

REQUEST FOR PROPOSALS

FOR

TRANSACTION ADVISORY SERVICES

For

Development of Project

Of

Bus Terminal cum Commercial Complex

At

Railway Station

Lahore, PUNJAB

UNDER

PUBLIC PRIVATE PARTNERSHIP MODALITY

June 2014

Letter of Invitation

Dear Sir/Madam,

1 Introduction

- 1.1 The Lahore Transport Company (“LTC”), a company of the Punjab Government established under section 42 of the Companies Ordinance, 1984, hereby invites submission of proposals from Shortlisted Transaction Advisors for development of a Project of Bus Terminal cum Commercial Complex on 42 Kanals and 15 marlas land (approximately)(hereinafter referred to as the “**Project**”) at Railway Station, Lahore under Public Private Partnership (PPP) modality. Your proposal will form the basis for contract negotiations/finalization and ultimately an agreement between Implementing Agency and the successful Transaction Advisor.
- 1.2 The successful Transaction Advisor firm, having credible professional experience in providing transaction advisory services for the Public Private Partnership (PPP) project through Build, Operate & Transfer (BOT)/ Build, Transfer, & Operate (BTO)/ Build, Own, Operate & Transfer (BOOT) or other permissible modalities will be required to structure this Project as well as assist in procuring the qualified bidders¹ for the above (hereinafter referred to as “**the Transaction Advisory Assignment**”).
- 1.3 A brief description of the Services (hereinafter referred to as “**Services**”) is set out in the Terms of Reference (“**TORs**”) attached as Annex-1.
- 1.4 The Services shall be carried out in accordance with the enclosed Terms of Reference (TORs). The continuation of Services shall be subject to satisfactory performance of the Transaction Advisor, as determined by LTC (“**Client**”).
- 1.5 Reference to ‘the Transaction Advisor’ means a Firm (single/ consortium /Joint Venture), which includes the entire Transaction Advisory team, or relevant members, under management of a single lead Transaction Advisor who shall contract with Client (Implementing Agency).
- 1.6 Please note that:
 - (i) The costs of preparing the proposal/offer as well as of negotiating/finalization of the contract, including any visits, are not reimbursable; and

¹Bidder is a private party / investor interested in making investment into the Project or is desired to enter into PPP for development of the Project.

- (ii) Client may reject any or all the proposals or offers at any time prior to the acceptance of a bid or proposal.

2 Technical & Financial Proposals

Technical Proposal

In order to achieve the objectives of the Assignment, the Transaction Advisor will be expected to take complete responsibility for all the activities identified in the attached TORs. Transaction Advisor will inter-alia, conduct review of the existing legal, organizational, technical and financial system, market sounding of the Project, option analysis of PPP and prepare a feasibility study/report and contractual documents which advances the best mode of implementing the Project under PPP modality and shall be expected to assist in all other activities considered ancillary and incidental leading to the closure of the Project.

The technical proposal should contain inter-alia; a complete description and explanation of the proposed methodology for the Assignment (work plan), timelines, staffing, names and qualifications of allocated personnel and any other resources that the Transaction Advisor will make available to execute the Assignment and achieve its objective. The technical proposal should be prepared using the format attached in **Annex-3** and submitted as per procedure described in **Annex-2**. The Transaction Advisor must submit comprehensive information and data in support of the criteria defined in **Annex-2**.

Financial Proposal

The Financial Proposal should stipulate the fees for the Assignment and be prepared using the format attached as **Annex-3**, and submitted as per the procedure described in **Annex-2**.

The Client will not be responsible for any tax or insurance liability arising out of the performance of the Services for the Assignment.

All fees and costs are to be expressed in Pakistan Rupees only.

The Technical and Financial Proposals shall be evaluated by Client in terms of the criteria described in **Annex-2**. Any Financial or Technical Proposal not in strict conformity with the format attached in **Annex-3** will be disqualified.

Shortlisted Transaction Advisors are requested to submit their proposals within four weeks from the date of issuance of this Request for Proposal (RFP) i.e. 21st July, 2014.

3 Bid Security

Each bidder shall furnish, as part of his bid, a Bid Security equivalent to 2% of the Bid Price in the form of Bank Guarantee issued by a First Class Scheduled Bank acceptable to LTC, valid for a period up to sixty (60) days beyond the bid validity date.

