

Reference No: HDC (161)-CM/IU/2021/108  
Date: 28<sup>th</sup> February 2021

### RESPONSE TO ENQUIRIES 1

**Project Name:** Local Developer Project 3

**Proposal Reference Number:** HDC(161)-CM/IU/2021/7

**Announced Date:** 1<sup>st</sup> February 2021

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

	Enquiry	Response
1.	Can my company apply to one package separately and to a second package with a JV company?	As per RFP section II ITP 3.6, under 'Arm's Length" the company will be considered ineligible.
2.	Do we have to accommodate to disabilities even in the small packages?	Yes. As per RFP Section V. Clause 3.2.3: 3-5% of residential units should be allocated for people with disabilities.
3.	In Local Developer project 2 the minimum Land cost per sqft was MVR 1200.00, but for this project: Local Developer-Project 3, land cost is MVR 1800.00 for the smallest plots. Hence, why is the land cost higher for this project?	The base rate is derived based on the current market conditions, demand and supply for the real estate market.
4.	How do we pay the pre booking amount (MVR 50,000.00) in terms of units?	Pre-booking fee is collected from the customers; however, this has to be part of the price of the housing unit.
5.	Do we have to pay cash balance for the remaining payment of the area?	Yes. If there is any difference in value while handing over developed units, it should be settled in cash on the day of unit handover.
6.	Will the bid security be released even if we win?	Yes. As per RFP section II clause 13.6 bid security of the successful proponent shall be returned as promptly as possible once the successful proponent has signed the contract.
7.	Can the performance guarantee and acquisition cost be used for the cash payment of land cost?	No. The performance guarantee and acquisition cost cannot be considered as land cost.
8.	If two companies have the same shareholders, can they apply together?	Two companies can apply as a JV. However, neither companies can apply separately after applying as a JV.

9.	Can a company apply individually for this RFP and as well as a JV with another proponent?	As per RFP section II ITP 3.6, under 'Arm's Length" the company will be considered ineligible.
10.	Should the audit report start from 2019?	Audited financial statements of the past 03 years shall be submitted, (Year 2020, 2019 and 2018) and management account of the current year.
11.	If the proponent has any overdue payment to HDC will the company be disqualified?	Yes. As per RFP Section III. Clause 1.2, The proponent will be disqualified if the company has any overdue to HDC as it is a qualification criterion.
12.	How many projects can a proponent be able to win?	If a Proponent is ranked highest for more than one Package of Local Developer 3 Project, the Proponents will be given opportunity to select only one land plot. The forfeited land plot from the highest-ranking Proponent shall be awarded to the next highest ranked Proponent
13.	Will the financials of the contractor be considered?	No. Only the proponent's financials will be considered. However, if the contractor is an external financier, the relevant documents shall be submitted and will be considered.
14.	What does 'operators' mean in this RFP?	A company with Real Estate Development Operations.
15.	What does 'new operators and contractors' mean for this project?	As per RFP section III qualification criteria 1.5, Parties who have been awarded to develop more than 30 units by HDC shall be ineligible for this RFP process. Hence, any contractors who have not previously been awarded more than 30 units by HDC, will be considered as new operators and contractors.
16.	Does a company applying to all four packages have to submit proof of finance for all three packages as well?	Companies applying to all four packages can submit proof of finance for the package with the highest project cost only.
17.	Can we change the number of rooms in the units?	As per section v. clause 3, 3.2.2, The residential units shall comprise of units of 2 bed rooms and 3 bedrooms.
18.	Is registration required for this bid?	No. Pre-registration is not required.
19.	What is the price of price cap units?	The residential sale rate proposed by the proponents in the Proposal as per Section III. Clause 2.2

