

REQUEST FOR PROPOSAL

Seeking of

**Firm/Entity for the management and operation of the
Information Technology Incubator for the National Centre for
Information Technology**



National Centre for Information Technology
Republic of Maldives

TERMS OF REFERENCE

I INTRODUCTION

The National Centre for Information Technology (NCIT) is seeking for a competent firm/entity to manage and operate the Information Technology (IT) Incubator.

II BACKGROUND

The government wishes to establish an IT Incubator in order to facilitate the development of IT professionals, companies, the establishment of ICT ventures and develop valuable skills to operate and run ICT businesses particularly among the young population.

NCIT has already completed the development of the Incubator building infrastructure. This building, including the existing equipment and furniture (details in Appendix 3), will be managed by the selected firm/entity to provide the services necessary for fostering the start-up ventures of young entrepreneurs.

The main objective of the IT Incubator is to help diversify the economic base by developing local and IT enabled service companies to the Maldives, and thereby generating job opportunities for Maldivians in this sector. The establishment of an IT Incubator Centre will provide a vibrant environment for young people to:

- a) establish ICT ventures and
- b) to learn valuable business and technical skills;
- c) creating ICT awareness and public relations.

III OBJECTIVES

The objective of this firm/entity is to operate and manage the IT Incubator, providing the necessary infrastructure and business support services for the incubatees, according to the guidelines provided in this RFP. (Refer to Appendix 1 - 2)

IV SCOPE

In order to achieve the objectives of this project, the firm/entity will:

1. Define an organisational structure for the Incubator and provide sufficient staff for the successful operation of the Incubator.

2. Provide services:
 - a. Infrastructural:
 - i. Organise the available space of the premises into fully furnished, plug n play cubicles.
 - ii. High-speed internet, pc, server, secretary, security, pantry, cleaning, maintenance, repair etc.
 - b. Business Development support:
 - i. In-house services
 1. Resident business, marketing and IT experts who can provide advice and expertise to the incubatees.
 - ii. External services
 1. Hire/contract services from outside the firm/entity to supplement in-house services as they cannot cater for all the demands of the incubatees.
3. Be responsible for
 - a. Attraction, admission, selection, monitoring, graduation and exit of incubatees. (Refer Appendix 2)
 - b. The management of discipline of the incubatees.
4. Facilitate the matching of ideas/developments with potential venture capital from the potential investors.
5. Provide mechanisms and means for the liaison between the IT Incubator and potential investors.
6. Maintain documentation of the operation and performance statistics + meet required benchmarks
 - a. Occupancy rates etc.

V BENEFITS TO THE FIRM/ENTITY

Given that the IT incubator is suitably managed while meeting the required performance benchmarks

1. The firm/entity may occupy a part of the first floor of the building, for their own business needs.
2. The firm/entity may use the building during after hours for their own business needs.
3. The meeting room facility can be shared with the incubatees and the firm/entity themselves for their own business needs.

Further, the firm/entity can submit any other alternative arrangements by which the firm/entity can benefit from this venture.

VI OBLIGATIONS OF NCIT

- NCIT will provide the Incubator building including the existing furniture and equipment (details in Appendix 3) rent free for the selected firm/entity to manage and operate the Incubator for the duration of the contract.
- NCIT will not be responsible for any costs incurred during the operation of the IT incubator.
- The battery room located within the premise and the satellite hub on the terrace/roof will still be used by NCIT and NCIT would have access to these facilities.
- NCIT will review the operational reports and statistics of the Incubator and will have the authority to take corrective action as necessary to meet the objectives of the Incubator.
- The government will have the authority to take the role of incubatee selection.

VII OBLIGATIONS OF THE FIRM/ENTITY

The selected firm/entity will

- Manage and operate the Incubator facility as given in the Objectives and Scope.
- Operate and make available the incubator facility to incubatees from 9:00 to 18:00hrs. The firm/entity will also be required to allow after hours access to the facility for incubatees on a case by case basis as necessary.
- Provide space for at least 20 pre-incubatees.
- Maintain a pre-incubatee occupancy rate of 70% or higher.
- Develop skills to operate and run ICT businesses for the incubatees and provide the following business support programs to the incubatees:
 1. Basic business advice and information service for would-be entrepreneurs or start-ups including pre-incubation activities.
 2. Business development support: more specialized business development measures on various business topics relevant for advanced entrepreneurs in full operation.
 3. One-on-one advice: specialist advisory services and professional business counselling which includes advice on accessing capital, legal aspects, accounting, sector specific knowledge as well as acquisition of project funds.
 4. Partnerships and networking services: facilitation of developing fruitful business contacts and creation of partnerships to encourage business cooperation. Another dimension of networking services is the establishment

of links and relationships with other business support organizations aiming at promoting and sustaining incubatees' interests.

- Produce quarterly reports about the operation of the incubator with performance statistics, as well as comments, minutes, presentations and other such deliverables during the contract period, as required by NCIT.
- Bear all cost incurred for the operation and maintenance of the IT Incubator including but not limited to
 1. In-house services provided for the incubatees
 2. External services provided for the incubatees
 3. Maintenance of the facility building
 4. Maintenance of the equipment provided within the facility
 5. Provision of insurance, security and safety services for the facility building and the equipment within.
 6. Internet services provision.
 7. Utility services such as electricity, water and gas.
 8. Cleaning of the facility
- Submit a joint insurance plan with NCIT, for comprehensive coverage of the incubator building and the existing furniture and equipment within.
- Submit a performance security of MRF100,000/-.
- Take a nominal charge of MRF50 - 100 per month from the incubatees. No additional charge will be levied from the incubatees. Any additional charges that is levied in addition to the nominal charge should go to the government.

VIII TERM OF CONTRACT

1. The initial contract is for a 2 year period commencing on the Effective Date and may be renewed at the end of this period subject to the performance of the selected firm/entity.
2. NCIT will have the authority to terminate the contract during the first year of contract subject to the performance of the selected firm/entity.