Any bid not accompanied by an acceptable Bid Security shall be rejected by the LTC as non-responsive bid.

The bid securities of unsuccessful bidders will be returned upon award of contract to the successful bidder or on the expiry of validity of Bid Security whichever is earlier.

The Bid Security of the successful bidder will be returned when the bidder furnished the required Performance Security in favor of LTC and entered into Agreement with LTC.

The Bid Security may be forfeited:

- (a) if a bidder withdraws his bid during the period of bid validity; or
- (b) if a bidder does not accept the correction of his Bid Price,
- (c) in the case of a successful bidder, if he fails to:
 - (i) furnish the required Performance Guarantee in accordance with RFP, or
 - (ii) sign the Contract Agreement, in accordance with RFP

4 Performance Guarantee

The successful bidder shall furnish to the LTC a Performance Guarantee equal to 10% of the Contract Price in the form of Bank Guarantee issued by a First Class Scheduled Bank acceptable to LTC and the amount stipulated in the Conditions of Contract within a period of fourteen (14) days after the receipt of Letter of Acceptance.

Failures of the successful bidder to comply with the requirements of RFP shall constitute sufficient grounds for the annulment of the award and forfeiture of the Performance Guarantee.

5 Contract finalization

Negotiations for Contract finalization shall be carried out according to the **Punjab Procurement Rules 2014 (PPRA-2014)** and in terms of the criteria given in **Annex-2** and based on the Draft Transaction Advisory Services Agreement (“ASA”) attached as **Annex-4**.

6 Pre-Proposal Conference

Pre-proposal conference shall be held before submission of their technical & financial proposal **within 15 days** from the date of issuance of RFP to the shortlisted Transaction Advisors i.e. 7th July, 2014 as determined from the EOIs received on November 18th, 2013. Pre-proposal conference objective is to facilitate the Transaction Advisors in developing a comprehensive understanding

of the scope of the assignment, its deliverables and any other clarifications required with respect to the assignment.

7 Clarifications

In addition to pre-bid meeting, should you require further clarification on any of the terms contained in this RFP or the Annexes attached hereto, please contact 042-111-582-111, The LTC (Email: info@ltc.gop.pk). In the interest of fairness, any clarifications issued would be posted on the LTC website (<http://www.ltc.gop.pk>).

8 Other Terms

This RFP and the Attachments hereto are subject to the overriding conditions set out in Annex-5.

9 PPP Framework

The Punjab Public Private Partnership Act 2014 (PPPA of 2014) highlighting the salient features of the PPP framework under which the Project is to be implemented.

Yours sincerely,

Badie-ur-Rehman Khan
Chief Technical Officer
Lahore Transport Company

- Annex-1: Terms of Reference
- Annex-2: Procedures for Submission & Evaluation of Proposals
- Annex-3: Format for Submission of Proposals
- Annex-4: Draft Transaction Advisory Services Agreement
- Annex-5: Conditions
- Annex-6: Indicative Survey / Studies to be Completed by Transaction Advisor during Advisory Services Agreement, Payment Schedule, feasibility Report Content

**TERMS OF REFERENCE
FOR PROVIDING TRANSACTION ADVISORY SERVICES**

**FOR
DEVELOPMENT
OF**

**BUS TERMINAL CUM COMMERCIAL COMPLEX
Located at Railway Station, Lahore
UNDER
PUBLIC PRIVATE PARTNERSHIP**

TERMS OF REFERENCE

1. Introduction

Lahore Transport Company (LTC), a company owned by Government of Punjab is registered under section 42 of Companies Ordinance 1984. LTC is a regulatory Company, which has a mandate to develop and implement policies for the promotion of safe, integrated and efficient urban transport facilities, infrastructure and services for the citizens of Lahore.

