Tender Notice (TN) N^0 18/S/2018-2019/DUTY/N/RAC

Tender title: Invitation for tender for Duty Free retail concession and other different shops and services at Kigali International Airport

Rwanda Airports Company wishes to request a written technical and price proposals for reputable and experienced companies in the management and operation of duty free shops and other services and shops that will help Kigali International Airport to become the hub in the region with provision of commodities and services that are conducive and attractive to both domestic and foreign users.

1. The terms of reference in ***ENGLISH*** may be obtained by interested candidates from **Kigali International Airport (RAC offices)** from 1st February 2019; upon presentation of proof payment of a non-refundable fee of Five thousands Rwandan francs (5,000Frw) to be deposited at Bank of Kigali on the Account N°00040-06948300-35 (RWF) opened in the name of Rwanda Airports Company. Terms of reference may also be consulted via our website: www.rac.co.rw

2. All interested bidders are invited for site visit and a pre bidding meeting scheduled on 19th February 2019 at 10:00 am at Kigali International Airport.

3. Enquiries regarding this invitation may be addressed to Managing Director of Rwanda Airports Company, Po Box 1171 Kigali-Rwanda , Tel: (+250) 252585555; or by writing to Email: info@rac.co.rw, *wbyakutaaga@rac.co.rw*, or *eakamahoro@rac.co.rw*.

4. Well printed proposals, signed by an officer authorized to bind the company, properly bound and presented in four copies one of which is the original must be delivered to RAC information desk at Kigali International Airport/terminal building ground Floor Not later than the 5th March 2019 at 10:00 o'clock Am local time. Late bids will be rejected and returned unopened. All bids will be addressed to RAC procurement office failure to which RAC shall bear no responsibility of loss or misplacement of any bid.

5. The companies which may already submitted their requests for space for shops before the issue of this invitation are very encouraged to update and resubmit their offers.

6. Proposals will be opened in the presence of bidders or their representatives who choose to attend, on the same day at 10:30 am local time or 8:30 GMT.

7. The Outer envelope should clearly indicate the tender name and title.

Isabelle UMUGWANEZA
Ag. Managing Director
Rwanda Airports Company

TERMS OF REFERENCE FOR HIRING SHOP OPERATORS AT KIGALI INTERNATIONAL AIRPORT.

Rwanda Airports Company wishes to recruit reputable and experienced companies in the management and operation of duty free shops and other services and shops that will help Kigali International Airport to become the hub in the region with provision of commodities that are conducive and attractive to both domestic and foreign users.

Technical requirements and documents required

1. Letter addressed to the Managing Director detailing the size of the needed space and the service the company should provide.
2. Company profile (Provide brief history of bidder, including date bidder was founded, number of employees, company headquarters location and operating locations. Bidders may also provide any other general information that the Bidder believes is appropriate to assist RAC in its evaluation.
3. Certificate of company full registration from RDB for local company and or trading license for foreigners
4. Biography of company shareholders/Business owners and top management staff.
5. Tax clearance certificate
6. RRA/Customs license to operate as duty free (For duty free shop operators)
7. Experience, Past Performance, and Capacity: Bidders must submit evidence that they have the necessary qualifications, experience, capabilities and financial resources to fulfill the terms and conditions of the lease agreement. Demonstrated experience and reputation of at least 3years in the same activity (At the airport for Duty free shop). This is not applicable to the seller of biodegradable bags at arrival).
8. Financial history, credit status and current condition of the Company, and the same for the financial agreements and contractual arrangements with associates and partners
9. Company's Standard Operating Plan and Procedures
10. Company's marketing plan
11. Provide three (3) references /Recommendation from different organizations
12. If joint venture, provide all information (No 1-10) for the venture company
13. Small and Medium enterprise are encouraged to apply
14. Promoting made in Rwanda products is an added advantage

Lease Agreement, standards and conditions

RAC may select one or more bidders to enter into a lease agreement for one and more shops. The lease agreement will set forth the terms and conditions of the agreement between RAC and the bidder. Decisions regarding award of the lease and terms of the award will be made by RAC. The lease will be substantially in the form of the lease included in Annex 1. The successful bidder will be bound by the terms and conditions of the lease agreement.

The lease shall be for a period not exceeding 2 years renewable. The lease will reserve RAC's right to terminate the lease with or without cause and with or without notice.

The premise is offered in "as is" condition. The bidder may bring furniture and fittings, make modification, interior design and decoration.

Any residual demolition work and modification on the Property will be the responsibility of the successful bidder(s). The design for structure modification, equipment and system installation and other design and decoration shall be approved in written by RAC priory to the commencement.

The bidder shall bear all utilities consumed (Electricity, water, internet). RAC may allow the successful bidders to be connected to the Airport Internet service provider termination point and to the power and water supply.

