

## Regional Airport Company Limited (RACL)

### Terms of Reference (TOR) for the Valuation and Verification of Assets Transferred to Regional Airport Company Limited (RACL) by the Government of Maldives

#### Introduction

Regional Airports Company Limited (RACL) was established on 11<sup>th</sup> January 2021 by presidential decree under the Company's Act (Act no 10/96). The company is fully owned by the Government of Maldives.

It was set up exclusively to oversee operations of regional airports developed by the government and additionally to guarantee the airports are operated in an efficient and sustainable manner.

#### Objectives of TOR

Regional Airports Company Limited (RACL) is seeking a party to conduct an independent valuation and verification of the assets (tangible and intangible) transferred to the company by the Government of Maldives at inception.

The selected party shall possess technical and operational expertise, competency, know-how and experience to undertake an engagement of this size, nature and complexity.

The independent valuation is intended to meet the requirements stated in the Asset Transfer Agreement (ATA) and the relevant International Financial Reporting Standards (IFRS) for accounting purposes.

#### Scope of work

To conduct an independent valuation and verification of the assets (tangible and intangible) transferred to Regional Airports Company Limited (RACL) by the Government of Maldives in compliance with the ATA and accounting purposes.

#### Names of the Aerodromes/Offices where assets are located at the time of TOR

Name	Location (Island/Atoll/City)
Head Office	Male' City
Hanimaadhoo International Airport	Hdh. Hanimaadhoo
Kaadedhoo Airport	Gdh. Kaadedhoo
Fuvahmulah Airport	Gn. Fuvahmulak
Kulhudhufushi Airport	Hdh. Kulhudhufushi
Maavarulu Airport	Gdh. Maavarulu
Funadhoo Airport	Sh. Funadhoo
Hoarafushi Airport	Ha. Hoarafushi

### **Deliverables and delivery standards**

The deliverables and delivery standards expected are as follows:

1. An independent valuation report detailing the scope of work, a statement on independence and objectivity, valuation methodology & approach adopted, findings & observations, basis of valuation, key assumptions, date and details of site visits, date of valuation, asset class/classifications, total value of assets including values of different class of assets and individual asset values, overall condition of assets & the locations and any other matter or detail the independent valuer deems necessary to report.
2. A complete and verified asset register with details of each individual asset, model & description, asset class, condition, expected useful life, location and values.
3. Details of asset classes and values to be recorded in the financial accounts for reporting purposes in compliance with the International Financial Reporting Standards.

### **Maximum acceptable duration to complete the engagement.**

The maximum acceptable duration to complete this engagement is 120 days (calendar) from the date of signing the agreement. All applicants shall propose a duration which will be considered in the evaluation process.

### **Input from Regional Airports Company Ltd (RACL)**

Regional Airports Company Limited (RACL) will facilitate the following:

1. Access to information, personnel and properties to complete the valuation and verification exercise.
2. An asset register consisting the details of assets and its location.

Regional Airports Company Limited (RACL) will not provide for travel fare, accommodation, food and other out-of-pocket expenses incurred by the independent valuer during the exercise. The independent valuer is expected to factor in all such expenses in their price.

### **Requirement to visit sites**

The independent valuer is expected to physically visit and inspect all major sites and location including all aerodromes.

### **Reporting Mechanism**

The independent valuer will be liaising and reporting to the senior management personnel assigned by the Board of Directors. The independent valuer is expected to provide regular updates on the progress and issues to management including an entry meeting prior to commencement of the engagement and exit meeting to present their final report to the Board of Directors and senior management.

### **Minimum Eligibility Criteria**

All applicants shall meet the following minimum eligibility criteria to qualify for evaluation;

1. Only registered (including re-registrations) companies and partnerships in The Republic of Maldives under the respective acts shall be eligible to participate in the tender.
2. The applicant must have been registered and in operation for more than 2 years by the bid submission date.
3. The applicant shall attend the bid submission on time on the date specified and submit the bid documents including both Technical Proposal and Financial Proposal (separately sealed). All bids with incomplete, insufficient and inaccurate information shall be disqualified.
4. The applicant shall propose a competent team as guided in the TOR with relevant expertise and experience to oversee and perform the engagement up to the required standard. This does not prohibit the applicant from using other staff or consultants in the engagement. The applicant shall nominate a team leader from the proposed team who will have overall responsibility over the engagement. The team leader has to be specified in the Technical Proposal.

### **Team Composition**

The applicant shall propose a team consisting of personnel meeting the competency, qualification and experience requirement cited below;

Role	Competency, qualification and experience requirement
Financial/Audit/Accounting Specialist (01 nos)	Be a fully qualified member of a professional accounting body such as ACCA/CIMA/CPA (or equivalent) or holds a Master's Degree in the area of finance, accountancy, assurance, valuation or similar field. Must have at least 5 years of relevant professional experience in the field of finance, assurance, valuation or equivalent. Shall hold membership of the Institute of Chartered Accountants in Maldives.
Valuation Specialist (01 nos)	Be a Certified Valuer from an Internationally recognized institution or holds a graduate certificate or equivalent qualification specializing in valuation. Must have at least 5 years of relevant professional experience in the field.
Aviation Sector/Airport Operation Specialist (01 nos)	Degree or certificate level qualification and a minimum 5 years of experience in the aviation field.
Security and Safety equipment Specialist (01 nos)	Degree or certificate level qualification and a minimum 5 years of experience in the aviation security and safety.

### **Tender process timeline**

Activity	Date, Time & Location
Tender Announcement	28 March 2021
Bid Submission	08 April 2021, 14:00 hrs at Regional Airports Company Head office (H.Suaz, 7 <sup>th</sup> floor, Ameeru Ahmed Magu, 20095)

**Contents of Tender documents to be submitted.**

1. Technical Proposal
2. Financial Proposal

Technical Proposal and Financial Proposal must be sealed separately.

