



Nepal Investment Summit 2024



Government of Nepal
Investment Board Nepal

Request for Expression of Interest (EOI)

Project Name: Dhulikhel Medicity Project

Eoi No.: NIS2024/IBN/EoI-04

First Date of Eoi Publication: 28th April 2024



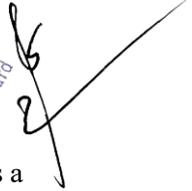
ABBREVIATIONS

EOI	Expression of Interest
GoN	Government of Nepal
IBN	Investment Board Nepal
JV	Joint Venture
NIS	Nepal Investment Summit
OIBN	Office of the Investment Board Nepal
PPP	Public-Private Partnership
RfP	Request for Proposal



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1. BRIEF DESCRIPTION

Investment Board Nepal is a high-powered agency chaired by Rt. Hon. Prime Minister established as a nodal agency for Public Private Partnership (PPP) and investment promotion in Nepal. Since its establishment, IBN has played an instrumental role in implementing transformative infrastructure projects fundamental to bolstering socio-economic development of the country. IBN has provided investment approvals – for both Public-Private Partnership and direct Private Investment projects. Being guided by the long-term vision (2043), the 15th Plan, and other subsequent policies of the Government of Nepal; and international commitments such as Sustainable Development Goals, IBN has been developing credible and bankable projects to garner investment.

The Third Nepal Investment Summit is scheduled for 28th & 29th April 2024. The main objective of the Summit is to promote Nepal as a promising investment destination and to attract domestic and foreign direct investment in various sectors. The summit is expected to bring together prominent national and international speakers, dignitaries, sector specific experts and high-level government officials. During the Summit, various projects shall also be showcased to existing and new investors and developers.

A rigorous exercise has been undertaken to collect, evaluate, screen, and prepare projects for solicitation through EoI, market sounding, and showcasing other projects at different stages in pipeline. This expression of interest is issued at the NIS 2024 as per the Clause 16 of the Public Private Partnership and Investment Regulation 2077. The summit will also be an opportune venue for developers to meet potential investors for equity and debt portions in projects.

Among the projects selected for solicitation, Dhulikhel Medicity Project is also one. The Dhulikhel Medicity Project is being developed by Office of Investment Board Nepal and is envisioned as a super-specialty hospital in Dhulikhel, Nepal, offering a wide spectrum of healthcare services and facilities. This initiative is not only aimed at establishing a world-class medical center but also at tapping into the potential of medical tourism. By providing high-quality, advanced, and comprehensive healthcare services, the project seeks to attract patients, visitors, and tourists seeking unique healthcare experiences. Through the integration of modern technology and professional expertise, the project aims to position itself as a hub for medical tourism, enhancing Nepal's appeal as a destination for healthcare travelers.

A brief introductory description of the projects is attached to this document.

2. BIDDING PROCESS SCHEDULE

The OIBN shall adhere (tentatively) to the following schedule to evaluate and shortlist from the EOI received for the Request for Proposal.

EOI issue Date: 28th April 2024

Last date of submission of EOI: 2nd June 2024, 12:00 Noon (Nepal Standard Time)

EOI opening date and place: 2nd June 2024, 1:00 PM (Nepal Standard Time), OIBN

Application Evaluation result: 4th August 2024

Interested parties are requested to submit their EOI along with all necessary documents online at www.eoi.investinnepal.gov.np.



Contact Details:

Name of Agency: Office of Investment Board Nepal
Address: ICC Complex, New Baneshwor, Kathmandu
Phone no.: +977-01-4575277, +977-1-14575278; Fax: +977-1-4575281
Email address: info@ibn.gov.np; website: www.ibn.gov.np

The details of the project structuring will be done before the RfP is issued and the details will be provided with the RfP document. OIBN reserves the right to shortlist or not to shortlist any or all of the applicant(s) without assigning any reason whatsoever. A pre-bid conference shall be held only at the RfP stage.

3. PRE-QUALIFYING CRITERIA

The applicants must meet the following pre-qualifying criteria to be considered for further evaluation and shortlisting:

- a) Minimum of 10 years of experience of the applicant or lead partner in case of JV/consortium in developing and operating hospitals of at least 300 beds.
- b) Must have completed construction of at least one of such hospitals in the past 5 years whose project cost is not less than NPR 4.4 billion.
- c) Net worth of the applicant should be equivalent to at least NPR 4.4 billion as per the last fiscal year's audited balance sheet. In the case of JV/Consortium, the net worth will be calculated based on the percentage share as mentioned in the JV agreement or MOU. If no such share is indicated, the net worth of the lead firm will be considered.

Note: The currency exchange rate of the first date of EOI publication will be considered for conversion of net worth and project scale if reported in currency other than Nepali Rupees.

4. APPLICATION PROCEDURE

The developer/investor who meets the above pre-qualifying criteria can make the application for the project.

