

**Kwara State Public-Private Partnership Bureau**

**Kwara State Ministry of Tertiary Education**

**Request for Partnership Proposals (RFP) for the Financing and Construction of 3 (Three) New College Campuses for the Kwara State University (KWASU)**

**Background**

The Kwara State University (KWASU) is a State-owned institution with over 10 Colleges in its network. It focuses on the delivery of education that is driven by service to community, advancement of practical and value-adding knowledge, and entrepreneurship.

In furtherance of its purpose and vision, three additional colleges to expand the offerings of the KWASU network of colleges are to be established as per the planned modular capital investment approach for the University.

**ILESABARUBA CAMPUS, KWARA STATE**

The proposed campus will play a critical role in the long term strategy for innovation and local contributions to the diversification and revitalization of strategic economic sectors, with comprehensive commercial benefits along the various commodity value chains.

**OSI CAMPUS, KWARA STATE**

The College is a natural complement to the current academic offerings of KWASU. It aims to add robustness to the sustainability of the existing faculty offerings and fill the yearnings of prospective and current students nationwide.

**POSTGRADUATE CAMPUS, ILORIN, KWARA STATE**

The School is to focus on community development, building on the successes of University's award-winning Centre for Entrepreneurship, to produce global business leaders with an understanding of the local developmental context and possibilities therein.

The 3 (three) colleges will be taken as one project.

**(2) ABOUT KWASU PPP PROGRAM FOR CAPITAL EXPENDITURE AND THE KWARA STATE INFRASTRUCTURE TRUST FUND**

In 2014, a thorough infrastructure review and valuation of gaps as well as a review of the available financing options was conducted by the Kwara State Government. It became clear at the end of the exercise that innovative models for capital investments in infrastructure for sustainable and balanced development is required to close the current gaps and prepare for a future of growing demands and evolving sophistication of needs.

In June 2015, the KWSG PPP Program and the implementing agency, the KP3 Bureau, were both created and approved by Law. This specific infrastructure investment program has been so designed to create a strong and sound legal, operational and financial environment for confident collaboration with the private sector to execute the comprehensive pipeline of infrastructure projects across social and commercial spectra.

Also embedded in the 2015 Kwara PPP law is the Kwara State Infrastructure Fund (“InfraFund Kwara” or “IF-K”) which is the financing methodology to sustain these infrastructure partnerships.

Being a fund dedicated for infrastructure project implementation, the IF-K is backed and ring-fenced by several levels of legal and operational obligations that in combination, effectively mitigate almost 100% of financial risks from the perspectives of both the KWSG and the private partner. This will be achieved by the Trustee to the Fond who will be responsible for the daily and long-term management of the fund, ensuring that all contractual obligations of KWSG are met and for maintaining high responsiveness to private sector preferences, market shifts, and other financial considerations that impact the fund.

For more details on the IF-K, KWSG PPP program, and guidelines on assessing the eligibility criteria for PPP projects for Kwara State Government’s purposes, please visit [www.kwarappp.gov.ng](http://www.kwarappp.gov.ng) .

### **(3) KWASU COLLEGES – PPP PROJECT SCOPE**

The Kwara State Government (KWSG), via its KP3 Bureau, now invites interested private parties to submit their technical and financial propositions in response to this RFP (Request for Proposals), based on a Public Private Partnership Model, for the delivery of the new KWASU Colleges.

The PPP model for this project is Finance-Build-Lease Back. Through it, the successful partner or consortium will collaborate with the State and KWASU through alternative asset financing methods to successfully deliver the 3 (three) new Colleges for KWASU. The building designs for the Colleges have been concluded and the preferred partner will be expected to build as purposed and designed and at a cost not exceeding the reserved cost by the Government.

The partnership contract is intended to last NO MORE THAN 5 YEARS; with the first 12-18 months being the construction period, and the remainder of the contract term for pre-agreed lease payback payments during which time the quality of the project partner’s work will be clearly evident.

The following describes the respective roles of KWSG, KWASU and the appointed project partner.

- (1) Private Partner signs project contract with KWSG
- (2) Private Partner finances & builds the 3 colleges for eventual transfer to KWASU

- (3) IF-K guaranteed timely payments of lease amount
- (4) Progressive equity ownership transfer to KWASU with each lease payment

The following is a further description of each of the key components of the project methodology. This relationship will be backed by a contract between the relevant parties that will clearly spell out the roles and obligations of each party, critical dates and a comprehensive payment schedule (with amounts and dates for each payment), all of which will be enforceable for full protection for the parties and their respective interests.

### **(3.1) Final Contract (Review, Negotiations & Agreement)**

After extensive negotiations, KWSG, KWASU, the private partner/consortium, and Trustee will all have had an input in the final contract. This contract will set the roles of each party, guide performance expectations, and protect the interests of all parties involved.

