



**GOVERNMENT OF MALDIVES
INVEST MALDIVES, MINISTRY OF ECONOMIC
DEVELOPMENT**

**REQUEST FOR PROPOSALS
DEVELOPMENT OF HOUSING UNITS IN THE PROVINCES OF
MALDIVES**

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1 FOREWORD

The Ministry of Housing, Transport and Environment (MHTE) on behalf of the government of Maldives (hereinafter referred as “Client” in this Request for Proposal (RFP) document) desires to create a public or private partnership, by seeking a private-sector partner to develop seven thousand housing units and related social infrastructure in the provinces of the Republic of Maldives.

The purpose of the RFP is to select a private-sector partner (a single provider or group of partnering providers) to finance, construct, and deliver the number of housing units and the required social infrastructure in each package. This housing project is aimed at providing affordable housing in the seven provinces to cater for the housing need in the seven provinces.

Interested party(s) shall submit proposals for his/her interested package or packages. The proposals submitted by the Proponents will be evaluated based on the terms, conditions and the criteria set in this document.

2 LETTER OF INVITATION

Dear Proponent,

The Government of Republic of Maldives invites you to respond our Request for Proposal (RFP) for the development of seven thousand housing units in the seven Provinces of the country. We would like to request you to strictly adhere to the guidelines outlined in this document.

Submit Proposals to:	Fathimath Niuma Deputy Under Secretary, Technical Team Invest Maldives Ministry of Economic Development H.Maizan, 1st Floor Sosun Magu, Tel: +960 3324767, Fax: +960 3322528 Email: info@investmaldives.org copy to: pc@investmaldives.org
Please Submit:	Two (2) printed, signed original proposals. Two (2) copies of the original proposals. One (1) CD-ROM containing electronic version of the proposal and any supporting documentation.

2.1 Compliance Statement

Proponents shall state that the offer is made in accordance with the Request for Proposal. Proponents who offer additional or alternative conditions shall clearly state those in their proposals.

2.2 Guidelines for Submitting a Compliant Proposal

As a direct response to this document, proponents must provide their detailed proposals for development of the housing units. Proponents should note that the construction/development/project details, standards and other statements on such provision and legislative compliance made by the proponent as part of their proposals will form a binding part of the final contract for the project.

It is important that proponents address all of the elements that are set out in Section 3. Proposals shall be well bound and shall contain a table of index for easy reference.

This Request for Proposal should not be construed as a commitment by the Client to contract with any particular proponent.

Any expenditure, work or effort undertaken during the tendering process is a commercial judgement for the proponent and is at the proponent's own risk and expense. The Client will not be liable for any costs incurred by any of the proponents.

The Client reserves the right not to accept any tender and to terminate the tendering process without awarding a contract. Proponents should be aware that it is unlikely that the Client will be in a position to go forward with any proposals that fails to meet the statutory and essential requirements, set out in Section 3.

The Client also reserves the right to issue supplementary documentation at any time during the tender process to clarify an issue or amend any aspect of this Request for Proposal.

Any additional documentation issued by the Client during the tender process shall be deemed to form part of this Request for Proposal and shall supersede any part of the Request for Proposal where indicated. The Client may also exercise the option to extend the tendering period and/or postpone the proposal submission date in the event that subsequent documentation is issued.

Except when specifically authorised by the Client, proponents shall not approach any member, officer or employee of the Client other than those identified in Clause 2.5 with a view to providing additional information in respect of any part of their submission or proposals or attempting to support or enhance their proposal evaluation.

Any such approach or attempted approach by a proponent may lead to the proponent's exclusion from the process. Any collusion between proponents may also lead to the exclusion of any of the proponents involved, at the discretion of the Client.

2.3 Evaluation of proposals

The Proposal will be evaluated by a technical committee in association with Tender Evaluation Board of the Ministry of Finance and Treasury. Points will be given to proposals according to the evaluation criteria in **Section 5**. All the proposals will be ranked in descending order based upon total score and the party who score highest points will be awarded the contract.

2.4 Language of Proposal

The proposal documents must be in written in English (UK).

2.5 Timeline of the Proposal

In light of the large number of housing units under consideration (7000), the process will be a continuous process – and proposals will be opened at and evaluated twice a month on the below mentioned dates at 1500 hrs on the 1st and 3rd Monday of every month. However the first date of opening proposals will be Tuesday December 1st, 2009, followed by the 21st December 2009.

