



**GOVERNMENT OF MONTENEGRO
PRIVATIZATION AND CAPITAL INVESTMENT COUNCIL
Tender Committee for Valorisation of Tourism Locations**

announces

**INTERNATIONAL PUBLIC INVITATION TO TENDER
for long-term lease of Island Lastavica with fortress
Mamula – Herceg Novi**

1. Description

The Government of Montenegro publicly announces an Invitation to Tender for experienced international investors with proven financial capacity and experience in the design, construction and management of complex tourist resorts, interested in long-term lease, for a period of at least 31 years and up to 90 years most, of the tourist resort Lastavica Island with fortress *Mamula* - Herceg Novi, including the construction and management of this tourist resort.

2. General information about the site

Fortress *Mamula* is built on the rocky island of Lastavica, which is circular, with a total area of 31,848m², with a diameter of about 200 meters at the entrance to the Boka Bay, about 3.5 nautical miles (6.3 km) away from Herceg Novi, registered in the Title of Deeds No. 215 as cadastral plot No. 3438, Cadastral Municipality Radovanići, Municipality of Herceg Novi).

The position of island Lastavica, together with the fortress *Mamula* requires the concept of an exclusive open tourist resort, of a 4+ or 5 star category, with the capacity of 70 beds and with amenities for recreational activities and relaxation, well integrated into the ambience, that does not threaten its cultural and historic character and natural environment, in accordance with the State Location Study - "Sector 34".

Detailed information on the site is given in the Tender Documents which shall be available to interested investors upon signing of the Statement of Confidentiality and the purchase of Tender Documents.

3. Bidders

Participation in the Tender shall be enabled to interested parties (including consortia) that purchased the Tender Documents and signed a Statement of Confidentiality in accordance with this Public Invitation to Tender (hereinafter: Tender Applicant).

4. Qualification criteria

Tender Applicants shall be qualified as Bidders if they meet the qualification criteria provided for in group A or group B:

Group A.

1. A Bidder shall be an international hotel operator and well-known brand, internationally recognized as a successful operator of 4+ or 5 star tourist resorts.
2. A Bidder shall have at least five years of continuous experience in planning, developing and managing relevant tourist resorts similar in type, quality, level and size, meeting international classification of 4+ or 5 star standards.
3. A Bidder shall include into the team an expert in cultural heritage, with five years of experience in management, restoration and conservation of projects at cultural monuments' sites.
4. A Bidder shall show and prove that he possesses financial capacity and necessary resources for implementing the Investment Program in a full and timely manner, in line with the terms from the Tender Documents and the Bid.
5. A Bidder shall prove that in the last two years he achieved positive financial results, and that he had an annual turnover of at least EUR 30 million in each of the previous 2 (two) years.

Group A. qualification criteria must be fulfilled cumulatively. Fulfilment of qualification criteria shall be assessed after receiving and opening of Bid packages.

Group B.

1. Bidders shall have under their management capital value of at least EUR 80 million.
2. Bidders shall prove that they achieved positive financial results in at least two financial years of the previous five calendar years.
3. Bidders shall include into the team an expert in cultural heritage, with a minimum of 5 years' experience in restoration and conservation of projects at cultural monuments' sites.
4. Bidders shall prove that they had a turnover of at least EUR 50 million during the last financial year.
5. Bidders shall have a Letter of Intent or a concluded Management Agreement with a reputable company that manages at least two tourist resorts of the international standard of at least 4+ or 5 stars, in accordance with the concept proposed in the Bid.

Group B. qualification criteria must be fulfilled cumulatively. Fulfilment of qualification criteria shall be assessed after receiving and opening of Bid packages.

5. Consortium

Tender Applicants that purchase Tender Documents may enter into a consortium with other parties, and such a consortium may submit a Bid if it fulfils the following conditions:

- the consortium leader shall meet the requirements set forth in Item A4, or Items B1 and B4 independently of other consortium members,
- as a whole, the consortium shall meet the requirements set forth in Item 4 of this Public Invitation to Tender, and
- members of the consortium shall unlimitedly be jointly and severally liable for the duties and liabilities of each member of the consortium. Duties and liabilities of each member of the consortium in relation to the subject of the Bid shall be explicitly stated in the Bid, but it shall not affect or diminish the unlimited joint liability of each member of the consortium for each duty that arises under this Public Invitation to Tender.