IX PROPOSAL

The proposal should include the following:

1. Firm/entity profile giving an overview of the firm/entity's experience and suitability for the task.
2. Employee profiles for the staff positions at the IT incubator as well as profiles for the external trainers. The firm/entity can use the suggested staffing requirements for the in-house staff (given in Appendix 1) but using this exact staff plan is not a requirement and is free to propose a staff plan as the firm/entity sees fit provided that they follow similar job requirements.
3. Additions/amendments to the proposed operational modalities (included in Appendix 1) the firm/entity feel will improve the operation.
4. Details of the operational methodology for the IT incubator as provided in the scope
 - a. Include details of the services they plan to provide to incubatees including trainings.
 - a. The incubatee selection criteria and duration (state whether they can renew and under what conditions)
 - b. These should incorporate the recommended operation modalities and selection process given in the Appendices 1 and 2.
5. An estimated financial plan for the duration of the contract which demonstrate solid financial capacity and investment backing to successfully complete and manage the project.
6. Provide insurance plans required for the operation.

X PRE-BID MEETING

The pre-bid meeting will be held at National Centre for Information Technology, Male', Maldives at 11:00am, on November 24, 2009. Respondents are encouraged to prepare and submit their questions in writing 2 calendar days in advance of the pre-bid meeting in order to expedite the proceedings.

Attendance at the pre-bid meeting is optional.

XI SUBMISSION OF PROPOSALS

Respondent shall submit one (1) original, signed in ink and one (1) copy of the proposal, in a sealed package, clearly marked on the front of the package “Proposal for management and operation of the IT Incubator”. Your proposal should reach the following address no later than 15th December 2009, at 11:00am. Late submissions shall be rejected.

Contact Person: Hafsath Aleem
Systems Analyst
Address: National Centre for Information Technology
Male'
Maldives
Telephone: (960)3344000
Fax: (960)3344004
Email: secretariat@ncit.gov.mv

If you request additional information, we would endeavour to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.

Opening of the submitted proposals will be on the 15th December 2009, at 11:00am at NCIT

Address: National Centre for Information Technology
Male'
Maldives
Telephone: (960)3344000
Fax: (960)3344004
Email: secretariat@ncit.gov.mv

XII EVALUATION CRITERIA

The proposal will be evaluated based on

1. Meeting the requirements
2. Experience level of in-house staff and external trainers
3. Soundness of the proposed Operational methodologies
4. Financial Plan

APPENDIX 1: Recommended Operational Modalities

Premises

It is recommendable to separate the available space as follows:

- ❖ Ground floor:
 - Reception close to entrance area
 - Conference “room” (adjacent to reception)
 - Communication area and pantry
 - Area for Incubator management
 - Meeting “room”, close to management area
 - 15 – 20 cubicles for Pre – Incubatees; 1 working place
 - 3 – 5 cubicles for incubatees (start –up firms); 1-3 working places
- ❖ First floor:
 - Office space for 5 – 8 start – up firms, individually sizable by room dividers
 - Meeting “room”
 - Pantry

Services

Infrastructural Services

The following infrastructural services are recommended:

- ❖ Plug & Play cubicles with desk, chair and shelf (lockable) and PC for Pre-Incubatees
- ❖ Fully furnished cubicles with desk, chair and shelf (lockable) for incubatees
- ❖ Furnishing of larger office area for start – firms (second floor)
- ❖ Small meeting “rooms” for 4 – 6 people (1 on each floor)
- ❖ Conference “room” for 10 – 20 people with adequate equipment:
 - LCD projector with integrated over-head
 - White – board
 - Flip – chart
 - Workshop supporting tools
- ❖ High speed internet, LAN or better W-LAN
- ❖ Power blackout safe sockets at each desk
- ❖ Server
- ❖ Telecommunication services (digital exchange), phone and fax
- ❖ Mail service
- ❖ Photocopying
- ❖ Reception service (both on behalf of clients of the tenants and of Incubator management); for the current location also answering of calls in the absence of tenants

- ❖ Common secretary service including mail distribution
- ❖ Security service
- ❖ Pantry (one on each floor)
- ❖ Communication area, separated by plants and adjacent to ground – floor pantry
- ❖ Essential for the quality of the infrastructure based services is the provision of a professional facility management, which should cover among others:
 - Cleaning, Security service, Janitorial, Waste disposal, etc.
 - Maintenance, Inspection, Repair, Installation, Move-ins / Move-outs, Modernisation, Renovation, Decommission, Documentation, etc.

Business development support Services

The provision of a comprehensive and high quality range of business support services is the most critical aspect of the incubator project as start-up entrepreneurs are often technically experienced but lack financial and business sense. The core task of the incubator's management is to deal with incubatees' need for business development support and develop and continuously refine the incubator's business support program.

The following activity components are recommended for the incubator business support program:

Basic entrepreneurship support:

The first component relates to basic business advice and information service for would-be entrepreneurs or start-ups including pre-incubation activities. The central topic is assistance to develop basic entrepreneurial skills as e.g. setting up and developing a new business, business plan elaboration, and other conceptualisation aspects. This kind of support can be delivered in the form of individual advice or trainings, workshops and seminars with respective contents. Usually, these services are offered by the incubator's own personnel resources.

Business development support:

This category relates to more specialized business development measures on various business topics relevant for advanced entrepreneurs in full operation. Examples are business and financial planning, marketing or the elaboration of action plans. The corresponding services are partially covered by own personnel resources and partially by external experts. They are mostly provided in form of group training sessions.

One-on-one advice:

This support component relates to specialist advisory services and professional business counselling. Examples are advice on accessing capital, legal aspects, accounting, sector

specific knowledge as well as acquisition of project funds. Especially for the latter, a good practice is to establish mentoring contacts for incubatees. These kinds of know-how services are often provided by external expertise unless the incubator competency allows.

