

OYO STATE COUNCIL FOR ARTS AND CULTURE

CULTURAL CENTRE ROAD, MOKOLA,
IBADAN NIGERIA

ARCHIVES

FILE NO.	VOLUME NO.
SUBJECT: ESTABLISHMENT OF NEW HOTELS IBADAN HOTEL	
CLASS MARK CAC 2.63.1	
PIECE/SERIAL NO.	

CAC 0035

ARCHIVES OF OYSCAC

SECRET

WGP 2151

OFFICE OF THE STATE GOVERNOR			FILE NO. <i>SP/c. 189/T</i>					
Date	To	Page Ref.	Date	To	Page Ref.	Date	To	Page Ref.
<i>14/4/50</i>	<i>Special Ad.</i>							
	<i>for Ind. Affairs P. 2</i>							
<i>24/4/50</i>	<i>Head of</i>							
	<i>Service (P. 2)</i>							
<i>20/5/50</i>	<i>Depy.</i>							
	<i>PS (SM)</i>							
✓	<i>Sec (SM)</i>							
<i>22/5/50</i>	<i>Sec. (SM)</i>	<i>11-12</i>						
<i>23/5/50</i>	<i>H.S.</i>	<i>19</i>						
<i>6/6/50</i>	<i>the Govern</i>	<i>P. 21-22</i>						
<i>9/6/50</i>	<i>H.S.</i>							
<i>16/6/50</i>	<i>Depy.</i>							
<i>13/6/50</i>	<i>the Govern</i>	<i>P. 24</i>						
<i>13/6/50</i>	<i>H.S.</i>							
<i>13/6/50</i>	<i>the Commis</i>							
	<i>Int. L. Coop.</i>	<i>P. 25</i>						
<i>17/6/50</i>	<i>Head of Service</i>							
<i>18/6/50</i>	<i>PS (SM)</i>							
✓	<i>Sec (SM)</i>							
<i>9/6</i>	<i>PS (SM)</i>							
<i>19/6/50</i>	<i>H.S.</i>	<i>31</i>						
	<i>NFA</i>							

CAC 2.63.1

CAC 2.39.6

FILE NO.
SP/c. 189/T

SP/C.189
REF: OYS/6/21:

11th April, 1980

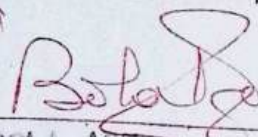
- ① Commissioner for Trade, Industry & Co-operatives,
② Head of Service.

I have asked my Special Adviser for Industrial Matters to advise me on the following:

- (a) The Ministeel Project;
(b) Igbetti Marble Industry;
(c) The Ibadan Hotel Project.

I would want all files and all documents relating to the various proposals for each of the said projects to be given to him to prepare his report for me. I have asked him to discuss any of the matters concerned with you as I have indicated to him my anxiety to get reports on them without delay.

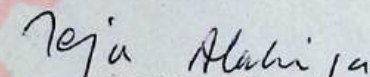
Please instruct all your officers to cooperate.



BOLA IGE
GOVERNOR OF OYO STATE

PS.(S.M.),

Please see the above minute from the Governor and collect, with extreme urgency, all files on Ibadan Hotel Project in this office and address them to the Special Adviser for Industrial Matters today. I am slightly indisposed and have just returned from the hospital.


(Teju Alakija, Mrs.),
Head of Service,

14/4/80.

2
The Special Adviser (Industrial Matters),

I forward herewith for your use the following files as directed by the Governor:

File Number	File Title
SP/C 124/18 Vol. I	Oyo State Steel Industry
SP/C189 Vols I - V	Establishment of New Hotels (Ibadan Hotel Project)
SP/C 212	Igbetti Marble Industry

2. It is my hope that you will find the files useful for the purpose for which they are required. The appropriate schedule officers will also be too pleased to discuss any of the matters now being referred to you to facilitate your assignment.

Teju Alakija
Teju Alakija (Mrs.)
Head of Service

14th April, 1980

Head of Service,

--- Governor's subsequent minute (photo copy enclosed) refers. (P.3)

2. I therefore return file Nos. SP/C 189 Vol. I-V relating to Ibadan New Hotel Project. Please let the appropriate schedule officer show up to put me in the picture generally. I expect files back on schedule laid down in Governor's minute.

Danni Ayandipo
Danni Ayandipo
Special Adviser (Industrial)

24th April, 1980.

3 12
14 April, 1980.

REF.: OYS/G/21

P.S.
For your immediate attention pls.
Prepare a draft on each of them etc.
14/4/80.
Commissioner for Trade, Industries
and Cooperatives,

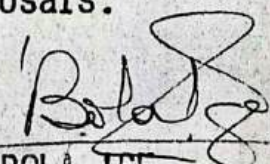
Last week, I sent you a minute that I would like an appraisal of ~~the~~ three projects by the Special Adviser (Industrial Matters). I have indicated to the Special Adviser the time-table for presenting his appraisal.

However, I would want you, as Commissioner for Trade, Industries and Cooperatives to make your appraisal first before you give ^{him} me all the papers necessary and I would like the appraisal in regard to each of the projects to be given to me before the necessary documents are handed over to the Special Adviser.

I have given him deadlines as follows:

- (a) Igbeti Marble Industry within one week from 11th April, 1980. I think it will now be one week from 18th April, which gives you between now and 18th April to give me your own report.
- (b) Ibadan Hotel Project. You should give me your own report within two weeks from today and he will have two weeks thereafter.
- (c) The Mini-steel Industry. You should please prepare a report for me within three weeks from today and he can give me his report within two weeks thereafter.

