

GOVERNMENT OF MONTENEGRO



PRIVATISATION COUNCIL
Tender Commission for Tourism Development of Velika plaza

INVITATION FOR EXPRESSION OF INTEREST

The Government of Montenegro invites experienced international investors with adequate financial capabilities and proven track record in design, construction, marketing and management of exclusive resorts to express their interest for long-term lease of Velika plaza, a unique seashore location, for the purpose of developing, constructing and operating worldclass resorts on this unique site.

The intention of the Government is to provide adequate and comprehensive development of this destination into a unique, multifunctional upscale tourism resort destination, offering a range of leisure activities in the manner which is conceptually, aesthetically, functionally and environmentally in harmony with the beauty of the natural surrounding and environmental richness of the site.



I Project Description

The Montenegro coastal and mountain region offers the greatest economic future for the development of sustainable and up-scale tourism complexes on the whole Adriatic Coast. The World Travel and Tourism Council forecasts for Montenegro the annual growth in demand of 8.6% until 2016.

Velika plaža is located in the southernmost part of Montenegro, between the town of Ulcinj and the nature reserve and resort of Ada Bojana. The Bojana River, navigable in its total length, connects Velika plaza with Skadar Lake, one of the largest lakes in Europe and an important bird habitat designated as a Ramsar Site. Velika plaža, with 13 km in length and 60-100 m wide, is an exceptional site on the eastern Adriatic coast offering a unique opportunity for the development of an exclusive large scale resort of great natural beauty, easily accessible and of good visibility. The development of this site is a top priority for the government.

Velika plaza covers an area of approximately 1,450 ha, some 60 % being owned by the state of Montenegro. It is the intention of the Government to enter into a long-term lease agreement for Velika plaza, with the right to develop and operate a unique selection of up-scale market resorts with a range of leisure and recreational facilities. It is expected that the resort will be a flagship project in which the natural surrounding and leisure facilities coexist and complement each other. Therefore, the proposed proposal should be based on a proven model of a high-level sustainable development.

As an alternative to the long-term lease arrangement, Montenegrin Government retains the right to consider, until the beginning of the second stage, proposals of a joint venture or other development models, if such models provide for better valorisation of the site and are in the best interest of contracting parties.

II Purpose

The Regional Master Plan for Ulcinj envisages the development of up-scale market tourism. The Special Purpose Spatial Plan for the Coastal Zone – General Concept for Velika plaza envisages its development in six Modules:

- Existing area + I module
- II module – 6,000 beds
- III module – 6,000 beds
- IV module – 5,500 beds
- V module – 5,500 beds
- VI module – 2,000 beds.



The Government of Montenegro seeks to enter into a long-term lease for Velika Plaza (except for the existing zone + I module) or for each individual Modules, whichever is deemed more advantageous. This means, that the proposer may consider a proposal for the design, construction, financing, and operation of the entire Velika plaza development site or for one or several of the outlined modules in the plan.

The natural surrounding of Velika plaza demand a development concept of an exclusive hotel resort destination that offers all the necessary amenities and a wide range of leisure activities necessary for year-round operation, and facilities built in harmony with the natural surrounding and managed by renowned brand name international tourism operator(s).

The Government of Montenegro expects that Velika plaza Resort Destination will be a mixed-use development that provides a certain uniqueness, ultimate comfort in Hotels, and Holiday Residences, trend oriented recreational and sport facilities, a modern component of congress and meeting facilities, all constituting an enjoyable holiday, living and working environment. Bidders will be expected to use the architecture, design and engineering in accordance with highest international standards, enabling both the current and future generations to enjoy this unique scenery.

III Financial Requirements

The Leaseholder shall pay the annual rent, either for leasing the whole area of Velika plaza or for leasing the plot of individual Modules. The amount, the deadlines and the structure of the rent proposed by the Leaseholder will be an important criterion for Bid evaluation.

The Leaseholder will be requested to submit the investment plan with the timeframe, and the amount of intended investment will be an important criterion for Bid evaluation.

A Lease Agreement will be signed for such period so as to provide an interest on the part of the Leaseholder for investments.

