



Concession Contract with Availability Payment for the Drug Rehabilitation Centre

K. Himmafushi Island, Republic of Maldives

Request for Expressions of Interest



ABEL



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The Government of Maldives (GoM) invites Expressions of Interest from qualified firms to operate the existing Drug Rehabilitation Centre K. Himmafushi (DRC) on a 15-year Concession Contract with an Availability Payment from the GoM and the opportunity to develop other commercial activities.

1 Introduction

The GoM has embarked on an active and coordinated action for drug control in the country. Currently, the Ministry of Health and Family (MoHF) is the only provider of drug rehabilitation treatment services in the Maldives and operates the DRC (the subject of this procurement).

Since 2008, the GoM has initiated a policy shift toward increased involvement of the private sector in service and infrastructure delivery. To this end, GoM has introduced a nation-wide strategy to implement Public Private Partnerships in many services and infrastructure, including the health sector.

In this context, the GoM wishes to appoint a private operator for the existing DRC under a 15 years Concession Contract with the government. GoM will provide an Availability Payment for up to 250 rehabilitation clients per annum admitted by the MoHF. The operator may develop on a commercial basis other uses, facilities and markets consistent with rehabilitation. The GoM primary objective is the provision of high quality drug rehabilitation services and facilities that are delivered in an efficient manner, substantially contributing to the eradication of drug abuse on the Maldives. The contract will be awarded through a transparent competitive bidding process to the party offering best value-for-money.

2 Scope and Objectives

The DRC is located on the island of K. Himmafushi, 15km from the capital island Malé, and is the only drug rehabilitation centre on the Maldives. All clients are currently Maldivian and receive treatment for successful reintegration into society. Approximately 250 clients are accommodated and treated annually at the DRC following the Therapeutic Community (TC) treatment approach. The average duration of stay of clients at the DRC is six months.

The total existing area of the DRC is 32,835 m² (355,000 ft²), which may be expanded by another 26,045 m² (280,000 ft²). The site is walled on three sides, with the northern perimeter comprising the beach of the island. Currently approximately 100 staff are employed at the DRC. Existing facilities include several multi-storey buildings, and stand-alone facilities. This includes a small medical centre, de-toxication centre, and a fully-equipped gymnasium. A refurbishment of existing facilities is required to bring them to required standards.

Under the 15-year Concession Contract, the operator will provide drug rehabilitation services and refurbish and maintain the existing facilities. Regarding rehabilitation services, the private operator may continue the current TC approach, or may introduce other proven rehabilitation therapies, provided that these are appropriate to the socio-cultural context of the Maldives. Private operators may also propose new uses and facilities on a commercial or not-for-profit basis (see Key Project Features below).

Full details on existing facilities and services provided at the DRC will be made available in the Data Room which will be accessible to shortlisted firms during the Request for Proposal stage.

3 Market proposition

The DRC is an attractive proposition with opportunities to:

- Contribute to health and social development in the Maldives.
- Enter the Maldivian and South Asian health sector.
- Take over an existing and operating rehabilitation centre, with modest investment required for refurbishment of facilities to be defined by bidders.
- Continue the established rehabilitation treatment approach, or introduce other proven approaches.
- Receive a regular Availability Payment from the GoM for up to 250 clients per annum.
- Identify new uses (commercial or not-for-profit) at the site and facilities, or expand the clientele to other forms of dependencies or markets from the fast growing South Asian countries, or internationally.

4 Key Project Features

- **Availability Payment** – the operator will receive a regular (quarterly) availability payment from the GoM for the treatment of a specified number of MoHF clients annually (indicatively 250).
- **Land and asset ownership** – Ownership of the land and facilities will remain with the MoHF, but the operator will have full usage under a lease agreement.
- **Other uses possible** – private operators may propose new facilities, uses and services to be introduced at the DRC on a commercial or not-for-profit basis, as well as possible new treatment markets, provided that these are consistent with the overall objectives of dependency rehabilitation, and contribute to the optimal functioning of the DRC.
- **Referral and post-treatment reintegration** – the MoHF will remain responsible for the referral of MoHF clients to the DRC. Post-treatment reintegration outside of the DRC will remain the responsibility of the MoHF, however operators are expected to play an active role in advising the MoHF, and may also propose to play a more direct role in post-treatment reintegration.

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- **Cost compensation for possible personnel restructuring** – should restructuring of personnel be required, within applicable criteria related costs (e.g. redundancies) will be borne by the GoM.

5 Procurement Process

The procurement process entails two consecutive stages, the current Pre-qualification Stage and the Request-for-Proposal Stage. Interested parties are now invited to submit an Expression of Interest in the form of a letter including:

- Confirmation of the firm's interest to be considered for short listing for the RfP stage
- General information on the firm or firms, including main business, main country/ies of establishment and operation, duration of business activities, etc.
- Demonstration of sufficient experience to operate the DRC by involvement in at least one similar facility and service (experience of operating under a concession contract will be considered of additional value)
- Sufficient financial standing by indicating:
 - A signed statement by a duly authorized representative of the firm that the firm is in good financial order, is not bankrupt, is not having their affairs managed by a court, has not entered into an arrangement with its creditors, or has not suspended its business, or similar or related situations
 - The annual turnover of the firm over the last 3 years, which should exceed US1 million (Firms may subsequently be requested to provide audited financial statements)

Firms may request to be qualified alone, or in consortium with other firms. If the Expression of Interest is from a consortium of firms, information on all firms making up the consortium must be provided, it must be clearly indicated which firm is the lead firm of the consortium, and the nature of the consortium arrangement should be specified, including a consortium letter or agreement signed by all firms.

Expressions of Interest letters in English should be no longer than 5 pages, excluding any supporting financial information or brochures. Submissions marked clearly as "Expression of Interest – DRC K. Himmafushi" should be submitted electronically by email (PDF document) and/or in hard copy before **15:00hrs Maldives Time, 29th November 2010** to the address below:

Ministry of Economic Development (next to Coast Guard Building)

To the attention of: **Ms. Fathimath Niuma**
fathimath.niuma@trade.gov.mv
Boduthakurufaanu Magu
Male' 20095, Republic of Maldives.
Tel: (960) 3333190, Fax (960) 3322528
Website: www.investmaldives.org

This project is part of a nation-wide strategy supported by the Asian Development Bank to introduce Public Private Partnerships (PPP) in social and other infrastructure sectors in the Maldives. The GoM has retained RebelGroup Advisory of The Netherlands as Transaction Advisor.