20.	Do we have to give any units to HDC?	Yes. Units as settlement of consideration of Land Price (Development and Sale Right) shall be handed over to HDC.
21.	How are plots allocated to winners in each package?	If a Proponent is ranked highest for more than one Package of Local Developer 3 Project, the Proponents will be given opportunity to select only one land plot out of all the packages applied.  The forfeited land plot(s) from the highest-ranking Proponent will be awarded to the next highest ranked Proponent.
22.	Where can we find the bid documents?	The bid documents will be uploaded to: Corporate website: <a href="http://hdc.com.mv">hdc.com.mv</a> MyHulhumalé Properties website: <a href="http://properties.hdc.com.mv">properties.hdc.com.mv</a>
23.	Which document can be submitted in place of the audit statement?	Please refer to RFP Section IV. Clause 4. Financial Documents.
24.	Can open market units be positioned to the top floor?	Yes.
25.	Can we give units for more than the residential sale rate?	The 60% of the residential units shall be sold at the proposed Residential Unit Sale Rate proposed by the proponent, and the remaining 40% of the residential units can be sold at open market price.
26.	Can a contractor that does not submit an RFP go with more than one developer without forming JV?	As per RFP section II ITP 3.6, under 'Arm's Length" the company will be considered ineligible as it will create a conflict of interest.
27.	Does the developer have the discretion of choosing a maintenance firm to manage & maintain the common areas of the building?	Yes. It is the developer's responsibility to manage and maintain the common areas of the building for 12 months, hence the developer can hire a firm to manage and maintain the common areas.
28.	How would HDC use these units?	To be used for residential purpose.
29.	Will the applications be disqualified due to small problems such as a bank stamp?	If the RFP specifies for such documents or information, such as bank statements; shall be an original, authorized and sealed by the bank / financial institution. If not, the documents will not be accepted in evaluation.
30.	What is the maximum number of apartments to be built?	The developer can develop the maximum number of units in accordance to the guidelines provided.

31.	Is there a minimum Sqft for the apartments?	Please refer to RFP Section V, Clause 4. Drawings and Guidelines.
32.	If we are to invest 30% and balance via bank finance; do you have a specific letter format for bank?	If Bank financing is proposed by Proponents, bank comfort letter, bank guarantee or any other relevant documents shall be submitted. The submitted documents shall include the Proponent(s) name and name of proposed work/ project
33.	To verify equity, bank balance and equivalent cash such as receivables, inventory, do you take the book value or a percentage?	The values will be taken from Balance Sheet (in value)
34.	Is the Foot print equal to build up area?	No. The footprint is based on the maximum Site Coverage. The buildable area is the area which does not fall into the setback. The developer can build within this area up to the allowed site coverage.
35.	Engineer's project cost estimate by lessor (page 26 of package 1 document) It says MVR 9,677,174.65 is estimated as the cost for package, does this mean this is the cost of the 2 plots in package 1?	The calculation basis for Engineer's Project Estimate by Lessor is average project cost of the land plots calculated at the rate of MVR 1,000.00 per sqft (Gross Floor Area). Therefore, the project cost will vary for each package.
36.	Does the proponent / developer have to give anything to HDC other than acquisition cost and Land price?	The developer has to settle the land cost value in terms of completed Price Capped Housing units along with acquisition fee payment and Performance Guarantee submission.
37.	It says 3 – 5 % of residential units should be allocated for people with disability, when we calculate it gives a decimal figure. Does this mean we round it off and see it as 1 apartment?	Yes.
38.	Can a proponent be a contractor for another proponent?	No. As per RFP section II ITP 3.6, under 'Arm's Length" the company will be considered ineligible as it will create a conflict of interest.
39.	Can one contracting company be proposed as the contractor by more than one proponent?	No. As per RFP section II ITP 3.6, under 'Arm's Length" the company will be considered ineligible.
40.	Can those who do not qualify to submit RFP be contractors	Yes.
41.	What kind of experience counted as the operator experience? What would be the related experience?	Companies with Real Estate Development Operations.