Please collect all necessary files, ^{including} indicating those with the Head of Service, in relation to the Ibadan Hotel Project about which she and I have spoken. I know there are at least three proposals on them and I would like an appraisal from your Ministry concerning the various proposals.


'BOLA TGE,
GOVERNOR OF OYO STATE.

SP/C.189/T/4

25th May, 1980

Mr. G. A. O. Oyinlola,
Permanent Secretary,
Ministry of Trade, Industries
and Co-operatives,
Ibadan.

Ibadan Hotel Project

You will have been duly briefed that this State, has, in the pipeline, a programme to establish an hotel of 5 star grade in Ibadan. I am aware that there are two or three proposals, although I have only personally been involved in the negotiation for the one proposed with Messrs Taylor Woodrow, who recently submitted a new design for a total cost of a little over N26m. I am informed that there are one or two other proposals being handled by your Ministry.

2. The purpose of this letter is to request you to do a comprehensive brief on each of the proposals in your office, for a discussion in my office as Government is very eager to finalise action on the establishment of this project soonest. The brief for the Taylor Woodrow proposal will be prepared in this office where all the particulars are available. I am suggesting that this meeting should hold in my office on 26th of May, 1980 at 11.00 a.m.

3. You will kindly invite all those concerned including the Permanent Secretary, Ministry of Finance and Chief Kola Daisi who has been involved in the project all along. Chief Kola Daisi has agreed to attend any meeting called to arrive at a useful decision on this matter. This office can contact him by telephone if it becomes necessary.

-let

(Teju Alakija, Mrs.),
Head of Service



see pp. 11 to 12

Taylor Woodrow of Nigeria Limited

Building, Civil and Mechanical Engineering Constructors

Telephone: 37366
837407
837468
832335
834828

10 Abebe Village Road, Iganmu.
P. O Box 138, Lagos



YOUR REF:

OUR REF: FABS/TAB/NT.2371/375

DIRECTORS:

K. S. LAMBERT, CHAIRMAN	(BRITISH)
F. A. B. SHEPHERD, C. ENG., M.I.C.E., MANAGING	(BRITISH)
A. A. OGUNSANYA, LL.B. (HONS) (LONDON)	
SANI ZANGON DAURA, B.SC.	
E. A. L. WEBBER	(BRITISH)
TANKO KUTA	
R. W. PITFIELD, M.I.C.E. M.INST. H.E.E.,	(BRITISH)
T. A. IWAJOMO, C.O.N., B.SC. (HONS) (LONDON), M.A.	
SECRETARY:	
Y.O.K. GARUBA, A.C.I.S., A.M.B.I.M	

16th May, 1980

Mrs. Teju Alakija,
Head of Service,
Office of the State Governor,
Ibadan,
Oyo State of Nigeria.

Dear Madam,

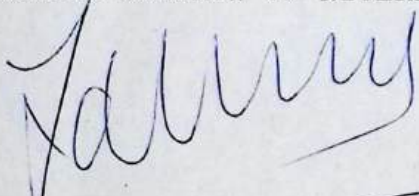
Proposed Ibadan Hotel

It is now some 5 or 6 weeks since our meeting in Ibadan at which time we presented a Proposal for the design, construction and financing of the above project. As advised at that time ECGD financial terms were being reviewed and I understand a meeting is being held in Paris this week between member countries of the OECD to review upwards the interest rates and premiums for export credit loans.

In view of the impending changes in the financial proposal and the continuing escalation of construction cost we must request that we be advised of the latest situation with regards to this Contract.

The writer is travelling overseas from Thursday, 29th May, and will appreciate a response to this letter before then so that the local and overseas bankers can be kept informed of developments.

Yours faithfully,
for and on behalf of
TAYLOR WOODROW OF NIGERIA LIMITED


F.A.B. SHEPHERD
Managing Director

CONFIDENTIAL

TELEGRAMS:.....

TELEPHONE: IBADAN 62100 EXT. 6

MINISTRY OF
AND



TRADE, INDUSTRIES
CO-OPERATIVES

ADMINISTRATION AND GENERAL DIVISION
IBADAN · OYO STATE OF NIGERIA

Your Ref. No.....

All communications to be addressed
to the Permanent Secretary quoting

Our Ref. No. S.A. 242 Vol. IV/527

Date 16th May, 1980.

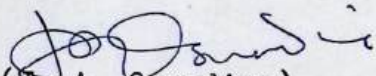
The Head of Service,
Governor's Office,
Ibadan.

(Attention: Mr. O. Dare)

Ibadan Hotel Project

... I have been directed to forward herewith a copy of the minutes of the meeting held between the Head of Service, officials of the Ministry of Trade, Industries and Co-Operatives and the representatives of Taylor Woodrow of Nigeria on the 10th April, 1980 for your records. Also enclosed is a copy of the proposal submitted by the Company at the meeting.

2. The delay in forwarding the minutes is deeply regretted.


(S. A. Osundina)
for Permanent Secretary

CONFIDENTIAL

12th May, 1980.

S. 242 Vol. IV/526

The Permanent Secretary,
Ministry of Finance,
Ibadan.

(Attention: Mr. S. A. Ogun)

Ibadan Hotel Project

When the Ibadan Hotel Project came up for discussion at the meeting of Permanent Secretaries held on Thursday, 8th May, 1980 Mr. J. A. Osundina who represented the Permanent Secretary of this Ministry explained that it has not been possible to make progress with Taylor Woodrow of Nigeria Limited on the project because of the latter's insistence on an assurance that a Federal Government guarantee on ECGD loan would be forthcoming.

