



Islamic Republic of Afghanistan

Ministry of Public Health (MoPH)

*Development of Diagnostic Imaging Centre at Ibni Sina
Hospital Compound (Kabul) under PPP*

Mohammad Jawid Yosufzai

Sr. PPP Tendering Facilitation Specialist, DG- PPP, MoF

Mohammed Hasan Haider, FCCA

PPP Expert, EPTISA (Advisor, DG- PPP, MoF)



Diagnostic Centre at Ibni Sina Hospital

- Ministry of Public Health (MoPH) has planned to allocate a land parcel of **aprox.1500 Square Feet** within the boundary of Ibni Sina Ajil Hospital, Ibni Sina Sadri Hospital and Radiology Center to outsource a private partner for built and operate a state of the art Diagnostic Centre.
- Concept of this Project has already been **approved** by the **High Economic Council (HEC)** for PPP model.
- **Central Partnership Authority (CPA)** of Ministry of Finance has announced the Request for Pre-qualification document to the private investment sector for procurement of suitable Private partner.

Project Objective

- Afghanistan through the Ministry of Public Health (MoPH) will enter into a **Build – Operate - Transfer (BOT)** PPP transaction
- The overall purpose of the PPP Project is for the Private Partner **to design, construct the building, equip, operate and hand-back** the proposed Diagnostic Imaging Facility within Ibni Sina Hospital Compound to MoPH



Ibni Sina Hospital

- **Ibni Sina Ajil (Emergency) Hospital** has a total capacity of 200 beds with the specialties of Internal Medicine, General Surgery, Dermatology, Ear, Nose and Throat (ENT), and Vascular Surgery.
- **Ibni Sina Sadri (Cardiology) Hospital** is next to the emergency hospital with a total capacity of 60 beds with the specialties of Chest Surgery (Cardiology) and Internal Medicine.

