



Date: 12th January 2012

**INVITATION FOR EXPRESSION OF INTEREST FOR THE DEVELOPMENT AND MANAGEMENT OF
KULHUDHUFFUSHI REGIONAL HOSPITALS UNDER A PUBLIC-PRIVATE PARTNERSHIP CONTRACT**

INTRODUCTION AND OBJECTIVES

Fast economic growth and increased health awareness is driving strong demand for high quality health services in the Maldives. Since 2008, the Government of Maldives (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 (PPP) in many services and infrastructure, including the health sector.

Upper North Health Services Corporation Limited, otherwise known as UNHSC, is a 100% Government of Maldives (GoM) owned company with the mandate of providing Health Care services to the Upper North Region of the Republic of Maldives. UNHSC owns Kulhudhuffushi Regional Hospital, 2 atoll Hospitals and 38 Health Centres in the region and caters health care for a population of over 65,000 people.

The UNHSC wishes to improve the quality and range of healthcare in the main public Hospitals in the regional, by increasing partnerships with private parties able to bring innovation and technical expertise in health services.

In this context, the UNHSC intends to procure the refurbishment, possible expansion, maintenance and operation (of both the hospital facilities and the provision of the medical and health services) of Kulhudhuffushi regional hospital (KRH) under 20 year concession contract with a private partner or partners:

- The **Kulhudhuffushi Regional Hospital** (50 beds in operation) provides a full range of regional health services.

The existing facilities in hospital require refurbishment. It is also necessary to improve the range and the quality of medical and health services provided. In addition, the UNHSC is interested in the potential to introduce a new national medical specialization at KRH.

The contracts will be awarded through a transparent competitive bidding process to the party offering best value-for-money. Interested parties can express their interest and propose a plan for substantial development for a 20 - 25 year tenure.

1. Upon receipt of expression of interest a preliminary evaluation based on the background and capacity of the parties will be conducted and a short listing will be done.
2. Shortlisted parties will then be invited to a discussion table. A basis for discussion (as detailed below) will be provided to the short listed parties prior to the meetings.

SCOPE AND NATURE OF PARTNERSHIP

Kulhudhuffushi Regional Hospital is currently in operation with properly maintained facilities. Currently, the Hospital provides the following health services:

- **OPD consultations:** general; internal medicines; obstetrics and gynecology; pediatric; orthopedic; ophthalmology; dental; ENT; surgery; dermatology.
- **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**
- **Para-clinical services:** laboratory investigations; ECG; X-ray; ultrasound scan

The Hospital does not provide catering/dietary services to the patients. Neither do they provide pharmacy service as the patients are required to buy the prescribed medicines from the market. Full details on existing facilities and services provided at Hospital will be made available in the *Data Room* which will be accessible to shortlisted firms during the negotiation stage.

This Design, Build, Finance, Maintain and Operate (DBFMO) contract for the hospital entered into between the UNHSC and the appointed private operator will include the refurbishment, maintenance, operation (including the provision of the medical and health services) and possibly the expansion of the regional Hospital.

The Project entails the following key features:-

- **Market based revenues** – the Operator will be allowed to generate additional revenues from private patients, health insurance or any other aligned activity (e.g. sale of medicines).
 - a. Control over day-to-day and year-to-year operations;
 - b. Influence over key areas of the business;
 - c. Financial flexibility to develop an optimal funding structure;
 - d. Ability to promote and develop the business;
 - e. Freedom to manage business operations to ensure maximum operational efficiency;
 - f. Ability to negotiate commercial agreements with customers to provide long term certainty;
- **Land and asset ownership** – ownership of the land and facilities will remain with the UNHSC. The operator will have usage and will maintain the property under a lease agreement with the UNHSC.
- **Compensation for costs of staff restructuring** – within defined criteria, any costs related to staff restructuring (e.g. retrenchment) will be borne by the GOM.

UPPER NORTH HEALTH SERVICES CORPORATION LIMITED SHALL

- a. Maintain oversight of long term facilities and changes to the business scope;
- b. Oversight of rates and charges levied;
- c. Setting performance standards and define appropriate regulatory standards for service delivery and operations in line with the national standards and regulations;

INCENTIVES:

- Provision of an Availability Payment; this is to be utilized as a viability gap funding for the operation of the hospital.
- Contribution to the Capital Expenditure needed for the development of the facility.

SUBMISSION GUIDELINES AND TIMELINE

The procurement process entails two consecutive stages, the current Pre-qualification Stage and the Negotiation Stage. During the current Pre-qualification Stage, interested parties are requested to submit an Expression of Interest (as described below). Based on the Expressions of Interest received, a limited number of firms will be shortlisted and invited to the Negotiation Stage.

Interested parties are now invited to submit an Expression of Interest with information indicating that they are qualified to carry out the project, in particular in relation to the following criteria:

- A clear and effective vision on health services and facilities to be provided;
- Technical and managerial qualifications to implement and manage a project of this nature over the full period of the contract;
- Sufficient experience by demonstrating the execution of at least three similar projects in the last three years;
- Sufficient financial standing by demonstrating (through audited financial statements) sound financial performance and an annual turnover of at least U\$2 million in the last three years.

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. The involvement of appropriately qualified Maldivian firms as bidders or in consortiums is encouraged.

Expressions of Interest should be no longer than 20 pages, excluding supporting financial information or brochures. Submissions should be clearly marked either as “**Expression of Interest – Kulhudhuffushi Regional Hospital**” and must include:-

- a. Contact details – full address; contact person(s).
- b. Details of management experience (as mentioned above).
- c. Demonstrate ability to obtain funding for development in the short/medium/long term (based on own funds, BS strength, financial contacts).
- d. Provide an executive summary of the strategic plan envisaged for the business (not longer than 10 pages)

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- e. Expression of Interest to be sent electronically or in print by **on/or before 16:00 hrs (local time) on the 26th of January 2012** to:

Mr. Badhurudheen Hassan

Upper North Health Services Corporation

H.Dh. Kulhudhuffushi, Republic of Maldives

Tel: (960) 332 3668, (960) 333 3190, Fax (960) 332 3840

Email: badhurudheen@unhsc.com.mv

Copy to: ali.shareef@finance.gov.mv ; fathimath.niuma@trade.gov.mv

#	Event	Date
1	Issue of Invitation for Expression of Interest (EOI)	12 th January 2012
2	Deadline for submission of EOI	26 th January 2012 (16:00hrs, Local Time)
3	Shortlisting of EOI's	29 th – 30 th January 2012
4	Notification to the Shortlisted Parties and Issue of Term Sheet for Negotiations	30 th January 2012
5	Contract Negotiations	30 th January to 2 nd February 2012
6	Identifying preferred parties and Recommendation to the Company's Board of Directors	06 th February 2012
7	Selection of Party by the Company's Board of Directors	09 th February 2012
8	Signing of Concession Agreement	12 th January 2012

CRITERIA FOR SHORT LISTING

1. Commercial Entity to be a company with significant operations and management experience in the Health Services Sector (not less than 5 years);
2. The commercial entity should have some direct Health Services operational experience and/or be attached to an entity by a management contract;
 - a. Sufficient experience by demonstrating the execution of at least three similar projects in the last three years;
3. Sufficient financial standing by demonstrating (through audited financial statements) sound financial performance and an annual turnover of at least US\$2 million in the last three years.