2. At that meeting, you disclosed that your Ministry had received a firm undertaking from the Federal Ministry of Finance to the effect that the Federal Government was prepared to guarantee the ECGD loan. Since this assurance of the Federal Government has not been received by this Ministry, we would be grateful if you would forward to us a photo copy of the document to enable this Ministry pursue the Hotel issue with Taylor Woodrow of Nigeria Limited.

(SD)(J. A. Osundina)
for Permanent Secretary

Ref. S.242 Vol. IV/526^A

Ministry of Trade, Industries
and Co-operatives,
Secretariat,
Ibadan.

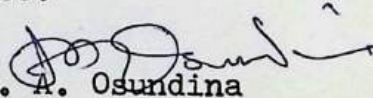
16th May, 1980.

Copy to:-

The Head of Service,
Governor's Office,
Ibadan.

(Attention: Mr. O. Dare)

Above for your information, please.


J. A. Osundina
for Permanent Secretary,
Ministry of Trade, Industries
and Co-operatives.

Minutes of the Meeting held in the Office
of the Head of Service on Thursday, 10th
April, 1980 on the proposed Ibadan Hotel
Project

Present:

- Mrs. Teju Alakija - Head of Service (Chairman)
- Mr. G.A.O. Oyinlola - Permanent Secretary,
Ministry of Trade, Industries
and Co-operatives
- Mr. F.A.B. Shepherd - Managing Director,
Taylor Woodrow, Nigeria
- Mr. Z. Plocki - Architect, Taylor Woodrow,
Nigeria
- Mr. J. A. Osundina - Secretary for Finance and
Administration, Ministry of
Trade, Industries and Co-operatives.

Declaring the meeting open at 11.20 a.m., the Chairman introduced the new Permanent Secretary, Ministry of Trade, Industries and Co-operatives, Mr. G.A.O. Oyinlola, to the representatives of Taylor Woodrow of Nigeria Limited. She said that negotiations had been going on for some time now between the Government of this State and the Company on the Ibadan Hotel Project, adding that the purpose of the meeting was to get Taylor Woodrow to confirm its offer already agreed upon.

2. Reacting to the Chairman's opening remarks, Mr. Shepherd said that before issuing a letter of Intent, his Company would require some payment for the work already done in respect of Drawings and Bill of Quantities. He disclosed that his Company might not be able to incur further expenses unless the sum of ₦25,000.00 was made available.

3. Mr. Plocki then showed to members the architectural drawings already prepared, explaining that the revised layout and design has introduced reductions in floor area and scope in order to operate as much as possible within the ₦26 million set as the limit. Mr. Shepherd thereafter enumerated what his Company would require in order to finalise the financial terms. These include:-

- (i) a firm letter of Intent valid for at least 4 months;
- (ii) an assurance that a Federal Government Guarantee for the loan would be forthcoming;

- 9
- (iii) details of Ibadan Hotels Limited;
 - (iv) details and information on the proposed hotel operators; and
 - (v) feasibility study and projected cash flow for the project.
4. Mr. Shepherd assured that once a Letter of Intent had been issued, finance could be arranged as follows:

- (i) 85% of U.K. content on an ECGD guaranteed loan in U.S. dollars at 7½% fixed interest with repayment over approximately 7 years from the date of commissioning;
- (ii) the remainder of the finance would be either by a commercial euro-dollar loan or a Naira loan from the First Bank of Nigeria. (Loan from the latter source would however be preferred to the former).

5. The Chairman thanked Mr. Shepherd and Mr. Plocki for coming and assured them that the Ministry of Trade, Industries and Co-operatives would move fast to meet the requirements of their Company soonest. She indicated that that Ministry would take a Memorandum to the Executive Council to obtain Government's approval. The Permanent Secretary said he would study the proposals and get in touch with the Company's Managing Director as and when necessary.

6. The meeting ended at 12.35 p.m.

10
P.S.(S.M.),

Please see the letter at page 4 for information. Secretary (S.M.) who has been involved with the promotion efforts on the Ibadan Hotel should now prepare, as a matter of extreme urgency, a brief on the Taylor Woodrow proposal. The other two will be prepared by the Ministry of Trade, Industries and Cooperatives. All relevant files and the latest proposals are hereto - attached.

Teju Alakija (9)

(Teju Alakija, Mrs.),
Head of Service,

20/5/80.

Sec (SM)

f. f. n. a plse.

2
P.S.M.
25/5/80

MINISTRY OF
AND



TRADE, INDUSTRIES
CO-OPERATIVES

PERMANENT SECRETARY'S OFFICE
IBADAN · OYO STATE OF NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No.....S.242..Vol...IV/531

Date.....22 May, 1980.....

The Head of Service,
Office of the Governor,
Agodi,
Ibadan.



Ibadan Hotel Project

Ref. P. 4
With reference to your letter No. SP/C.189/T/4 of 20th May, 1980, I wish respectfully to inform you that after the meeting we held in your office with representatives of Taylor Woodrow on 10th April, 1980, the Governor addressed a minute on 14th April, 1980 to the Commissioner for Trade, Industries and Cooperatives asking him to submit his appraisals on three projects including Ibadan Hotel Project. In that minute, the Governor authorised us to collect all relevant files from your office and also indicated that he had spoken to you about the Project. He further indicated that he knew of at least three proposals on the project in respect of which he expected the Commissioner to submit his appraisals.

2. In compliance with the Governor's directives, the Commissioner submitted his appraisals on the proposals already made by the under-mentioned organisations:

- (i) Fairlakes Hotel Limited;
- (ii) Daks Investment and Trading Company Ltd;
- (iii) Taylor Woodrow of Nigeria Ltd.;
- (iv) Posidon III Management Co. S.A. of Panama.