Start-up financing:

Financing for start-ups is understood as an own category in view of being more and more perceived as one of the most valuable incubator services. The incubator generally either facilitates access to funds by building up contacts to start-up financiers or establishes an own small-scale seed capital funds administered by the incubator management. Furthermore, an incubator should provide access to funds of national grant programs for start-ups which are often administered by the incubator management on behalf of the national government or a governmental agency.

Partnerships and Networking:

Finally, a less tangible service for incubatees is the incubator's activities concerning the facilitation of developing fruitful business contacts and creation of partnerships to encourage business cooperation. Another dimension of networking services is the establishment of links and relationships with other business support organizations aiming at promoting and sustaining incubatees' interests.

In-house services to be provided by the IT Incubator

Pre-incubation services:

- Awareness raising for entrepreneurship e.g. by business plan competitions, entrepreneurship lectures at universities/ business schools, etc.
- Preparatory support services on how to form and run a company
- Basic market research techniques
- Basic support for the development of business ideas, entrepreneurial skills, business plans, etc. as well as securing the initial financing of the future firm
- Supporting the would- be entrepreneur in making the go or no-go decision for start – up of the business
- Training courses (“How to start a business”)

Business development services

- Classical business planning, covering all elements of a Business Plan
- Financial management and planning, financial projections, debt management strategies
- Advice on bookkeeping, accounting and controlling.

Financing and Fund raising

- Provision of information on suitable grants, public funding programs; scanning of viability of different funding possibilities
- Preparation of start-ups to become “investment-ready”;
- Development of local financial networks and contacts with potential financiers, e.g. business angel networks, venture capitalists, banks
- Set-up of own small-scale seed capital scheme, in-house lending and/or equity investment program
- Help to compose appropriate package of finance:
 - equity capital resources: venture capitalists, business angels, corporate investors, public funding programs, etc.
 - debt capital resources: lending institutions, community lending programs, etc.

Marketing support

- Low cost market research activities, targeting customers, identification of target markets and (local) business opportunities, screening of market trends, overview on clients, key players, competitors
- Assistance in implementing successful marketing activities
- PR support (publish relevant company information/ success stories in press releases, provide space for presenting brochures, business cards etc.)
- Provide credibility and visibility for incubatees, raising profile

Networking

- Creation of contacts for incubatees to have access to knowledge, ideas and business partners and integrate incubator into business support community or (inter)national Incubator networks
- Promotion of cooperation, connecting suitable business partners, supply chain development, sector wise clustering
- Promotion of networking between incubator tenants, start-up entrepreneurs, service providers, etc.

Mentoring

- Linking incubatees with business experienced experts who serve as role models, knowledge resources and objective advisors (“knowledge transfer by story telling”)
- Identification and recruitment of appropriate mentors (e.g. bankers, accountants, consultants, professors with practical experience, business people who are not competitors, retired executives, incubator graduates)
- Matchmaking/ signposting

Technological assistance

- Assistance concerning technological related support needs (mainly IT)
- Facilitation of technology transfer from/ to R&D
- Assistance in the creation, development, commercialisation of new technologies

After care / Post incubation actions

- Support provided during stage after incubation when clients move into 'grow on' space; continuing assistance to ex-tenants after graduation
- Assistance with moving out of the incubator, finding appropriate space, logistics, etc.
- Virtual incubation, online support packages, web site information

External service provision

As not all services demanded can be provided on an in-house basis, the incubator management should ensure access to **supplemental support** by using external resources. Typical services provided by external experts are e.g.

- Technical and technological support,
- Bookkeeping, accounting
- Legal services, consultancy in
- Patent issues or
- Professional market research.

The incubator management's task is to **identify** and **acquire** appropriate service providers, meeting the standards for high quality, and develop a network of a **pool** of service providers covering all relevant topics. The incubator management should be able to **signpost** incubatees directly to recommended external expertise. It is very important to be up to date about developments in the local service provider market and select the best offer for incubatees and filter high quality experts. External experts can be invited to the incubator in order to conduct seminars, workshops or trainings on relevant topics or act as qualified contact persons incubatees can be encouraged to consult. Make sure to put in place contracting agreements that clearly state both parties' areas of responsibility. If some of these services are required in a larger volume, management should check whether the service should be offered in-house, possibly by employing additional staff.

Mechanisms to be in place for review of progress being made by the Incubatees

The incubator management should install client monitoring measures ensure to control client progress and identify weak points in time. They are an important means for

implementing the incubator's business development mission and are therefore recommended to be handled strictly and regularly.

Monitoring arrangements:

A good practice is to set **formal monitoring arrangements** that have to be accepted by every company desiring to enter the incubator.

It is recommended to present them in written form to incubator applicants (e.g. within the rental - and service contracts) and let prospective incubatees attach their signature.

Monitoring added value:

It is also helpful, to make sure that incubatees do not perceive monitoring measures as nuisance but become aware of the **valuable input** that is provided. Make sure to communicate, that monitoring serves to insure that the objective of the company and the facility are being pursued in the manner most likely to result in success.

The centre of monitoring measures is made up by the review of the business development of incubatees as e.g. a review of marketing and financial reports. Yet, client progress monitoring is dealt with using **different but complementary ways**:

Formal meetings:

Usually, fixed face-to-face meetings are scheduled in order to discuss progress, problems and other concerns. Such meetings take place quarterly or at each half year between incubatee and incubator management or alternatively specified business consultants. If one of the incubator's own staff is assigned as a permanent adviser to the incubatee, he or she should always participate in such meetings.

