



## Privatisation Unit

2<sup>nd</sup> March 2017

### Request for Proposals ('RFP')

#### Concession to Design, Construct, Finance, Operate and Maintain an International Logistics Hub (ILH) at Hal Far

#### Clarification Questions and Answers

##### Question 1

How to generate 8 times the existing volumes? Are there any minimum demand guaranteed for the contract period?

##### Question 2

In your opinion where does the growth potential will come?

##### Answer to Questions 1 & 2

###### ***Business Volumes***

The only guaranteed occupancy relate to the 50,000 cu.m. to be retained for the Groupage facilities on the terms and conditions outlined in the RFP.

Although the tender does not carry any restrictions on the source of business, it is envisaged that international business will be key and central to the profitability of the project.

Should bidders wish to study the incorporation of current trade flows into their business model, then such data may be sourced from national statistics, and those which may be relevant to the site greatly depends on the development plan / concept which the operator intends to develop.

##### Question 3

Does the Malta authorities can ensure exclusivity for the new entity and which incentives are there in place to avoid new entrants?

**Answer**

***Exclusivity***

The award will not, in any way, grant the winning bidder any exclusive rights nor will the Government implement any measures to deter any other entrants.

**Question 4**

As having higher tariffs than Rotherdam, Tangier and Egypt ports, how to attract trade volumes and what is the value proposition of Malta Ports and Free zones?

**Answer**

***Generating Volumes***

This is completely dependent on the business model which prospective investors plan to adopt.

**Question 5**

Can the required infrastructure be gradually built or it is required a one time investment and deployment?

**Answer**

***Phasing of Construction***

Phased development is not precluded in the RFP, provided that the plan submitted is geared to achieve the metrics specified in the RFP such as the volume of warehouse space being generated within a reasonable timeframe.

**Question 6**

Is the concession fee a negotiable term and can it be linked to performance and facilities occupation?

**Answer**

***Concession fees***

The concession fees are fixed for all bidders and are non-negotiable.

**Question 7**

Are there any other incentives for the winning bidders?

**Answer**

***Incentives***

Malta Enterprise administers a package of incentives which includes the support measure Investment Aid, link <http://www.maltaenterprise.com/support/investment-aid-tax-credits-2014-2020>, which link incorporates relative guidelines and eligibility relating to this incentive.

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### **Question 8**

What is the level of detail required for the project design at the bidding stage?

#### **Answer**

##### ***Detail level for Project Design***

The submissions need to include enough detail to permit the evaluation board to assess, amongst other, the viability and credibility of the project and thus permit the evaluators to score the submission based on the criteria listed in the RFP.

### **Question 9**

Is the 25m + 8m underground mandatory?

#### **Answer**

##### ***Volume***

The height and depth of 25m above ground and 8m below ground provide the necessary dimensions and flexibility which will permit the development of the mandatory minimum of 400,000 cu.m. of warehousing volume. However, it is not mandatory to follow the 25m / 8m parameters.