- a) Application may be made by a single entity or a group of entities (Consortium or JV) comprising up to three different companies/parties including a lead member.
- b) A consortium/JV may fulfil the pre-qualifying criteria in a joint /cumulative manner, except for the number of years of work experience.
- c) A non-refundable fee of NPR 150,000 shall be payable for each application (PPPIR 2077, Clause 17 (3)) at the time of making the application. Any application submitted without the proof of payment of the fee will be considered non-compliant.
- d) The fee must be deposited or electronically transferred to the following bank account of OIBN:

Account No.: 1420100102100001
Account Name: OFFICE OF THE INVESTMENT BOARD
Bank name: Rastriya Banijya Bank (RBB)
Bank Branch: Baneshwor
SWIFT Code: RBBANPKA



- e) Please use "Company name_Project name" as the reference code for the payment made in the case of the online payment.
- f) After payment of the fee is made, the OIBN shall assign a focal person and may provide additional documents or information relevant to the project (if available).
- g) Applicants should submit the EOI with all required documents online by 2nd June 2024 (12:00 PM Nepal Standard Time).
- h) The Government of Nepal (OIBN or relevant government) shall review the proposal and ask additional information if required.

Note: If the corruption case is being filed to Court against the Natural Person or Board of Director of the firm/institution /company or any partner of JV, such Natural Person or Board of Director of the firm/institution /company or any partner of JV such consultant's proposal shall be excluded during the evaluation.

5. CHECKLIST

Clause 17 of the PPPIR 2077 mentions that the interested investor shall acquire the request for expression of interest from the concerned agency or website and submit the documents as mentioned in the request for proposal document. Following documents and information must be submitted while submitting the EoI.

1. Notarized copy/ies of VAT/PAN registration certificate (for national developer) and official company registration certificate (for international developer).
2. Detailed profile of the developers/investors, including profile of senior management team, and annual report audited financial statements for at least past three years, latest tax clearance certificate.
3. Where the interested party is considering potential consortium partners, an indication of such intention and details of potential consortium partners (to the extent known). The interested party should clearly state the role of the consortium members and detail the scope they would intend to deliver, for example, design services, construction and commissioning services, facilities management services.
4. Evidence of power of attorney.
5. Project concept, plan, and information on financial, economic, social, technical, and environmental feasibility.
6. Method of project implementation, project development modality and work schedule.
7. Business plan with basic financial statements
8. Financial arrangement and source of investment
9. Self-declaration letter on validity and accuracy of the projects and details submitted and corruption charges and against corruption charges.
10. Expected support from GoN, if any.
11. All the documents need to be properly signed and stamped.
12. Other relevant information, if any.

Brief Project Description

1	Project Name	Dhulikhel Medicity Project
2	Background	<p>The Dhulikhel Medicity Project is envisioned as a super-specialty hospital in Dhulikhel, Nepal, offering a wide spectrum of healthcare services and facilities. This initiative is not only aimed at establishing a world-class medical center but also at tapping into the potential of medical tourism. By providing high-quality, advanced, and comprehensive healthcare services, the project seeks to attract patients, visitors, and tourists seeking unique healthcare experiences. Through the integration of modern technology and professional expertise, the project aims to position itself as a hub for medical tourism, enhancing Nepal's appeal as a destination for healthcare travelers.</p> <p><u>Sector:</u> Health, Education, and Tourism</p> <p><u>Location:</u> Dhulikhel, Kavrepalanchowk of Bagmati Province</p> <p><u>Area:</u> 13.68 ha</p> <p><u>Project timeline:</u></p> <ul style="list-style-type: none"> • Preconstruction period: 6 months • Financial Closure: 6 months • Construction period: 3 years • Concession Period: 30 Years <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • Establish a world-class medical center encompassing a comprehensive range of healthcare services and facilities • Establish a medical institute with robust research component • Promote holistic treatment through integration of traditional and alternative medicine practices. • Provide specialized services and residential care for the elderly population. • Produce skilled healthcare professionals through comprehensive teaching and training programs. <p><u>Projected Demand:</u></p> <p>Projected visits per day: appx. 250-300</p> <p><i>(patients opting treatment abroad and patient seeking treatment in Nepal from abroad not included in the estimation)</i></p> <p><u>Project Justification:</u></p> <ul style="list-style-type: none"> • Potential to attract international patients due to Nepal's geographical location and affordable health care costs. • Nepal's spiritual and natural appeal with the possibility to receive alternative treatment options like ayurveda for patients.