The Commissioner informed the Governor that the last of the four Companies mentioned above submitted on 24th April, 1980, draft agreements on loan, consultancy, construction and management for the consideration of this Ministry and that the drafts had to be referred to the Ministry of Justice for advice before negotiations could be conducted by this Ministry with the representatives of the Company in the same manner that negotiations had previously been conducted with the first three Companies named above. The Commissioner has also indicated that at the end of the negotiations, he would present a memorandum to the Executive Council so as to afford Council the opportunity of knowing about the proposals made by all the four Companies named above before the Company that will execute the project is finally selected.

3. On the basis of the instruction given to the Commissioner for Trade, Industries and Cooperatives by the Governor to collect all necessary files including those in your office and submit his appraisals, the understanding by the Commissioner is that the implementation of the project under discussion has been turned to his Ministry since matters pertaining to tourism and hotel projects come within his portfolio. As the Commissioner is also anxious to see that the Ibadan

Hotel Project takes off quickly, and everything is being done towards that in this Ministry, I humbly suggest that you kindly re-consider the proposal for a meeting on Monday, 26th May, 1980.

G.A.O. Oyinlola
(G.A.O. Oyinlola)
Permanent Secretary

H.E.O (CR)

Please submit same in relevant file.

Rejo Akuniga

22/5/80

H.S.
via Sec. (S.M.)

PP. 11 to 12 above are hereby submitted for your rec. action

humbly
pls.

A.O.
H.E.O. (CR)

22/5/80

ARCHIVES OYO S C A C

Negotiation with Taylor Woodrow commenced in March 1979 with letter No. SP/C.189/Vol.III/777 of 9th March, 1979 addressed to that Company by the former Head of Service, Mr. M. S. Adigun. Paragraphs 2, 3 and 4 of the letter read thus:

"The Contract is to be executed on a TURNKEY basis at a cost of ₦23 million (based on available viability projections) to include DESIGN, CONSTRUCTION, FURNISHING, FITTING and EQUIPMENT together with the Roads, Sewers, Landscaping, Ancillaries, Sporting facilities, Car park (for minimum of 500 cars) and banquet and conference facilities and with some staff accommodation facilities incorporated. The design and construction must combine a superb aesthetic, pleasing and attractive feature with a first class finish.

The development shall be covered by one Single Contract but shall be executed in two phases such that the first phase of about 200 bedrooms would be in productive operation during the construction of the second and final phase. You will consult closely and collaborate effectively, from the Design stage to Commissioning, with both the proposed operators of the Hotel (Grand Metropolitan Worldwide of London) and the consultants of the owners (Messrs. APC International Ltd. of London and Lagos).

You will arrange finance on behalf of the company but any (and all) such Loans would be fully guaranteed by the Oyo State Government."

2. Since then, there had been series of discussions with Taylor Woodrow and the talks centred around the possibility

of modifying the design produced by the Company with a view to ensuring that cost of the hotel was reduced to a reasonable limit without sacrificing quality.

3. The features of the design which formed the basis of a meeting held in the Office of the former Commissioner for Finance, Engineer Olusola Ogunsola on July 5, 1979 were as follows:

"The hotel was to be of five-star rating and there were to be 431 bedrooms, six senior staff houses, sundry facilities such as parks, swimming pool, computer system for room booking, telephone systems and intercom, television, cold rooms etc. The bedroom covered an area of 200,000 sq. feet while the total floor area of the project was 27,590 sq. metres. Each room has an average of 33.65 sq. metres while the provision made for public areas is 9,290 sq. metres."

4. The estimated cost of the hotel was to be ₦29 million comprising construction price of ₦25.6 million and a provision of ₦3.4 million for furniture and fittings. The estimated cost included design fees and the cost per unit of room was ₦67,285.00. Following discussions between officials of the Government on the one hand and those of Taylor Woodrow on the other, it was agreed that the design might not accommodate balconies which were usually not put to full use by occupiers of hotel rooms. In addition, balconies would add to the cost of maintenance. It was also agreed that the public areas and the size of the rooms should be reduced and that cost per room should not be more than ₦65,000.00. At a meeting held in London, it was decided that the public area should be reduced from 9,290 to about 7,000 square metres and specifically that the following should be reduced:

- (i) Entrance foyer - from 483 sq. metres to 375 sq. metres.
- (ii) Speciality Restaurant - from 264 sq. metres to 130 sq. metres.
- (iii) Night Club - from 350 sq. metres to 200 sq. metres.
- (iv) Meeting Rooms - from 190 sq. metres to 140 sq. metres.
- (v) Banquet Hall - from 612 sq. metres to 400 sq. metres.

5. Comments

5.1 All the facilities under Public Areas in the new proposal total 2,400 square metres. This is a far cry from the original design which provided for Public Areas of 9,290 square metres.

Explanation is necessary here. Also the Foyer Banqueting Hall and main Kitchen should be 375,400 and 450 square metres

respectively, going by the decision at the London meeting and not 350,354 and 397 as shown in the proposal.

5.2 Unless the embargo on the importation of furniture and furnishings is lifted, it may be difficult to meet the condition under D(1), p. 6 of the proposal that the importation of furniture and furnishings should be duty free.

5.3 On the question of payment of ₹25,000 demanded by Taylor Woodrow for Drawings and Bill Quantities, our stand had been that the design etc. of the project was part of the turnkey scheme.

5.4 It is necessary to have a rough estimate of the following shown on page 7 of the proposal, which are not included in the total sum of ₹26 million on which the Company's fresh proposal is based:

- (i) Discotheque Complex.
- (ii) Finishes to speciality restaurant and shops.