**Components of Financial Proposal**

All Financial Proposals shall consist the following:

1. A signed and stamped Quotation specifying;
  - Price before Goods and Services Tax (GST)
  - GST
  - Price with GST
  - Validity period of 30 days
2. The proposed duration to complete the valuation and submit all deliverables (Not exceeding 120 calendar days)
3. Bid Security of MVR 10,000/-

The winner of the bid will be required to present a performance guarantee of 15% of the total price prior to signing the contract.

For further clarifications email to [procurement@airports.mv](mailto:procurement@airports.mv) before 08 April 2021, 14:00 hrs.

### **Components of Technical Proposal**

All Technical Proposals shall consist the following:

1. Company/Partnership Registration certificate
2. Memorandum of Association and Articles of Association
3. ID card/Passport copy of Managing Director/Managing Partner
4. Company Profile from Ministry of Economic Development
5. Income Tax Registration and Goods and Services Tax Registration certificate
6. Tax clearance from Maldives Inland Revenue Authority (MIRA) obtained recently (not exceeding 2 months from the advertisement date of tender)
7. Corporate profile detailing out the objectives, vision, mission, organization structure, leadership and management team, history, address, contact information, websites, products & services, industries, and clientele etc.
8. A summary of proposed methodology and approach to perform the valuation and verification process
9. A timeline to complete the valuation work within the proposed duration. Clearly defining commencement, site visit & inspection and reporting dates.
10. List of valuations, assurance engagement or similar assignments performed in the past 5 years.
11. Letter of completion/Reference letter of the valuations, assurance engagement or similar assignments performed in the past 5 years.
12. Completed Annexure 1: Details of the Team Member
13. Curriculum Vitae(s)/Profiles of the Team Members demonstrating their academic, professional and work experience in their relevant field.
14. Certificates of relevant academic and professional certificates of the Team Members and Reference letters of work experience.

### **Evaluation process**

- Both Financial Proposals and Technical Proposals will be presented at the bid submission. Financial Proposals will be unsealed at the bid submission in the attendance of all participants. The details of prices and duration will be shared among the attendees.
- The Tender committee will conduct the evaluation of all Technical Proposals which meet the eligibility criteria and evaluate based on the following matrix:

#### ***Technical Proposal Evaluation Matrix***

Area	Points
<b>Overall profile and experience of the applicant</b> Based on corporate profile and overall relevant experience in conducting similar engagements in the past 5 years.	30
<b>Adequacy and quality of Methodology and approach</b> Based on proposed methodology, approach and timeline.	20
<b>Qualification and Experience of the Team</b> A. Financial/Audit/Accounting Specialist (10 points) B. Valuation Specialist (20 points) C. Aviation Sector/Airport Operation Specialist (10 points) D. Security and Safety equipment Specialist (10 points)  Points for specific team members will be allocated based on the academic/professional qualification (45%), experience (50%) and locality (5%)	50

- Only Technical Proposals who score 80 points will be considered as meeting the technical requirement of the bid. Those Technical Proposals which does not meet the technical requirements will not be qualified for Financial Proposal Evaluation.
- All qualified bids will be evaluated on the following matrix:

#### ***Financial Proposal Evaluation Matrix***

Area	Points
<b>Total Price</b> Lowest proposed price to receive maximum marks. Adjusted proportionality to others.	40
<b>Technical Proposal Evaluation Matrix</b>	60

- The engagement will be awarded to the bidder who scores the maximum points from the evaluation of the Financial Proposal.

### **Payment Structure**

The proposed payment structure for the engagement is as follows;

Percentage (%)	Milestone
15%	Upon signing the contract (Advance Payment)
35%	Upon completion of Site visits (subject to verification)
35%	Upon submission of draft report and
15%	Upon presenting the final report and all deliverables to Board of Directors

### **Objectivity and Independence**

The independent valuer shall conduct their work with integrity and professionalism with the highest care given to maintain their objectivity and independence during the process. They must not allow bias, conflict of interest or undue influence of political or any nature to compromise their work and is expected to be independent in fact and appearance for the entire period of the engagement.

Any such risk or threat to the independence or objectivity of the independent valuer shall be carefully assessed and appropriately dealt with by the independent valuer and the management of Regional Airports Company Limited (RACL) on a timely manner.

### **Conflict of Interest**

To avoid any conflict of interest any bids submitted by a company or a partnership where a board member, employee or contractor of Regional Airports Company Limited (RACL) is a shareholder, director, partner, employee or part of the proposed team will be disqualified.

Where any such company or partnership is owned or managed by a person who is a direct relative of a board member, employee or contractor of Regional Airports Company Limited (RACL), such shall be declared in a separate letter. To accept such cases can be conditional and will be considered on a case-by-case basis.

### **Corrupt & Fraudulent practices**

Regional Airports Company Limited (RACL) reserves the right to disqualify any parties from participating in the tender prior to submission, during evaluation or even cancel if awarding has taken place if it come to light with sufficient evidence that the particular party has engaged in corrupt and fraudulent practices to unfairly seek an advantage or use influence to affect the process or outcome of the tender process.

### **Awarding**

The party selected from the tender process upon confirmation by the relevant authorized person shall be notified via a Tender award letter.

### **Signing of contract**

The performance of the scope of services will begin once a legal contract is signed between Regional Airports Company Limited (RACL) and selected party.

**ANNEXURE 1: DETAILS OF PROPOSED TEAM**

<b>Name</b>	<b>Role (Specialty Area/Team Leader/Team Member)</b>	<b>Academic and Professional Qualification (Certificates are required to be presented)</b>	<b>Work Experience (Certificates/Reference Letter are required to be presented)</b>