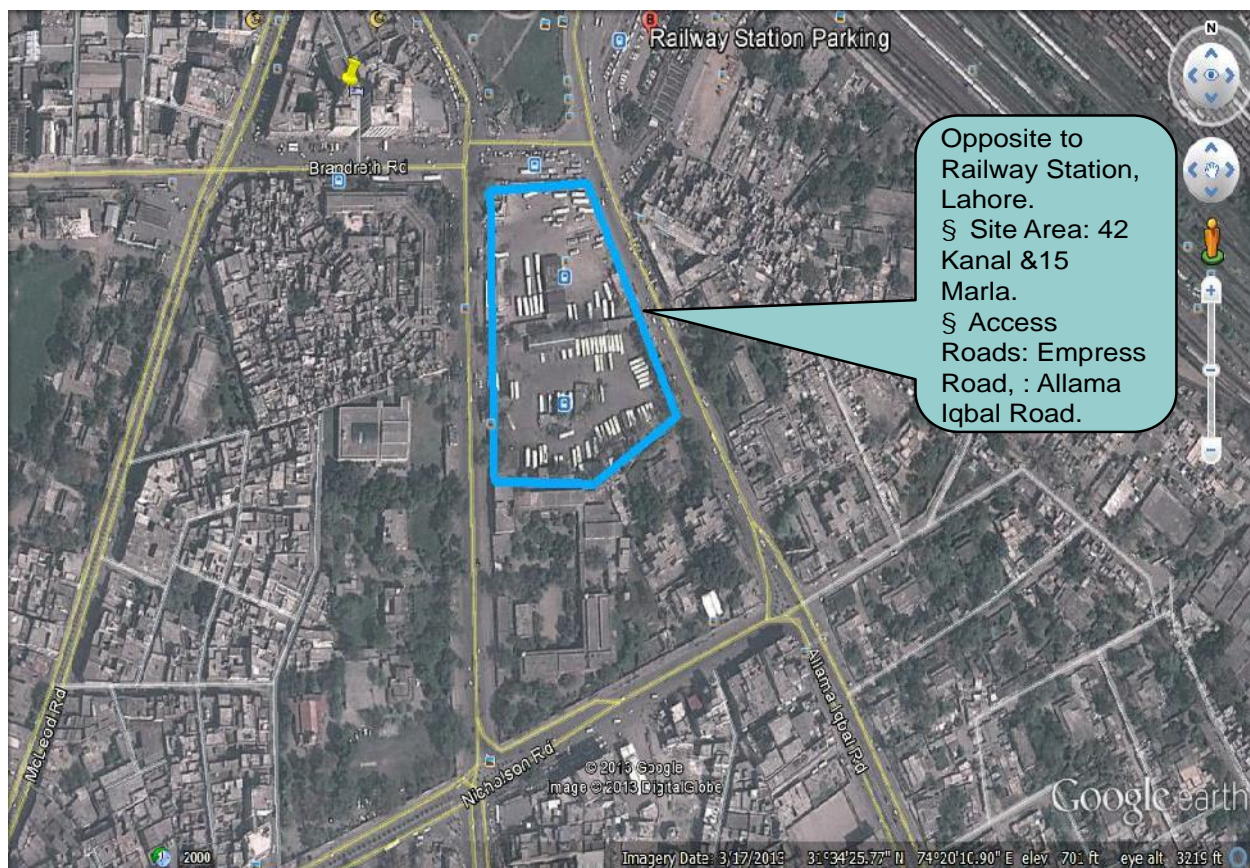
As the regulator LTC awards urban bus routes to private bus operation companies through exclusive route franchise awards under Public Private Partnership framework backed by concession agreements. LTC under the concession agreements provides both capital and operating subsidy to provide incentive and encourage bus operators to invest in and operate modern buses in Lahore.

There are 52 identified urban bus routes in Lahore, majority of routes originate or pass through the Lahore Railway Station with total estimated HOV/LOV turnover of 2,000 vehicles/day in the area. Railway Station is the hub of transport services for goods and passengers and the largest terminus for urban ridership in the city. It is estimated that Lahore contributes up to 25 % of Country GDP and Lahore major GDP contribution comes from this area. Keeping in consideration the paying capacity of the customer profile in the area, the aesthetic revival of the area is highly desirable.

LTC owns a property measuring total areas of 42 Kanal and 15 Marlas (**approximately**) i.e. present Bus Terminal / Depot at Railway Station with good access from Empress Road and Allama Iqbal Road. Fig 1 below shows the site plan of the site.