- (iii) Borehole and water treatment plant.
- (iv) Service connection charges for Water Corporation, N.E.P.A. and P. & T.
- (v) Ground levies etc.

Knowing the cost of the above will enable us determine how much is required on top of ₦26 million.

6. Things required by Taylor Woodrow

6.1 A Firm Letter of Intent Valid for at Least 4 Months

The Ministry of Trade, Industries and Co-operatives should be able to give this as soon as there is assurance that the Company's proposals are acceptable.

6.2 Assurance of Federal Government Guarantee

The Permanent Secretary, Ministry of Finance had expressed optimism that the question of Federal Government Guarantee will no longer be a problem. This issue has been taken up with that Ministry by the Ministry of Trade, Industries and Co-operatives and it is expected that the latest position will be reported by the two Ministries.

6.3 Details about Ibadan Hotel Limited

Please see Appendix I to this brief.

6.4 Information on Ground Metropolitan World-wide Limited - Proposed Operators of the Hotel

Please see Appendix II to this brief.

6.5 Feasibility Study and Projected Cash Flow for the Project

A photocopy of the Updated Feasibility Report including the cash flow is available and can be handed over to Taylor Woodrow. The updating was however done in 1979 and the cost of constructing the hotel was put at ₦16.5 million. This is far below the ₦26 million limit on which Taylor Woodrow has based its proposal.

Ibadan Hotels Limited

Ibadan Hotels Limited was incorporated on July 24, 1978 by the Government of Oyo State and Daks Investment and Trading Company (Nigeria) Limited for the purpose of establishing, developing and managing an Hotel of international standard at Ibadan, Oyo State of Nigeria. Daks Investment and Trading Company is owned by Chief Kola Daisi who is the promoter of Ibadan Hotel.

2. The Company was incorporated with an authorised share capital of ₦2,000,000 divided into 2,000,000 Ordinary Shares of ₦1.00 each.

The Share Structure is as follows:

		Amount	%
Oyo State Government	=	400,000	20
Grand Metropolitan	=	800,000	40
Daks Investment Limited	=	600,000	30
Other Nigerians	=	200,000	10
		<hr/>	<hr/>
		2,000,000	100
		<hr/>	<hr/>

3. The Company has a Share Subscription Account with the National Bank, Agodi, Ibadan. The Account is operated by the Accountant-General.

Grand Metropolitan World-Wide Limited - Proposed
Operators of Ibadan Hotel

Grand Metropolitan World-Wide Limited, London were appointed Operators of Ibadan Hotel in 1978. The address of the Company is:

Grand Metropolitan House,
7 Stratford Place,
London W.1

2. The Company agreed to take a Management Fee of $\frac{3}{4}$ of total sales as against 4% of total sales demanded by another firm - Intel. Grand Metropolitan also agreed to be paid in local currency i.e. naira, whereas Intel demanded payment in dollars.

3. It is worth mentioning that discussion started first with Intel before Grand Metropolitan were discovered, but there was no formal agreement with the former. Ibadan Hotel was however committed to Intel to the tune of 45,000 dollars. It was agreed that the amount should be paid and Chief Kola Daisi will be in a position to report the latest.

ARCHIVES OF CAC

H.S.

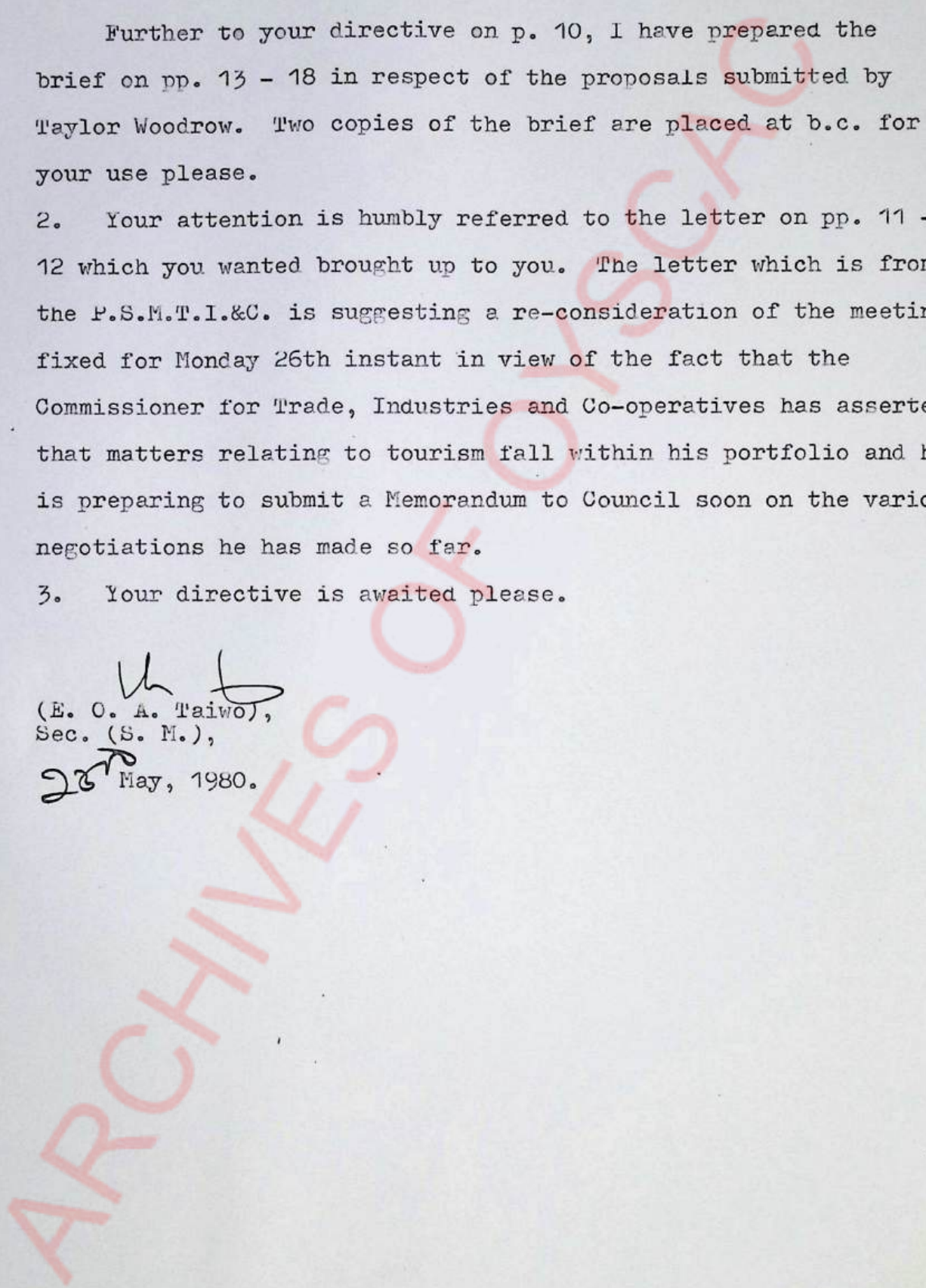
Further to your directive on p. 10, I have prepared the brief on pp. 13 - 18 in respect of the proposals submitted by Taylor Woodrow. Two copies of the brief are placed at b.c. for your use please.