Sometimes, meeting frequency is reduced after the first incubation year to monthly sessions. In any case the formal meetings should always consider the time constraints of the incubatees and set accordingly. Monitoring meetings demand a good deal of preparatory work since the incubator should analyse certain documents submitted by incubatees in advance:

Written documents:

As a preparation for formal meetings, it is suggested that incubatees should submit the following written information to the incubator manager on a half year basis:

- a short (max 5 pages) progress report (the IT Incubator may produce a form) of period accomplishments describing the status of the incubatee's firm regarding:
 - readiness of product/ service

- market penetration
- human resources development (employment report)
- partnerships
- difficulties observed
- budget and cashflow
- a schedule of benchmarks for the next reporting period
- description of changes or modifications that have or will be made to the original business plan

Informal meetings:

Additionally, it is recommended to put in practice more informal monitoring opportunities. Indeed, every simple conversation between incubatee and incubator management, maybe during a loose networking event or when having a coffee in the pantry can suit this purpose. Also brief meetings for discussion without elaborately worked out preparatory documents are suitable. In any case, it is important to create an atmosphere for open but confidential discussion in the incubator.

Milestones:

A good practice for goal-oriented business development support is to set milestones for incubatees right from the beginning.

The establishment of a record system which enables management to track incubatees' performance and progress is an appropriate base for this purpose.

Periodical milestones are to be developed on basis of the business information recorded by meetings minutes and re-ports and should be reviewed regularly by the incubator management e.g. during a formal interview.

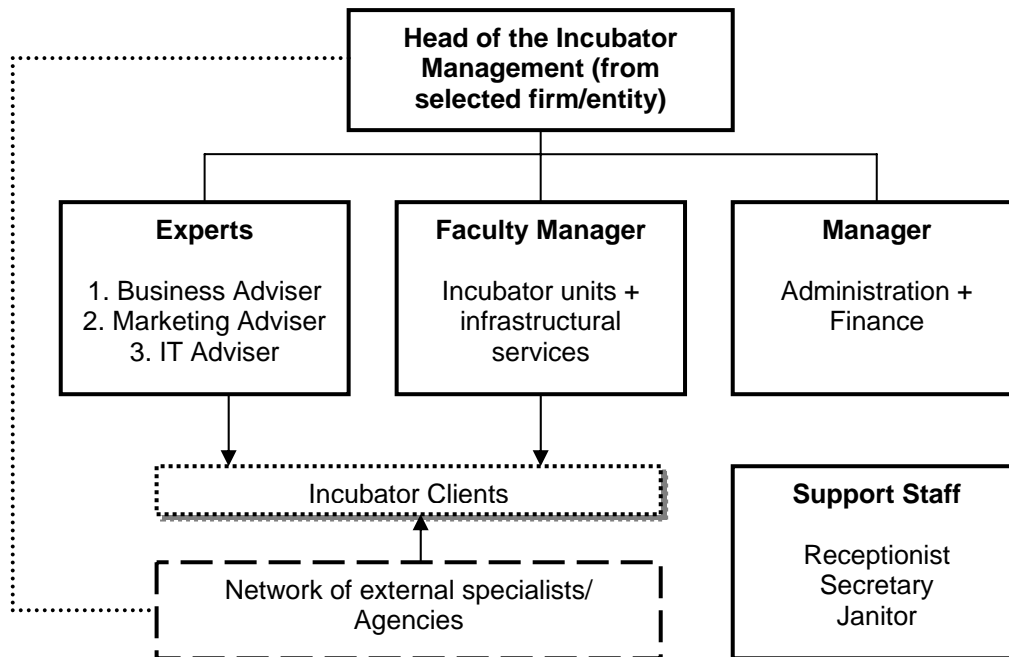
If the previously arranged milestones turn out to be achieved, new milestones can be elaborated together with the incubatee. These should be reviewed again after a certain period of time.

This proceeding shows the importance of continuous consultation, feedback and cooperation between incubatee and incubator management. After having achieved the last milestone, the incubatees' graduation should be triggered.

Staffing requirements

According to the suggested services to the future clients of the IT Incubator, the necessary administrative requirements of the incubators' operation and to enable the management to

market the IT Incubator, the following staff structure (as main service providers to the clients) is suggested.



Job Descriptions

For the managerial level the different jobs are described as follows:

Head of the Incubator Management

- ❖ General (internal) tasks
 - Legal representation of the IT Incubator
 - Reporting to NCIT
 - Decision making and control of IT Incubator
 - IT Incubator budget allocation and administration
 - Strategic and operative plan (including marketing and customer relation) deployment and implementation,
 - Scouting for business ideas, future entrepreneurs at Higher Educational Institutes and R&D institutions & assessment
 - Reviewing and being in charge as the authorized person in charge with finalized decision in admission and dismissal of applicants
 - Evaluation business performance of the incubatees within regard of the entry/exit policy
 - Evaluation of all the IT Incubator staff and external experts (In/ Out decisions)
 - Regional economic development issues, making contacts and keeping in touch with: industry, banks and other private sector organisations, scientific institutions, ministries, public institutions, etc.

- ❖ Consulting tasks (external), depending on the professional background:
 - Business advice
 - Start – up advice
 - IT – commercialisation

Requirements for the Head of the Incubator Management

The qualifications of the Head of the Incubator Management include:

- Excellent managing and administrative ability, with good business and/ or science and technology background,
- Entrepreneurial and technology-industrial experiences, especially within regard of the focal markets of the IT Incubator
- Minimum 10 years of working experiences on a executive level; preferably in an entrepreneurship supporting or consulting agency/ institution/ company
- Excellent skills in foreign language(s); at least English
- Good attitude in working in the bureaucratic environment, preferably with an understanding of the relevant governmental organisations
- Consulting experience (in general)
- Regional knowledge
- Affinity to the target - technology sectors