The successful bidder's use must not interfere with airfield operations and navigational system.

The successful bidder's staff shall have airport access badges. However, successful bidder shall submit the required documents for all staff to the Airport for approval. The staff not approved shall not get access badge. The Airport reserve the right to do not approve a staff with or without giving reason.

Products and service

The bidder shall provide the list of products and service he/she intend to offer in provided area. The bidder may propose any other service not the included in the list below.

For the service of selling bags at arrival, the bidder shall demonstrate the kind of bags to sell which are biodegradable bags. The bidder may also provide bags to departure passengers who has excess luggage.

PLANNED SHOPS AND OTHER SERVICES

S/N	Activity	Total Size (Sqm)	Number of shops
1	Souvenir & gift shops / Made in Rwanda products	27.62	3
2	Coffee shop/Restaurant	22.32	1
3	Smoking area	9.68	1
4	Souvenir /Gift /jewelry /hand crafts	43.24	1
5	Duty free shop	263.51	1
6	Kids corner / Recreation chairs		1
7	Automatic dispenser for food and drinks		
8	Desk for selling bags at arrival	~ 4.5	1

Pricing and fees payment

The bidder shall propose a rent fee per square meter and a royalty fee (Percentage on gross revenues from sales) to be paid to the company.
The current fees are 15,000Rwf per square meter plus a concession fee of 10% on gross revenues from sales.
The bidder shall not propose the fees which are inferior to the existing fees.

NB: The bidders for the desk for selling bags shall only propose the concession fees and should be either a company or an individual.

Annex 1: Sample of concession agreement

THE REPUBLIC OF RWANDA

RWANDA AIRPORTS COMPANY

KIGALI INTERNATIONAL AIRPORT

……..

CONCESSION AGREEMENT TO RENT AIRPORT PREMISES

BETWEEN

RWANDA AIRPORTS COMPANY LTD (RAC)

AND

……

Contract N° ……. /2019-Month /Concessionaire name

CONCESSION AGREEMENT

This CONCESSION AGREEMENT (this "Agreement") is entered into and effective as of **…….** by and between **Rwanda Airports Company Ltd** hereinafter referred to as ("the Company"), with a mailing address P.O. Box 1171, Kigali, Rwanda, and **……,** hereinafter referred to as ("the concessionaire`") with a mailing address **P.O Box …..** Kigali, whereby the Concessionaire shall provide agreed merchandises/services for sale to users of Kigali International Airport (the "Premises").

IN CONSIDERATION of the mutual covenants contained herein, the parties agree as follows;

1. ASSIGNED PREMISES

The Company hereby grants to the Concessionaire and the Concessionaire accepts from the Company the right to use its premises comprising a total of **…… square meters** of space in the Facilities hereafter referred to as the "Assigned Premises."

2. USES AND PRIVILEGES

2.1 The Concessionaire has the right, privilege, and obligation to continuously and uninterruptedly occupy, operate, and manage the Assigned Premises in accordance with the provisions of this Agreement, subject to the provisions of article 4.3 of this agreement.

2.2 Concessionaire's business in the Assigned Premises shall be conducted under the common name of "**……..(To be provided by the concessionaire)**". Concessionaire shall not use or permit the Assigned Premises to be used under any other trade name without the Company's written consent, such consent not to be unreasonably withheld. Any change in the character of Concessionaire's business, trade name or use shall constitute a material default under this Agreement.

2.3 The Company may monitor, test, or inspect Concessionaire's services at any time through the use of its own direct review, the use of third parties, and/or by other reasonable means that do not unduly interfere with Concessionaire's business.

3. Level of Service

Concessionaire shall conduct its concession operation in a first class manner in accordance with the highest standards for similar operations at international airports. Concessionaire shall conduct its operation to provide prompt and timely service. Concessionaire shall maintain its Assigned Premises and conduct its operations at all times in a safe, clean, orderly and inviting condition, to the satisfaction of the customers.

4. Term

4.1 The term of this Agreement shall be two (2) years renewable once commencing on ……. to ……. . unless either party terminates this Agreement, with or without cause, by providing the other party with Thirty (30) days' prior written notice.

4.2 In addition, the Company may terminate this Agreement if Concessionaire fails to perform any of its obligations under this Agreement immediately by giving a thirty (30) days' notice to the Concessionaire.

4.3 The parties mutually agree that there may be a period during the Term during which the Concession will be closed by the Company for, among other reasons, maintenance and rehabilitation of the Assigned Premises or special events (the "Closed Period"). The existence of the Closed Period shall not extend the Term or release the parties from their obligations hereunder.

4.4 In the event of any major works to be carried out at the Airport and the Assigned premises have to be returned, the Company shall give thirty (30 days' notice to terminate the Agreement, and the Concessionaire shall ensure that the built structures are dismantled and removed and the area returned to the Company by the expiry of the said notice.

