

Terms of Reference

For Managing, Operating & Marketing Industrial Zones and complexes in Sohag & Qena Governorates through Private Sector.

A. Overview

The objective of the Upper Egypt Local Development Program is to improve the business environment & competitiveness for private sector development and strengthen local government capacity for quality infrastructure and service delivery in selected governorates in Upper Egypt. The Program also aims to close the persisting gaps in access to quality of infrastructure and services. The primary beneficiaries of this Program are the governorates of Qena and Sohag.

The Program aims to replace the ‘investment-only and centrally planned’ model of the past with a more comprehensive approach to local development, by empowering governorates to plan and implement policies and expenditures, with increased accountability and inclusion of citizens and businesses in decision making. In doing so, it would address one of the core weaknesses in policy making at the local level that have made past policies and investments ineffective

One of the Program's components focuses on improving the business environment and competitiveness.

This component introduces an integrated approach to improving the business climate and competitiveness based on at the governorate level, including: (a) improving local-level G&B services such as registration, licensing, and construction permits; (b) targeted sector-specific initiatives for catalyzing investment and removing obstacles to business; and (c) improving the management and services at industrial zones. This sub-program aims to improve business environment, increase occupancy rate, enhance management and infrastructure of industrial zones, promote investment, in addition to improving performance of business sector within the two governorates.

B. General Objective

The Industrial Development Authority (IDA) aims to contract a service provider for managing, operating & marketing the industrial zones and complexes within Sohag & Qena governorates, in addition to create a climate that attracts industrial investment, including providing package of logistics & business development services, so as to become the first model of a governmental industrial zone that is fully managed by the private sector to become afterwards a pilot that could be applied to other industrial zones.

This came within the framework of IDA's vision to keep up with the international best practices through the following:

١. Providing a climate suitable for attracting both local & global industrial investments & increasing competitiveness of industrial zones & factories operating therein.
٢. Providing investors with basic & additional services within the industrial zones.
٣. Marketing for lands & assets within the targeted industrial zones in Sohag& Qena, referred to hereinafter as (industrial zones), in addition to developing & innovating investment models with the aim to attract investors & get the highest return per unit/m^٢ within the industrial zone.

C. Detailed Objectives

IDA aims to contract a Service Provider to implement the following:

١. Setting a marketing plan for industrial zone to attract more investments.
٢. Implementing the marketing activities for the industrial zone/s subject of the contract.
٣. Preparing & implementing detailed plans that explain how to manage industrial zones, besides providing the basic & supportive services within the industrial zone subject of the contract.
٤. Providing & implementing the industrial zone's management, besides providing the basic services explained in the scope of work referred to hereinafter.
٥. Providing some of the supportive additional services upon the investors' demand.

D. Scope of Work

The scope of work is divided into three main tasks:

First task: Marketing industrial lands and complexes within the industrial zone

Second task: Managing the Industrial zone, which includes:

- Operating management
- Utilities management

Third task: Providing investors with additional supportive services within the industrial zone

Scope of Work

First Task: Marketing Industrial Lands and complexes within the Industrial Zone

The purpose behind this task is to increase the occupancy rate at the industrial zone, and the Company shall implement the service of marketing industrial lands according to the internationally & locally common standards by qualified personnel & technology that keeps pace with the current developments. In addition, the Management Company is also committed to the following:

١. Setting a marketing plan with realistic occupancy targets reviewed & approved by ID, with the aim to attract industrial investment to the zone. The plan is to be set in cooperation with the Governorate's Economic Council & the related authorities, if necessary.
٢. Implementing the marketing plan approved by IDA which aims to increase the occupancy rate.
٣. Setting a promotion plan for the industrial zone in a way attracting industrial investments which targets different categories of both foreign & local investors from all governorates, provided that the appropriate mean & content are chosen to suit the targeted geographic location & the investment volume. This plan shall be approved by IDA before implementation.
٤. Implementing the promotion plan approved by IDA in accordance with the set plan approved by IDA that aims to attract the targeted categories of industrial investors.
٥. Receiving all investor's applications of obtaining industrial lands/complexes within the industrial zone, besides helping investors in fulfilling requirements related to the allocation of industrial lands.
٦. Reviewing the investor's file submitted to obtain the industrial land / complex according to the valuation criteria followed by IDA in the financial & technical studies & through qualified personnel, besides providing recommendation on the file with reasons of acceptance or rejection attached with the report of study. Taking note that IDA is fully entitled to re-study the file submitted, if necessary & take the appropriate decision on the allocation request.
٧. The Company gets paid for the marketing works, calculated as a percentage of the meter square (m^٢) price, which will be disposed by the Company. It is worth mentioning that the Company will not get paid until after completing the contract works or disposal.

٨. The company shall suggest relocate the vacant lands in a manner consistent with the investors' requirements on the industrial sectors in addition to transport and storage requirements.

٩. Lands which are allocated to non-industrial uses fell outside the scope of marketing plan.

Second task: Managing the Industrial Zone and Service Area

The company shall provide the industrial zone with all management services according to the internationally and locally common standards, provided that the Company should conform to the provisions of the Egyptian laws and rules regulating all management aspects.

First: Operation Management

The Company shall be obliged to operate the industrial zone and service area therein in a daily manner during the contract period, and should, as a minimum, contain the following:

١. Securing the Industrial Zone and Service Area:

The Company is obliged to provide the industrial zone with security service according to the internationally and locally common standards & the regulating rules in this concern, through qualified personnel & technology appropriate to secure both inside & outside surrounding area, besides securing the external borders of the industrial establishments, the administrative headquarters, the service area & the internal streets against the risks of theft, break-ins & destruction incidents on a ٢٤-hour basis. In addition, the Company is committed to the following:

- ١,١ Setting an annual plan for the internal security of the industrial zone & getting IDA approval thereon, in addition to proposing any further amendments needed.
- ١,٢ Setting the proper mechanism for securing the industrial zone & universalizing it within the framework of the procedures regulating the industrial zone.
- ١,٣ Securing the industrial zone's entrances through providing at least (two) qualified security personnel as well as the gate manager on every shift at each entrance or exit point.
- ١,٤ Securing the inside & outside fences (immediately after completion of construction).
- ١,٥ Securing the outside perimeter of existing factories & securing the under construction factories from both inside & outside till completing their fences construction, then to be dealt with as the existing factories through a proper security mechanism & plan, in addition to an appropriate number of securities approved by IDA.
- ١,٦ Securing the administrative & service buildings from inside & outside by one security personnel inside the building as well as one other security for each entrance at its opening hours.
- ١,٧ Providing the proper communications & transportation such as motorcycles, wireless communication, etc.
- ١,٨ Setting & implementing a mechanism for emergency, theft & destruction alarm notification & how to respond immediately to any threat.

- ١,٩ Immediate response to any report related to the internal security of the industrial zone and factories till calling the police, if necessary.
- ١,١٠ Preventing the discharge of industrial or any other wastes in the public streets, but dumping them in the designated areas, besides setting an appropriate mechanism for handling violations, provided that it shall be approved by IDA prior to the implementation.
- ١,١١ Setting an emergency response mechanism including a sub-communication plan (IDA representative- police-fire- etc.). In all cases, the assessment of violation shall be proportional to the damage caused, which shall at least cover the removing & transferring expenses.
- ١,١٢ Prohibiting the use of the industrial zone's public utilities provided that the Company shall set a mechanism to deal with offenders.
- ١,١٣ Providing IDA & its representative at the industrial zone with a monthly report about the security situation within the industrial zone, including cases of abuses, suspicion, incidents, etc. (*Annex (1) contains the tasks of IDA representative*).
- ١,١٤ Follow-up & observation during the periodic transit and report any irregularities or abuses.
- ١,١٥ Following-up the daily labor movement for the under-construction factories within the industrial zone.
- ١,١٦ Prohibiting any vehicle carrying materials, products, machinery & equipment from entering or exiting from the industrial zone except by an authorization from the factory which shall be handed over to the zone's management/the person in charge of security.
- ١,١٧ No parking except in the designated areas.
- ١,١٨ Regulating traffic within the industrial zone
- ١,١٩ Setting & applying the proper mechanism to facilitate movement into and out of the industrial zone.
- ١,٢٠ In case of street lighting failure within the industrial zone, the competent personnel from the Management Company shall be informed.
- ١,٢١ The Company is committed to provide the personnel of internal security with a proper uniform & name tag.