Expert 1, Business Adviser – Business Planning & Financing

- ❖ General (internal) tasks:
 - Incubator – business plan
 - Implementation of Incubator – accounting and controlling system
 - Evaluation of the relevant parts of business plans, proposed by applicants to the IT Incubator, as part of the entry approval - procedure
 - Acquisition of public funding schemes national and world-wide
- ❖ Consulting tasks:
 - How to start a business in the Maldives
 - Corporate business planning
 - Company financing, including dealing with banks, acquiring private & public financial support
 - Project management
 - Advice in setting up bookkeeping, accounting, controlling instruments

Expert 2, Marketing & Sales

- ❖ General (internal) tasks:
 - Development and up-dating of a marketing plan for the Incubator
 - Web-site development (content) & up-date
 - Coordination of all IT Incubator marketing - and PR – activities

- Evaluation of the relevant parts of business plans, proposed by applicants to the IT Incubator
- ❖ Consulting and external tasks:
 - Market research
 - Starting a Business (market aspects)
 - Marketing and selling strategies
 - Consulting on distribution
 - Project management
 - Support the clients of the Incubator in acquisition of customers and selling the products & services

Expert 3, IT - Adviser

- ❖ General (internal) tasks:
 - Network administration
 - Evaluation of the relevant parts of business plans, proposed by applicants to the IT Incubator as part of the entry approval procedure
- ❖ Consulting and external tasks:
 - Technology transfer (bridging between Business sector and R&D sector – both ways)
 - Commercialisation of IT based products and services
 - Supporting the Incubator clients in all questions regarding e-commerce & online services

Requirements for the internal expert staff (experts 1 - 3)

During the first years of IT Incubator's operation, a minimum of three expert staff are recommended (during early start-up period, 2 might be sufficient). They implement the incubation system and programme and they are:

- working in a close contact to the assigned incubatees as business advisor,
- coaching the incubatees and pre-incubatees within regard of business administration and business plan development and implementation,
- acknowledging all the external expert network and resources of the IT Incubator with full understanding in technology-based business, and entirely quipped with such network for the further refer to appropriate external experts,
- acting as first contact person responsible in monitoring and evaluating the business performance and conducts of the assigned incubatees.

The key qualifications/ job requirements are:

- Entrepreneurial thinking
- 5 years minimum business experience on an executive level, preferably either in an entrepreneurship support agency or a consulting company

- (Consulting) experience in one or more of the 3 relevant subjects:
 - Business planning & corporate financing
 - Marketing & Sales
 - Information Technology

Facility Manager

- ❖ Tasks:
 - Preparation of space for new tenants (Move-ins / Move-outs)
 - Allocation and installation of infrastructure to clients
 - Inspection, maintenance and repair
 - Commissioning
 - Implementing and supervising security measures
 - Supervising cleaning, waste - disposal, etc.
 - Modernisation, renovation, decommission, documentation, etc.

Manager Administration & Finance

- ❖ Tasks:
 - Preparation of contracts with clients
 - Opening and up-dating of client files
 - Invoicing to clients
 - Accounting
 - Bookkeeping
 - Supervision of support staff

It is possible to start operation of the IT Incubator with a reduced team of staff:

- According to the professional background of the MD/ CEO/ head of IT Incubator management, e.g. if the background of the MD is IT, she/ he can take over the responsibilities and proposed activities of Expert 3 (IT - adviser)

APPENDIX 2: Incubator Entry, Exit and Monitoring

Incubator entry criteria

Entries will be limited and clients will be carefully selected to allow for sustainable regional economic development and to maintain IT and IT related businesses.

The IT Incubator should install a special selection process for their clients; this process differs in relation to their different target groups, the pre-incubatees, incubatees and commercial clients. Key activities within the selection procedure:

- assessment/ evaluation of the application documents and
- entry interviews as well as
- final decision on client selection will be executed by the management team.

The government will have the authority to take the role of incubatee selection.

Pre-Incubatees

Individuals who express interest and sound concepts of technology-based business within the IT sector including cross technologies but find themselves not readily eligible as applicants can apply as pre-incubatees. Screening criteria is primarily on technological aspects and the potential market. For the application, the applicants are needed to submit

- mainly an conceptual essay concerning his/her business idea.

Upon the interview with the managing director and/ or business expert, some additional documents might be requested, but not exclusively required such as:

- result from market test,
- evidence for financial support or asset, and available
- production capability

The decision to enter the IT Incubator as pre-incubatee can be expressed immediately upon the interview; and will be required to sign a mutual agreement, which clearly specify the “dos and don’ts” of the pre-incubatee and what he/ she might expect from the IT Incubator during the pre-incubation period.

Re-entries and commercial clients

Aside to being admitted as pre-incubatees, the IT Incubator also should allow the re-admission of former graduates as preferred commercial clients.

The prime benefit of remaining in the IT Incubator is, that the graduates will have chance to gain their business stability, with possibly lower operating cost than staying on their own outside the incubator. As mature businesses, they also are of mutual benefit to pre-incubatees as possible clients or suppliers of know-how. Besides, the close contact with the incubator allows the instant access to new technology and information regarding the related products/ services; thus attenuating the chance for the graduates to establish their firm business ground.

This also applies to pure commercial clients (non re-entries); a limited amount of space can be dedicated to this target group. In addition to the aforementioned mutual benefits, commercial clients pay commercial rents and therefore also contribute to the (positive) cash-flow of the IT Incubator. In any case commercial clients should be active in the ICT sector and their business activity must not be mainly retail and/ or wholesale.

To avoid a distortion by competition and discrimination of certain clients it is crucial to have a clear and not interpretable entry policy for commercial clients in place.

Check list for evaluation of potential pre-incubatees

Basic entry criteria:

- Business type in line with the incubator's orientation to the IT sector, which does include also IT - cross technologies?
- Compatibility of the business project's aim with the incubator's objectives (e.g. not retail business, heavy manufacturing, etc.)?
- Need for business assistance and commitment to use the range of services offered by the incubator?
- Growth potential for the product / service enabling the company to reach optimal revenue levels and to create jobs?
- Ability to graduate from the business incubator after a fixed period of time?
- Entrepreneurial capabilities?
- Team-building potential?
- Willingness to accept guidance and to participate in cooperation?
- Commitment to relocate within the region upon graduating from the incubator?

