



**Concession Contract for the Kulhudufushi Regional Hospital  
Republic of Maldives**

**Request for Expressions of Interest**



**AEBEL**



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## Request for Expressions of Interest

### Concession Contract for the Kulhudufushi Regional Hospital and New National Oncology Unit, Republic of Maldives

The Government of Maldives (GoM) invites Expressions-of-Interest from qualified firms to operate the existing Kulhudufushi Regional Hospital (the Hospital) and establish a new National Oncology Unit under a 15-year Concession Contract. In addition to revenues from the national and private health insurances and private patients, the operator will receive a regular Availability Payment from the GoM for a defined period.

#### 1 Introduction

Fast economic growth and an increased health awareness is driving strong demand for high quality health services in the Maldives. Since 2008, the GoM has initiated a policy shift toward increased involvement of the private sector in service and infrastructure delivery. To this end, the GoM has introduced a nation-wide strategy to implement Public Private Partnerships in many services and infrastructure, including the health sector.

The Ministry of Health and Family (MoHF) is the largest provider of health care services in the Maldives. It has a total of 20 public Hospitals and 174 Health Centers under operation. The GoM wishes to improve the quality and range of healthcare in the main public hospitals in the country, by increasing partnerships with private parties able to bring innovation and technical expertise in health services.

In this context, the GoM wishes to appoint a private operator for the Kulhudufushi Regional Hospital under a 15 year Concession Contract. Operators are expected to improve the quality and range medical services provided, and establish a new National Oncology Unit (the sole oncology unit in the Maldives). In addition to revenues from the national and private health insurances and private patients, the operator will receive a regular Availability Payment from the GoM. The contract will be awarded through a transparent competitive bidding process to the party offering best value-for-money.

#### 2 Scope and Objectives

The 50-bed Hospital is the only hospital in the Upper Northern Province. Constructed in 2002, the well-maintained facility treats around ?? patients per annum, with around 3,000 in-patient admissions yearly, offering:

- **OPD consultations:** general; internal medicines; obstetrics and gynecology; pediatric; orthopedic; ophthalmology; dental; ENT; surgery
- **In-patient services:** medical; major/minor surgeries (general, orthopedic, obstetrics & gynecology); pediatric; normal/caesarean/other deliveries; ICU
- **Public health services:** immunization; family planning; STD/TB/NCD/Leprosy control; distribution of medicines for psychiatric patients; disease surveillances & epidemic control, etc.
- **Blood transfusion:** thalassemia, pregnancy, and anemia cases
- **Physiotherapy**

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- **Para-clinical services:** laboratory investigations; ECG; X-ray; ultrasound scan

The Hospital does not provide catering/dietary services for patients, nor a pharmacy as the patients are required to buy the prescribed medicines from the market. Full details on existing facilities and services provided at the Hospital will be made available in the Data Room which will be accessible to shortlisted firms during the Request for Proposal stage.

The 15-year Concession Contract will include the refurbishment, possible expansion, maintenance and operation of both health and non-health services.

### 3 Attractive market proposition

The Hospital is an attractive PPP market proposition with the following opportunities:

- The chance to enter the Maldivian health sector and the opportunity to take over the operation of an ongoing Hospital with regular GoM availability payments.
- The exclusive right to establish a national oncology unit and provide oncology related health services in the country.
- If developed and well-marketed, the Hospital has potential to attract Maldivian patients that currently travel overseas for treatments.
- Investment required in facilities and equipment is minimal, and is open to the discretion of bidders.
- Maldives is located in the fast growing region of South Asia and private clients can be attracted from the entire region and beyond.
- The Hospital site offers ample opportunities to implement new activities as long as these are in keeping with the Hospital's objectives and respect the local social and cultural customs and traditions.

### 4 Key Project Features

- **Availability Payment** – the GoM will pay a regular Availability Payment during a defined period.
- **Market based revenues** – the operator will be allowed to generate revenues from private patients, health insurance or any other aligned activity (e.g. sale of medicines).
- **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.
- **Compensation for costs of staff restructuring** – within defined criteria, any costs related to staff restructuring (e.g. retrenchment) 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

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- 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 Hospital 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 US\$ 3 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.

Each Expression of Interest in English should be no longer than 5 pages, excluding supporting financial information or brochures. Submissions should be clearly marked either as "Expression of Interest – Kulhudufushi Regional Hospital" and be submitted electronically by email (PDF document) and/or in hard copy, before **15:00 Maldives Time, 8<sup>th</sup> November 2010** to the address below:

Ministry of Economic Development (next to Coast Guard Building)

To the attention of: **Ms. Fathimath Niuma**  
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*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.*