42.	In 5.4 of the business plans, "management of operational details" does it include only the project management and operational details of does it also include the property management details?	Yes, it is included.
43.	Does every proponent require to submit the HDC due clearance form?	Yes. Proponents are required to submit the due clearance statement from HDC.
44.	How can 3-5% allocated to people with disabilities be ensured? How shall these units shall be reserved for customers in the specific target market?	The drawings should indicate as PWD units. These units can be marketed as such.
45.	In the evaluation criteria, clause 2.2 states 35%, whereas 2.2.4 state maximum 40% of the marks will be allocated. Could you please clarify which is the correct value?	The correct percentage for Residential Sale Rate evaluation is 35%, however in clause 2.2.4, the 40% was mentioned by a clerical error
46.	Does the client reference letter have to be in the exact format as provided in the RFP?	No. If the reference letter covers the components provided in the format given in the RFP, it will be accepted.
47.	Please confirm the maximum height given in the setback plans in each plot.	Confirmed as indicated in the Setback table given.
48.	A company that had carried out projects both as developer and as a contractor for 9 years in the past, but had not conducted any business in the last 4 years and therefore, had submitted management accounts & Director's report instead of audited financial reports for MIRA purposes. Is the company eligible for participation? What financial documents would be required from this company?	Yes, the company is eligible. Please refer to RFP Section IV. Clause 4. Financial Documents.
49.	With reference to the above, in submitting the proposal as an Operator, would the operational experience in that 9 years be considered as past experience, instead of the last 5 years?	Yes. Any years of related work will be considered as experience.
50.	Are companies formed within the last 12 months eligible? If so, what financial documents would be required?	Yes. Companies formed within the last 12 months are eligible to apply. For financial documents, they are expected to submit their management account and other related documents mentioned in section IV, clause 4 of the RFP.
51.	Are there any price guidelines for the sale of parking spaces?	As per RFP Section V 3.3 – parking, parking spots shall be sold to tenants linked to the sale of units.

52.	How will the ground floor be used in package 1? Is it only parking?	Please refer to RFP Section V. Clause 4.2 Design and Development Guideline
53.	We would like to know how many storey the 2717 sqft lot in the package can be constructed to?	Number of storeys can be constructed as per the details indicated in the table in Setback Plan drawing.
54.	How much proof of fund is required for 2717 sqft lot proposals?	Please refer to RFP Section III. Clause 3. Engineer's Project Cost Estimate by Lessor
55.	How much proof of fund is required for 1656 sqft lot proposal?	Please refer to RFP Section III. Clause 3. Engineer's Project Cost Estimate by Lessor
56.	For how many years is the contract after construction and operation of the apartment?	Until the end of the Development and Sale right and the defects liability period.
57.	Will a new registry of land be provided?	No. The developer will be given the development sale rights
58.	When do we have to provide proof of fund?	Proof of funding needs to be submitted with the Proposal. Please refer to RFP Section IV. Clause 4. Financial documents.
59.	When will the proof of fund be used?	During the evaluation stage.
60.	GFA of lot 20034 not indicated	Pure residential guideline for Neighborhood 4 attached with drawing which indicates the FSI for plots based on the plot area. Please follow the guideline attached/published.
61.	GFA of lot 20030 not indicated	Pure residential guideline for Neighborhood 4 attached with drawing which indicates the FSI for plots based on the plot area. Please follow the guideline attached/published.
62.	The number of floors for amenities and residential not stated for plot 20030	Only ground floor can be used for amenities
63.	The number of floors for amenities and residential not stated for plot 10901	Only ground floor can be used for amenities
64.	The number of floors for amenities and residential not stated for plot 20034	Only ground floor can be used for amenities
65.	Plot area of 10057 stated as 1656.93 sqft in Section V. Point 2.1 (Land price) but setback plan of the same plot indicates 1657.53 sqft	Please follow the table in setback plan.
66.	We would like to know why lot 10901 having a built-up area of 2,066.70 sqft with	Based on plot ratio for the given plot, the allowable GFA is 12,227.09Sqft.

