

# UNITED REPUBLIC OF TANZANIA



## MINISTRY OF INDUSTRY AND TRADE

### NATIONAL DEVELOPMENT CORPORATION



Tender number: TR185/2023/2024/NC/27

FOR

LEASING TO DEVELOP A MODERN TYRE MANUFACTURING PLANT AT ARUSHA

JUNE, 2024

## **1.0. Background**

The National Development Corporation (NDC) was established as a statutory body by an Act of Parliament in 1962 existing under the National Development Corporation (Establishment) Order, GN. 90 of 1969, wholly owned by the Government of the United Republic of Tanzania, charged with responsibility of promoting and implementing various economic development in Tanzania in partnership with the private sector. One of the projects which is being developed by NDC is development of a Modern Tyre Manufacturing Plant "Project" located in Themis Hills Industrial Area within Arusha City.

The General Tyre East Africa Limited (GTEA) was established in 1st February, 1969. In 2007 the company stopped its operations. The installed capacity of old tyre manufacturing plant is 320,000 tyres per year. It is proposed that the new tyre manufacturing plant should have a production capacity of at least 1,000,000 tyres per annum. However, this capacity will be verified by the feasibility study. The plant will produce full range of motor vehicle tyres i.e. cars, buses, light and heavy trucks.

## **2.0. Project Location and accessibility**

The Tyre Manufacturing Plant is located in Themis Industrial Area, Njiro within Arusha City, Arusha Region, North-Eastern part of Tanzania. The area can be accessed through the Njiro Road, about 23km from Arusha Airport, 56km from Kilimanjaro International Airport, and 5km from Railway station of Northern zone railway operated by Tanzania Railway Corporation (TRC). The factory has a land size of 50.4 acres, factory buildings under roof size 25,970 square meters with an additional administration block having 1,980 square meters and three (3) deep water wells each with capacity of 120 cubic meters of water per hour.

## **3.0. Main Objective**

The objective is to secure a lessee that will develop a modern tyre manufacturing plant at Arusha, Tanzania.

#### 4.0. Lease period

The lessee / operator will lease the factory area owned by NDC for a minimum period of **thirty-three (33) years** renewable.

#### 5.0. Scope of Work

The scope of work intended is to develop a modern Tyre Manufacturing Plant includes;

- Conducting a comprehensive Feasibility Study and Environmental Impact Assessment (EIA) for a Tyre Manufacturing Factory to assess the project's viability.
- Installation of Equipment and Machinery
- Operating the Plant

#### 6.0. Leasing area

The size of project area to be leased is **203,969 SQM** with the following coordinates shown below:

CO- ORDINATE LIST - PLAN NO; D5/98/8			
S/N	P	NORTHINGS	EASTINGS
1	EG 144	9624809.058	244885.348
2	EG 145	9624822.561	244896.15
3	EG 146	9624825.22	244919.555
4	EG 147	9624826.95	244950.016
5	EG 148	9624826.938	244980.343
6	EG 149	9624825.507	245010.369
7	EG 150	9624822.414	245040.581
8	EG 151	9624817.791	245070.647
9	EG 152	9624811.05	245100.346
10	EG 153	9624802.867	245129.718
11	EG 154	9624793.083	245158.426
12	EG 159	9624472.912	244920.882
13	EG 276	9624354.174	244933.413
14	EG 277	9624406.822	245430.776
15	EG 278	9624704.776	245399.111

## 7.0. Eligibility

The lessee/ bidders must be any Company, Joint venture, Consortium, or Association with experience in Tyre Manufacturing or related Manufacturing Business such as Automotive Components Manufacturing, Tyre Recycling or Distribution, Production of Chemicals used in Tyres with enough capital and Modern Technology.

## 8.0. Activity Schedule

### *(a) Site reconnaissance*

The interested lessee/ bidders will have a visit to the site to examine the project site and its surrounding environment. The visit will be organized by NDC with the aim of the interested lessee/ bidders obtaining necessary information that may help in preparation of their Bids Proposals. The visit to the Tyre Manufacturing Factory at Arusha to take place from **10<sup>th</sup> June, 2024 to 28<sup>th</sup> June, 2024**, Monday to Friday 09:00 a.m. to 02:00 p.m., in which the lessee/bidders will bear their own travelling cost.