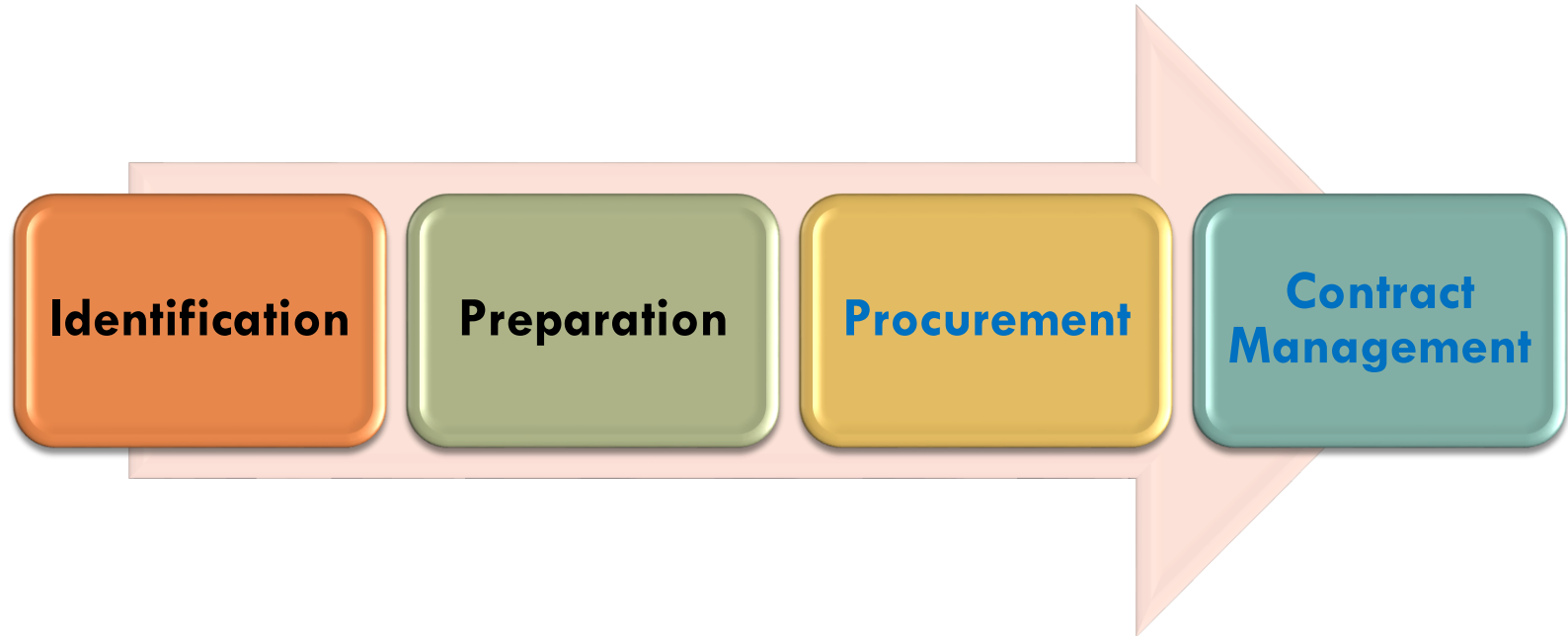
Ibni Sina Hospital

- The hospitals are independently operated but are located side-by-side in a crowded area within the centre of Kabul city, and there are around seven to eight public and private hospitals in the neighbourhood
- The proposed land for construction, owned by Ministry of Public Health (MoPH) is approximately **1,500 square feet**. MoPH has allocated approximately 450 square feet to construct a hospital waiting area which will be shared with the diagnostic center