2. Your attention is humbly referred to the letter on pp. 11 - 12 which you wanted brought up to you. The letter which is from the P.S.M.T.I.&C. is suggesting a re-consideration of the meeting fixed for Monday 26th instant in view of the fact that the Commissioner for Trade, Industries and Co-operatives has asserted that matters relating to tourism fall within his portfolio and he is preparing to submit a Memorandum to Council soon on the various negotiations he has made so far.

3. Your directive is awaited please.

U b
(E. O. A. Taiwo),
Sec. (S. M.),

28 May, 1980.



29th May, 1980.

20

1. Commissioner for Trade, Industry and Cooperatives,
- ✓ 2. Head of Service.

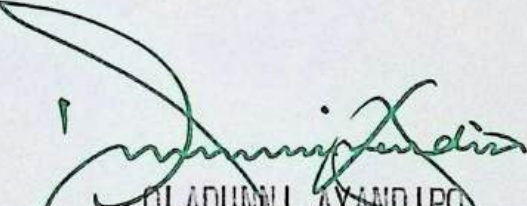
I refer once more to the directives of the Governor dated the 11th of April and 14th of April, 1980 concerning the following projects upon which my advice is required:

- (a) Igbetti Marble Industry
- (b) Ibadan Hotel Project
- (c) Ministeel Industry

Up till today I am yet to receive all the files and documents on the projects and I am therefore unable to perform the duties assigned to me by the Governor.

I have earlier on the 19th of May, 1980 sent a letter on these matters to the Commissioner (not the Head of Service at that time) but up till now I am yet to receive any response from him.

Please let me know the position.


OLADUNNI AYANDIPO
Special Adviser to the Governor
(Industrial Matters)

ARCHIVES

21

The Governor,

I am making these minutes in respect of the efforts of Government to establish an hotel of 5 star standard in Ibadan which had been on for sometime now.

2. During the last administration, activities in respect of the assignment shifted to the office of the then Military Governor with the Ministry of Finance also taking an active part. This was particularly necessary as the project was going to be a contract financed one and in such situation, it was usually prudent and time saving, if the Ministry of Finance was involved in the negotiations ab initio.

3. At those times, two major companies capable of financing the project were involved vis, the Solel Boneh International and the Taylor Woodrow International. The former's plan was decidedly grandiose and expensive and so it was eventually dropped. Messrs Taylor Woodrow were urged to come within the contract sum of ₦25,000,000.00 which sum was thought realistic, and the outcome was the sketch which I handed over to the Governor sometime ago. The detail of the proposal is at page 7 of this file. I do not intend to comment on this latest proposal but would like with respect, to invite the Governor's attention to the letter at pages ~~10-11~~ from the Ministry of Trade, Industries and Cooperatives. This letter was forwarded to me when I attempted to get briefs submitted on all the existing proposals believed now to be available on the Hotel project. The information that one of these proposals is even at draft agreement stage is quite surprising.

4. Chief Kola Daisi an active member of the body which had earlier been promoting the project, is apparently un-aware of this development. The Ministry of Trade, Industries and Cooperatives may be correct in claiming the right to promote the venture, but it cannot ignore what it inherited, which is the involvement of this Office and other individuals in

the promotion exercise. My earlier proposal, in my letter at page 4, was to give a tidy transition of the Promotion efforts of the previous body at a round table conference if necessary, to the Ministry of Trade, Industries and Cooperatives. By doing this, all concerned would be formally informed on the various proposals available on the project, and the Ministry of Trade, Industries and Cooperatives would be clear of the situation from where now to take off.

5. In the circumstance, I wish to submit with respect, that before any of the proposals on the hotel project can come to draft agreement stage, the Ministry should subject all available proposals including the one from this office to full investigation for comparison. The Governor would therefore wish to direct the Ministry to do just that. The matter could then be transferred to the Special Adviser on Industrial Matters as the Governor had instructed. May I also add Sir, that at the end of the day, it would still be the duty of the Ministry of Trade, Industries and Cooperatives to bring the Memorandum to Council as to which of the available proposals it would wish to recommend to Government *Please*.