Exit Criteria

Pre-incubatees that meet their objectives (i.e. who can maintain at least a fair business status) and reach their development goals will move on to the graduation procedure. The incubator management should clearly define the list of benchmarks, triggering an pre-incubatees' graduation as e.g.

- Completion of the maximal permitted incubation period; 9 months is recommended with 6 month of extension
- Achievement of certain performance indicators and milestones (e.g. amount of sales, employees, etc.)
- Low-growth and failure to achieve the expected business objectives
- Change in company emphasis from that originally planned in the business plan
- Rapid expansion of tenants' businesses

The incubator's exit strategy should be able to encourage the natural progression of pre-incubatees towards graduation. Nevertheless, a problem often faced is that pre-incubatees are not willing to leave the incubator facilities' 'love and security'.

An approach to prevent pre-incubatees from staying too long in the incubator is (among others) to increase rental charges up to above the commercial standard of rental charges or to handle such pre-incubatees as commercial tenants and adjust tenant conditions accordingly.

The incubator management should support graduation e.g. by assisting to find appropriate space in the region. This is especially important if rapid expansion of pre-incubatees' businesses necessitate an early graduation to larger premises outside the incubator.

After having successfully left the incubator, graduate companies should be included in post-incubation activities or outreach services and monitoring. It is strongly recommended to build up a graduate 'alumni' network and/or recruit graduates as mentors and advisors for the next generation of pre-incubatees.

Expel: For those pre-incubatees who misconduct their business, or perform a business obscenely deviated from the previous statement given upon entering the IT Incubator, will be therefore expelled. The decision whether such pre-incubatees will be needed to be expelled, should be authorised to the managing director.

APPENDIX 3: Inventory of Existing Equipment and Furniture at the Incubator Building

Ground Floor:

19 Cubicles with Desk and Chair

5 PC

1 Reception Desk

2 Toilets

1 Pantry with Cabinets

4 shelves/cabinets

First Floor:

7 Cubicles with Desk and Chair

5 PC

1 Meeting Room

2 Toilets

CONTRACT

REPUBLIC OF MALDIVES

DRAFT CONTRACT TO MANAGE AND OPERATE THE IT INCUBATOR

**CONTRACT
Between**

**National Centre for Information Technology
(THE "CLIENT")**

and

(THE "CONTRACTOR")

Date: ----- 2009

DRAFT CONTRACT TO MANAGE AND OPERATE THE IT INCUBATOR

THIS CONTRACT, (hereinafter together with the three (03) appendices attached hereto called the Contract) is made on the -----date-----

BETWEEN

The National Centre for Information Technology on behalf of the Government of Maldives of the one part (**hereinafter called the “Client”**);

AND

-----, a company incorporated in ---- and having its registered office at ----- (**hereinafter called the “Contractor”**).

WHEREAS

- (A) the Client desires to engage the service (**hereinafter called the “Services”**) of the Contractor on the terms and conditions hereinafter set forth and;
- (B) the Contractor has agreed to provide the Services on the terms and conditions set forth in this Contract.

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I: Services

1.01 **The Services**

The Contractor shall perform the Services under this Contract in accordance with the Terms of Reference set forth in Appendix A hereto.

1.02 **Commencement Date**

The Contractor will commence the Services as soon as possible but no later than -----

ARTICLE II: Personnel

2.01. **Personnel**

- (a) The Services shall be carried out by the personnel specified in Appendix B hereof (**hereinafter called the “Personnel”**) for the respective periods of time indicated therein. The Contractor may, with

the prior approval of the Client, make minor adjustments in such periods as may be appropriate to ensure the efficient performance of the Services.

- (b) Except as the Client may otherwise agree, no changes shall be made in the Personnel. If for any reason beyond the reasonable control of the Contractor it becomes necessary to replace any of the Personnel, the Contractor shall forthwith provide as a replacement, a person of equivalent or better qualifications.
- (c) In the event that any person specified in Appendix B is found by the Client to be incompetent in discharging his assigned duties, the Client may request the Contractor to forthwith provide as a replacement a person with qualifications and experience acceptable to the Client.
- (d) The Contractor shall bear all additional travel and other costs arising out of or incidental to any replacement under Sections 2.01(c)

ARTICLE III: **Payments**

- 3.01 The client will not be responsible for any costs incurred during the operation of the IT incubator. The contractor will be required to bear all cost required for the operation and maintenance of the IT Incubator.
- 3.02 The party awarded the contract should submit a deposit of MRF100,000/- as Performance Security (Clause 3.04).
- 3.03 A nominal charge of MRF50 – 100 per month will be taken from the incubatees.
- 3.04 **Performance Security:** Within seven (07) Days after the receipt of the Letter of Acceptance, the Contractor shall provide to the Client, security for its proper performance of the Contract Agreement (the "Performance Security"). The Performance Security of MRF100,000/- shall be in the form of a bank guarantee, issued either (a) by a bank located in the Country or a foreign bank through a correspondent bank located in the Country, or (b) directly by a foreign bank acceptable to the Client. The Performance Security shall be denominated in Maldivian Rufiyaa.
- 3.05 **Currency of Payment:** All payments shall be made in Maldivian Rufiyaa.

ARTICLE IV: **Undertakings of the Client**

4.01 Taxation and Duties

The Client warrants that the Government of Maldives shall not exempt the Contractor and the Personnel from, or the client shall not bear the cost of any taxes, duties, fees, levies and other impositions imposed under the laws and

regulations in effect in the Republic of Maldives on the Contractor and the Personnel.