		<ul style="list-style-type: none"> Nepal's continued commitment to education, infrastructure, and public-private integration. 												
3	Salient Features	<ul style="list-style-type: none"> Advanced Medical Infrastructure Specialized Medical Services (cardiac care, orthopedics, neurology, oncology, cosmetic surgery etc.) Patient-Centric Approach focusing on personalized care, compassionate treatment, and holistic wellness services Accommodation facilities such as patient rooms, suites, and family accommodations within or near the medical facilities 												
4	Project Components	<ul style="list-style-type: none"> School of Medical Science and Teaching Hospitals (300 beds) Integrative Medical Institute (100 beds) Wellness Resort (100 Guest Rooms) Geriatrics Health Service and Residential Care (100 beds) Sports complex with shops Multipurpose Hall Dining area Manifold and oxygen Plan Hostels Residential areas Other Infrastructures <ul style="list-style-type: none"> Electrical sub-station Overhead tank Fire and underground tank Sewage treatment plants Rainwater harvesting pits Parking area 												
5	Benefits	<ul style="list-style-type: none"> Improved Healthcare Access Enhanced Public Health Improved Medical education and research Promotion of Nepal as a Medical Tourism Destination 												
6	Project Outcome	<ul style="list-style-type: none"> Increased inflow of medical tourists Reduced Health Inequalities Increase in skilled healthcare professionals Reduced Health Care Costs Employment Opportunities Training and education opportunities for health care professionals Contribution to 6 SDGs (Goal 3, 4, 8, 9, 11, and 17) 												
7	Financial Indicators	<table border="1"> <tr> <td>Estimated Project Cost (NPR)</td> <td>NPR 11 billion USD 75.37 million (as of 2023)</td> </tr> <tr> <td>Equity IRR (%)</td> <td>27</td> </tr> <tr> <td>NPV (NPR)</td> <td>NPR 61.8 billion</td> </tr> <tr> <td>Pay-back period (years)</td> <td>11</td> </tr> <tr> <td>Benefit Cost Ratio</td> <td>5.35</td> </tr> <tr> <td>Debt to Equity Ratio</td> <td>90:10</td> </tr> </table>	Estimated Project Cost (NPR)	NPR 11 billion USD 75.37 million (as of 2023)	Equity IRR (%)	27	NPV (NPR)	NPR 61.8 billion	Pay-back period (years)	11	Benefit Cost Ratio	5.35	Debt to Equity Ratio	90:10
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8	Project Implementation Modality	Public Private Partnership Modality																
		Build- Own- Operate-Transfer (BOOT) for <ul style="list-style-type: none"> School of Medical Science and Teaching hospital Design, Build and Operate (DBO) for <ul style="list-style-type: none"> Integrative Medical Institute Wellness Resort Geriatrics Health Service and Residential Care 																
		Role of Government <ul style="list-style-type: none"> Provision of government land, land acquisition and facilitation Facilitating legal approvals/permits Review and monitoring 																
9	Project Implementation Timeline	Current Project Stage	Pre-Feasibility Study															
		Environmental study status	<i>A preliminary environmental and social impact assessment of the project has been completed</i>															
		<table border="1"> <thead> <tr> <th>Project Stage</th> <th>Tentative completion date</th> </tr> </thead> <tbody> <tr> <td>Pre-feasibility Study</td> <td>2023</td> </tr> </tbody> </table>	Project Stage	Tentative completion date	Pre-feasibility Study	2023												
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10	Relevant Agencies	<ul style="list-style-type: none"> Investment Board of Nepal Ministry of Health & Population Ministry of Culture, Tourism and Civil Aviation Bagmati Province Dhulikhel Municipality 																
12	Additional Information	Projected Annual Revenue (NPR) <ul style="list-style-type: none"> Initially 822 million from medical services (5% growth) Supplemented by additional 9.2 million from academic services\ Cost Breakdown <table border="1"> <thead> <tr> <th>Particular</th> <th>Phase of Construction</th> <th>Cost (in NPR)</th> </tr> </thead> <tbody> <tr> <td>300 Bed Teaching Hospital including land and other Infrastructure</td> <td>Phase 1</td> <td>8.94 billion</td> </tr> <tr> <td>Wellness Resort</td> <td>Phase 2 – 6th year</td> <td>794.5 million</td> </tr> <tr> <td>Integrative Medical System</td> <td>Phase 2 - 6th year</td> <td>412.5 million</td> </tr> <tr> <td>Geriatrics Health Service and Care</td> <td>Phase 2 - 6th year</td> <td>851 million</td> </tr> </tbody> </table>		Particular	Phase of Construction	Cost (in NPR)	300 Bed Teaching Hospital including land and other Infrastructure	Phase 1	8.94 billion	Wellness Resort	Phase 2 – 6 th year	794.5 million	Integrative Medical System	Phase 2 - 6 th year	412.5 million	Geriatrics Health Service and Care	Phase 2 - 6 th year	851 million
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Recommended Investment Modality:		
SN	PPP	Percentage contribution
1	GON (Land access road, electricity and water supply, project exclusive investment)	3% annually
2	Local Community shareholders	10%
3	National Investor	20%
4	FDI (Foreign investment)	70%