

**STATE DEPARTMENT FOR HOUSING AND URBAN
DEVELOPMENT
MINISTRY OF TRANSPORT, INFRASTRUCTURE,
HOUSING & URBAN DEVELOPMENT AND PUBLIC
WORKS,
6TH FLOOR ARDHI HOUSE
FIRST NGONG AVENUE
NAIROBI**

EXPRESSION OF INTEREST (EOI)

REF: MTIHUDDPW/SDHUD/METRO/001/ 2020-2021

DEVELOPMENT OF NAIROBI RAILWAY CITY

EOI Release Date: 20th July,2020

Defined Term	Explanation
Government	The Government of the Republic of Kenya
MTIPWHUD	Ministry of Transport, Infrastructure, Public Works, Housing and Urban Development,
SDHUD	State Department for Housing and Urban Development
RCDA	Railway City Development Authority
Nairobi Railway City	All that land measuring one hundred and seventy two hectares consisting of the Nairobi Central Railway Station and the surrounding land
Accepted Respondent	Means the bidder who is pre-qualified by the Contracting Authority
Respondent	Any Master Developer / Developer who submits a Proposal in response to this EOI.
Contracting Authority	Principal Secretary State Department of Housing and Urban Development
Master Developer	<p>Master Developer means the company or grouping of companies, who as a condition of a land disposition, will implement the responsibilities prescribed by the Contracting Authority for implementing a development plan containing the master plan area.</p> <p>The master developer is responsible for the implementation of the development and disposition of sites from planning refinement to final buildout, overseeing site preparation and infrastructure development, financing, marketing and asset management. The master developer will delineate their roles, relationship, and responsibilities in an appropriate written agreement with Developers interested in various specific developments / precincts within the Railway City Development.</p>
Developer	The company or grouping of companies who will respond to implement projects for identified precincts and or specific developments to design, build, finance within Railway City

1.0 Background

The **Government of Kenya through the State Department for Housing and Urban Development (SDHUD)** under the Ministry of Transport, Infrastructure, Housing and Urban Development and Public Works is committed to the construction of a Railway City. In this regard, the Government is committed to collaborating with the private sector to facilitate delivery of the Railway City by engagement of the Strategic Partners to undertake the development and related amenities as Master Developer.

In collaboration with Kenya Railways and the Nairobi Metropolitan Services (NMS), SDHUD with the Railway City Development Authority intends to redevelop the Nairobi Central Railway Station and its surrounding areas into a multi-modal, transit oriented, urban development dubbed “The Nairobi Railway City”. Owing to its strategic location, the Nairobi Station Area will be developed into an iconic nerve centre for the Nairobi multimodal transport system with a world class new central station incorporating mixed use commercial developments, housing and intermodal facilities. It will serve as functional, architectural and urban centrepiece to Nairobi’s growing global reputation as a leading modern city on the world stage.

The project is of great national significance as it forms part of core strategy for regeneration of Nairobi City and the area has been designated as Special Planning Area in line with The Physical and Land Use Planning Act No 13 of 2019 and a project of strategic national importance. It is also one of the priority projects identified in the NIUPLAN as a strategy for expansion of Nairobi’s Central Business District (CBD). The redevelopment will create equilibrium between social benefits for the city and economic returns. It will reduce pressure on CBD growth by opening up the large area to the south and integrating the northern and southern CBD areas through links across the existing rail track barriers.

The aims of the proposed development are as follows: -

1. To promote and further enhance the global competitiveness of Kenya’s capital city Nairobi.
2. Providing a framework for co-ordinating public and private investment.
3. Capture land value for sustainable urban regeneration of the area and development.
4. Well thought through integrated railway transportation network;
5. Social amenities to cater for the development taking cognizance of growth;
6. Public management facilities, noting requirements of a Railway City; and
7. Impact and connectivity to surrounding urban centres.
8. Serve as critical project and initiative for Kenya’s efforts in a post COVID recovery period.

The project site is located at the centre of Nairobi city and is surrounded by the industrial area to the south, the CBD area to the north and dilapidated and ready for redevelopment residential houses on the eastern side. The total area is 172ha (425 acre).