### *(b) Pre-bid meeting*

All lessee/ bidders are invited to participate in the pre-bid meeting is schedule to be on **19 July,2024** starting from 11:48 am at Tyre Plant, Njiro - Arusha, Tanzania.

### *(c) Plant construction*

The winner of this tender is expected to complete the plant **construction within 36 months** after contract signing.

## 9.0. NDC Support and Facilitation

In the Feasibility study period, NDC will provide an office at Plant in Arusha and will support in coordination with Government Institutions for gathering any information needed by the investor / developer.

#### **10.0. Technology and machinery**

The interested lessee companies shall provide adequate information to demonstrate clearly their technical capability to **produce not less than 1,000,000 Tyres** per year with quality standards i.e. ISO and TBS standards and others as required by market.

#### **11.0. Financial Resources**

The interested lessee company is required to have a capital **of not less than US\$ 80 million (or equivalent in Tanzania Shillings)** to finance Tyre Manufacturing business operation of which the lessee/ bidders is required to submit evidence as illustrated in technical evaluation criteria.

#### **12.0. Market**

During the submission of the Bids Proposal to NDC, the interested lessee company will be required to describe their potential market of the Passenger Car Radial (PCR) and Truck & Bus Radial (TBR) Tyres to be produced.

#### **13.0. Offer to NDC**

The interested lessee company must state in their Bids Proposal the amount of lease fee in USD per square meter (sqm) per annum which will be offered to NDC.

#### **14.0. Regulatory Compliance**

The selected lessee/ bidders shall comply with all laws of Tanzania related to production and business operations.

#### **15.0. Evaluation Scores**

The scores have been aggregated to enable the screening and evaluation process. The best scorer will be chosen by NDC and invited for contract negotiation and signing. The score for each of the criteria is presented in the table hereunder.

## 16.0. Evaluation Criteria

### A. Preliminary Evaluation

Key Components	Requirements	
	The application has to submit certified copies of the following.	
<b>Application Information</b>	<ul style="list-style-type: none"><li>❖ Proof of Application fee payment (TZS 1,000,000.00 or USD equivalent)</li><li>❖ VAT Registration Certificate and Tax Clearance Certificate.</li><li>❖ Company profile and physical address.</li><li>❖ Specific Power of Attorney.</li><li>❖ Tender's JV Members information (if any).</li><li>❖ Historical Contract non-performance, pending and litigation history.</li><li>❖ State if you have conflict of Interest in your operation.</li></ul>	Outright disqualification criteria

**NB:** Contact NDC through phone number **+255 713 724 016** for application fee payment's control number

**B: Technical Evaluation (proposed 70% to be distributed in the criteria)**

<b>Criteria</b>	<b>Description</b>	<b>Marks %</b>
<b>Availability and Planned capital for project implementation</b>	Interested bidders shall submit proposed investment capital and financing plan of the project which will enable production of at least 1,000,000 tyres per annum.	15%
	Interested bidders shall submit recent three (3) years audited financial statements which will be used to ascertain bidder's liquidity and profitability ratios	15%
<b>Project implementation plan</b>	Interested bidders shall submit a proposed project implementation work plan which include key milestones and timelines	10%
<b>Works Methodology</b>	Interested bidders shall submit a flowchart and description of proposed tyre manufacturing technology.	15%
<b>Marketing accessibility</b>	Interested bidders shall indicate potential market, support with evidence like consumption level (if a bidder is a consumer) / MoU with potential buyers / forward sales agreement.	30%

**C. Financial Evaluation (proposed 30% to be distributed in the criteria)**

<b>Criteria</b>	<b>Description</b>	<b>Marks %</b>
<b>Proposed lease fee to be given to NDC</b>	Interested bidders shall propose lease fee per square meter for 203,969 SQM available.	100%

The bidder with highest proposed lease fees will be the considered for award and invited for negotiation.

**17.0. Submission.**

**Address for Submission.**

The proposal should be submitted to:

National Development Corporation (NDC),

Development House,

6<sup>th</sup> Floor, Room No. 605,

Kivukoni Front/ Ohio Street,

P.O. Box 2669,

**DAR ES SALAAM.**

E-mail: [pmu@ndc.go.tz](mailto:pmu@ndc.go.tz).