Teju Alakija

(Teju Alakija, Mrs.),
Head of Service,

4/6/80.

(2)

Head of Service

As you are already aware, I do not intend to allow any proposal to be accepted until all the proposals have been scrutinised. I agree with your views. Please pass this on to the Commissioner for Trade, Industry & Cooperatives for his information. I am waiting for the advice from my Adviser on Industrial Matters.

[Signature]
9/6/80.

SP/C.189/T/23

23
11th June, 1980

Mr. G.A.O. Oyinlola,
Permanent Secretary,
Ministry of Trade, Industries
and Cooperatives,
Ibadan.

Ibadan Hotel Project

I refer to your letter No. S.242/Vol.IV/531 and
----- attach hereto a photo-copy of my submission to the Governor
on the above mentioned subject. Your special attention
is invited to minute (2) therein which is from the
Governor. It would also be appreciated if you would comply
with the directives of the Governor as contained in minute
(2) and take action stated in paragraph 5 of my minutes
to the Governor.

Despatched



T.A

(Teju Alakija, Mrs.),
Head of Service.

The Governor,

I most respectfully refer to my discussion with the Governor yesterday on minute (2) at page 22 of this T file. As I had suggested and was accepted by the Governor, I now place at b.c. a minute to the Hon. Commissioner for Trade, Industries & Cooperatives for kind consideration. If approved, the Governor would please sign the minute for onward transmission to the Commissioner for Trade, Industries and Cooperatives. *please.*

Teju Alakija
(Teju Alakija, Mrs.),
Head of Service,

13/6/80.

Signed - Thanks.

[Signature]
13/6/80.

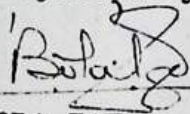
ARCHIVES OF OYO STATE

25

Hon. Commissioner for Trade,
Industries & Cooperatives,

On the 14th April, 1980, I sent a minute, copy of which is at page 3 of this T file, asking you to pass some files/information to my Special Adviser (Industrial matters) on the Igbetti Marble Industry, the Ibadan Hotel and the Mini Steel. I have since received more information on the earlier efforts being made by Government to establish an hotel of 5 star standard in Ibadan. This is to the effect that the promotional activities for the establishment of the hotel had been jointly between the office of the Head of Service, the Ministry of Finance, your Ministry and some private entrepreneurs. I am also informed that some proposals for financing the project which will be contractor-financed are at some stages of consideration by the various agencies of government handling the project.

2. The ultimate goal of Government is to execute this project efficiently and at the best price available in the market. It is therefore my wish that all the agencies currently involved in the negotiations for this project should come together to look at all the available proposals on the project. I do not intend to allow any of the proposals now under consideration to be accepted until all the proposals have been scrutinised. I therefore want you to take action contained in paragraph 5 of the minute at pp. 21 - 22 made to me by the Head of Service. In addition to this, since your Ministry will be the ultimate promoter of the project, it would be necessary for your Ministry to liaise with the other agencies of Government concerned, with a view to getting a smooth transition of the promotion efforts of the agencies now handling the project to your Ministry via a round table conference.


BOLA IGE,
GOVERNOR, OYO STATE,
13/6/80.

Head of Service,

I got this file yesterday. I have removed the original of p.25 into my Ministry's file for necessary follow-up action, please.

G.O. Akindele
(G.O. Akindele)
C.T.I. & C.

17th June, 1980.

P.S.(S.M.),

Please see this file from page 25 which is a copy of the Minute from the Governor, sent to the Hon. Commissioner for Trade, Industries and Cooperatives, who has taken the original and left us with a photo-copy. Please attach this file to the T. file now being actively handled by your officer, on the hotel project.

Teju Alakija
(Teju Alakija, Mrs.),
Head of Service,
16/80

Sec(sm)

T² file has been passed to you this morning. Plse attach this T¹ volume as directed above.

[Signature]
PS(sm)
18/6/80

ARCHIVES OF OYSCAC

Sec. (S.M.),

via P.S. (S.M.), 2 17/6/80

27

Please see para. 2 (1 - 6) of the attached minute
and compile all information at your disposal, *for my use*

see pp. 2-3

Vera Blahutic

H.S.

16/6/80

ARCHIVES OF OYSCAC

2 28
Head of Service,

Ibadan Hotel Project

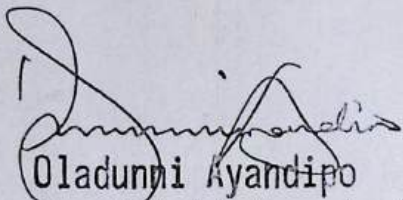
I acknowledge receipt of the files mentioned overleaf by you but they are of very little assistance to me in the assignment before me. All the five volumes are mere administrative comments, letters etc. which tells nothing about the type, quality of the hotel proposed and the relative reasonableness of the proposals.

If you are in possession of the following, please release them to me as a matter of urgency:

1. The updated bankable feasibility report on the project
2. The actual proposals originally received without exception. I am aware that there are at least four though some may be with Trade and Industry.
3. All plans, sketches, pictorial forms and general layout of the complex submitted with each and every proposal.
4. Reports and opinions of all Consultants, e.g. Architects, Engineers, Planners, Quantity Surveyors and other experts involved in the project at any stage. There are indications in the files that Consultancy services were hired and paid for.
5. Any other document or paper relating to Ibadan Hotel Project.
6. Copy of your own appraisal report.