	a total 8-storey building allows a total GFA of 12,227.09sqft. Please confirm the GFA.	
67.	<b>Section III. Clause 1 (1.1): (b) (i)</b> Does it mean that our statement of financial position should have a balance equivalent or more than the full engineer's project cost estimate?	If the proposed financing method is equity, the financial documents shall demonstrate access to or availability of funds.
68.	<b>Section III - Clause 2.2 (2.2.1):</b> Is the "Price Capped Housing Units" (60% of the total GFA) inclusive of the units that should be handed over to the HDC?	Yes.
69.	Section III Clause 2. Experience (2.3.4): Should the proponent be a contractor -- how is the capacity of the operator evaluated?	The capacity of the operator will be evaluated based on the number of years in operation. In this case, 3% will be allocated for the capacity of the operator.  Please refer to section III, 2.2.1 and 2.2.4.
70.	Section V - Lessor's Requirements. Clause 2.5: How is the outstanding amount calculated for the liquidated damages?	Will be based on the price cap housing units of the winning party.
71.	Section V - Lessor's Requirements. Clause 3.3 - 3.3.3 & 3.3.5: Is there a duration for the sales of the residential units?	No.
72.	Section V - Lessor's Requirements. Clause 3.3.6: What is the requirement from developer side to HDC to handover the units / parking spots? -- As in, in addition to the acquisition fee, is the developer required to handover units/ parking spots equivalent to the land price? If, so can this be detailed?	The developer is required to handover units to HDC equivalent to the land cost.  As per section v, clause 3, 3.3 - parking, motorbike parking spots can be sold to the tenants linked to the sale of units. Hence, parking spots shall be linked to HDC units as well.
73.	Is a reference letter (as in Form 5) mandatory (would we be disqualified if we do not submit a reference letter)?	No. If the reference letter covers the components provided in the format given in the RFP, it will be accepted.
74.	If the proponent being an operator and the selected Contractor has a contract with HDC, how will this be considered in Single Party Exposure limit policy?	If the contractor is under a contract for a similar project and if the contractor has been previously awarded more than 30 units by HDC, this will fall under single exposure limit.  Kindly refer to the below link for the Single Exposure Limit Policy:  <a href="https://bit.ly/3koaBTh">https://bit.ly/3koaBTh</a>
75.	If the proponent being an operator and the selected Contractor participates in	The contractor cannot submit the RFP as a separate proponent. As per RFP section II ITP 3.6, under 'Arm's Length" the company will be

	this BID, as a separate participation, how will this be considered?	considered ineligible as it will create a conflict of interest.
76.	Can the Acquisition Fee be paid within the construction period with equal monthly installments?	Acquisition Fee shall be paid in 3 (three) installments. Please refer to Section VI. Clause 8.2.
77.	Can we have 2BR or 3BR only instead of 2BR & 3BR	Should have a mix of 2 bedrooms and 3 bedrooms. As per Section V. clause 3, 2.3, The units to HDC should be distributed to different floors and should have a mix of 2 bedrooms and 3 bedrooms.
78.	As this project seems to be targeted to SME sector, can the land price be payable to HDC, along with project progress (along with sales of units), instead of equivalent developed units? This will facilitate developers to get funds easier as, if not the land value equivalent units will be fully funded by the developer via loans.	No. The Developer shall settle the value of land price in terms of completed "Price Capped Housing Units" inclusive of the proportionate car parking area, at the proposed Residential Sale Rate as per Section III, Clause 2.2 of this RFP
79.	Can the construction period be extended to 30 months, as the current working situation + logistics and purchase of goods + delivery do take longer now, and need a reasonable time frame	Construction period for the project shall be 18 months if Sale and Development Mortgage right is granted or 24 months for other financing models from the approval of the detailed drawings
80.	Can the proponents ask for higher booking fee from open market units	No. According to section v, 3.4 – sale of housing units, a booking fee of maximum MVR 50,000 can be collected from customers when booking.
81.	For these smaller Plots, accommodating a Stretcher size elevator is it necessary or can we have reasonable number and size as per 2.2.4?	Stretcher lift is required for plots above 2500sqft. It can accommodate as a normal passenger lift and firefighting lift also.
82.	Kitchen-Do we have to provide finished kitchen or can we have the plumbing for kitchen only as the kitchen choice varies?	Providing plumbing provision would be sufficient.
83.	Terrace- Can the 50% covered area be used for an apartment/penthouse	Yes
84.	Is Car Park for every 3 apartments required? We cannot accommodate this % in the parking allocated Floors	Required.
85.	Additional 10% parking for visitors- In these small Plots, do we need visitor's car park?	Yes, it is required.
86.	Is this project an Import Duty Free Project?	Duty will be charged as per the rules and regulation of Maldives Customs Service.