Government will provide land into the Railway City Development which is a prime piece of land right in the heart of the CBD. Details of the land will be provided to the pre-qualified Respondents to this EOI. In addition, Government will provide world class off-site infrastructure to this prime site to ensure a sustainable new urban centre for the future. Further to this, the development has been designated as a **project of strategic national importance** and **designated a Special Planning Area**.

The declaration of the Railway City as a special planning area is a unique provision for the private sector investors in Kenya. By the conferment of this status, the Railway City has been identified as suitable for intensive and specialized development activity. It provides a framework for its physical development and management, and guides the development control processes within that area.

In addition, by awarding Railway City a Special Planning Area status, owing to its unique development potential, the Government recognizes that the City's success is in Kenya's national economic interest and the project's planning and approval requirements need to be fast-tracked at a national level. The declaration cuts planning and construction approval bureaucracy for investors and developers and fast tracks the city as a private sector development of national significance.

As a Special Planning Area, the Railway City will accelerate even faster, creating more jobs, homes and infrastructure. The project will attract diverse talent to the city creating multiplier effects within Nairobi and its environs. Conferment of the SPA status is a comprehensive approach to revitalize the inner city.

The SPA also provides a sound legal basis for the planning process, which in turn strengthens the case for the plan's implementation which Government is embarking upon. It also provides a rallying point and a stronger bargain for an alliance of actors working together.

While the majority of the land within the development is Government owned, various parcels are privately owned with different owners and the designation of the area as a SPA provides a platform for all actors, including land owners, to address issues, create a vision and collaboratively implement the build out of the Railway City.

1.2 Project Scope

The proposed Railway City development presents a unique opportunity to develop a smart new city in Nairobi showing the way in sustainable and eco-friendly urban planning development which is unencumbered by the congestion of the existing CBD. This development could become a template for other regions in Kenya and East Africa and beyond.

Respondents to this EOI may respond as Master Developer or Developers for specific precincts / developments highlighted below. Early anchor Developers within the Development will be prioritised.

The various precincts / developments within the Railway City are noted below and further pictorial renders are provided further below. The densities for the various precincts are also provided and further details will be provided for pre-qualified Master Developers / interested Developers for specific precincts.

- **Central Station** FAR 400, 15 floors, multimodal transit centre and hub incorporating mixed use commercial.
- International tourist destination with a **Meetings Incentives Conferences and Exhibitions (MICE) Core** 44ha, FAR 600, 45 floors, hotels, convention, casino, theme park and high-end commercial.
- **Railway City Housing**, 51 ha, FAR 250, 5 to 12 floors, 3,522 units.

- **Government Office precinct***, 6.3 ha, FAR 400%, with Government as an anchor tenant.
- **R&D Zone**, 4ha, FAR 400, 15 floors, **knowledge industry** and synergy with TUK thereby tapping the entrepreneurial and youthful as a destination.
- **Street Commercial** 62ha, FAR 300, 10 floors Mix use commercial, housing, Office, 2.4km shopping promenade (the longest in Eastern Africa).
- **International office** precinct 36ha, FAR 600, 25 floors, top tier office and working zone
- **EAST Core (New Wakulima)** 12ha, FAR 250, 8 floors, new commercial, community center.
- **High tech industry** with SME cluster with grand park, 20 ha, FAR 400, 10 floors.
- **Mixed use centre core offering commercial offices**, high end housing and grand park and station.

*The intention is to create a Government precinct where Government will be the anchor tenant. Developers may express interest to Build Operate Transfer the Government Office precinct (or part thereof). Government through the State Department of Housing and Urban Development responsible for Government office accommodation will also look to review potential to ring-fence its existing office accommodation budgets and or development budgets for this precinct towards this precinct.