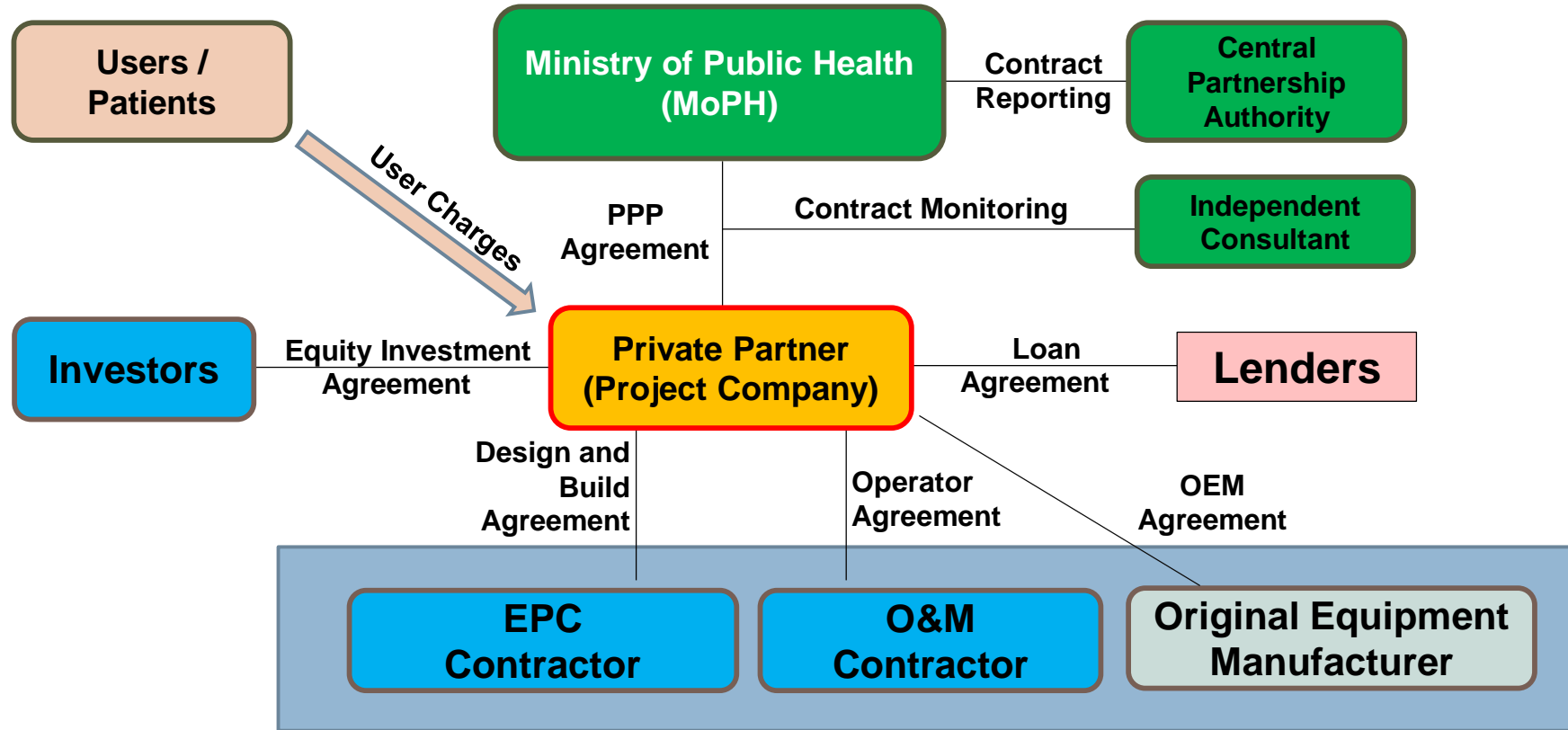
Location



Afghanistan's PPP Process



Broad PPP Structure for the Project



Broad Framework

- The PPP Project will include operation and maintenance services for the diagnostic imaging services over a defined operating period
- The project is intended **to ensure the highest-quality of standards for diagnostic imaging** with the available resources, placing emphasis on overall performance and patient safety and Satisfaction

Broad Framework

- The term of the Project Agreement will expire after the defined period from the date of the award
- It is expected the **Contract Duration** will be **10~12years**
- It is anticipated that the **construction period** will be not more than **1 year**
- Services Expected: **MRI, CT Scan, Ultra-sonogram, Echocardiogram, X-ray, ECG, CT-angiogram, ETT and Endoscopy**

Roles & Responsibilities between Parties

- Government responsibility
 - Lay **broad concept** and vision for the project
 - **Handover land** free of encumbrances to private partner
 - Remain as ultimate **land and asset owner**
 - Provide enabling infrastructure to supply services (power, water, etc.) with connections and metering facilities

Roles & Responsibilities between Parties

- Government's responsibility (cont'd)
 - Issue an order for **referrals from Ibni Sina Hospital** to be made to the Diagnostic Centre and ensure compliance.
 - **Contract monitoring** to ensuring the service is provided to the expected quality and quantity specified in the contract
 - Enforce the PPP Contract

Roles & Responsibilities between Parties

- Private party's responsibility
 - **Design and configure** the project, based on MoPH concept
 - Apply for and receive all **approvals for project implementation**
 - Achieve **financial close**
 - Undertake **construction and development** of project facilities
 - Entire **O&M** of the facilities with their own resources including deployment of medical, technical and other personnel

Roles & Responsibilities between Parties

- Private party's responsibility (cont'd)
 - Ensure that the services are operational during the operating period
 - **Pay for Utility services** facilitated / provided by government
 - Charge **user fees** from users/patients
 - **Handover a functional diagnostic centre** back to the MoPH after expiry of contract period



Procurement of Preferred Private Partner

Procurement Phase (Stage 1)

Pre-qualification Stage (Request for Qualification - RFQ)

- Registered Entities will submit their Prequalification Responses
- Evaluated on the basis of requirements set out in **PART “E”** of the Pre-qualification document
- Applicants those will be shortlisted in accordance with criteria will be **proceed for Stage 2**

Procurement Phase (Stage 2)

Proposal Stage (Request for Proposal - RFP)

- Only the Shortlisted Bidders will be invited to submit Proposals.
- Proposals shall be opened and evaluated in accordance with the terms of the RFP and the Preferred Bidders selection criteria.
- Bid Security will need to be submitted at the RFP Stage.
- RFP participants has to submit Technical and Financial Proposal
- MoPH signs a PPP Agreement with the Preferred Bidder's Project Company to implement the Project

Pre-Qualification Stage

- The Registered Entities will submit their **Prequalification Responses** in accordance with the terms and conditions of the Prequalification Document.
- The Prequalification Responses shall be evaluated on the basis of the **pre-determined Pre-qualification Requirements**.