Housing Units and Luxury Villas that have been proposed for and awarded to parties will be subsequently removed at the end of each month.

2.6 Clarifications about RFP

During the RFP process, questions or clarifications about this RFP must be directed to:

Fathimath Niuma
Deputy Under Secretary, Technical Team

Invest Maldives
Ministry of Economic Development
Invest Maldives Building, 1st Floor | Boduthakurufaanu Magu,
Tel: +960 332 4767, Fax: +960 332 2528
Email: fathimath.niuma@trade.gov.mv
Cc: im@trade.gov.mv

2.7 Communications

Except as provided in the preceding section relating to questions about this RFP, Proponents shall not contact any officers, employees, or team members of Client with respect to this RFP. Any oral communication with a Client employee concerning this RFP is not binding on Client and shall in no way alter a specification, term or condition of this RFP or any contract documents.

We look forward to your innovative proposals to assist the Maldives to develop the housing units in the seven provinces of the Republic of Maldives.

Sincerely,
Adil Saleem
Minister of State for Economic Development

3 DOCUMENTS TO BE SUBMITTED WITH THE PROPOSAL

3.1 Introduction

This section sets out all the information that proponents will be required to submit as part of their proposal and explains the format that should be followed when doing so. Proponents will be required to explain their understanding of each of the requirements and elements detailed below and provide supporting information or documentation as part of their proposal. Proponents may be required to submit additional information as part of their proposals and this is also set out below.

3.2 Information Required from Proponents

The overall scope of this project includes construction of 10,000 housing units, 1,000 luxury villas, related social infrastructure and livable open public spaces in the seven Provinces and Male' region (Male' and Hulhumalé). In general, one thousand housing units will be developed in each of the seven Provinces, and three thousand units in Male' Urban Region (Male', Villingili and Hulhumalé'). The scope of this RFP is development of seven thousand housing units in the seven Provinces.

Essential Requirement

3.2.1. Housing Units

The 7,000 housing units to be developed under this project are packaged into twenty packages corresponding to the twenty atolls of the Maldives. Each package shows the islands in which the housing units are to be developed and the number of housing units to be developed in each island. The developer has the option of choosing one or more packages for development. The proposal shall state the package or packages that the proponent is interested to develop. For each of the packages, the developer shall also develop the required social infrastructure as stated in Annex 1.

The developer is required to finance and/or construct and deliver a specific defined number of housing units in each package. Hence the proponent is required to confirm in the proposal that this essential requirement will be fulfilled to the minimum requirements / specification given in Annex 3. As stated in Annex 3, the developer may also propose to improve upon the specifications provided in this document. In such case, any improvements to the minimum specifications shall be clear stated in the proposal.

Design of the housing units shall be carried out in consultation with Ministry of Housing, Transport and Environment (MHTE) and the island communities. (Both in-situ and pre-fabricated construction are accepted as a construction technology for the housing units.)

The housing units shall be a mix of the following types

1. Row houses grouped in 4-5 units
2. Semi-detached houses
3. Three story walk-up flats

Minimum requirements for the housing units is given in Appendix A.

The housing units shall be developed based on the neighborhood concept. Therefore, the development shall have following social infrastructure facilities within a five minute walking distance.

- a) Primary school
- b) Pre-school(s)
- c) Mosque(s)
- d) Community Centre

As a general guideline, for every 100 housing units, the following social facilities shall be developed

- One mosque with a minimum capacity of 200 people
- One pre-school with minimum 5 classrooms
- Improvement of medical facility in the island.

Since the housing units will be developed on inhabited islands, the existing social infrastructure could be integrated into the development of the neighborhood. In doing so, the existing social infrastructure (mosque, healthcare facilities, schools, commercial centers) may need to be upgraded or new structures may require to be developed. Therefore, these requirements will differ from island to island depending on the specificity of the island and the Request for Proposal document will specify these requirements for each island.

Government will provide Land Use Plans (LUP) of islands, for which they are available. For islands without existing LUPs, the Developer shall prepare LUPs in consultation with the Ministry of Housing, Transport and Environment, and the island community. LUPs of islands for LUPs have been prepared are included in the individual island information in Annex 1.

As an incentive to the developer of housing units, the government has allocated ten luxury villas for every hundred housing units developed.

