a Compliant Proposal**

As a direct response to this document, proponents must provide their detailed proposals for development of the housing units. Proponents should note that the construction/development/project details, standards and other statements on such provision and legislative compliance made by the proponent as part of their proposals will form a binding part of the final contract for the project.

It is important that proponents address all of the elements that are set out in Section 3. Proposals shall be well bound and shall contain a table of index for easy reference.

This Request for Proposal should not be construed as a commitment by the Client to contract with any particular proponent.

Any expenditure, work or effort undertaken during the tendering process is a commercial judgement for the proponent and is at the proponent's own risk and expense. The Client will not be liable for any costs incurred by any of the proponents.

The Client reserves the right not to accept any tender and to terminate the tendering process without awarding a contract. Proponents should be aware that it is unlikely that the Client will be in a position to go forward with any proposals that fails to meet the statutory and essential requirements, set out in Section 3.

The Client also reserves the right to issue supplementary documentation at any time during the tender process to clarify an issue or amend any aspect of this Request for Proposal.

Any additional documentation issued by the Client during the tender process shall be deemed to form part of this Request for Proposal and shall supersede any part of the Request for Proposal where indicated. The Client may also exercise the option to extend the tendering period and/or postpone the proposal submission date in the event that subsequent documentation is issued.

Except when specifically authorised by the Client, proponents shall not approach any member, officer or employee of the Client other than those identified in Clause 2.6 with a view to providing additional information in respect of any part of their submission or proposals or attempting to support or enhance their proposal evaluation.

Any such approach or attempted approach by a proponent may lead to the proponent's exclusion from the process. Any collusion between proponents may also lead to the exclusion of any of the proponents involved, at the discretion of the Client.

## **2.3 Evaluation of proposals**

The Proposal will be evaluated by a technical committee in association with Tender Evaluation Board of the Ministry of Finance and Treasury. Points will be given to proposals according to

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the evaluation criteria in Section 5. All the proposals will be ranked in descending order based upon total score and the party who score highest points will be awarded the contract.

## 2.4 Language of Proposal

The proposal documents must be in written in English (UK).

## 2.5 Pre-Proposal Conference

There will be one Pre-Proposal Conference. Participation in this meeting is optional but encouraged.

The Pre-Proposal Conference will be held on 07<sup>th</sup> October 2010. Official most current information will be posted on the Invest Maldives' web site at <http://www.investmaldives.org> to confirm the date, location and time of the Pre-Proposal Conference. Any changes to this the date and time of pre-proposal meeting will be communicated through emails.

## 2.6 Clarifications about RFP

During the RFP process, questions or clarifications about this RFP must be directed to:

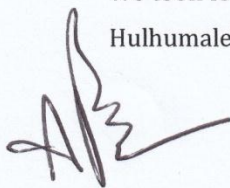
Chief Inspector of Police Hassan Nashid  
Head of Finance Department  
Maldives Police Service

Address: Finance Department  
Maldives Police Service  
Shaheed Hussain Adam Building | Ameeru Ahmed Hin'gun,  
Male', Rep. of Maldives  
Tel: +960 332 2112, Mob:+960 793 3140 Fax: +960 332 1298  
Email: [finance@police.gov.mv](mailto:finance@police.gov.mv)  
[h.nashid@police.gov.mv](mailto:h.nashid@police.gov.mv)  
copy to: [pc@investmaldives.org](mailto:pc@investmaldives.org)

## 2.7 Communications

Except as provided in the preceding section relating to questions about this RFP, Proponents shall not contact any officers, employees, or team members of Client with respect to this RFP. Any oral communication with a Client employee concerning this RFP is not binding on Client and shall in no way alter a specification, term or condition of this RFP or any contract documents.

We look forward to your innovative proposals to develop the three hundred housing units in Hulhumale' of the Republic of Maldives.



Sincerely,  
Ahmed Faseeh  
Commissioner of Police

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## **3 DOCUMENTS TO BE SUBMITTED WITH THE PROPOSAL**

### **3.1 Introduction**

This section sets out all the information that proponents will be required to submit as part of their proposal and explains the format that should be followed when doing so. Proponents will be required to explain their understanding of each of the requirements and elements detailed below and provide supporting information or documentation as part of their proposal. Proponents may be required to submit additional information as part of their proposals and this is also set out below.