6. Bid requirements

Bidders are, among other things, expected to:

- Propose the lease period which cannot be less than 31 nor more than 90 years; the proposed lease period will be one of the Bid evaluation criteria;
- Offer the amount of annual rental fee, whose guaranteed (fixed) amount, in any case, may not be less than EUR 1.00 per square meter and the amount of annual variable rental fee as a percentage of total revenues derived from business operations at the leased site. The amount of the proposed Rental Fee shall be one of the criteria for evaluation of Bids.
- Offer the amount of annual rental fee for the sea area, whose guaranteed (fixed) amount, in any case, may not be less than EUR 0.60 per square meter. The amount of the proposed Rental Fee shall be one of the criteria for evaluation of Bids.
- Submit an Investment Program which accurately indicates the structure and time schedule of investments, planned source of funds and a business plan for the business operations of the tourist resort. On the occasion of signing (or closing) the contract, the Investment Program shall be secured with an admissible performance bond. The proposed Investment Program shall represent one of the criteria for evaluation of Bids.
- Deliver the general concept of the design and development of property that is the subject-matter of this Tender, which shall be aligned with the spatial planning documents and regulations on the protection of cultural monuments, by using the highest international standards of architectural excellence,

innovation, design, planning, technical performance, use of space and sustainability. Arrangements proposed for the preservation of cultural monuments shall be an evaluation criterion.

7. Purchase of Tender Documents

The request for purchase of Tender Documents with a clear note "Request for purchase of Tender Documents", may be sent by potential Applicants to the Tender Committee for Valorisation of Tourism Locations (hereinafter "Tender Committee") by mail, e-mail or fax.

Tender Documents may be purchased until **January 24, 2014, by 16:00 pm.**

Potential Tender Applicants will receive by mail, e-mail or fax the instructions for paying the fee for purchase of Tender Documents in the amount of EUR 10,000.00, to be paid to the account of the Privatization and Capital Investment Council (as outlined in item 11 of this Invitation to Tender) and a Statement of Confidentiality. Upon receipt of the instructions and statement, Applicants shall submit to the Tender Committee a signed Statement of Confidentiality, as well as proof of payment of the fee for purchase of Tender Documents.

Upon receipt of the signed Statement of Confidentiality and proof of payment of the fee for purchase of Tender Documents, the Tender Committee shall submit the Tender Documents to the Applicant, by hand, by mail, e-mail or make it available via the internet (www.tourismprojects.me), as soon as it receives the signed statement and proof of payment. In case of submission of documents by mail or e-mail, Applicants shall acknowledge the receipt of Tender Documents in writing to the address specified in item 10 of this Invitation to Tender.

8. Visit to the site

Applicants shall be enabled to visit the site of Lastavica Island and the fortress *Mamula* in accordance with the procedure specified in the Tender Documents.

9. Submission of Bids

Bids shall be submitted before the expiry of the deadline, in a sealed envelope/package, by mail, courier or by hand at the following address:

Privatization and Capital Investment Council

Tender Committee for Valorisation of Tourism Locations

Ul. Karadžorđeva bb

81000 Podgorica

Montenegro

For: Tamara Pešič, Secretary to the Committee

Bids shall be delivered to the aforementioned address no later than **January 31, 2014, by 12:00 hours** (local time), regardless of the manner of submission.

10. Bid guarantee

Together with the Bid, Bidders shall submit a bank guarantee for the Bid to the benefit of the Privatization and Capital Investment Council, payable at first call, in the amount of EUR 300,000.00 and issued by a bank that has at least BBB credit rating by Standard and Poor's, or a bank designated by the Tender Committee according to its discretion and based on the previously submitted application, or a deposit having the same value to the account of the Privatization and Capital Investment Council:

- ME25520420000013830093, Hipotekarna banka AD Podgorica, for payments from abroad, or
- 520-2812-78, Hipotekarna banka AD Podgorica, for payments from Montenegro.

The cost of the Bid Bond / deposit shall be borne by the Bidder.

11. Information related to the Tender

For any questions concerning this Invitation to Tender, or the Tender in general, it is necessary to contact the Tender Committee, at the following address:

Privatization and Capital Investment Council
Tender Committee for Valorisation of Tourism Locations
Ul. Karađorđeva bb
81000 Podgorica
Montenegro

Contact person: Tamara Pešič, Secretary to the Committee

Tel: +382 (0) 20 446 390

Fax: +382 (0) 20 446 215

E-mail: tamara.pesic@mrt.gov.me

12. Modifications

Tender Committee reserves the right to alter or amend the provisions of this Public Invitation to Tender, before the deadline for submission of Bids, including those provisions that define deadlines.