The Master Developer should:

1. Have the ability to finance or obtain financing to undertake the Railway City development and sustain the development process.
2. Have the ability to undertake extensive planning refinement studies of the existing master plan to address infrastructure issues, environmental issues, and land development issues not fully-developed and/or addressed in the current master plan.
3. Have the capacity to undertake the onsite infrastructure (or part thereof subject to negotiations) in return for development rights (subject to negotiations).
4. Have relationships to crowd in investment and have access to Developers with interest in various precincts.
5. Have relationships with potential end users and tenants for the development.
6. Have relationships with other professional firms to build the necessary team.
7. Have knowledge of the various local laws that impact on a development of this complexity and size and understand local staffing relationships.
8. Have-extensive experience in all phases of the development process and experience in transport oriented multi-product/mixed-use development including residential, retail, office, commercial and industrial.

The Developer / Investor on a specific precinct or proposed development within the Railway City Development should:

1. Demonstrate the ability to finance or obtain financing to commence the specific precinct / development within Railway City.
2. Early anchor investors with demonstrable funding to undertake early quick win developments within Railway City will be prioritized should they demonstrate ability to mobilise and fund within 90 days' post execution of contract.
3. Have the right partners to demonstrate their expertise to undertake the specific development within Railway City precinct that they have expressed an interest in.

Anchor Developers may express an interest for any of the specific developments listed in the attached Land Use Plan within the Railway City including amongst others Government precinct, MICE Precinct, Housing precinct, Central Station.

THE FUTURE

① Kenya Railway Zone
15ha
Kenya Cultural Center, Railway Museum, Historic Legacy Area

② R&D Zone
4ha, FAR 400, 15floor
Knowledge industry Synergy with TUK

③ Street Commercial
62ha, FAR 300, 10F
Mix use commercial, housing, Office, 2.4km shopping promenade (longest in Eastern Africa)

④ MICE Core
44ha, FAR 600, 45F
Hotel, Convention, High-end Residential and Commercial

⑤ International Office
36ha, FAR 600, 25F
Top tier Office and Working Zone

DIVERSE URBAN PROGRAM



⑥ Central Station as Multimodal Hub
FAR 400, 15F
Station, Transit Center, Mixed-Use Commercial

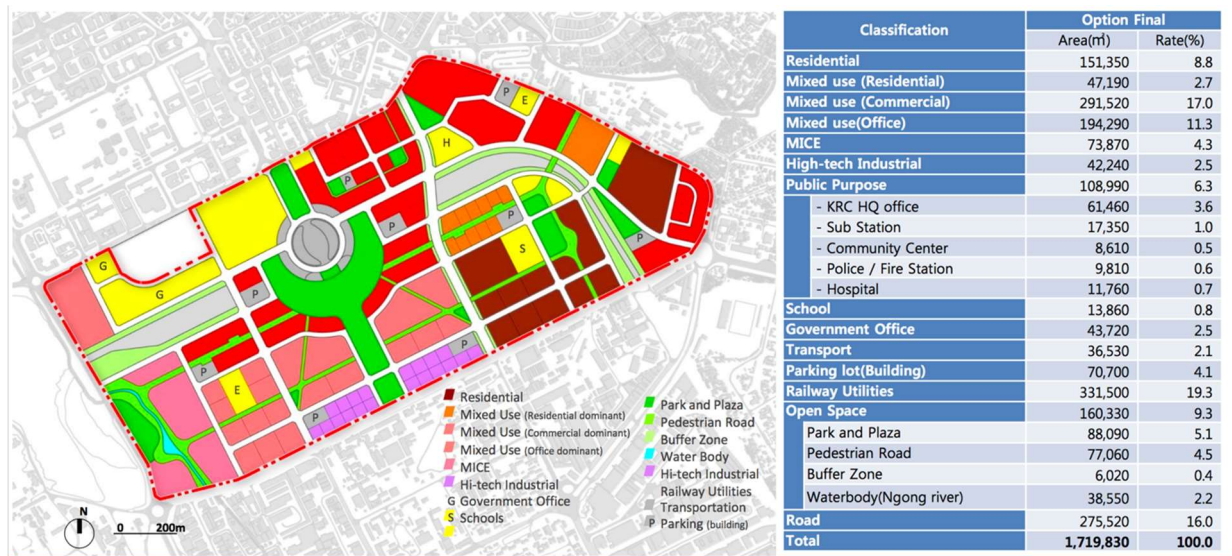
⑦ EAST Core (New Wakulima)
12ha, FAR 250, 8F
New Commercial, Community Center