### **3.2 Information Required from Proponents**

#### **3.2.1 Essential Requirement**

1. The developer is required to finance, construct and deliver the three hundred housing units. Hence, the proponent is required to confirm in the proposal that this essential requirement will be fulfilled to the minimum requirements / specification given in 3.2.2. As stated in 3.2.2, the developer may also propose to improve upon the specifications provided in this document. In such case, any improvements to the minimum specifications shall be clear stated in the proposal.
2. Design of the housing units shall be carried out in consultation with Maldives Police Service (MPS). (Both in-situ and pre-fabricated construction are accepted as a construction technology for the housing units.)
3. The developer may choose to manage the building or sublet the management to a third party under a management contract.
4. Maintenance up to one year is compulsory. The developer may choose to charge a small monthly fee as maintenance cost after the one year period.
5. The housing units shall be five story flats. Minimum requirements for the housing units is given in 3.2.2

#### **3.2.2 Minimum requirements/ specifications for the housing units**

##### ***3.2.2.1 Introduction:***

These minimum requirements are given as a guideline to the developer. Developer could choose to make improvements on the requirements and specifications provided below. The proposal shall consist of description of specifications to the level given below with modifications / improvements proposed by the proponent, if any.

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### 3.2.2.2 Description of minimum requirements

#### 1. Flats:

- Sitting, Dining, Kitchen and laundry area.
- 02, 03 and 04 bedroom apartments.
- Each flat shall have toilets equal to the number of rooms in the apartment.
- Roof of the building
- A Timber framed sloped roof shall be provided.
- There shall be specified setbacks provided at the front and rear sides.

#### - Bedrooms:

- Area & dimensions:
  - Minimum size of a bedroom shall be 12 Sq m.
  - Minimum clear height (floor to ceiling height) for all areas (except toilets) shall be 2.7m.
- Finishes:
  - Walls shall have preparatory sealer and two coats of emulsion paint finish as specified by the manufacturer.
  - Ceiling shall be smoothed and finished with preparatory sealer and two coats of emulsion paint as specified by the manufacturer.
  - Floors shall be of ceramic tile finish.
- Services:
  - Adequate lighting must be provided for each room. (preferably two light points)
  - A fan and three socket outlets shall be provided for each room (one 15A socket shall be provided at 2.4m height for possible future air-conditioning need).
- Ventilation:
  - Each room shall have window(s), with the opening area equal to 15% of the floor area of the room.
  - In places where balcony is used, doors for balcony access may be considered as openings for ventilation.

#### - Toilets:

- Area & dimensions:
  - Minimum size of a toilet shall be 2.2 sq m. (approximately 1.2m x 1.8m inside)
  - Minimum clear height (floor to ceiling height) for toilets shall be 2.4m.

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- Finishes:
    - Interior of walls shall have ceramic wall tiling up to 1.8m high from floor finish level. The rest of the walls may be paint finished with preparatory sealer and two coats emulsion paint finish as specified by the manufacture.
    - A suspended ceiling, concealing the plumbing pipeline shall be smoothed and finished with preparatory sealer and two coats emulsion paint as specified by the manufacturer.
    - Floors shall be of ceramic tile finish.
  - Services:
    - Adequate lighting must be provided for each toilet (minimum one light point).
    - All relevant fixtures (WC, wash basin, Muslim shower, water tap, etc.) must be provided.
    - Water connection must be provided to relevant toilet fixtures.
    - Well water connection shall be provided to WC
  - Ventilation:
    - Each toilet shall have window(s), with the opening area equal to 10% of the floor area of the toilet.
  - Space for washing machine:
    - Area & dimensions:
      - Washing space shall be provided to accommodate one washing machine.
      - Minimum clear height for shall be 2.4m.
    - Finishes:
      - Walls shall have ceramic wall tiling up to 1.8m high from floor finish level. The rest of the walls may be paint finished with preparatory sealer and two coats of emulsion paint as specified by the manufacturer.
      - A suspended ceiling, concealing the plumbing pipeline shall be smoothed and finished with preparatory sealer and two coat emulsion paint and as specified by the manufacturer.
      - Floors shall be of ceramic tile finish.
    - Services:
      - Adequate lighting must be provided (minimum one light point).
      - Water connection shall be provided.
      - Weather proof two socket outlets (13A) shall be provided.

