



TERMS OF REFERENCE

Consultant for a Financial Feasibility Study and General Planning Review of the Relocation of the German European School Manila

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BACKGROUND

The German European School Manila (GESM) is an official German School abroad and at the same time an international school in the Philippines for all nationalities. It was founded in 1981 and relocated to the “Eurocampus” in Paranaque (Bicutan) in the early 1990s. The “Eurocampus” is shared with the French School in Manila.

In 2004, the German European School was accredited as an International Baccalaureate (IB) World School, offering the IB Diploma Program. The IB Diploma Program is a two-year course ideally suited to prepare ambitious and inquiring young people for university studies anywhere around the globe.

The GESM has also been building up its “International Section” across all levels. The International Section, for which the primary mode of instruction is English, opened in August 2007 as an additional section to the German School. It offers a full educational program in English from Kindergarten to Grade 10. In the Primary school (ages 3-11) children follow the International Baccalaureate Primary Years Programme (IB PYP) and in the Secondary school (ages 11-16) children prepare for the International General Certificate of Secondary Education (IGCSE) examinations.



BACKGROUND (Cont.)

Primarily as a result of these new sections, the GESM has been expanding in size. The total school size has grown from 154 students in 2006 to currently 253 students (see table 1), and the current campus which is shared with another 290 students from the French School is reaching the limits of its current capacity.

Table 1: Development of Student Numbers German European School Manila (GESM)

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
GESM Total	154	154	167	189	203	253
<i>German Section</i>	138	139	133	141	126	124
<i>Intern. Section</i>	4	5	20	31	56	111
<i>IB Section</i>	12	10	14	17	21	18

Regarding the current location, a review of the responsible German government agency (Bundesverwaltungsamt, "BVA") has recommended for the GESM to move to a more attractive location, given certain disadvantages of the current location (Further details can be provided upon request).

BACKGROUND (Cont.)

The Board of the German School Association in Manila, a registered association under German law, which acts as the key governing council of the GESM, therefore initiated a project to study options to relocate the School. The responsible project manager prepared a detailed assessment of possible relocation options and their financial feasibility, and presented the results of the study, together with a specific proposal, to the members of the Association. A ballot was taken by the Association members, and a majority voted in favor of the proposal. The Board decided to seek the advice of an independent consultant firm (the “Consultant”) to assess the financial feasibility of the project and review and validate certain key conclusions of the current proposal.



Scope of Work

The Consultant is expected to assess the financial feasibility of the proposed Project, including a review of the key assumptions that underpin the financial analysis assumptions. In addition, the Consultant should review the selection process of the current proposed location.

The Consultant is expected to develop a thorough understanding of the key economic drivers of the School, its key cost and revenue factors, and the potential costs and benefits of the school relocation. This understanding can be reached through discussions with the current School Management, the project manager, and the School Board members.

In addition, the Consultant may need to review the past relocations of comparable educational institutions, such as the International School Manila, British School Manila, and Brent School by speaking with respective managers within these schools in order to better understand the financing plans, the issues that arose during the relocation, and lessons learned.



Detailed Tasks

The Consultant is expected to conduct the following detailed tasks:

- 1) Review the Selection Process of the Proposed Location
 - a) Review the selection criteria for choosing the new proposed location and review the process how different locations were assessed and the final proposal was reached through detailed discussions with the project manager and relevant Board members.
 - b) Work with the project manager to ensure that the selection process is properly documented.
 - c) Review of suitability of proposed location with a focus on: Traffic situation, ease of access, environmental safety. On this issue, cooperate with the Construction Consultant.

Deliverable: Prepare a report on the selection criteria, evaluation process, number and type of possible sites reviewed, and final selection and suitability of the proposed Project site.

Detailed Tasks (Cont.)

2) Review of Project Planning and Assumptions

- a) Perform a market study to assess/estimate the development of future student numbers in the new location

Deliverable: Market study on demand situation for an international school given the proposed location and likely development of student numbers

- b) Develop and evaluate different financing and funding options and models for the proposed Project. This should include:

- *Review and validate discussions held with financing institutions that could provide external financing for the Project (e.g. local banks or investors, German banks or investors)*
- *Work with the Legal Advisor to assess the bankability and risk factors of the current legal set-up and, in cooperation with the Legal Advisor, propose possible alternatives if required*
- *Work with the Construction Consultant to determine the likely costs of the construction project*

Detailed Tasks (Cont.)

- *Review and validation of discussions with prospective suppliers for flexible long term payment (i.e. 10 year payment to the proposed real estate company, construction company, etc.).*
- *Review and validate other sources of funds (e.g. donor contributions, German companies or other agencies, parents voluntary loans/donations)*
- *Assess the funding sources available from the GESM resources that could be prudently provided to the new project without jeopardizing current School operations (i.e. only accumulated excess reserves not needed for the regular school operations).*

Deliverable: A clear assessment of the potential size and availability of different funding sources and associated terms and conditions

Detailed Tasks (Cont.)

c) Review other possible financing options for the Project

- *For example, for private investor/operator to develop the premises and for the School to enter into a long-term lease contract*
- *“Modular” concept, where initially only parts of the School relocate (e.g. Kindergarten, IB) which would reduce the cash requirement upfront*
- *Consider the possibility of an Build Own Transfer (BOT) option*

Deliverable: Assessment of alternative financing options, and their relative pros and cons

d) Develop a financial model to assess the different financing options

Deliverable: A financial model for different options that includes a balance sheet, income and cash flow statement and allows for a sensitivity analysis of key assumptions

e) Identify key risks and factors to mitigate these risks

Deliverable: Rated risk register and list of mitigating risks, including remaining (residual) risks and their implications and gravity

Inputs and Duration of Assignment:

The consultancy period is expected to begin in January 2012 and shall be completed by February 2012.

The service delivery location is at the GESM, Manila. The services will be based on a fixed sum contract, mutually agreed upon.



Selection Criteria:

The proposals will be evaluated on:

- a. Comprehensiveness of framework and methodology (40%);**
- b. Indicated time frame of the review (10%);**
- c. Price (30%) and**
- d. Consultant's and team's experience and capabilities (20%).**



Submission of Proposal:

To enable GESM to select a consultant, a combined technical-financial proposal and information on the consultants' experience and competence relevant to the assignment should be submitted.

We expect your feedback by 16 December 2011, 3:00 PM Manila time to be delivered at the School Administration Office.

The most appropriate firm will be selected by the Board of the School and invited to negotiate the contract. Should negotiations fail, GESM will start negotiations with the next ranked firm until an agreement is reached.

Note: GESM reserves the right to discontinue the Request for Proposal (RFP) process without the need to provide justifications.