3.2.2. Luxury Villas

This project offers to the proponents to develop 10 luxury villas for every 100 housing units developed under this project. The 700 luxury villas to be developed with these 7,000 housing units are distributed in proportion to the number of housing units for each package. The product shall be awarded as a luxury private villa and upon conclusion of the development, the owner shall be issued with a registry which reflects his right to occupy the villa on a lease basis for a period of 50 years. The owner of the luxury villa shall be entitled to a residency visa for an agreed length of time.

The total plot area allocated for development of a luxury villa is 20,000 sq.ft. (twenty thousand feet squared).

With regard to public utilities to the Luxury Villas, the precise mode of provision of required utilities and services (like power, water, sewer connection, gas, waste disposal, etc.) to the villas to be decided based on the location (the island) and in negotiation with the Regional Utility Companies.

The developer will have the option to locate the luxury villas on the lagoon, although in this case the built-up area of the villas on the lagoon will be included in 20,000 sq feet allocated per villa.

Location of Luxury Villas

The Investor is offered three choices on the location of their villa, depending on the number of housing units they propose. Please note that the lower options are also available for those who propose to build more housing units.i.e. an investor that builds more than 1000 housing units has the right to build on inhabited islands of his choice, as well as the islands specially designated for luxury villas.

Location Option 1: For investors that propose to develop less than 500 housing units, they must locate their luxury villas on inhabited islands identified in Annex 2.

Location Option 2: Investors who propose to develop 500 housing units or more will have the option of locating the villas on islands especially designated for the development of luxury villas.

Location Option 3: Investors who propose to develop 1000 housing units or more will be given the option of negotiating with the government to locate their luxury villas on islands or properties of their own choice and / or selecting a separate designated island on which only they will be allowed to develop their luxury villas, and no other private party will be allowed to operate other luxury villas.

In all of the above cases, the developer will not be awarded a lease over the whole uninhabited island, but will be awarded separate leases for demarcated and distinct plots on the island. The government will have the right to allocate other parts of the island for other uses although a contractual assurance shall be afforded to the developers so that Government will not allocate the remaining portions of the island for incompatible uses – such as industrial uses.

Those investors opting for options 2 & 3 will also be provided with additional space for public facilities (laundry, meeting area, back offices...etc) to be approved in consultation with the government and as part of the proposal. The total footprint area to be awarded for these facilities will be 10,000 sq ft of built-up area.

Upon completion of the development, the owner may apply for a guesthouse permit, which will be granted on the existing guesthouse regulations. Once the guest permit is issued, the owner will have the right to commercial use of his villa. He may on sell it to third parties and they shall visit as tourists to the Maldives and can stay at the 'luxury villa – guest house'.

Any taxes applicable to guesthouses (such as business profit tax and ad valorem tax) shall apply to the commercial use of the property.

Development of the Luxury Villas must not be preceded by the development of Housing Units. The right to occupy a Luxury Villa will only be provided upon the proponent making available the required level of social housing unit. As such, 1 luxury villa can only be occupied when 10 housing units have been made available to the public/government.

The development of Housing Units must take place at an agreed upon time-frame. The Government of Maldives expects a minimum of 500 Housing Units to be constructed within an 18 month period from the award of contract – and each additional 500 Housing Units to be constructed within a further 12-16 months.

3.3 Financing Plan

Please note that the primary concern and objective of the project is to provide the people of the Maldives with good quality housing units. As such, the following two payment options are outlined for the investor as part of this project:

3.3.1 Financing Option 1

Under this option, the investor may propose to give completed housing units free of cost to the government in return for the properties on which luxury villas will be constructed. In other words, the proponent may hand over to the government the required social housing units of a quality that the government finds acceptable that have been completed free of charge, and the government will provide the land for luxury villas free.

3.3.2 Financing Option 2

This option is open to investors who are not interested in the construction of housing units, and would rather that the government takes charge in the construction of housing units in return for the right to build, sell and/or operate luxury villas. For these investors, the government is willing to accept a payment of USD 550,000 for each plot of luxury villa land – the total payment for which must be made within a period to be determined by the government on the basis of the investment.

3.4 Implementation Plan

Implementation plan and schedule should be proposed for the development of both housing units and luxury villas.

3.5 Insurance Mechanism

Proponents must provide details of the arrangement to be put in place for third party liability insurance in respect of their performance of the contract including the construction of the housing units and the delivery of building material to the site. The proponent would be required to submit insurance certificate before signing the contract.