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- Ventilation:
    - Laundry space shall have window(s), with the opening area equal to 10% of the floor area.
  - Sitting, Kitchen and Dining
    - Area & dimensions:
      - Minimum area for sitting area shall be 9 sq. m.
      - Minimum area for Kitchen & Dining shall be 12 sq. m. (Preferably separated area for Kitchen)
      - Minimum clear height for shall be 2.7m (floor to ceiling eight).
    - Finishes:
      - Walls shall have preparatory sealer and two coats of emulsion paint finish as specified by the manufacturer.
      - Ceiling shall be smoothed and finished with preparatory sealer and two coat of emulsion paint as specified by the manufacturer.
      - Floors shall be of ceramic tile finish.
    - Services:
      - Adequate lighting must be provided for the entire area.
      - Fans and sockets outlets at relevant location shall be provided for the general home appliances at sitting, kitchen and dining area.
      - Kitchen fixtures, such as sink, bench, cupboards, etc. must be provided.
      - Water connection must be provided to relevant kitchen fixtures.
    - Ventilation:
      - Each space shall have window(s), with the opening area equal to 15% of the floor area of that space

### **3.2.2.3 Specific Notes:**

- Monthly material testing and quality monitoring must be carried out by the contractor, and this information shall be provided accordingly, including concrete compression tests.
- A monthly progress report (sample provided) shall be submitted by the contractor.
- Materials, fixtures and fitting used on exterior wall and surfaces shall be weather proof external finishing materials including fixtures and fittings.

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- All the major materials, fixtures and fittings with their specification shall be approved prior to installation/application.

### **3.3 Financing Plan**

The developer is required to secure development finance for the project. The beneficiaries of the housing units shall get a minimum of 15 years to pay back the cost of the housing units. Developer(s) that require earlier return period of the investment shall model the project in such a way that this is achieved with the beneficiaries having reasonable period to pay back the cost of their units. For this, the Developer may opt to associate with a mortgage bank/institution(s) that would provide loans for the beneficiaries. Government of Maldives (GOM) would encourage financial institutions to facilitate user finance for the beneficiaries. GOM envisages that the existing banks and finance institutions would facilitate finance for those who could prove their repayment capacity. GOM also encourages the developers to partner with mortgage finance institutions.

Maldives Police Service guarantees the monthly payment by the beneficiaries. This will be done by deducting the monthly rents from the salaries of the beneficiaries. GOM will pay a housing allowance to each staff that gets an apartment.

Proponents must provide details of financing arrangements for both development finance and user finance. The proposal shall also show the expected pricing of the housing units and the amount the buyers would have to pay monthly against the cost of the units.

### **3.4 Implementation Plan**

- Implementation plan and schedule should be proposed.

### **3.5 Insurance Mechanism**

Proponents must provide details of the arrangement to be put in place for third party liability insurance in respect of their performance of the contract including the construction of the housing units and the delivery of building material to the site. The proponent would be required to submit insurance certificate before signing the contract.

Proponent shall also submit details of arrangements, if any, planned to facilitate insurance of the housing units by the beneficiaries / buyers, upon completion of the housing units.

### **3.6 Quality Plan**

Proponents should provide details of arrangements to be put in place in order to maintain the level of quality of the housing units developed under this project. Proponents shall also offer a statement on how they intend to manage quality aspects of the construction of the units.

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### **3.7 Proposals must contain:**

The proposals submitted shall have all the requirements stated in this Section (Section 3 – Documents to be submitted with the Proposals) along with the following information.

#### 1. Cover Letter

The cover letter for the proposal must be signed by an authorized person who has the authority to bind the Proponent to a Contract.

#### 2. Executive Summary

An executive summary of the proposal.