⑧ Railway City Housing
51ha, FAR 250, 5~12F
3,522 units (Affordable 992 units)

⑨ Center Core
49ha, FAR 500, 20F
Mixed-Use Commercial, Offices, High-end Housing with Grand park, and Station

⑩ High-Tech SME
20ha, FAR 400, 10F
High Tech Industry with SME Cluster, with Grand park

LAND USE PLAN – NAIROBI RAILWAY CITY



1.3 Infrastructural Facilities Required

The Master Developer will pay for the infrastructure costs to obtain the right to develop Railway City. The pre-qualified Respondents will have the option to submit to develop different lots of infrastructure or the entire infrastructure for Railway City.

1.4 EOI Requirements

SDHUD will pre-qualify Master Developers / Developers with the following baseline guidelines:

1. Demonstrate financial capacity, experience and expertise in delivering large scale developments.
2. Demonstrate how prior large scale developments were financed and evidencing how the financing arrangements were put in place taking into account global sourcing of finance where applicable, time and quantum.
3. Demonstrate capacity, experience and expertise in technical teams to undertake planning, preparation of business case and risk management.
4. Demonstrate experience around converting early anchor projects into live projects and deliver early stage projects that will generate value for Government of Kenya.
5. Submit strategies to demonstrate the limited fiscal space in Kenya while engaging with the GOK on leveraging synergies and structuring financing solutions to ensure the onsite infrastructure is delivered.
6. Demonstrate strong linkages with international investors with an interest to participate in projects in Railway City and the continent.
7. Demonstrate experience and adoption of sustainable green technologies and efficient use of power and water technologies.
8. Must be willing to comply with the existing laws and regulations in the Republic of Kenya.

1.5 Source of Funds

RC is expected to obtain funds from a number of sources and therefore Developers should note the following;

The funding for the Development shall be arranged by the prospective Master Developer. However, the RC will have various sources of income including execution of development agreements on sales of development rights in a phased approach, various tenor leases, service fees, user fees to finance various aspects of the onsite infrastructure.

1.6 Information Required of Bidders

In order to assess their financial and technical capacity and qualification, Master Developers and or interested Developers for specific precincts / developments with Railway City are required to provide the following information:

Letter of Expression of Interest

A cover letter, not exceeding two pages in length, containing the Respondents single point of contact details (names, full physical address, address, email, telephone number) of who will handle all communications associated with their submittal and stating the areas of expertise the firm is able to offer and which role the Respondent would be interested to

participate as Master Developer or Developer and which precinct within the RC Development.

Firms Company Profile

The proposers should provide a brief description of the Developers organization and an outline of the recent experience relevant to the Railway City Development. The profile should contain a summarized listing of the relevant projects completed within the last 10 years by the Developer indicating the type of expertise offered particularly in reaching financial close and successfully completing developments and the value of the developments provided and completed.

Financial

The financial aspect of funding the development will ultimately be a key driver in choosing the Master Developer and the respective Developers for the various precincts. The Master Developer is therefore required to provide adequate funding for the project. The applicant shall at this stage need to demonstrate financial capability and also provide audited accounts for the last 3 years of the entity that will be committing to the development. They should also demonstrate how the large scale developments they have undertaken were financed and evidencing how the financing arrangements were put in place taking into account sourcing of finance, time and quantum.

Organization of Project Team/Description of Team Members and Responsibilities

Considering the complexity of the assignment, it is assumed proposers will be required to draw upon staffing and knowledge resources from around the world. Also, given the size of the project, it is assumed that teams consisting of multiple consultants and contractors and financiers will be assembled. If teaming is proposed, the proposer should identify the roles and responsibilities of each team member and how they will be utilized on the development project.

Proposers should demonstrate their ability to mobilize staff from resources quickly and efficiently so that the full depth of the firm's / JV / consortium experience can be applied as needed to the design, construction and financing.

Knowledge of local processes and material specifications will be critical in matching international design concepts with local construction.