٢. Cleanliness of the Industrial Zone, Administrative & Services Buildings:

The company is committed to provide the service of cleaning the industrial zone and the administrative & services buildings according to the internationally and locally common standards & the regulating rules in this concern, by qualified personnel & an appropriate technology. The Company is also committed to the following:

- ٢,١. Setting an annual plan for implementing cleanliness works & getting IDA approval thereon.
- ٢,٢. Providing all cleanliness works for the public areas within the industrial zone such as (streets- platforms- security booths- green areas, service areas, mosque, etc.).
- ٢,٣. The Company is committed to implement manually/automatically the works of washing, sweeping & removing of garbage & non-industrial wastes from all paved areas.

- ५.६. The Company is committed to implement all cleanliness works such as collecting wastes, sweeping streets, service buildings & public utilities within the industrial zone ५ days a week.
- ५.७. Immediately after taking possession of the service & administrative buildings (offices- roads- bathrooms...etc.), they should be provided by all cleanliness works.
- ५.८. Providing machinery & equipment necessary to collect non-industrial wastes & providing enough lidded garbage bins inside the industrial zones, taking into account placing them near the sources of wastes.
- ५.९. Collecting non-industrial wastes from landfills & from the places in front of each factory on a daily basis, to be moved afterwards by sufficient number of garbage trucks to the public landfills outside the industrial zone.
- ५.१०. Wastes dumped by investors in places other than the designated ones within the industrial zone, shall be removed, provided that the violator is to bear the removal expenses which shall at least cover the removing & transferring expenses, according to the Industrial Zone Procedures Guide.
- ५.११. The Company is committed to provide the sanitation workers with a proper uniform & name tag.

३. Maintenance & Landscaping of the Zone's Green Areas

The company is committed to provide the service of maintaining & landscaping of the zone's green areas according to the internationally and locally common standards, by qualified personnel & an appropriate technology. The Company is also committed to the following:

- ३.१. Setting an annual plan for maintaining & landscaping of the zone's green areas & getting IDA approval thereon & to be attached by the improvements plan according to the new regulations may be set.
- ३.२. Maintaining all green areas & preserving the industrial zone's aesthetic view (data on green areas is attached).
- ३.३. Checking if the sprinkler system is leaking water.
- ३.४. Cleaning rooms containing the manual valves, besides checking the valves' technical safety issues & ensuring their quality.
- ३.५. Replacing the damaged plants & green areas with the same species at the Company's expense.
- ३.६. Setting a mechanism for handling irrigation failure.
- ३.७. Providing the irrigation machinery & equipment in proper lengths.
- ३.८. The Company is committed to provide the personnel of maintenance & care of the zone's green areas with a proper uniform & name tag.

४. Operating & Maintaining the Zone's Fire Control System:

The Company is committed to implement works of operating & maintaining the zone's fire control system according to the internationally and locally common standards, by qualified personnel. The Company is also committed to the following:

- ٤,١. Setting an annual plan for operating & maintaining the zone's fire control system & getting IDA approval thereon.
- ٤,٢. Providing a plan, approved by the Civil Protection, for handling fire incidents & evacuating fire areas.
- ٤,٣. Providing well-trained & experienced technicians for works of maintaining & operating the fire pumps room ٢٤ hours a day.
- ٤,٤. Operating & maintaining electric, diesel & jokey fire pumps, conserving the batteries, protecting the control panel and maintaining the water tank.
- ٤,٥. Maintaining & operating the fire alarm system of the administrative buildings within the industrial zone.
- ٤,٦. In the event of fire, all necessary actions shall be taken, and the Civil Protection shall be notified, besides evacuating fire areas (according to the approved plan) till the Civil Protection arrives.
- ٤,٧. Setting a mechanism for handling fire network failure, if any.
- ٤,٨. The Company shall take all temporary measures to prevent any damage could occur within the zone, factories, etc.
- ٤,٩. The Company is committed to provide the personnel of operating & maintaining the fire control system with a proper uniform & name tag.

٥. **Fighting Pests, Insects, Reptiles & Rodents at the Industrial Zone:**

The company is committed to implement the works of fighting pests, insects, reptiles & rodents at the industrial zone according to the internationally and locally common standards, by qualified personnel & an appropriate technology. The Company is also committed to the following:

- ٥,١. Setting an annual plan for fighting pests, insects, reptiles & rodents at the industrial zone & getting IDA approval thereon.
- ٥,٢. Providing qualified, well-trained & experienced technicians for works of fighting pests, insects, reptiles & rodents.
- ٥,٣. Using eco-friendly harmless chemicals in fighting works.
- ٥,٤. Selecting carefully the places for putting different baits to be away from humans to ensure their safety.
- ٥,٥. Getting rid of live & dead pests, insects, reptiles & rodent in proper methods according to the common standards & the Egyptian Ministry of Health's instructions.
- ٥,٦. The Company is committed to provide the personnel of fighting pests, insects, reptiles & rodents with a proper uniform & name tag.
- ٥,٧. The Company is committed to provide the personal protective equipment.

٦. **Supplementary Items**

The Company is committed to implement the supplementary items' works within the industrial zone according to the internationally and locally common standards, by qualified personnel & an appropriate technology. The Company is also committed to the following:

- ٦,١. Setting an annual plan for implementing the supplementary items & getting IDA approval thereon.
- ٦,٢. Setting an integrated mechanism for the customer service & communication plan.
- ٦,٣. Implementing the maintenance works & repairing facilities & machines of the administrative & service buildings, so as to guarantee their original condition ٢٤ hours a day, ٧ days a week.
- ٦,٤. Equipping a first aid clinic that contains all equipment & tools necessary for the immediate care given to a sick or injured person, besides appointing a nurse assistant in two shifts per day, and providing a fully equipped ambulance.
- ٦,٥. Ensuring the compliance of all entries working within the zone with the rules regulating the industrial zone, such as (safety & security of logistics, the fair use of public services & utilities within the industrial zone, etc.)
- ٦,٦. Setting a proper mechanism to ensure creating a dialogue between the public & private sectors, and ensure the continuous communication among the Industrial Zone Management, the Governorate, investors, stakeholders and this mechanism's management.

Second: Utilities Management

The Company is committed to implement all works of managing the industrial zone's utilities according to the internationally and locally common standards, by qualified personnel (headed by an authorized engineer) & an appropriate technology. The Company is also committed to the following:

١. Setting a plan for managing utilities & getting IDA approval thereon.
٢. The Company is committed to follow up the operation & maintenance of the core services (water, wastewater, communications, electricity, roads, etc.). In doing so, the Company could use periodic maintenance cards appropriate to the service/utility nature.
٣. Informing the concerned authorities immediately of any failure outside the maintenance company's scope of work, & then following up the maintenance situation.
٤. Facilitating & monitoring the reform processes to ensure the proper functioning of factories.
٥. In case of any emergency breakdown which is not within the competence of the concerned authorities, a report of the malfunction & the repair costs are to be submitted & approved by IDA, and the Company will bear the costs & provide the related invoices. In all cases, prices shall be conformed to the market prices, and only the spare parts' cost will be incurred without the processing rate. It is worth mentioning that fire failures are excluded, which need specialists in this field from outside the Company.

