



Reference No: HDC (161)-CM/IU/2021/62

Date: 28th January 2021

RESPONSE TO ENQUIRIES 1

Project Name: Development and Operation of a Fuel Station in Hulhumalé Phase 2

Proposal Reference Number: HDC (161)-CM/IU/2020/307

Announced Date: 5th January 2021

The following are the response(s) for the enquiries raised to this RFP.

	Enquiry	Response
1.	What is the current rent rate of a fuel station in Hulhumalé?	The lease rate for the current fuel stations in Hulhumalé is around MVR 12.5 per sqft per month.
2.	Will there be electricity and water facilities when you award the contract?	Electricity and water provision will not be there as this is a bare land plot to be lease for development. However, wining party can request to the service providers for a temporary connection during the construction period.
3.	What is the duration to compete the project?	As per Section VI. Contract Terms the lessee shall complete the construction and development of the Fuel Station with in a maximum of 9 calendar months from the date of agreement signing.
4.	How many years the contract will be valid? 20 ,30 or 50 years?	As per Section VI. Contract Terms the lease term is 30 years from the date of agreement signing.
5.	Do we need to submit proposal for 2 plots separately with Garage and Automatic wash or one component with fuel station? Do we need to include both automatic garage and car wash or each plot one component?	Proponents are required to submit separate proposals for each land plot. Allocated facility (services) to each land plot shall be proposed with the proposals.

6.	30 years not feasible, if we offer 50% revenue share. Can we request to extend the lease term?	As per Section VI. Contract Terms the lease term is 30 years from the date of agreement signing.
7.	Does the fuel station need to be fully automatic?	As per Section V. Lessors' Requirement fuel stations shall be fully automatic.
8.	Can we include any other facilities in addition to the facilities as per lessors' requirement?	Proponents shall submit proposals for the allocated facilities and services to the land plot.
9.	DO we need to do an Environmental Impact Assessment (EIA)?	Lessee are required to do an Environmental Impact Assessment.
10.	We would like ask not to submit the concept drawing as its cost us to make drawing and BOQ. Is it possible to submit the drawings once project is awarded?	Proponents are not required to submit Concept drawing and BOQ. Awarded party shall submit concept as per Section V. Lessor's Requirement.
11.	Why performance guarantee is taken? If you are taking MMG then why taking a performance guarantee? Why you are blocking the money?	Performance guarantee is taken to ensure the development is completed in construction and development period. Moreover, performance guarantee shall be released 3 months after the development period. Minimum Monthly Guarantee is the lease model. Proponents shall propose a revenue share percentage. Whereby the proponents agree to pay the MMG or the percentage of revenue share proposed on the net revenue, whichever is higher to the lessor as monthly lease.
12.	The fuel business is a very low margin business, and the retail prices are benchmarked with the prices of STO Maldives. In addition to this, the fuel market is highly volatile, and the price fluctuates quickly in relation to the international price of the refined fuel and the availability of US Dollars to pay to the suppliers etc. We would also like to note that the investment to establish self-service dispensers with full integration including digital	The comment will be reviewed by our team. Any changes to the RFP document that may become necessary will be made by issuing an addenda.

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payments, will be quite significant. On the other hand, this level of service is required for customer convenience and we believe that fuel stations in Hulhumale' Phase 2 is a necessity for the people residing and visiting Hulhumale'. We also note the challenge to keep same price levels between the fuel stations in Male' and Hulhumale', although STO controls the fuel retail price and have 100% of Fuel Stations in Male'.

Therefore, to propose a sustainable long-term service model, we would like to request to amend the following terms in the RFP.

Lease Term: Lease Term to be 50 years.

Lease Model: Revenue
Sharing to be between 2% 3% and the maximum not to
exceed (capped at) MVR 15/per sqft per month OR fix a rent
at the rate not higher that MVR
15/- per sqft per month.

Remove the rent revision proposed in every 5 years and fix the rate for the entire lease period.

Please include this response to enquiries when submitting the proposal.

Africa