Pre-Qualification Stage

- The pre-qualified Applicants will then be **shortlisted in accordance with the shortlisting criteria**
- To ensure the quality of the Shortlisted Bidders that progress to **RFP Stage**, the number of Shortlisted Bidders is limited to a **maximum of 6 (Six)**



Pre-qualification Criteria

Pre-Qualification Criteria



LEGAL

Nature of Applicant
Authorisation of nominated representative
Additional Legal Pre-qualification
Requirements applicable to Consortia



FINANCIAL

Financial Pre-qualification Requirements
Financial Nominee



TECHNICAL

Technical Pre-qualification Requirements
Contract Performance Criteria
Eligible Projects Criteria

- Applicants **must satisfy** all the Pre-qualification Requirements
- Applicants **must submit** a complete Application, including all required Forms and supporting documents and information

Legal Criteria

- Single business Applicant / Consortium (**not more than 5 (five) Members**)
- Consortium: **Lead Member** will hold **at least 26% equity** in the Project Company, will be the largest shareholder
- Each **Non-Lead Member** will hold **at least 10% equity** shareholding in the Project Company

Financial Criteria

- Applicant / Financial Nominee
 - ▣ Must have had **net-worth (assets minus liabilities) of at least USD 2 million** at the end of each of the last 3 years
 - ▣ Have been a **profitable and a going concern** over the past 3 years
 - ▣ Be able to demonstrate that it has raised **at least USD 1.2 million** in third party debt for 1 (one) project in the last 3 (three) years
- OR
- Must have had **annual turnover of at least USD 2 million** at the end of each of the last 3 years

Financial Criteria

- Applicant / Financial Nominee (cont'd)
 - ▣ Free Cash Flow to Equity (FCFE) of **at least US\$ 800,000 or equivalent** at the end of each of the last 2 years

FREE CASH FLOW TO EQUITY (FCFE) =
PROFIT AFTER TAX + DEPRECIATION - INCREASE IN NET WORKING
CAPITAL (CURRENT ASSETS - CURRENT LIABILITIES) – CAPITAL
EXPENDITURE + NEW DEBT TAKEN – DEBT REPAYED

Financial Criteria

- Additional Requirement for Consortium
 - ▣ each Non-Financial Nominee should have a minimum of **USD 200,000 net-worth**

ELIGIBLE PROJECTS CRITERIA

The Applicant must have developed **at least 1 (one) Eligible Projects**

Each Applicant shall be permitted to submit **up to a maximum of 5 (five) Reference Projects** as potential Eligible Projects

Technical Criteria

- An **Eligible Project** is a project:
 - ▣ involving the development and/or operation of a diagnostic centre, hospital or any healthcare facility having a minimum of three (3) of the following services:
 - 1 No Magnetic Resonance Imaging (MRI),
 - 1 No Computerised Tomography (CT) Scan,
 - 1 No Echocardiogram,
 - 1 No Ultrasound Scan, and
 - 1 No X-ray machine

For the avoidance of doubt, development refers to the designing, building and financing of the facility whilst operation refers to the operation and maintenance of the facility

Technical Criteria

- An **Eligible Project** is a project:
 - ▣ that was completed and opened to operations **during the 10 (ten) years** falling prior to and ending on the Prequalification Response Submission Date.
 - ▣ for the case of operation, the Applicant must have operated the facility for **at least 2 years**; and
 - ▣ for which the Applicant or any of its consortium members (for consortium) held **at least a 26% (twenty-six per cent) equity shareholding** in the relevant special purpose vehicle, joint venture company, partnership or other corporation or business organisation

PREQUALIFICATION RESPONSE CHECKLIST

30

There are 10 forms with the RFQ document that bidders need to fill up completely. Please let us know if you have any questions about any of the form below -