4.02 Services, Facilities and Equipment

The Client shall make available to the Contractor and the Personnel, for the purposes of the Services and free of any charge, the Incubator building including the existing furniture and equipment (details in RFP Appendix 4) for work of the Services.

The battery room located within the premise and the satellite hub on the terrace/roof will still be used by the Client and the Client would have access to these facilities.

4.03 **Indemnity:** The Client will not be responsible for any costs incurred during the operation of the IT incubator.

4.04 The Client will review the operational reports and statistics of the Incubator and will have the authority to take corrective action as necessary to meet the objectives of the Incubator.

4.05 The government will have the authority to take the role of incubatee selection.

ARTICLE V: Undertakings of the Contractor

5.01 General Standard of Performance by the Contractor

(a) The Contractor shall carry out the Services with due diligence and efficiency, and shall exercise such skill and care in the performance of the Services as is consistent with recognized professional standards.

(b) The Contractor shall act at all times so as to protect the interest of the Client and will take all reasonable steps to keep all expenses to a minimum consistent with sound professional practices.

5.02 Records

The Contractor shall keep accurate and systematic records and accounts in respect of the Services in such form and detail as is customary in the profession.

5.03 Information

The Contractor shall furnish the Client such information relating to the Services as the Client may from time to time reasonably request.

5.04 Confidentiality

Except with the prior written consent of the Client, the Contractor and the Personnel shall not at any time communicate to any person or entity any confidential information disclosed to them for the purpose of the Services, or discovered by them in the course of the Services nor shall the Contractor or the

Personnel make public any information as to the recommendations formulated in the course of or as a result of the Services.

5.05 Prohibition on Conflicting Activities

Without prior written consent of the Client no member of the Personnel assigned to the Contract shall engage, directly or indirectly, in any other business other than the performance of his/her duties or assignment under this Contract in such manner which would affect the effective performance of the Contract.

5.06 Independent Contractor

Nothing contained herein shall be construed as establishing or creating between the Client and the Contractor the relationship of master and servant or principal and agent, it being understood that the position of the Contractor and of anyone else performing the Services is that of an independent Contractor.

5.07 Indemnifications

- (a) The Contractor shall indemnify, protect and defend at Contractor's own expense, Client and its agents and employees, from and against any and all actions, claims, losses or damages arising out of any violation by the Contractor or in the course of the services of any legal provisions, or any rights of third parties, in respect of literary property rights, copyrights, or patents.

5.08 Laws and Regulations of Maldives

The Contractor shall respect and abide by all applicable laws and regulations in the Republic of Maldives and shall use its best efforts to ensure that the Personnel and their dependents, while in the Maldives and local employees of the Contractor shall respect and abide by all laws and regulations in the Republic of Maldives.

5.09 Proprietary Right of the Client in Equipment

- (a) Equipment supplied by the Client under the Contract shall remain at all times the property of the Client and shall be returned by the Contractor in accordance with procedures to be determined by the Client.
- (b) The equipment and tools used by the Contractor and the Personnel and used either for the Project or their personal use shall remain the property of the same.

5.10 Proprietary Rights of the Client in Reports and Records

All reports and relevant data such as maps, diagrams, plans, reports, comments, minutes, presentations, agreements, project related documentation and correspondence and other such deliverables during the contract period, as required by the Client, compiled or prepared in the course of the Services shall be confidential and shall be the absolute property of the Client. The Contractor agrees to deliver all these materials to the Client within the duration of contract

when and as required by the Client. The Contractor may retain a copy of such data but shall not use the same for purposes unrelated to this Contract without prior written approval of the Client.

5.11 Maintenance and Repair of Client Equipment and Building

The Building and Equipment supplied by the Client under the contract shall be well maintained in the same condition that they were provided to the Contractor for the purposes of the Services.

5.12 Insurance

The Client undertakes no responsibility in respect of any life, health, accident, travel and other insurance which may be necessary or desirable for the Personnel of or Sub-Contractors and specialists associated with the Contractor for the purposes of the Services, nor for any members of any family of any such person.

5.13 Reports

All reports and recommendations and general correspondence from the Contractor to the Client and all documents prepared by the Contractor under this Contract shall be in English Language.

5.14 Warranty as to Eligibility

The Contractor represents and warrants that the company is incorporated in Maldives and that the Services will be wholly and substantially supplied from this country except as otherwise provided therein.

5.15 Notice of Delay

In the event that the Contractor encounters delay in obtaining the required services or facilities set forth for the conduct of the Services, the Client may extend the time provided that the Contractor notifies reasonable extension of time and such extension shall be necessary for the completion of the services.

5.16 Contractual Ethics

No fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal or the contract, have been given or received in connection with the selection process or in the contract execution.

ARTICLE VI: General Provisions

6.01 Criminal Record

The Contractor should not have any criminal record and shall on request produce the documents from the relevant authorities to confirm that there is no criminal record.

6.02 Termination of the Contract by the Client

- (a) If any of the following events happen and be continuing, the Client may by written notice to the Contractor terminate the Contract:
 - (1) Any of the conditions referred to in Article 6.01 shall continue for a period of fourteen (14) days after the Client shall have given written notice to the Contractor regarding suspension of payments to the Contractor under the Contract.
- (b) In any event, the Client may terminate the Contract at anytime by giving not less than thirty (30) days' prior written notice to the Contractor.

6.03 Termination of the Contract by the Contractor

The Contractor shall promptly notify the Client in writing of any situation or of the occurrence of any event beyond the reasonable control of the Contractor which makes it impossible for the Contractor to carry out its obligations hereunder. Upon confirmation in writing by the Client of the existence of any such situation or event, or upon failure of the Client to respond to such notice within thirty (30) days of receipt thereof, the Contractor shall be relieved from all liability from the date of such receipt for failure to carry out such obligations, and the Contractor may thereupon terminate the Contract by giving not less than six (06) months prior written notice thereof.