Proponent shall also submit details of arrangements, if any, planned to facilitate insurance of the housing units by the beneficiaries / buyers, upon completion of the housing units.

3.6 Quality Plan

Proponents should provide details of arrangements to be put in place in order to maintain the level of quality of the housing units developed under this project. Proponents shall also offer a statement on how they intend to manage quality aspects of the construction of the units.

GOM will approve duty waiver for construction materials for development of the areas identified in Male' based on an agreed Bill of Quantity and a time frame for importing the materials.

3.7 Proposals must contain:

The proposals submitted shall have all the requirements stated in this Section (Section 3 – Documents to be submitted with the Proposals) along with the following information.

1. Cover Letter

The cover letter for the proposal must be signed by an authorized person who has the authority to bind the Proponent to a Contract.

2. Executive Summary

An executive summary of the proposal stating the package or the packages of their interest.

3. Financial and Location plan

This section must state clearly which of the location options outlined above is preferred by the investor.

The financial plan or the financial arrangements (developer finance and user finance), indicating the proposed typology and cost of a housing unit to the beneficiaries.

The Plan must also state clearly whether the proponent intends to choose which of the Option 1 or Option 2 outlined in the Luxury Villa section 3.3.

Minimum requirements for the housing units are given in Appendix A.

4. Terms stated in Section 2 and 3, and Contractual terms and conditions in this Request for Proposal

All of the terms and conditions stated in the RFP shall be included in the Proponents proposal.

5. Additional qualification clause, if any from the proponent

If the proponent requires adding, such terms shall be separately attached with the proposal.

6. Housing units specifications, Implementation Plan, Financial plan, Quality Plan

If the proponent requires adding terms and improving on the minimum requirements / specifications, such shall be clearly stated in the corresponding sections of the proposal.

7. Information about the Proponent's, technical and financial capacity and experience

Provide information about the Proponents technical capacity and experience of similar projects.

Provide financial statements to indicate financial strength of the company to execute a project of this nature.

Provide proof and information on the arrangement for developer finance and user finance.

Provide also documents to support the financial arrangements made in the plan.

Submit company profile including projects of similar nature carried out by the Proponent with clearly stating current business and commitments.

If the proponent is a consortium, supporting documents and documents explaining the details and nature of the consortium should be submitted.

8. Timeline of Major Project Milestones

The Proponent must provide a time-line of activities – including a Gant chart – on their proposed construction of housing units and luxury villas. The time-line must start

4 PROPOSAL FORMS

4.1 Declaration of Adherence (For Individuals)

*Minister of State for Economic Development,
Invest Maldives, Ministry of Economic Development
Government of Maldives
1st Floor, Invest Maldives Building,
Boduthakurufaanu Magu,
Male', 20095, Republic of Maldives*

Dear Sir:

**Re: Submission of Proposal for the Development of(no. of housing units)
specified under (insert package number here) in the Maldives.**

I, _____, a citizen of the _____, National Identity Card Number/Passport No. _____, residing at _____, (the "Proponent"), hereby submit four (4) four copies (one original and three copies) of the Proponent's Proposal. By submitting this Proposal I hereby agree with the terms and conditions detailed in Part 6 of this Document.

In the case that the Proponent is declared the winner of the Proposal, the Proponent agrees to be bound by the terms and conditions set out in the Guidelines. This commitment shall cease to be of any effect upon the earlier of (a) signing of the MOU with another Proponent, and (b) six months from the date hereof.

Dated _____ 2009.

Name: _____

Title: _____

4.2 Declaration of Adherence (For Companies)

*Minister of State for Economic Development,
Invest Maldives, Ministry of Economic Development
Government of Maldives
1st Floor, Invest Maldives Building,
Boduthakurufaanu Magu,
Male', 20095, Republic of Maldives*

Dear Sir:

Re: Submission of Proposal for the Development of (no. of housing units) specified under (Insert package number here) in the Maldives.

I, _____, hereby submit on behalf of _____, a company incorporated under the laws of [insert jurisdiction] (the "Proponent"), four (4) four copies (one original and three copies) of the Proponent's Proposal. By submitting this Proposal I hereby agree with the terms and conditions detailed in Part 6 of this Document.

In the case that the Proponent is declared the winner of the Proposal, the Proponent agrees to be bound by the terms and conditions set out in the Guidelines. This commitment shall cease to be of any effect upon the earlier of (a) signing of the MOU with another Proponent, and (b) six months from the date hereof.