Keeping in view the business characteristic of the areas and its customer profile, LTC intends to develop a multipurpose facility i.e. Bus Terminal cum Commercial Complex including multipurpose petrol station on Public Private Partnership mode, at its property. The challenge of the proposed Project of LTC is to construct the multi facility that generates revenue to cover all costs and allows the desired return of equity (ROE).

Fig-1: Site Plan



LTC realizes the fact that it has not only limited fiscal space but also does not have the required capacity to build and operate such a massive infrastructure project. The tight fiscal and resource constraints require innovative approach to ensure that massive investment needs are financed with the assistance of the private sector. LTC under legal framework and policies of GoPb would provide an institutional support, incentives and financing modalities to encourage private sector participation in financing, constructing and managing the Project.

To Complete preparatory work for the Project the Transaction Advisor (Firms/Consortium/Joint Venture), will structure this Project as well as assist LTC in procuring the qualified bidders for the project.

2. Rationale of the Assignment

Lahore City population by present estimates exceeds 9 million plus and majority population resides in Northern and Eastern Lahore, the area including the Bund Road/Ring Road, walled city, and the localities in the surroundings of the Railway station, Shad bagh, Badami Bagh up to the Wahga Border area. The highest concentration of Lahore City population and business activity including manufacturing, local and

international trading and services are also located in this large. The largest intercity bus station at Badami Bagh also feeds the urban bus ridership through this area.

By virtue of this central location and high density of ridership and major bus routes passing through the Railway station, an integrated bus terminal is required to manage and effectively provide parking space in the areas. In addition to bus terminal, an inclusive commercial complex is also required to be providing in the area due to large commercial and business potential of the Railway Station. The Commercial Complex may include, but not limited to, shopping malls, office space, hotel facility and large banquet halls and multi fuel station. LTC can construct Bus terminal cum commercial complex on the project measuring 42 Kanals land and 15 Marlas on PPP modality.

Purpose of the Project

The purpose of multipurpose facility at Central Bus Stand (CBS), Railway Station is to generate aesthetic revival of the area with revenue to cover all costs of the Project and desired return on the equity (ROE).

Project Salient Feature

The multipurpose facility would include the following and other relevant features:

- Bus Terminal with passenger concourse, ticket counter, tourist information centre, wash rooms, facilities for handicapped, bus bays, bus circulation areas, parking facilities, passenger loading and boarding areas. security system, schedule information displays, fire fighting system and passenger amenities shops , cafeteria shops, etc;
- Commercial / Shopping Centre consisting of fast food outlets, restaurants, cafeterias, general merchant stores, departmental stores, stationary book shop, newspaper stands, chemists, pharmacists, travel accessories, shoe outlets, PCO, barber/ hair Saloon etc;
- Services/Office space for banks, ATMs, professionals like doctors and dentist etc., business centre, internet café, courier agencies, insurance company offices etc;
- Multipurpose petrol station consisting of POL and CNG pumps, shopping mart, office space, wash room, tyre shop, washing areas etc;
- Hotel A Class hygienic, well serviced, 2-3 star quality Lahore;
- Other compatible uses associated with bus terminal;
- Others such as horticulture and landscaping, parking fee collection system, space for trash/garbage receptacles (bins); and etc;

The Project shall provide '**value for money**' solution to the LTC in terms of development of Bus Terminal cum Commercial Complex. Thus Transaction Advisor will structure this Project as well as assist LTC in procuring the qualified bidder for the Project. Transaction Advisor will also suggest necessary measures / options which may reduce any negative externalities that may arise as a result of the Project. This Project will serve as a pilot for other similar infrastructure projects to be executed under the PPP modality in Punjab.

The Project will be conceived in a manner whereby the private sector will be responsible for BOT or BTO or BOOT or other permissible modalities. The LTC will also offer a land to the successful bidder to construct Bus Terminal cum Commercial Complex. The private party will recover their investment over the concession period via operating the Bus Terminal cum Commercial Complex on commercial basis. At the end of the concession period (that will be long enough for the private party to recover costs) the entire system would revert to the LTC. The ownership of the Bus Terminal cum Commercial Complex will always remain with the LTC; however its development and operational rights will be given to the private party for the prescribed concession period.