They should meet the latest sustainability criteria in Kenya and the new facilities should be designed with amongst others transport integration, climate change, energy conservation in mind

CV's of Key Personnel

In order to demonstrate the availability of qualified personnel, the proposers are required to provide curriculum vitae (CVs) of the key personnel in various disciplines within their organization to be engaged in providing design, tendering, construction, financing and supervision services for the execution of the project. Only CV's of personnel specifically working on the project should be submitted with the organizational chart showing their anticipated role.

Relevant Project References

The proposer must demonstrate global expertise in the design and construction and financing of infrastructure and buildings of similar scale and complexity to that envisioned for Railway City. Proposers will ultimately be pre-qualified on experience with projects that include all facets of infrastructure design, construction and financing.

Project experience in developing countries, and in Africa, will be beneficial. However, it is understood that few projects with these characteristics have taken place in developing countries and that much of the experience a proposer has to offer may come from developed economies. In this context, the firm must demonstrate how it expects to transfer effectively its experiences on design, construction and financing to this project and Kenya.

Ultimate pre-qualification and progress to the next stage of this process will include project experience co-ordinating the design, construction and importantly financing of projects.

Proposers should provide a list of recently completed projects, including nature of work, contract value, financing limits and conditions, location and testimonials from clients or prime consultants associated with their work. The list the location of the project and the personnel who worked on that project.

1.7 Evaluation Criteria

The following criteria will be applied in the evaluation of the EOI:

- I. Review and verification of submissions listed under 1.6
- II. Current/valid Tax Compliance Certificates for firms/entities incorporated in Kenya or equivalent in respective jurisdiction;
- III. Ability to mobilize cash or financing amounting to a minimum of 75 Million US Dollars at any one given time;
- IV. An annual turnover above 100 Million US Dollars over the last five (5) years;
- V. A summarized listing of developments ongoing and completed within the last ten (10) years indicating the type and the value of the works provided and completed.
- VI. Proof of experience in undertaking similar assignments of at least two (2) design, built and importantly financed projects. Copies of completion certificates should be attached.
- VII. Priority will be provided to interested Master Developers / Developers who demonstrate they are ready to proceed to ground breaking within 90 days' post contracting.

- VIII. Ability to demonstrate how prior large scale developments undertaken were financed and evidencing how the financing arrangements were put in place taking into account sourcing of finance, time and quantum.
- IX. If a joint venture or consortium, provide arrangement details for the firms or companies in the Joint Venture.
- X. CVs of key personnel proposed for the assignment.
- XI. Provide litigation history certified by commissioner for oaths.
- XII. Audited accounts for the last three (3) years.

1.8 Submission of Responses

Interested Strategic Investors should submit their responses to this EOI in soft copy as follows:

Soft copies should be copied to. procurement@housingandurban.go.ke
Hard copies may also be delivered to:

**THE PRINCIPAL SECRETARY
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING & URBAN
DEVELOPMENT AND PUBLIC WORKS,
6TH FLOOR ARDHI HOUSE
FIRST NGONG AVENUE
NAIROBI**

and deposited in the Tender Box located at **6th Floor, Ardhi House** so as to be received on or before **21st August 2020 at 12:00pm**. Bulky documents shall be delivered and registered at the office of the Head Supply Chain Management Services on 6th Floor, Wing B, Ardhi House, 1st Ngong Avenue. Late Proposals will be rejected.

1.9 Next Steps

1. Review of submitted Expressions of Interest.
2. Prequalification of shortlisted Strategic Partners.
3. Prequalified Strategic Partners will be invited to provide detailed proposals including their financed offers for master developer for specific developments within Railway City on the property.
4. The qualifying firms will be invited for negotiations ahead of signing of the Project. The outcome of the Negotiations and proposals will be the basis for a signed Contract with the selected firm.
5. Award of contract.

* Specially Permitted Procurement Method (SPPM): The SPPM direct negotiations will be available subject to the nature of the project under the submission by the Respondent.

SCHEDULE 1

The Local Physical Development Plan will be available on the website of the State Department of Housing and Urban Development from **20th July, 2020**.

SCHEDULE 2

Notice – Declaration of the Nairobi Railway Station and its surrounding as a Special Planning Area will be available on the website of the State Department of Housing and Urban Development from **20th July, 2020**.