5. Merchandise/Other Products/Services

Concessionaire shall provide the merchandise, other products and/or services, as identified in **Annex I** (Concessionaire to provide list) attached hereto and made a part hereof.

All changes in the merchandise, other products and/or services shall be approved by the Company in writing in its sole discretion; the Company shall have the right, in its sole discretion to require the Concessionaire to remove any merchandise, other products and/or services from the Concession and/or to add any merchandise, other products and/or services to the Concession.

The quality of merchandise and other products as identified in **Annex I** attached hereto shall be of good quality and conform to the safety standards as required by the Rwanda Bureau of Standards.

The concessionaire shall insure that made in Rwanda products are considered.

6. Facility/Equipment/Supplies

6.1 In addition to constructing the Facility accommodating the services, the Concessionaire shall provide all equipment and supplies necessary to provide the Services. All of Equipment and supplies shall be subject to the prior approval of the Company in its sole discretion. Concessionaire shall keep the Concession fully supplied at all times in addition to regularly inspect and service the Equipment, keeping each piece of Equipment in good working order.

6.2 The Concessionaire shall dismantle and remove the Facility at the expiration of the Agreement and shall re-instate the site to its original condition.

7. Company's Responsibilities

7.1 During the Term, the Company shall be responsible for providing utility service such as water and electricity. However, the concessionaire shall be responsible for power and water (For restaurant) consumption and bear and discharge the electricity (and water) bills. The concessionaire shall install power and water meters.

7.2 In no event shall the Company be liable or responsible for any interruption or disruption of utility service and Concessionaire hereby waives any and all claims against it for any loss, damage or expense arising out of, or incurred in connection with, any such interruption or disruption.

8. Concessionaire's Responsibilities

During the Term, Concessionaire shall be responsible for keeping the concession clean, sanitary and free form trash and debris, at its sole cost and expense.

9. Fees payment

9.1 In consideration of a non-exclusive, non-transferable right to use, occupy and provide the services in the Assigned Premises as granted by the Company, the Concessionaire shall pay :

a) A monthly rent fee of **…….Rwf per m^2** per month, payable within a term and will be paid within the first 15 days of the term. This means:

…….Rwf x …… sqmx 3Months =	**……Rwf (A)**
VAT (18% of A)	**……Rwf (B)**
Total (A+B)	**…… Rwf**

b) A royalty fee of …….. % of gross revenues from retail sales.

If RAC modifies the monthly rent fee or the royalty fee to all concessionaires, shall make a notice accompanied by an amendment to that effect; the new and royalty fees shall be applicable within 30days counted from the date of receipt of the notice.

9.2 The term "gross revenues from retail sales " is deemed as all monies and other things of value received by, or paid to, the concessionaire in connection with the Services at the Concession during the Term, less the amount of any of concessionaire's merchandise or products which are returned to Concessionaire or replaced by the Concessionaire, less the amount of any refunds made by Concessionaire in connection with the Services, less the amount of any cancelled orders for Concessionaire's merchandise or products.

9.3 Such fee shall be payable within thirty(30) days with respect to gross revenues from retail sales from the Services made during the previous quarter.

9.4 All payments shall be made to the Company`s following bank details:
Bank Name: Bank of Kigali
Account Name: Rwanda Airports Company Ltd
Account Number: 00040-06948300 -35Frw / 00040-06948301-36 USD.

9.5 In order to determine the level of the fees payable to the Company in respect of a quarter, Concessionaire shall within 15 days of the end of each quarter, notify the Company of the quantity of merchandise and products sold during that quarter. However, the concessionaire shall also provide the sales report for each end of the month.

9.6 Concessionaire shall maintain complete and accurate records evidencing the gross revenues from retail sales from the Services. Concessionaire agrees to make available to the Company once every six months, upon thirty (30) days' prior written request by the Company, a full, permanent and accurate set of Concessionaire's accounting books and records relating solely to gross revenues from retail sales from the Services.

9.7 In order to facilitate this audit, Concessionaire agrees to hold a point of sale electronic equipment for the easy data recording and its accuracy which will be accessible to the Company for the sole purpose of verifying the sales recorded in the manner prescribed in clause 9.5.

9.8 The Company will have the right, at its sole cost and expense, to audit the said books and records which the Concessionaire agrees to keep for at least three (3) years following the expiration or sooner termination of this Agreement.

9.9 The concessionaire shall pay a deposit equivalent to one month's rent, which will be refunded on termination of the contract. This deposit will serve as surety for any damages or non-performance of contract obligations.

9.10 **Penalties**

The Concessionaire will pay an interest of 1.5% per day on amount due after 15days of certified receipt of invoice. After 30days without paying, the Company has the right to cancel this concession agreement and to close the shop without any other notice.