IV First Stage of the Tender Process

Expression of Interest

Through this Invitation for Expression of Interest, prospective Bidders are invited to express their interest and provide qualifications and data. The Expression of Interest should contain information on both financial and operational resources, the list and summary of relevant projects and experiences, description of all members of the prospective bidding Consortium, as well as the general overview and schematic concept and scope of the proposed development.

In addition, in their Letter of Intent, prospective Bidders may present possible justification for a joint venture or any other model.

A site visit will be arranged and additional information will be offered for qualified parties expressing their interest.

Expression of interest must be submitted to the address provided below not later than June 16, 2008.

V Second Stage of the Tender Process

Bidder Qualification

In order for individual prospective bidders to be eligible for expression of interest and subsequently to submit the bid, they must comply with the requirements stipulated below. In addition, prospective Bidders may express interest to submit Bid on behalf of a Group, only provided that the bidding entity collectively meets the following requirements:

- Prospective Bidder has to have experience in planning, development, construction and management of similar projects and technical experience and expertise to ensure the timely, full and comprehensive compliance with the spatial, aesthetical, architectural, engineering, technical and regulatory requirements to be addressed by the projects of this level of complexity, magnitude and environmental sensitivity. Prospective Bidder needs to prove his intent and ability to fully complete the proposed project, in a timely fashion and as stipulated in the bid.
- The Bidder itself must be, or must include as a part of offer of the Group, one international hotel operator and a brand renowned and recognised internationally as a successful operator of numerous resorts, similar in quality, scope and level of the offer. Such an operator should be recognised for its exceptional and high-quality design and operational standards and must bring essentially valuable and relevant brand, as well as the marketing abilities and resources for the subject of the bid and must be renowned within the target market for its environmental awareness, up-scale market guests, as well as distributors, and influential personalities.
- Bidders must show and prove to have resources available to finance the project, in terms with the time frame to be specified in the Instructions to Bidders.

Each Bidder will be expected, among other things, during the second stage of the tender process to:

- Submit the development and design concept for Velika plaza, which is aligned with the stipulations of the Special Purpose Spatial Plan for the Coastal Zone – General Concept for Velika plaza and the Master Plan for the Ulcinj Area. The Bidder may propose other Design and Investment Programme for Velika plaza to reflect the concept the Bidder deems best for Velika plaza or any Module thereof.
- Ensure that the developed facilities are designed according to highest international standards, that the materials used and the finishing are typical of leading luxury hotels and resorts worldwide and to continue to offer a unique and durable appeal even for the most choosy among the international customers;
- Manage and maintain Velika plaza in the manner which is consistent to its environmental needs and features, as well as the needs and features of its natural environment, preserving the ecological integrity of Velika plaza. Bidders shall be expected to align their development with sustainable development principles and address a number of environmental issues, including, without limitation, carbon emissions, renewable energy, sustainable use of resources, etc.

Bid Submission and Evaluation

Detailed information of the site and the tender procedure will be included in the Tender Documents (Instructions to Bidders, Information Memorandum, Draft Lease Agreement, etc), that prospective Bidders may purchase upon the tender announcement. Tender Documents will, inter alia, include the details concerning the purpose of the site, required components of the Bid, documents to be submitted, etc. Each Bid should contain the detailed conceptual, design, investment and operational plans, to be evaluated by the Tender Commission for Velika plaza by applying the scoring system to be explained in detail in the tender documents. Each Bidder will be required to provide the financial proposal that is to include proposed duration of the lease, the amount of rent, the structure, terms and time schedule for investments as well as other information.

Negotiations and Finalization

After the selection of the best bid and notification to the selected Bidder, we will commence the negotiations, explained in detail in the tender documents, which will eventually result in agreement conclusion with the most successful Bidder. If such an Agreement may not be concluded with the selected Bidder for whatsoever reason stated in the tender documents, the second best Bidder shall be selected and the negotiation shall recommence.

This Invitation for Expression of Interest aims to promote the intention of the Montenegrin Government to put to tourism use the Velika plaza site and generate interest among renowned international companies for the project. You are invited to express your interest and submit Bids for this superb site. All communications and enquiries should be directed to:

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