

INVITATION FOR BIDS

REQUEST FOR INVITATION FOR BIDS TO MANAGE THE DUTY FREE SPACE IN THE NEW TERMINAL BUILDING INTERNATIONAL DEPARTURE LOUNGE AT KENNETH KAUNDA INTERNATIONAL AIRPORT:

1. Background

The Zambia Airports Corporation Limited was established in 1989 through the amendment of Aviation Act, Chapter 444 of the Laws of Zambia and incorporated under the Companies Act 388 with the mandate to develop, maintain and manage the four designated international airports namely, Kenneth Kaunda, Simon Mwansa Kapwepwe, Harry Mwaanga Nkumbula and Mfuwe International Airports, and to provide air navigation services throughout the Zambian Airspace.

The Corporation is currently constructing various infrastructure at Kenneth Kaunda International Airport in a bid to improve customer facilitation and improve non-aeronautical revenues. Among infrastructure under construction is a new terminal building with 6100 square meters floor space in the international departure hall. The Corporation is now seeking the services of reputable duty-free organisations to operate the two (2) duty free shops in the international departure hall.

Kenneth Kaunda International Airport recorded a total of 0.552 million international departing passengers in 2019 which was a 4% decline compared to the preceding year. International departing passengers are mainly Non-Resident Tourists, business executives and local merchants, conference attendees, Zambians living abroad visiting their family, etc. Below is a table showing the number of international passengers departing from Kenneth Kaunda International Airport from 2013 to 2019.

YEARS	KKIA INTRNATIONAL PASSENGER MOVEMENT	
	DEPARTURES	GROWTH % - YEAR ON YEAR
2013	441,443	
2014	457,037	3.5%
2015	484,182	5.9%
2016	496,677	2.6%
2017	527,702	6.2%
2018	575,121	9.0%
2019	552,191	(4.0) %

KKIA is now gearing up for the major step to open its state-of-art new international terminal, Terminal 2, which has 6100 Square meters of space comprising seating areas, lounge spaces, restaurant and bar areas, general retail space and four(4) duty free shop spaces designed for providing a global shopping experience. Two of these shops have already been allocated leaving two other spaces. Each shop measures about 166.00 and 106.29 square meters respectively all located near the transit route to the departure gates in the international departure hall. The spaces are ideal for a full range duty free comprising tobacco products, cosmetics, electronics, and confectionaries such as chocolates and biscuits.

2. Objectives

ZACL, as part of its gesture to take duty free business to new heights, intends to grant Concession to Develop, Operate and Maintain Duty-Free Retail Outlets at designated Locations within the new Terminal 2 of the Airport, and has decided to carry out the competitive bidding process for selection of (a) Bidder(s) to whom the Concession may be awarded. The objective of the bid is to secure world class operators for the remaining two (2) duty free spaces. Prospective bidders shall clearly express interest for each space as Lot 1 and Lot 2 in their bids. ZACL shall also receive Technical and Financial bids separately.

3. Eligibility Criteria

The Bidder may be a single entity or a group of entities (the "Consortium"), coming together to implement the Concession.

Technical Capacity: For demonstrating technical capacity and experience ("Technical Capacity") the Bidder (in the case of Consortium, the Lead Member) and/or its Associate shall satisfy each of the following criteria, as on the date of issue of RFP:-

- (i) Bidder (or its Associate) shall have an operating experience of at least five (5) continuous years in duty free business.
- (ii) Must demonstrate Evidence of Expertise management team to support its success in the undertaking
- (iii) The bidder shall not have any pending, active or previous legal actions against any of the Airport Operator / Landlord with whom an agreement for duty free operations are / were in existence; which prevents the bidder from submitting the bid, executing the Concession Agreement, or fulfilling the conditions of concession.

- (iv) Participation by local nationals as per Citizens Economic Empowerment Act 9 of 2006 is an added advantage.

As a pre-qualification requirement, the successful bidder(s) shall submit the following:

- a) Detailed conceptual drawings of the space(s) showing 3-D images of the finished shop and a floor layout. Conceptual drawings shall be for both internal and external designs
- b) Audited or approved financial management reports for the last two years
- c) Must produce a letter of recommendation from a current landlord
- d) Must produce letter of recommendation from a bank or financial institution

4. Minimum monthly guarantee (MMG)

In respect of first Concession Year, MMG is USD1,500.00 per store reviewed at minimum escalation 3% annually for the subsequent Concession Years. Minimum Monthly Guarantee (MMG) shall mean the absolute amount on a monthly basis, excluding service charge at USD1,000.00 per month.

5. Concession fee

Concession fee for a particular month shall be the Minimum Monthly Guarantee (MMG) or quoted percentage for revenue share of monthly Gross Sales whichever is higher. The minimum percentage to be quoted on turnover is 20%.

6. Type of goods offered

The cooperation is looking for providers of any these two principle type of goods;

- (i) Confectionaries
- (ii) Electronics – Gadgets and high tech devices, Music and Entertainment

Added to these goods the providers can add to their stock any of the below stated goods;

- (i) Cosmetics
- (ii) Travel and fashion accessories, Foot wear
- (iii) African Arts and crafts
- (iv) Souvenirs & Sports wear and out doors products
- (v) Toys, Education ,News and Books , Gift Cards

7. Pre-Bid/Site Inspection

A pre-bid and Site inspection for the new terminal 2 duty free space shall be conducted on at 10:00hrs. Participants for the site visit should confirm attendance by emailing zacl@zacl.aero with subject “Pre-bid/Site Inspection” latest three days before due date for logistical purposes.

Sealed Tenders are invited on behalf of the Commercial Director - ZACL, from reputed Duty Free operators to Develop, Operate and Maintain duty free outlets at the new Terminal 2 of Kenneth Kaunda International Airport.