Dated _____

Name: _____

Title: _____

5 EVALUATION SYSTEM FOR ASSESSMENT OF PROPOSALS

Evaluation of proposals will be based on technical evaluation and financial evaluation.

5.1 Technical evaluation (60%)

The technical evaluation is based on the strength of the company and quality and level of provisions offered for the package or packages.

Division of points for technical proposal is as follows:

Type of allocation	Points
Experience of the company (establishment) <i>Experience of the company in the area of real estate development</i>	10
Strength of the partners/consortium offered <i>Experience, financial strength, level of expertise of the company, partners and/or consortium</i>	15
Development of required housing units and social infrastructure <i>20 points will be awarded for proponents proposing to develop the required number of units to the minimum requirements given in this document. The remaining 5 points to be allocated for those who propose improvements to the minimum requirements</i>	25
Development of additional facilities <i>These 5 points will be awarded to those who propose to develop additional facilities as stated in this document</i>	5
Implementation plan (program of works) <i>Points for this element will be based on the completion time, mobilization time, and the modality proposed</i>	10
Insurance Plan <i>Full points for those that proposes insurance as proposed in this document</i>	5
Carbon neutral and Environment friendliness <i>Points for this element will be awarded based on the degree of considerations to carbon neutrality and environment friendliness in terms of design (use of natural lighting and ventilation), construction (material used), etc.</i>	10

The total points scored in this section will be scaled to match total score allocated.

5.2 Financial Evaluation (40%)

Qualification of the Developer under this Clause is compulsory. That is, proposals should have both developer finance and user finance confirmed for any Developer to be qualified for this project.

The total points allocated for this section can be scored by proponents who prove the availability of developer finance for the packages proposed in the proposals. Combined Evaluation

Contract will be awarded to the Proponent who scores the highest number of points in the technical and financial evaluation.

Combined Evaluation (100%) = Technical Evaluation (60%) + Financial Evaluation (40%)

If a package proposed by one proponent is included in a proposal of packages of a higher scoring proponent, such package will be awarded to the higher scoring proponent. The other proponent may be considered for negotiations to sign a contract for the proposed packages, excluding the package that has been awarded to the higher scoring proponent.

The government does not require a minimum amount of bids for the project in order to award the contract.

6 CONTRACTUAL TERMS AND CONDITIONS

6.1 Definitions

“Row House” Means a row of identical or mirror-image houses that share side walls with a front yard and a backyard. Row houses for the purpose of this project will be grouped into groups of 4 or 5

“Semi-detached House” Means a house that shares the back wall with an identical house. A semi-detached house will have un-built area in the front and the sides of the land allocated for the house.

“Flat” Means a self-contained housing unit that occupies only part of a building and shares common space/facilities with other flats in the same building.

“Luxury Villa” Means a house developed on a 20,000 square feet of plot with high quality finish targeted for high income households. The luxury villas developed under this project will only be sold at leasehold basis for a period of 50 years. Further details on what constitutes Luxury Villa is provided in section 3.2.

“Social Infrastructure” Means built or physical infrastructure for social development like mosques, preschools, primary and secondary school, parks, playgrounds, social centres, sports facilities, etc.

“Community Consultation” Means discussing with the island community and/or community representatives like the Island Council or Island Development Committee.

“Additional Facilities” Means the facilities which the developer may opt to develop at his/her discretion for the socio-economic benefits of the island community. A list of possible facilities is provided in 3.3.2 of this document.

“Commencement Date” Means the date of signing of this Contract.

“Client” Means the Ministry of Housing, Transport and Environment, Province Office or the government authority who acts on behalf of the Maldives.

“Developer” Means the party who would sign the contract with the client to develop the housing units, required social infrastructure and additional facilities in the Province.

6.2 Duration of the Contract

Subject to the provisions contained later in this Contract for earlier termination, this Contract will continue for a period of Fifty (50) years from the Commencement Date.

6.3 Minimum requirements for the housing units

The Developer shall construct the housing units to at least the minimum requirements given in Section 3.2.1 and 3.2.2 of this document. Any improvements proposed and agreed by the Developer to the given minimum requirements, shall form part of this contract and the amended requirements shall be strictly adhered to by the developer.

6.4 Specifications and Standards

Building standards and specifications generally used for Government construction projects shall be the minimum specifications followed for the construction of the housing units. The Developer will, at all times during the currency of this Contract, implement and observe this Clause.