#### 3. Financial plan

The financial plan or the financial arrangements (developer finance and user finance), indicating the proposed typology and cost of a housing unit to the beneficiaries  
Minimum requirements for the housing units are given in Annex 1.

#### 4. Terms stated in Section 2 and 3, and Contractual terms and conditions in this Request for Proposal

All of the terms and conditions stated in the RFP shall be included in the Proponents proposal.

#### 5. Additional qualification clause, if any from the proponent

If the proponent requires adding terms, such terms shall be separately attached with the proposal.

#### 6. Housing units specifications, Implementation Plan, Financial plan, Quality Plan

If the proponent requires adding terms and improving on the minimum requirements / specifications, such shall be clearly stated in the corresponding sections of the proposal.

#### 7. Information about the Proponent's, technical and financial capacity and experience

- Provide information about the Proponents technical capacity and experience of similar projects.
- Provide financial statements to indicate financial strength of the company to execute a project of this nature.
- Provide proof and information on the arrangement for developer finance and user finance.
- Provide also documents to support the financial arrangements made in the plan.
- Submit company profile including projects of similar nature carried out by the Proponent with clearly stating current business and commitments.
- If the proponent is a consortium, supporting documents and documents explaining the details and nature of the consortium should be submitted.

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## 4 EVALUATION SYSTEM FOR ASSESSMENT OF PROPOSALS

Evaluation of proposals will be based on technical evaluation and financial evaluation.

### 4.1 Technical evaluation (60%)

The technical evaluation is based on the strength of the company and quality and level of provisions offered for the project.

Division of points for technical proposal is as follows:

Type of allocation	Points
Experience of the company (establishment) <i>Experience of the company in the area of real estate development</i>	10
Strength of the partners/consortium offered <i>Experience, financial strength, level of expertise of the company, partners and/or consortium</i>	15
Development of required housing units <i>20 points will be awarded for proponents proposing to develop the required number of units to the minimum requirements given in this document. The remaining 5 points to be allocated for those who propose improvements to the minimum requirements</i>	25
Implementation plan (program of works) <i>Points for this element will be based on the completion time, mobilization time, and the modality proposed</i>	10
Insurance Plan <i>Full points for those that proposes insurance as proposed in this document</i>	5
Carbon neutral and Environment friendliness <i>Points for this element will be awarded based on the degree of considerations to carbon neutrality and environment friendliness in terms of design (use of natural lighting and ventilation), construction (material used), etc.</i>	10

The total points scored in this section will be scaled to match total score allocated.

### 4.2 Financial Evaluation (40%)

#### 4.2.1 Financing proposals (15%)

Qualification of the Developer under this Clause is compulsory. That is, proposals should have both developer finance and user finance confirmed for any Developer to be qualified for this project.

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The total points allocated for this section can be scored by proponents who prove the availability of developer finance for the project in the proposal. The proposal also shall give details of how the Developer proposes to recover cost of the housing units from the buyers. That is, whether the Developer proposes to facilitate mortgage finance or proposes to recover the cost directly from the buyers. In both cases, the buyers shall have a minimum of 15 years for the payment of the cost of the units. Details of financing plans are required to be submitted for evaluation.

**4.2.2 Mortgage facility/ Mortgage Bank (8%)**

Proponents that propose to establish a credible mortgage facility along with the project that will facilitate user finance for the buyers of housing units will get this 8%. Proof of this arrangement shall be submitted for evaluation.

**4.2.3 Payback period (10%)**

Proponents that propose to give beneficiaries payback time of 20 or more years shall get total points. Proponents that propose payback period less than 20 years shall get none.

**4.2.4 Monthly repayment for housing units (7%)**

Proponents that propose the monthly repayment for housing units by the beneficiaries less than US Dollars 500.00 will score this 7%.