Form No.	Form Description
1	Prequalification Document Submission Identification Sheet
2	Letter of Application including all required enclosures:
3	Particulars of Applicant including all required attachments
5	Particulars of Eligible Projects including all required attachments
6	Particulars of Financial Capability including all required attachments
7	Letter of Authorisation for Lead Member of Consortium
8	Authorisation to a representative
9	Certificate of Compliance
10	Certificate by Affiliate of Applicant or Consortium Member of Willingness to Participate including all required attachments
11	Prequalification Response Checklist

Pre-Application Presentation



Shortlisting Criteria - Marking

Shortlisting Criteria

- Shortlisting Criteria "A" – number of Eligible Projects
 - ▣ Awarded **5 (five) marks** for each Eligible Project submitted

- Shortlisting Criteria "B" – Standalone Diagnostic Centre
 - ▣ Awarded **additional 3 (three) marks** for each Eligible Project submitted by the Pre-qualified Applicant that is a Standalone Diagnostic Centre

Shortlisting Criteria

- Shortlisting Criteria "C" – Services
 - ▣ Awarded **additional 2 (two) marks** for each Eligible Project submitted by the Pre-qualified Applicant that **provides both MRI and ECG services**

- Shortlisting Criteria "D" – Operations
 - ▣ Awarded **additional 1 (one) mark** for each Eligible Project submitted by the Pre-qualified Applicant that **is still in operation.**

Shortlisting Criteria

- Shortlisting Criteria “E” – PPP Projects
 - ▣ Awarded **additional 7 (seven) marks** for each Eligible Project submitted by the Pre-qualified Applicant that was implemented **on a PPP basis** (including design, build, financing and operation and maintenance responsibility).

- Shortlisting Criteria “F” – Jurisdiction (Afghanistan)
 - ▣ Awarded **additional 5 (five) marks** if any of the Eligible Projects submitted by the Pre-qualified Applicant were located in Afghanistan.

- Shortlisting Criteria “G” – Jurisdiction (Multiple Countries)
 - ▣ Awarded **additional 5 (five) marks** if the Eligible Projects submitted by the Pre-qualified Applicant were located **in more than one jurisdiction (country)**.

Shortlisting Criteria

Maximum allowed number of referral projects

- **One Eligible Project** may meet multiple Shortlisting Criteria.
- Applicants are encouraged to submit the maximum allowed number of Reference Projects (**being up to 5 (five) Reference Projects** for the purposes of satisfying the Eligible Projects Criteria and Shortlisting Criteria "A" to "G"

Shortlisting Criteria

- Pre-qualified applicants shall be ranked on the basis of their shortlisting scores and the **6 (six) highest ranked** pre-qualified applicants shall be shortlisted to submit a proposal in response to the RFP as the "shortlisted bidders".
- **In the event of a tie** in the shortlisting scores of 2 (two) or more pre-qualified applicants, the sum of the reference project total project cost of all eligible projects submitted by each of the tied pre-qualified applicants shall be calculated and the tied pre-qualified applicants with **the higher aggregate reference project total project cost shall be ranked higher.**

Indicative Timetable

Activities	Date
Prequalification Notice issued	20 th August 2019
Pre-application meeting	21 st September 2019
End of period for questions or requests for information (see clause 3.2 of Part D)	14 days before the Submission Date for the Prequalification Response [in accordance with clause 3.2 of Part D]
Deadline for Entity to respond to any questions or requests for information (see clause 3.2) of Part D	7 days before the Submission Date for the Prequalification Response [in accordance with clause 3.2 of Part D]
Prequalification Responses Submission Date	15 th October 2019
Formal notification of prequalified Applicants	12 th November 2019
Expected date for issue of RFP	19 th November 2019

Site Visit – for Applicant

- The site of the project will be opened for visit to the applicant from 2.00 PM - 4.00PM on **8th October 2019**.
- MoPH will invite for the visit.

Thank You

Entity's Contact Person:

Ahmad Matin Zahid

Head of Unit, Public Private Partnership Unit

General Directorate of Policy and Planning

Ministry of Public Health

Wazir Mohammad Akbar Khan Avenue

Kabul, Afghanistan

E-mail: ppphealth.moph@gmail.com