6.5 Cost of housing units

The maximum cost of a housing unit to be charged by the Developer shall be in accordance with cost structure and repayment modality agreed between the Developer and the Client. Increase in the costs of labour and material for the construction of the housing units shall not entitle the Developer to increase in the cost of the housing units. The land allocated for the construction of the housing units will be given free of charge, which will ultimately be transferred to the buyers / beneficiaries of the housing units. The housing units developed under this project shall be sold at freehold basis to the locals.

6.6 Cost of Luxury Villas

The Developer may set the price of Luxury villas at any level and may change the price at any time. Developer may sell the villas in both local and the international market. The land allocated for development of luxury villas will be sold to the Developer at concessional rate and at leasehold basis for a period 50 years. Hence, the Developer shall sell the villas on leasehold basis for a maximum period 50 years.

6.7 Project Review Committee (PRC)

6.7.1 PRC Meetings

As soon as possible after signing of this Contract, a Project Review Committee (PRC) comprising of the authorized representatives of the Developer and the Client shall be formed. PRC shall meet at least once every month, and in addition, it shall meet on fourteen (7) days written notice of either the Client or the Developer.

6.7.2 Matters to be considered

The Review Committee may consider any matter pertaining to this Contract, the speed of project delivery, the quality and methodology of construction, any matter reasonably raised by the island community and to recommend any changes to them.

6.8 Status of Developer

The Developer is not an employee or agent of the Client. No employee, agent or contractor of the Developer is an employee, agent or contractor of the Client. The Developer will not represent or hold out that the Developer is an employee, agent or representative of the Client. The Developer will not permit any employee, agent or contractor of the Developer to represent or hold out that any such person is an employee, agent or contractor of the Client.

6.9 Insurance and indemnity

The Developer shall be responsible for, and shall indemnify the Client against all claims and liabilities for death or personal injury or loss of or damage to property, which may arise out of or in consequence of the performance or non-performance of this Contract by the Developer. Without prejudice to its liability under this Clause, the Developer shall, at its own expense insure, as per law, against any liability for death or personal injury or loss of or damage to any property which may arise out of or in consequence of the performance or non-performance of this Contract.

6.10 Obligation to the Developer's Employees

The Developer shall comply with all the relevant labour Laws applicable to the Developer's Personnel, including Laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights. The Developer shall require his employees to obey all applicable Laws, including those concerning safety at work.

6.11 Progress reporting

The progress reporting arrangements, which will form part of the contract, will focus on the speed and quality of delivery and any issues or obstacles affecting the delivery. These reports shall be discussed at PRC meetings. However, failure to comply with the terms of the contract entitles the Client to exercise a number of remedies (which may, in the worst case scenario, result in contract termination).

Progress of the works will be monitored and supervised by authorised representatives of the Client and the Community. Reports of such personnel will be forwarded to the Developer and discussed at PRC meetings to bring necessary changes or take necessary action.

6.12 Registration of the housing units

The Developer shall handover the housing units to the buyers / beneficiaries after necessary registration of the property at the local authority. Client will provide necessary assistance in getting these properties registered.

6.13 Marketing and Publicity

1. The Developer may opt to carry out necessary marketing and publicity in order to reach the prospective buyers, in accordance with the laws and regulations of Maldives. Such information shall be shared in the PRC meetings.
2. The Developer shall acquire necessary approvals from relevant authorities for marketing and publicity.

6.14 Fine for not meeting the time agreed Timetable

The Developer will be entitled to pay a fine of one per cent (1%) of the cost of the house for every seven day delay up to a maximum of 10% of the cost of construction of the all the housing units in the package(s), unless the delay is approved by PRC.

6.15 Allocation of costs

The Developer will be responsible for all costs associated with construction of the housing units and will be entitled to all revenues. For the avoidance of doubt, the Developer may opt to carry on with the management of properties with a fee charged on to the buyers of the properties or handover the management to the buyers.

6.16 Variation

The parties acknowledge that there may, in addition to the reviews provided for in Clause 5.11, be changes to the conditions and requirements applying to a component of the project or otherwise to this Contract during the term of this Contract. The parties agree to meet, discuss and endeavour to negotiate in good faith any changes which are proposed by either party. Any changes that are mutually agreed will be placed in writing and signed by or on behalf of each party.