6.04 Termination Procedure

- (a) Upon termination of the Contract under Section 6.02(a), receipt of notice of termination under Section 6.02(b) or the giving of notice of termination under Section 6.03, the Contractor shall take immediate steps to terminate the Services in a prompt and orderly manner and reduce losses and to keep further expenditures to a minimum.
- (b) If the Client terminates the Contract Agreement with cause or for a cause specified in Sub-Clause 6.04, the Client may execute the Performance Security and Contractor shall not have the right, title, or claim to any funds thereunder.
- (c) After termination, the Contractor shall:
 - a. cease all further work, except for such work as may be necessary and instructed by the Client's Representative for the purpose of making safe or protecting those parts of the Works already executed, and any work required to leave the Site in a clean and safe condition,
 - b. deliver to the Client those other parts of the Works executed by the Contractor up to the effective date of termination, and
 - c. remove all Contractor's Equipment which is on the Site and repatriate all its staff and labour from the Site. Any such termination shall be without prejudice to any other right of the Contractor under the Contract Agreement.

6.05 Settlement of Disputes

Any dispute or difference arising out of the Contract which cannot be amicably settled between the parties shall be finally settled under the Rules of Conciliation and Arbitration of the Maldivian Law by one or more arbitrators appointed hereunder. The arbitration shall take place in the Maldives. The resulting award shall be final and binding on the parties and shall be in lieu of any other remedy.

6.06 Laws Governing the Contract

Laws governing this contract shall be the laws of the Republic of Maldives.

6.07 Force Majeure

- (a) If either party is temporarily unable by reason of force majeure or the laws or regulations of the Republic of Maldives to meet any of its obligations under the Contract, and if such party gives to the other party written notice of the event within fourteen (14) days after its occurrence, such obligations of the party as it is unable to perform by reason of the event shall be suspended for as long as the inability continues.
- (b) Neither party shall be liable to the other party for loss or damage sustained by such other party arising from any event referred to in Section 6.07(a) or delays arising from such event.
- (c) The term "force majeure", as employed herein shall mean acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome.

6.08 Variation of Contract

The Contract may be varied by mutual agreement between the parties. All such variations shall be in writing signed by the duly authorized representatives of the parties.

ARTICLE VII: Effective Date; Miscellaneous

7.01 Effectiveness

The Contract shall become effective upon the date notice is given to proceed with the Services under Section 1.02 and shall be in full force until the Services and all payments therefore have been completed and at such time the parties hereto shall be mutually released from all obligations hereunder.

7.02 Authorized Representative

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract, may be taken or executed on behalf of the Contractor by the Team Leader or his designated representative and on behalf of the Client by the Project Manager assigned by the National Centre for Information Technology.

7.03 Notice or Requests

Any notice or request required or permitted to be given or made under this Contract shall be in writing in the English language. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail or cable to the party to which it is required to be given or made at such party's address specified below, or at such other address as either party may specify in writing.

For the Client:

Name: Hafsath Aleem
Systems Analyst

Address: National Centre for Information Technology
64 Kalaafaanu Hingun
Male', Republic of Maldives

Tel: (960) 334 4000
Fax: (960) 334 4004
E-mail: secretariat@ncit.gov.mv

For the Contractor:

Name:
Address:

Tel:
Fax: -
E-mail:

IN WITNESS WHEREOF, the parties hereof have caused the Contract to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF THE CLIENT

.....

Name: Hafsath Aleem
Systems Analyst

Address: National Centre for Information Technology
64 Kalaafaanu Hingun
Male', Republic of Maldives

Date: -----

Witness: Name:
Signature:

FOR AND ON BEHALF OF THE CONTRACTOR

.....

Name: -----

Address: -----

Date: -----

Witness: Name:
Signature:

APPENDIX A

TERMS OF REFERENCE

INTRODUCTION

The National Centre for Information Technology (NCIT) is seeking for a competent firm/entity to manage and operate the Information Technology (IT) Incubator.

OBJECTIVES

The objective of this firm/entity is to operate and manage the IT Incubator, providing the necessary infrastructure and business support services for the incubatees, according to the recommendations and expectations of NCIT.

DURATION

2 years

REQUIREMENTS

In order to achieve the objectives of this project, the firm/entity will:

1. Define an organisational structure for the Incubator and provide sufficient staff for the successful operation of the Incubator.
2. Provide services:
 - a. Infrastructural:
 - i. Organise the available space of the premises into fully furnished, plug n play cubicles.
 - ii. High-speed internet, pc, server, secretary, security, pantry, cleaning, maintenance, repair etc.
 - b. Business Development support:
 - i. In-house services
 1. Resident business, marketing and IT experts who can provide advice and expertise to the incubatees.
 - ii. External services
 1. Hire/contract services from outside the firm/entity to supplement in-house services as they cannot cater for all the demands of the incubatees.
3. Be responsible for
 - a. Attraction, admission, selection, monitoring, graduation and exit of incubatees. (Refer Appendix 2)
 - b. The management of discipline of the incubatees.
4. Facilitate the matching of ideas/developments with potential venture capital from the potential investors.
5. Provide mechanisms and means for the liaison between the IT Incubator and potential investors.

6. Maintain documentation of the operation and performance statistics + meet required benchmarks
 - a. Occupancy rates etc.

Interested respondents please submit your Proposals to NCIT before 11:00am on 15th December 2009.

A pre-bid meeting will be held at 11:00am, on November 24, 2009 at NCIT.

APPENDIX B

PROJECT PERSONNEL

NAME	POSITION
-----	-----

APPENDIX C

METHOD OF PAYMENT

PERCENTAGE	DETAILS
100%	A deposit of MRF100,000/- as Performance Security shall be paid by the contractor within 7 days to the Client A nominal charge of MRF50 – 100 per month per incubatee