**4.3 Combined Evaluation**

Contract will be awarded to the Proponent who scores the highest number of points in the technical and financial evaluation.

$$\text{Combined Evaluation (100\%)} = \text{Technical Evaluation (60\%)} + \text{Financial Evaluation (40\%)}$$

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## 5 CONTRACTUAL TERMS AND CONDITIONS

### 5.1 Definitions

<b>“Flat”</b>	Means a self-contained housing unit that occupies only part of a building and shares common space/facilities with other flats in the same building.
<b>“Consultation”</b>	Means discussing and agreeing with Maldives Police Service and other related authorities
<b>“Commencement Date”</b>	Means the date of signing of this Contract.
<b>“Client”</b>	Means the Maldives Police Service, or the government authority who acts on behalf of the Maldives.
<b>“Developer”</b>	Means the party who would sign the contract with the client to develop the housing units.

### 5.2 Duration of the Contract

Subject to the provisions contained later in this Contract for earlier termination, this Contract will continue for a period of Twenty (20) years from the Commencement Date.

### 5.3 Minimum requirements for the housing units

The Developer shall construct the housing units to at least the minimum requirements given in Section 3.2.1 and 3.2.2 of this document. Any improvements proposed and agreed by the Developer to the given minimum requirements, shall form part of this contract and the amended requirements shall be strictly adhered to by the developer.

### 5.4 Specifications and Standards

Building standards and specifications generally used for Government construction projects shall be the minimum specifications followed for the construction of the housing units. The Developer will, at all times during the currency of this Contract, implement and observe this Clause.

### 5.5 Cost of housing units

The maximum cost of a housing unit to be charged by the Developer shall be in accordance with cost structure and repayment modality agreed between the Developer and the Client. Increase in the costs of labour and material for the construction of the housing units during the construction period shall not entitle the Developer to increase in the cost of the housing units to the buyers. The land allocated for the construction of the housing units will be given free of

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charge, which will ultimately be transferred to the buyers / beneficiaries of the housing units. The housing units developed under this project shall be sold at freehold basis to the police personnel.

## **5.6 Project Review Committee (PRC)**

### **5.6.1 PRC Meetings**

As soon as possible after signing of this Contract, a Project Review Committee (PRC) comprising of the authorized representatives of the Developer and the Client shall be formed. PRC shall meet at least once every month, and in addition, it shall meet on fourteen (7) days written notice of either the Client or the Developer.

### **5.6.2 Matters to be considered**

The Review Committee may consider any matter pertaining to this Contract, the speed of project delivery, the quality and methodology of construction, any matter reasonably raised and to recommend any changes to them.

## **5.7 Status of Developer**

The Developer is not an employee or agent of the Client. No employee, agent or contractor of the Developer is an employee, agent or contractor of the Client. The Developer will not represent or hold out that the Developer is an employee, agent or representative of the Client. The Developer will not permit any employee, agent or contractor of the Developer to represent or hold out that any such person is an employee, agent or contractor of the Client.

## **5.8 Insurance and indemnity**

The Developer shall be responsible for, and shall indemnify the Client against all claims and liabilities for death or personal injury or loss of or damage to property, which may arise out of or in consequence of the performance or non-performance of this Contract by the Developer. Without prejudice to its liability under this Clause, the Developer shall, at its own expense insure, as per law, against any liability for death or personal injury or loss of or damage to any property which may arise out of or in consequence of the performance or non-performance of this Contract.

## **5.9 Obligation to the Developer's Employees**

The Developer shall comply with all the relevant labour Laws applicable to the Developer's Personnel, including Laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights. The Developer shall require his employees to obey all applicable Laws, including those concerning safety at work.

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## **5.10 Progress reporting**

The progress reporting arrangements, which will form part of the contract, will focus on the speed and quality of delivery and any issues or obstacles affecting the delivery. These reports shall be discussed at PRC meetings. However, failure to comply with the terms of the contract entitles the Client to exercise a number of remedies (which may, in the worst case scenario, result in contract termination).

Progress of the works will be monitored and supervised by authorised representatives of the Client and the Community. Reports of such personnel will be forwarded to the Developer and discussed at PRC meetings to bring necessary changes or take necessary action.

## **5.11 Fine for not meeting the time agreed Timetable**

The Developer will be entitled to pay a fine of one per cent (1%) of the cost of the house for every seven day delay up to a maximum of 10% of the cost of construction of the all the housing units, unless the delay is approved by PRC.