	Recent changes to Import Duty have made some materials like. Granites, ceramic tiling, air-conditions ++ as ZERO Duty items, but still items like electric cabling, fixers, putty, doors, paints are with import duty and as this project is targeted for mid-range housing units, can the proponent request for Import Duty Free option for this project?	
87.	Can the proponents request for a working & storage site, near the proposed building site? What are the available sizes of land as a working site?	Requests from the developer will be reviewed and based on the land availability and necessity, allocations will be made.
88.	As these locations are in occupied neighborhoods, what is the approved working time to carry construction work?	Noisy construction activities are prohibited after 1800 hrs. in residential areas and 0000hrs in all areas.
89.	<p>With reference to IFP reference number: HDC(161)-CM/IU/2021/68, Local Developers 3 Development and Sale of Pure Residential Apartments in Hulhumalé', we would like to request the following change to RFP:</p> <p>Section V, Clause 2.2 - provide the option for the Developer to make the full payment of the land price before end of the construction period or whatever period HDC decides.</p> <p>If the developer fails to make the full payment of the land price before the end of construction period (or the period proposed by HDC), the developer should settle the value of land price in terms of the completed "Price Capped Housing Units" inclusive of the proportionate car parking area, at the proposed Residential Sale Rate as per Section III, Clause 2.2 of this RFP.</p> <p>In this regard, we would like to obtain the right to sell all apartments developed under the project, and we assure you that 60% of the units will be sold at the agreed capped price to the eligible parties.</p>	As per the RFP, 2.2. The Developer shall settle the value of land price in terms of completed "Price Capped Housing Units" inclusive of the proportionate car parking area, at the proposed Residential Sale Rate as per Section III, Clause 2.2 of this RFP.
90.	We would like to know if a selected party can nominate a contractor who has been awarded to develop more than 30 residential units, since it is mentioned in 1.5 of Section III that "Parties who have been awarded to develop a project of	Any Proponent, Joint Venture Partner(s) of the Proponent, proposed contractor(s) by the Proponent and operator(s) by the Proponent who have been awarded to develop more than 30 housing units in one project (residential



	more than 30 units by HDC shall be ineligible for this RFP process. This includes operators & contractors who have been awarded more than 30 units".	apartment) by HDC shall be ineligible for this RFP process.
91.	We understand that the Developer has to settle the value of land price in terms of completed "Price Capped Housing Units". Does this mean the Developer has to handover the "Price Capped Housing Units" to HDC or can the Developer sell the units on behalf of HDC at the residential sale rate?	The "Price Capped Housing Units" allocated for HDC has to be handed over to HDC and the Developer cannot carry out any sales for these units.
92.	We recognize that there are minor changes in the RFP documents of different packages. Would it be possible to provide a list of major differences between the RFP documents of all packages?	The land cost of each package will differ as the plot size is different in each package. And the estimated project cost will also be different to the four packages.  Therefore, please be recommended to refer to the four RFP's.
93.	Please share HDC's plan for the maintenance & management of the finished building. Does the developer have the discretion of choosing a maintenance firm to manage & maintain the common areas of the building?	It is the developer's responsibility to manage and maintain the common areas of the building for 12 months, hence the developer can hire a firm to manage and maintain the common areas.
94.	As an Operator, how do we submit the information of the selected contractor, as none of the provided forms have the provision for such information? Can we include that in the Business Plan under the operational plan?	The details of the contractor shall be submitted for the evaluation as per Section IV. Clause 6.
95.	If a party is ranked highest in more than one package, is the party awarded 1 land plot from each package or 1 land plot from all the packages?	If a Proponent is ranked highest for more than one Package of Local Developer 3 Project, the Proponents will be given opportunity to select only one land plot. The forfeited land plot from the highest-ranking Proponent shall be awarded to the next highest ranked Proponent
96.	We would also like to know if we are required to submit proposals for each package or separately for each plot.	Proponents shall submit the proposal to each package separately. Not for each plot.

**Please include this response to enquiries when submitting the proposal.**