



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

announces

PUBLIC INVITATION

**for participation in the international public tender for long-term lease of land
and maritime area at Donja Arza, Municipality of Herceg Novi**

1. The Government of Montenegro hereby invites qualified domestic and international investors who are financially capable and have experience in design, construction and operation of tourism resorts, interested in long-term lease for a period of minimum 31 to maximum 90 years of land and maritime area at the site called Donja Arza, Municipality of Herceg Novi, including the financing, design, construction and management of tourism resort, to submit their bids.
2. Basic information about the land subject to long-term lease

The location that is the subject of the Tender includes the **land** covering an area of 94,681 m² and the **maritime area (sea surface)** of 4,695.5 m². The land is located near the Arza Fortress, originating from Austro-Hungarian times, on the peninsula of the same name, and in the vicinity of Zanjic Beach, on the way towards Blue Cave. The location is outlined in detail in the State Location Study for "Sector 34" – Zone C and Zone F.

The land that is the subject of the Tender is registered in the Deed of Title 343, Cadastral Municipality (CM) of Radovanici, Municipality of Herceg Novi, as the property of the State of Montenegro, and includes the Cadastral Parcel 3230/12 of 93,330 m² and Cadastral Parcel 1850 of 1,351m², registered in the Deed of Title 755, CM Radovanici, Municipality of Herceg Novi.

Detailed information regarding the complex is given in the Tender Documents that will be available to the Tender Participants upon signing of the Confidentiality Statement and purchase of the Tender Documents.

3. Participation is open to the interested parties (including consortia) that have purchased the Tender Documents and signed the Confidentiality Statement in accordance with the Public Invitation ("Tender Participant").
4. A Tender Participant will be qualified as a Bidder if it fulfils the Qualification Requirements defined as Group A or Group B requirements.

A.

- The Bidder must be an international hotel operator and brand that is known and recognized internationally as a successful operator of at least 2 (two) 5-star hotel resorts.
- The Bidder must have at least 5 (five) years of continuous experience in planning, developing and managing hotels of 5-star category under international standard.
- The Bidder must demonstrate that it has the financial capability and resources necessary for the complete and timely implementation of the envisaged project under the terms stipulated in the Tender Documents and the Bid.
- The Bidder must demonstrate that in the past 2 (two) years it achieved positive financial results and that in the last year it had a turnover of at least EUR 10,000,000 (ten million euro).

The Qualification Requirements under A. must be met cumulatively. The fulfilment of Qualification Requirements will be evaluated upon the receipt and opening of the bids.

or

B.

- The Bidder must have capital or assets under its management of at least EUR 100 million (hundred million euro).
- The Bidder must prove that it achieved a positive financial result in the last 2 (two) business years.
- The Bidder must prove that in the last business year it had a total turnover of at least EUR 50 million (fifty million euro).
- The Bidder must have a Letter of Intent or a signed management contract with a reputable company that manages at least 2 (two) hotel resorts of international standard of 5 stars.

Qualification Requirements under B. must be met cumulatively. The fulfilment of Qualification Requirements will be evaluated upon the receipt and opening of the bids.

5. A Tender Participant who purchases the Tender Documents may form a Consortium with other entities and such Consortium may submit a Bid under the condition that the qualification requirements are met by all Consortium members cumulatively, so

that a Consortium shall be considered to meet the qualification requirements if all of the Consortium members meet those requirements cumulatively even if they do not meet those requirements individually, as well as that the Consortium members share unlimited joint and several liability for all of them with respect to the subject-matter of their Bid. Responsibilities and duties of each member of the Consortium should be explicitly defined and stated in the Bid.

6. Among other things, the Bidders are expected to:

- Deliver the concept of the development of the Location that will be complementary to the facilities foreseen by the State Location Study of "Sector 34" – Zone C and F, in the way that will enable the construction and operation of the built facilities as an integrated tourism resort in the subject zones;
- propose the lease period which shall be neither shorter than 31 nor longer than 90 years. The proposed lease period will be one of the criteria for the evaluation of the Bid;
- Propose the amount of Rent per square meter, the guaranteed amount of which in any case shall not be less than EUR 1 (one euro) per square meter of land and EUR 1 (one euro) per square meter of sea surface area. The amount of the offered Rent will be one of the criteria for the evaluation of the Bid;
- Deliver the Investment Program and Business Plan that precisely define the structure, dynamics and amount of investments by years and planned source of investment capital. The Investment Program must be secured by an acceptable bank guarantee. The proposed Investment Program and Business Plan will be one of the criteria for the evaluation of the Bid;
- Within 5 (five) years of the Investment Program Commencement Date, fully meet the commitments specified in the Investment Program that is enclosed to the Bid and will be an integral part of the Lease Agreement.

7. Request for the purchase of the Tender Documents clearly marked as follows: "Request for the purchase of the Tender Documents – Donja Arza" ("Zahtjev za otkup Tenderske dokumentacije – lokacija Donja Arza"), may be sent by interested bidders to the Tender Committee for Valorisation of Tourism Locations ("The Tender Committee") via registered mail, e-mail or fax.

The final date and time for the purchase of the Tender Documents is 06.02. 2015. at 12h (local time).

8. Interested bidders shall receive instructions for payment of a fee for the Tender Documents in the amount of EUR 5,000 (five thousand euro) via mail, e-mail or fax to the account of the Privatisation and Capital Investment Council (referred to in paragraph 11 of this Invitation) as well as the Confidentiality Statement. Tender Participants shall, upon receipt of the payment instructions and the Confidentiality Statement, submit to the Tender Committee the signed Statement and evidence of payment of the fee for Tender Documents.

Immediately upon receipt of the signed Confidentiality Statement and evidence of payment of the fee for the Tender Documents, the Tender Committee shall send the Tender Documents to the Tender Participants by personal delivery, mail, e-mail or make them available via internet. In case that Tender Documents are received by Tender Participant via mail or e-mail, the Tender Participant shall send back a written acknowledgment of receipt to the address referred to in paragraph 10 of this Invitation.

9. The Tender Participants shall be given an opportunity to visit the location of Donja Arza in accordance with the procedure laid down in the Tender Documents.
10. The Bids shall be submitted personally or via registered mail to the following address:

Privatisation and Capital Investment Council
Tender Committee for Valorisation of Tourism Locations
Ulica Karadjordjeva bb
81000 Podgorica

The Bids must be received by no later than 12.02.2015. by 12:00 pm (local time) at the specified address, regardless of the way of delivery.

11. Together with the Bid, the Bidder must pay a deposit or submit a bid bond in favour of the Privatisation and Capital Investment Council in the amount of EUR 150,000 (one hundred fifty thousand euro) payable at first demand, issued by a bank that has a credit rating of at least BBB assigned by Standard & Poor's or the bank approved by the Tender Committee, at its discretion, based on prior written request. The deposit shall be paid to the account of the Privatisation and Capital Investment Council as follows:
 - 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.

12. For any questions regarding this Public Invitation or the Tender, it is necessary to contact the Tender Committee to the following address:

*Privatisation and Capital Investment Council
Tender Committee for Valorisation of Tourism Locations
Karadjordjeva bb, 81000 Podgorica, Montenegro*

Tel: +382 20 446 390

Fax: +382 20 446 215

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

Contact person: Tamara Pesic, Secretary of the Tender Committee

13. The Tender Committee reserves the right to change individual provisions of this Public Invitation and Tender Documents, including the provisions that prescribe certain timeframes.