## **5.12 Allocation of costs**

The Developer will be responsible for all costs associated with construction of the housing units and will be entitled to all revenues. For the avoidance of doubt, the Developer may opt to carry on with the management of properties with a fee charged on to the buyers of the properties or handover the management to the buyers.

## **5.13 Variation**

The parties acknowledge that there may, in addition to the reviews provided for in Clause 5.11, be changes to the conditions and requirements applying to a component of the project or otherwise to this Contract during the term of this Contract. The parties agree to meet, discuss and endeavour to negotiate in good faith any changes which are proposed by either party. Any changes that are mutually agreed will be placed in writing and signed by or on behalf of each party.

## **5.14 Confidentiality**

All information supplied by Client in connection with the Request for Proposal shall be treated as confidential by proponents except that such information may be disclosed for the purpose of obtaining sureties and quotations necessary for the preparation and submission of the proposal.

## **5.15 Time of completion**

Subject to any requirement in the Contract as to completion of any section of the Works before completion of the whole, the whole of the Works shall be completed in accordance with agreed

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program of works. The total duration includes weekly rest days, official holidays, and days of inclement weather.

### **5.16 Joint and several liability**

If the Developer constitutes (under applicable Laws) a joint venture, consortium or other unincorporated grouping of two or more persons:

- a) These persons shall be deemed to be jointly and severally liable to the Client for the performance of the Contract;
- b) These persons shall notify the Client of their leader who shall have authority to bind the Proponent and each of these persons; and
- c) The Proponent shall not alter its composition for legal status without the prior consent of the Client.

### **5.17 Conflict of interest**

No officer, employee or agent of the Client who exercises any functions or responsibilities in connection with the planning and carrying out the Project, nor any immediate family member, close business associate or organization which is about to employ any such person, shall have any personal financial interest, direct or indirect, in the Developer or in this Contract and the Developer shall take appropriate steps to assure compliance.

The Developer covenants that in the performance of this Contract, no person having any conflicting interest shall be employed.

### **5.18 Force Majeure**

**5.18.1 "Force Majeure" means any of the following events to the extent that they are uninsurable:**

- a) war, civil war, armed conflicts or terrorism; or
- b) nuclear contamination unless the Developer and/or any Subcontractor is the source or cause of the contamination; or
- c) chemical or biological contamination of any of the facilities related to the Route from any of the events referred to in Clause

#### **5.18.2 Consequences of Force Majeure**

- (a) Subject to Clauses (b)(i) and (ii) the Party claiming relief shall be relieved from liability under this Contract to the extent that by reason of the Force Majeure event it is not able to perform all or a material part of its obligations under this Contract.
- (b) Where a Party is (or claims to be) affected by an event of Force Majeure:
  - (i) it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Contract, resume performance

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of its obligations affected by the event of Force Majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and

- (ii) it shall not be relieved from liability under this Contract to the extent that it is not able to perform, or has not in fact performed, its obligations under this Contract due to its failure to comply with its obligations under sub-Clause(b)(i).
- (c) The Party claiming relief shall serve written notice on the other Party within two (2) Business Days of it becoming aware of the relevant event of Force Majeure. Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.
- (d) A subsequent written notice shall be served by the Party claiming relief on the other Party within a further five (5) Business Days which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the event of Force Majeure on the ability of the Party to perform, the action being taken in accordance with Clause (b)(i), the date of the occurrence of the event of Force Majeure and an estimate of the period of time required to overcome it (and/or its effects).
- (e) The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.
- (f) If, following the issue of any notice referred to in Clause (d), the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure (and/or any failure to perform), it shall submit such further information to the other Party as soon as reasonably possible.
- (g) During the continuance of any event of Force Majeure which occurs on or after the Service Commencement Date the Unitary Payment payable in respect of such period shall be reduced to an amount equivalent to the Unitary Payments payable in respect of those Services that are available to the Institution during such period after taking account of the effects of such event of Force Majeure.
- (h) The Parties shall endeavour to agree any modifications to this Contract which may be equitable having regard to the nature of an event or events of Force Majeure.

### **5.19 Governing laws, regulations and standards**

This Contract shall be governed by and construed in accordance with the laws, regulations and standards in force in the Republic of Maldives.