It will be of assistance to refer to me the schedule officer who can explain to me any doubts which I may wish to clear before finalising my advise to the Governor. In fact, the documents listed above should be brought down by him or her today so that we can glance through them together.

You may wish to know that the Ministry of Trade, Industries and Cooperatives is also considering proposals on the same project independently from your office but I now intend to harmonize your efforts so that the Government can move forward on this long outstanding matter.


Oladunni Ayandipo
Special Adviser to the Governor
(Industrial Matters)

6th June, 1980.

ARCHIVES OF OYSCAO

H.S.,

via

P.S. (S.M.),

17/6

I respectfully invite your attention to p.1 where you directed that the information requested for on p.2, paragraph 2(1-6) should be furnished.

2. I wish to say that the only one I can provide is the updated Feasibility Study of the hotel, photocopy of which is placed at b.c., please. In fact, I produced the photocopy from one of the files on Ibadan Hotel before now.

(E. O. A. Taiwo),
Sec. (S. M.),

17th June, 1980.

Sec. (S.M.),

via P.S.(S.M),

18/6/80

Reference your above minute, since you were, in effect, the scheduled officer of this project while it was being promoted in this office, you should go through each item of paragraph (2) of the minute at page 2 of this T. file, one by one, and make a statement on each, whether there was such a material or not, or whether what was available had or had not been up-dated.

2. I do not like your general statement in paragraph 2 of the above minute.

Teju Alakija

(Teju Alakija, Mrs.),
Head of Service,

18/6/80.

31

H. S.,

via

P. S. (S.M.),

19/6/80

I am sorry that the information provided on p.30 was not specific. In line with your directive on the same page, I respectfully make this submission on each of the information called for in paragraph 2(1-6) on p.28.

(i) The Updated bankable feasibility report on Ibadan Hotel

I place at back cover, a photocopy of what APC International called Updated Feasibility Study for the Hotel. APC International are Development Consultants for the Hotel. I recall that the photocopy was produced from a main report made available by Chief Kola Daisi, the Principal Partner and Promoter of the project. There were not enough papers to photocopy the whole report and that accounts for the omission of pp4-56 which were largely historical. I observe that the Updated Report is not quite up-to-date. Firstly, the name INTEL keeps appearing on the pages of the Report, whereas INTEL who were originally appointed as Management Consultants do not have anything to do with the Hotel again. They have been replaced by Grand Metropolitan whose terms were better. Secondly, the 4% management fee shown on the flagged page of the Updated Report has been reduced to 3 1/2% (Grand Metropolitan's rate).

(ii) The actual proposals originally received

I know that the following proponents showed interest in the project at one time or the other:

- (a) Taylor Woodrow
- (b) Solel Bonel and
- (c) Palamaras

While Taylor Woodrow and Solel Bonel produced plans of the buildings they intended to construct, I cannot

remember that Palamaras did the same. Out of the three firms, it seemed that Taylor Woodrow was the only one prepared to raise the ECGD loan, but then, the firm insisted on Federal Government guarantee, while the promoters thought the State Government guarantee should be enough. The costs at which Taylor Woodrow and Solel Bonel wanted to build the hotel are shown in the minutes of the various meetings held with the firms. The minutes are in the closed volumes of this file which I think are with the Special Adviser (Industrial Matters). However, I recall that after series of negotiations, Taylor Woodrow has agreed to reduce their original quotation of N29 million plus to about N26 million. I cannot remember vividly, what the quotation of Sole Bonel was.

(iii) Plans, sketches, pictorial forms and general layout of the complex submitted with each and every proposal

The only plan I can find is that produced by Solel Bonel and described as Alternative II. I place it at back cover also.

(iv) Reports and opinions of all Consultants

I have no knowledge of any report submitted by any Consultant. However, I know that representatives of APC - Development Consultants attended some of the meetings held on the project and they expressed their opinions at such meetings.

(v) Any other document or paper relating to Ibadan Hotel Project

There is no other paper at my disposal please.

(vi) Copy of appraisal report

If there was any appraisal report, it may probably be with the Ministry of Trade, Industries and Co-operative, where action on the project was initiated, before it was passed to this office.

h b
(E. O. A. Taiwo),
Secy (S.M.)
(T) June, 1980

Taylor Woodrow of Nigeria Limited

Building, Civil and Mechanical Engineering Constructors
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SECRETARY:

Y.O.K. GARUBA, A.C.I.S., A.M.B.I.M.

OUR REF: FABS/TAB/NT.2371/477

YOUR REF:

23rd June, 1980

Mrs. Teju Alakija,
Head of Service,
Office of the State Governor,
Ibadan,
Oyo State of Nigeria.

Dear Madam,

Proposed Ibadan Hotel

It is now some two months since we presented our Proposals to Oyo State Government for the design and construction of the new Hotel in Ibadan. Since its submission ECGD financing terms have been changed in line with other Export Credit Facilities from other countries. I understand the new interest rate from 1st July, 1980 will be 7½% on the ECGD component as opposed to the 7¼% which was proposed originally. Also the Premium charges for certain countries including Nigeria have been raised due to increasing costs and non-repayment of loans. We must also draw your attention to the fact that since our submission there have been many increases in costs which will affect our assessed construction costs in varying degrees. In particular, the recent wage award and additional fringe benefits for daily paid workers will have an inflationary effect on our price.

We therefore request your Government's immediate consideration of our Proposals so that we can advise our Financial Partners of the latest situation with regard to this project.

Yours faithfully,
for and on behalf of
TAYLOR WOODROW OF NIGERIA LIMITED

F.A.B. SHEPHERD
Managing Director

See (8m)

Please submit in relevant file
Teju Alakija
30/6/80

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