In all cases, the Company must ensure that the works subject to repair are not under the responsibility of the contractor entitled to implement these utilities.

Third Task: Providing Investors with Additional Services within the Industrial Zone:

The Company is entitled to provide investors with additional services within the industrial zone, provided they shall be conformed to the internationally and locally common standards without prejudice to the laws applied in Egypt.

١. The Company is entitled to provide other services not listed in the ToR, including the business development services. These services will be provided upon the investor's direct request, provided that the Company shall determine these services' costs which will be collected directly from the investor for the Company's benefit. The Company may hire third party to provide these services which shall be without prejudice to the right of the investors to be provided with any of these services by any other party other than the Company. In all cases, the Company shall take into account that services pricing shall be in line with the market prices.
٢. The Company shall attach the submitted documents with a list of the additional services proposed to be provided at the industrial zone.
٣. The Company shall submit a semi-annual report to IDA of the additional services provided to investors at the industrial zone.

Below are the additional services that could be provided by the Company to investors (these including but not limited to) the following:

- Maintaining machinery and equipment.
- Business development services (marketing products of factories, training labors, etc).
- Providing mass transportation services.
- Preparing the technical & financial studies for the potential investors, etc.

General Items should be considered by the Company:

First: Health and Safety and Measures:

١. The Company shall abide by the rules, laws & decisions of the occupational health & safety measures.
٢. Providing means & tasks of the occupational health and safety, besides providing the Company's team work with the appropriate working environment according to the activities assigned to the Company.

३. The Company is fully responsible for the incidents & damage to property or persons due to the unsafe working conditions or the inadequate compliance with the occupational safety and health measures, within the scope of activities carried out by the Company.

Second: In preparing the annual plan, the Company shall consider the following:

- १- Setting the annual goals.
- २- Determining the activities which are to be implemented to achieve goals.
- ३- Determining the person in charge of the implementation.
- ॴ- The timeline required for implementation.
- ॵ- The performance indicator.
- ॶ- Method of achieving goals.

Basic Data on Industrial Zones

First: Sohag Governorate

❖ Basic Data on West of Tahta Industrial Zone (Sohag Governorate)

Total Area	Current available industrial area	Expansions	No. of Existed Factories	No. of Under Construction Factories	Occupancy Rate of Existed Zone	Occupancy Rate at the 1 st & 2 nd Phases
912 feddans	About 400 feddans (including a furniture industrial complex "70 feddans")	About 512 feddans	107 factories	109 factories	84,0%	49%

Existing Sectors:

Building materials- Food-Chemical-Engineering- Feeding

❖ Basic Data on West of Gerga Industrial Zone (Sohag Governorate)

Total Area	Current available industrial area	Expansions	No. of Existed Factories	Construction & Non-Operating Factories	Occupancy Rate of Existed Zone	Occupancy Rate at the 1 st & 2 nd Phases
1086 feddans	334 feddans (including the industrial complex on an area of 64 feddans)	702 feddans	76 factories	108 factories	84%	14%

Existing Sectors:

Building materials- Food-Chemical-Engineering- Feeding

Second: Oena Governorate

❖ Basic Data on Qeft Industrial Zone (Oena Governorate)

Total Area	Current available industrial area	No. of Existed Factories	No. of Under Construction & Non-Operating Factories	Occupancy Rate
٣٨٦ feddans	About ٢٥٠,٩ feddans	٠٠ factories	٤٤ factories	٤٤%

Existing Sectors:

Building materials- Food-Pharmaceutical-Chemical-Engineering- Feeding

❖ Basic Data on Hew Industrial Zone (Oena Governorate)

Total Area	Current available industrial area	No. of Existed Factories	No. of Under Construction & Non-Operating Factories	Occupancy Rate
٠٠٠ feddans	About ٣٢٥ feddans (Including an industrial cluster on an area of ٧٤ feddan)	٤٣ factories	١٢٨ factories	٣١%

Existing Sectors:

Food-Mining- Chemical- Engineering - Textile