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## 5.20 Dispute resolution

### 5.20.1 General

#### (a) Referable Disputes

The provisions of this Clause 5.23 shall, save where expressly provided otherwise, apply to any dispute arising in relation to or in connection with any aspect of this Contract between the Parties.

#### (b) Internal Referral

(i) If a dispute arises in relation to any aspect of this Contract, the Parties shall attempt in good faith to come to a Contract in relation to the disputed matter, in accordance with the following informal process:

(aa) all disputes shall first be referred to a meeting of the Project Review Committee and

(bb) if the Parties have been unable to resolve the dispute within five (5) days of referral to the PRC, either Party may refer the dispute for a decision by the Client and the Developer.

(ii) In attempting to resolve the dispute in accordance with the provisions of this Clause (b), the Parties shall (and shall procure that their employees and representatives shall) use reasonable endeavours to resolve such dispute without delay by negotiations or any other informal procedure which the relevant representatives may adopt. Those attempts shall be conducted in good faith in an effort to resolve the dispute without necessity for formal proceedings.

(iii) Any dispute which has not been resolved by the Client and the Developer within five (5) days of the dispute being referred to them (or any longer period agreed between the Parties) shall be treated as a dispute in respect of which informal resolution has failed.

#### (c) Performance to Continue

No reference of any dispute to any resolution process in terms of this Clause shall relieve either Party from any liability for the due and punctual performance of its obligations under this Contract.

#### (d) Litigation

(i) Save where any dispute has been expressly referred for determination in terms of Clause 5.20.1, if informal resolution of any dispute has failed, then the dispute may be referred to litigation in the courts by either Party.

(ii) Neither Party is limited in any proceedings before the court to the information, evidence or arguments used in the informal attempts to resolve the dispute.

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## 5.21 Notices

A notice or other communication required or permitted to be given by a party to another party shall be in writing and:

- a) delivered personally to the address of the recipient stated in this contract;
- b) properly addressed to the recipient as stated below and posted, postage pre-paid; or
- c) sent by facsimile transmission.

## 5.22 Termination

### 5.22.1 Immediate Termination by the Client

The Client may immediately terminate this Contract by notice in writing to the Developer if:

- (a) The Developer assigns or purports to assign this Contract or any part of it contrary to the provisions of this Contract;
- (b) The Developer goes into liquidation, either voluntarily or compulsorily, or is dissolved or has a receiver appointed in respect of all or any part of its assets or income or has a provisional liquidator, controller or administrator appointed with respect to it or enters into any composition or arrangement with its creditors or if by operation of law any form of compulsory administration or control of its business and affairs is imposed upon the Developer (but the Client will, without any binding legal commitment and without prejudice to the Client's rights of termination, give favourable consideration to any request for the permanent or temporary continuation of this Contract in any case where the Client considers that the happening of an event referred to in this sub-clause will not preclude the Developer from continuing to complete the construction of the units and social infrastructure, and continuing to comply with all of its obligations under this Contract);
- (c) The Developer fails to deliver the housing units, or a substantial part of delivery of the units, unless the failure is as a result of Force Majeure.

### 5.22.2 Termination by Either Party

Either party may terminate this Contract, within 90 days, by giving notice in writing to the other party if the other party is in breach of this Contract and fails to remedy that breach within 30 days.

### 5.22.3 Payment or properties upon termination

- (a) Upon termination of this Contract, the Developer shall within 25 days, hand over to the Client:
  - a. All the housing units including land (at whatever stage of construction they maybe)
  - b. Any other land or island he has been awarded under this contract
  - c. The sites (including any land area given temporarily material storage, labour housing, etc.) and demobilize from the sites,

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- (b) Upon termination of this Contract, within 60 days, make all payments due to the Client, other service providers and his employees.
  - (c) In the event of termination, no party shall attempt jeopardize efforts to continue the construction process. Both parties shall make maximum effort to continue without any interruption in transferring the remaining works to another developer.

**5.22.4 Accrued Rights**

Any expiry or termination of this Contract is without prejudice to and does not affect the accrued rights of any of the parties arising in any way out of this Contract up to the date of expiry or termination.

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