6.17 Confidentiality

All information supplied by Client in connection with the Request for Proposal shall be treated as confidential by proponents except that such information may be disclosed for the purpose of obtaining sureties and quotations necessary for the preparation and submission of the proposal.

6.18 Time of completion

Subject to any requirement in the Contract as to completion of any section of the Works before completion of the whole, the whole of the Works shall be completed in accordance with agreed program of works. The total duration includes weekly rest days, official holidays, and days of inclement weather.

6.19 Joint and several liability

If the Developer constitutes (under applicable Laws) a joint venture, consortium or other unincorporated grouping of two or more persons:

- a) These persons shall be deemed to be jointly and severally liable to the Client for the performance of the Contract;
- b) These persons shall notify the Client of their leader who shall have authority to bind the Proponent and each of these persons; and
- c) The Proponent shall not alter its composition for legal status without the prior consent of the Client.

6.20 Conflict of interest

No officer, employee or agent of the Client who exercises any functions or responsibilities in connection with the planning and carrying out the Project, nor any immediate family member, close business associate or organization which is about to employ any such person, shall have any personal financial interest, direct or indirect, in the Developer or in this Contract and the Developer shall take appropriate steps to assure compliance.

The Developer covenants that in the performance of this Contract, no person having any conflicting interest shall be employed.

6.21 Force Majeure

6.21.1 “Force Majeure” means any of the following events to the extent that they are uninsurable:

- (a) war, civil war, armed conflicts or terrorism; or
- (b) nuclear contamination unless the Developer and/or any Subcontractor is the source or cause of the contamination; or
- (c) chemical or biological contamination of any of the facilities related to the Route from any of the events referred to in Clause

6.21.2 Consequences of Force Majeure

- (a) Subject to Clauses (b)(i) and (ii) the Party claiming relief shall be relieved from liability under this Contract to the extent that by reason of the Force Majeure event it is not able to perform all or a material part of its obligations under this Contract.
- (b) Where a Party is (or claims to be) affected by an event of Force Majeure:
 - (i) it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Contract, resume performance of its obligations affected by the event of Force Majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and
 - (ii) it shall not be relieved from liability under this Contract to the extent that it is not able to perform, or has not in fact performed, its obligations under this Contract due to its failure to comply with its obligations under sub-Clause(b)(i).

- (c) The Party claiming relief shall serve written notice on the other Party within two (2) Business Days of it becoming aware of the relevant event of Force Majeure. Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.
- (d) A subsequent written notice shall be served by the Party claiming relief on the other Party within a further five (5) Business Days which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the event of Force Majeure on the ability of the Party to perform, the action being taken in accordance with Clause (b)(i), the date of the occurrence of the event of Force Majeure and an estimate of the period of time required to overcome it (and/or its effects).
- (e) The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.
- (f) If, following the issue of any notice referred to in Clause (d), the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure (and/or any failure to perform), it shall submit such further information to the other Party as soon as reasonably possible.
- (g) During the continuance of any event of Force Majeure which occurs on or after the Service Commencement Date the Unitary Payment payable in respect of such period shall be reduced to an amount equivalent to the Unitary Payments payable in respect of those Services that are available to the Institution during such period after taking account of the effects of such event of Force Majeure.
- (h) The Parties shall endeavour to agree any modifications to this Contract which may be equitable having regard to the nature of an event or events of Force Majeure.

6.22 Governing laws, regulations and standards

This Contract shall be governed by and construed in accordance with the laws, regulations and standards in force in the Republic of Maldives.

6.23 Dispute resolution

6.23.1 General

(a) Referable Disputes

The provisions of this Clause 5.23 shall, save where expressly provided otherwise, apply to any dispute arising in relation to or in connection with any aspect of this Contract between the Parties.

(b) Internal Referral

- (i) If a dispute arises in relation to any aspect of this Contract, the Parties shall attempt in good faith to come to a Contract in relation to the disputed matter, in accordance with the following informal process:
 - (aa) all disputes shall first be referred to a meeting of the Project Review Committee and
 - (bb) if the Parties have been unable to resolve the dispute within five (5) days of referral to the PRC, either Party may refer the dispute for a decision by the Client and the Developer.
- (ii) In attempting to resolve the dispute in accordance with the provisions of this Clause (b), the Parties shall (and shall procure that their employees and representatives shall) use reasonable endeavours to resolve such dispute without delay by negotiations or any other informal procedure which the relevant representatives may adopt. Those attempts shall be conducted in good faith in an effort to resolve the dispute without necessity for formal proceedings.
- (iii) Any dispute which has not been resolved by the Client and the Developer within five (5) days of the dispute being referred to them (or any longer period agreed between the Parties) shall be treated as a dispute in respect of which informal resolution has failed.