Failure to submit the quarterly report as stipulated in article 9.5, the Concessionaire shall pay a penalty of one million Rwandan francs (1,000,000 Rwf) per month.

After thirty (30) days without submitting the report as per article 9.5, the Company has the right to cancel this contract.

10. Correspondence

All correspondence shall be addressed to the following addresses:

The Concessionaire's address shall be:

Attention:……..
Street address:……...
Building /Floor/Room number:……..
City:……..Country ……
Telephone:……..
Electronic mail address:…….

The Company's address shall be:

Attention: THE MANAGING DIRECTOR
RWANDA AIRPORTS COMPANY LTD.
Street address: Airport Road-Kanombe
Floor/Room number: KIA Terminal building, 2nd Floor
City: Kigali Country: Rwanda
Telephone: +250252 585555
Electronic mail address: info@rac.co.rw

11. Miscellaneous

11.1 The Company shall not be liable for any injury to the Tenant, his servants or licensees caused by any defects in the Facility and the Concessionaire shall indemnify the Company against all claims, action and proceedings in respect of any such injury.

11.2 The Company shall not be responsible for the safety of the Concessionaire's property of whatever description and it shall be the Concessionaire's sole responsibility to secure at all times the said property by insurance or otherwise against fire, burglary, theft and all kinds of risks which may occasion loss and/or damage.

11.3The Concessionaire and his employees or agents, shall at all times comply with all regulation and security measures, which may be issued from time to time in connection with the operation of the Airport by the Company.

11.4 Any servant and/or agent of the Concessionaire misconducting himself whether due to insobriety or otherwise or misconducting himself in a manner prejudicial to the security and good image of the Airport shall be liable to instant removal from the Airport premises and the Company may directly impose such conditions as it may deem necessary for his staying on the promises.

11.5In the event of occurrence of any Major Force Events of whatever nature beyond the control of the parties hereto adversely affecting the operation of the facility to the gross financial disadvantage of the concessionaire, the Company may suspend a fair proportion of the rent for the period of the subsistence of such event **Provided Always** that the application of this clause shall be the sole discretion of the Company.

11.6 Both parties agree that in the event of rehabilitation or expansion of the airport, the Concessionaire shall surrender the premises for the purpose of the said works by giving 10 days advance written notice to Concessionaire and the Company shall reconsider the Concessionaire upon completion of the rehabilitation works. Company shall not bear the relocation cost. The Company shall not be liable for loss or damage that shall be caused.

11.7 The general terms and conditions attached to this Agreement are hereby incorporated herein by reference. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes any and all previous agreements between the parties, whether written or oral, with respect to such subject matter.

11.8 Any modification of this Agreement shall be in writing and signed by both parties. If any

provision of this Agreement is deemed to be invalid, it shall be considered deleted here from and shall not invalidate the remaining provisions.

12. Termination

12.1 Notwithstanding any provision in this Agreement the Company may terminate this Agreement in the following circumstances:

a) If it deems it to be in the national interest;
b) If any permit, license, approval or authorization required by the Concessionaire to operate the Facility is suspended, revoked or otherwise invalidated;
c) If Company deems the service offered by the Concessionaire no longer necessary;
d) If the Company deems the Concessionaire's services to be unsatisfactory, prior notice thereof having been given.
e) If the concessionaire fails to settle the outstanding dues

12.2 The Concessionaire may terminate this agreement, by giving the Company **THIRTY (30) DAY'S** notice to expire at the end of the period for which rent had been paid. If the Agreement is terminated at the option of the Concessionaire no refund of the investment cost shall be repayable to the Concessionaire.

12.3 Upon the expiry of the term or sooner determination thereof, the Concessionaire shall forthwith dismantle and remove the facilities and re-instate the site to its original condition.

13 Dispute resolution

In the event of dispute or difference arising between the parties hereto relating to the provisions of this Agreement the parties shall endeavor to settle such dispute or difference amicably failing which the same shall be referred to the Court of competent jurisdiction in the Republic of Rwanda in accordance with the laws of Rwanda.

ARTICLE 14: EFFECTIVENESS OF THIS CONTRACT

This agreement shall come into effect from **……. (Date)** regardless of when both parties have signed it.

IN WITNESS WHEREOF the Parties have here unto set their respective hands and seals on the Day of The Month and Year First under written;

Done at Kigali, on:……./……../ 2019

THE CONCESSIONAIRE:	**RWANDA AIRPORTS COMPANY LTD**
P.O BOX ….KIGALI - RWANDA	P.O BOX : 1171 KIGALI
Signature:…….	Signature:…….

Name:…….

Title:…….

Name : …….

Title : **Managing Director**