### **(3.2) Finance**

The successful bidder will be responsible for raising adequate financing with which to construct the three college campuses. The financing which must be raised solely by the private partner/consortium may be debt or equity. This means that no KWSG or KWASU funding will constitute any portion of the capital invested at project commencement. All debt will be solely the project partner's liability.

### **(3.3) Build**

The building designs for She Colleges have been concluded and will be shared with partners/consortium that have properly indicated their interest by the deadline indicated below (see Section 4). The successful private partner will be solely responsible for the construction of all assets as agreed.

### **(3.4) Lease Back**

Once it has been established that the project has reached a major level of completion, KWSG will commence Quarterly Lease Back Payments to the private partner. To be clear, these quarterly lease back payments will be triggered by a certificate of completion by a project assessor confirming that 50% of the Expected Physical Assets on all three Campuses have been delivered.

The quarterly lease back payments will be on a cost-plus basis such that they cover all the project costs borne by the project partner. They are in effect Equity Buy-Back of the Assets (College campuses). Until such a time as the total agreed amount is paid back by the KWSG, the assets will remain the property of the project partner.

KWSG's quarterly lease back payments are guaranteed by the IF-K. Upon further discussions and negotiations, bidders will be provided with ample details and insight into the machinations of the IF-K and how it protects the private partner's financial interests.

#### **(4) INDICATION OF INTEREST TO BID**

All potential bidders are required to send in a complete indication of interest to the KP3 Bureau by Friday 30<sup>th</sup> September, 2016. In the following format:

- (i) Email to [invest@kwarapppp.gov.ng](mailto:invest@kwarapppp.gov.ng) , with subject "KWASU Colleges RFP Bid".
- (ii) In the email, clear statement of interest to participate in the bid.
- (iii) Request for the designs of the Colleges and any other available information, and
- (iv) Proof of payment of bidding fee (see Section 5).

**Without proof of this bidding fee, neither the current designs for the College campuses nor the details on IF-K can be shared with the interested parties.**

#### **(5) BIDDING FEE**

The bidding for this project is ₦500,000.00 (Five Hundred Thousand Naira only), payable as follows:

**Payee:** Kwara State Government – KWASU Colleges PPP Project

**Bank Name:** Guaranty Trust Bank

**Account Number:** 0199648356

**Amount:** ₦500,000.00

All bidders are advised and highly encouraged to review the expectations carefully, The Bidding Fee is Non-Negotiable and Non-Refundable. Any Proposal without Proof of this payment will be disregarded.

#### **(6) HOW TO SUBMIT PROPOSALS & DEADLINE**

All bidders will be given the opportunity to comment on the designs presented to them prior to final negotiations and agreement signing. Fully detailed final proposal must be submitted by the deadline date to the Ministry of Tertiary Education. A confirmation of submission must then be forwarded to the KP3 Bureau.

Please note that the proposal must at least include the following information that clearly demonstrates eligibility for partnership with the KWSG and a clear understanding of the project concept:

- (i) About the consortium

- (ii) Letter of interest and capacity with proof of financing from bidder's financiers
- (iii) Indicative construction plan
- (iv) References and details of similar projects undertaken

**The Deadline for Submission of the Full Proposal is 5pm on Friday 14<sup>th</sup> October, 2016.**

**(7) RFVIEW OF SUBMISSIONS**

The winning solution will be one that demonstrates the partner's capacity to:

- (i) Finance the entire project value without mobilization or any form of deposit from KWSG.
- (ii) Carry out the project as per agreed designs
- (iii) Deliver assets that are quality and cost-effective, and
- (iv) Successfully conclude the project on time (construction period of no more than 24 months).

The Ministry of Tertiary Education, with the assistance of the KP3 Bureau shall review all submissions on the basis of the evaluation factors (which are publicly available on the website [www.kwarapp.gov.ng/how\\_to\\_partner.html](http://www.kwarapp.gov.ng/how_to_partner.html)) and will provide further details to shortlisted respondents in the course of advancing through the PPP Project Lifecycle and procurement process. The KWSG, reserves the right to reject any and all proposals received, for any reason, at its own discretion, payment of the bidding fee notwithstanding.

Where it is deemed necessary or should it desire to do so, the KWSG may provide updates to respondents at its own convenience.

Similarly, prior to any final contract, the KWSG may terminate the entire project, for any reason, at its own discretion.

**(8) ATTENTION**

All costs incurred by respondents at all times in this bidding process and interactions with the KWSG/Ministry of Tertiary Education or the KP3 Bureau for the purpose of this Project, shall be solely on bidder's account.

**Signed**

**Kwara State Ministry of Tertiary Education**

**Kwara State Public Private Partnership (KP3) Bureau**