(c) Performance to Continue

No reference of any dispute to any resolution process in terms of this Clause shall relieve either Party from any liability for the due and punctual performance of its obligations under this Contract.

(d) Litigation

- (i) Save where any dispute has been expressly referred for determination in terms of Clause 6.23.1, if informal resolution of any dispute has failed, then the dispute may be referred to litigation in the courts by either Party.
- (ii) Neither Party is limited in any proceedings before the court to the information, evidence or arguments used in the informal attempts to resolve the dispute.

6.24 Notices

A notice or other communication required or permitted to be given by a party to another party shall be in writing and:

- (a) delivered personally to the address of the recipient stated in this contract;
- (b) properly addressed to the recipient as stated below and posted, postage pre-paid; or
- (c) sent by facsimile transmission.

6.25 Termination

6.25.1 Immediate Termination by the Client

The Client may immediately terminate this Contract by notice in writing to the Developer if:

- (a) The Developer assigns or purports to assign this Contract or any part of it contrary to the provisions of this Contract;
- (b) The Developer goes into liquidation, either voluntarily or compulsorily, or is dissolved or has a receiver appointed in respect of all or any part of its assets or income or has a provisional liquidator, controller or administrator appointed with respect to it or enters into any composition or arrangement with its creditors or if by operation of law any form of compulsory administration or control of its business and affairs is imposed upon the Developer (but the Client will, without any binding legal commitment and without prejudice to the Client's rights of termination, give favourable consideration to any request for the permanent or temporary continuation of this Contract in any case where the Client considers that the happening of an event referred to in this sub-clause will not preclude the Developer from continuing to complete the construction of the units and social infrastructure, and continuing to comply with all of its obligations under this Contract);
- (c) The Developer fails to deliver the housing units, or a substantial part of delivery of the units, unless the failure is as a result of Force Majeure.

6.25.2 Termination by Either Party

Either party may terminate this Contract, within 90 days, by giving notice in writing to the other party if the other party is in breach of this Contract and fails to remedy that breach within 30 days.

6.25.3 Payment or properties upon termination

- (a) Upon termination of this Contract, the Developer shall within 25 days, hand over to the Client:
 - a. All the housing units including land (at whatever stage of construction they maybe)
 - b. Any other land or island he has been awarded under this contract
 - c. The sites (including any land area given temporarily material storage, labour housing, etc.) and demobilize from the sites,
- (b) Upon termination of this Contract, within 60 days, make all payments due to the Client, other service providers and his employees.

- (c) In the event of termination, no party shall attempt jeopardize efforts to continue the construction process. Both parties shall make maximum effort to continue without any interruption in transferring the remaining works to another developer.

6.25.4 Accrued Rights

Any expiry or termination of this Contract is without prejudice to and does not affect the accrued rights of any of the parties arising in any way out of this Contract up to the date of expiry or termination.

7 APPENDICES

Appendix A: Minimum requirements/ specifications for the housing units

Appendix B: Proponents Details

8 ANNEXES

Annex 1: Packaging of islands selected for development of housing units

Annex 2: Islands identified for development of Luxury Villas

APPENDIX A

Minimum requirements/ specifications for the housing
units

APPENDIX B

PROPONENTS Details

ANNEX 1

Packaging of the Islands Selected for Development of Housing Units

Please contact the following in order to receive the a copy
of Annex 1:

Fathimath Niuma
Deputy Under Secretary, Technical Team

Invest Maldives
Ministry of Economic Development
Invest Maldives Building, 1st Floor | Boduthakurufaanu Magu,
Tel: +960 332 4767, Fax: +960 332 2528
Email: fathimath.niuma@trade.gov.mv
Cc: im@trade.gov.mv

ANNEX 2

Inhabited Islands Selected for Development of Luxury Villas

Please contact the following to get Annex 2:

Fathimath Niuma

Deputy Under Secretary, Technical Team

Invest Maldives

Ministry of Economic Development

Invest Maldives Building, 1st Floor | Boduthakurufaanu Magu,

Tel: +960 332 4767, Fax: +960 332 2528

Email: fathimath.niuma@trade.gov.mv

Cc: im@trade.gov.mv