Public-Private Partnership (PPP) is one of the most effective mode to enhance private sector participation in public services delivery, increase growth, and create jobs leading to reduction of poverty. The Public Private Partnership Act, 2014 provides a detailed mechanism and timelines to process the PPP Proposal. Transaction Advisor should ensure that project proposal inclusive of all relevant documentation pertaining to Technical, Financial and legal aspects are addressed as provided in the relevant laws and comply in letter and spirit with Public Private Partnership (PPP) Act 2014 and Punjab Procurement Rules-2014 (PPR-14). Any available information / studies relevant to the above project will be made available to the selected Transaction Advisor by the LTC.

The steps in the process require that a feasibility study for the development of Bus Terminal cum Commercial Complex is conducted and a procurement process implemented, based on the outcome of the analysis. The following section identifies the principal activities that need to be carried out, but it should not be construed as the total set of activities required for the successful completion of tasks specified in the present TOR.

The Project will be implemented within a period of twelve (12) months (August 2014 to August 2015).

3. Objectives of the Assignment

The main objective of this assignment is to structure the project that provides 'value for money' to the LTC and risks to be shared by the private party and can be implemented with ease. The Transaction Advisor shall also suggest plausible measures for indemnifying the Government from any risks. The Project will be conceived in a manner whereby the private sector will be responsible for Designing, Financing, Building, Operating, and Maintaining the Bus Terminal cum Commercial Complexes for the period to be determined by the Transaction Advisor (that will be long enough for the private party to recover costs). At the end of the concession period the Bus terminal cum Commercial Complex would revert back to the LTC. The ownership of Project will always remain with the LTC; however its development and operational & management rights will be given to the private party for a prescribed period. Transaction Advisor shall complete the following three Phases, whereas details are mentioned under the title; **"Scope of the Assignment"**:

- To prepare a comprehensive feasibility and Information Memorandum (**IM**) for the project development under Public Private Partnership mode and implementation of the Project with private sector participation;
- To assist LTC in obtaining required approvals/consents under the PPP Act, 2014 including the Steering Committee approvals; and
- To develop bidding documents and solicit bidder's interest which leads to a successful Public Private Partnership contract between LTC and the successful Transaction Advisor.

4. Scope of the Assignment

These Terms of Reference invite proposals from a team of suitably qualified and experienced financial, technical, and legal advisors. The scope of work is divided in the following three phases:

Phase I (Transaction Structuring):

Review of the existing work and conduct a feasibility study; which builds on the preparatory work / due-diligence conducted on the Project to date; and recommend optimal feasible structures for the Project after careful review and in-depth investigation with respect to the public and private sector cooperation. For this purpose Transaction Advisor may take into consideration the dynamics, costs and resource requirements of the development of Bus terminal cum Commercial complex. The Transaction Advisor will provide the most optimal/best-suited PPP models along with a financial model and most feasible structure.

Phase II (Transaction Approval):

Based on the feasibility and the recommendations, the Transaction Advisor shall assist the LTC to obtain all required approvals for the project development as a PPP project from the PPP Steering Committee established under the Punjab Public Private Partnership Act, 2014.

Phase III (Transaction Implementation)

Transaction Advisor will manage the marketing of Project to potential bidders. The Transaction Advisor shall prepare an Information Memorandum (IM) that shall incorporate all details of the Project, financial model; viability development plan, market soundings and appropriate solution for the Project development. Transaction Advisor will circulate IM and conduct road shows. The Transaction Advisor shall draft RFP/TOR & concession agreement for competitive bidding, assist LTC in conducting pre-bid meeting, responding to bidder's queries, bid evaluation and selection of successful bidder. The Transaction Advisor shall also suggest amendments in the Project design/structure/size and concession agreement based on bidders responses and shall assist LTC in negotiations and signing for Concession Agreement. The Transaction Advisor shall also engage with successful bidder for financial closure and handing over of Project site for Project construction and completion to the selected party.

Time Frame for Phase-I, II & III = 32 weeks after signing the agreement with Transaction Advisor

Phase 1 – Transaction Structuring: (Activities and Deliverables)

Task 1: Kick-off Meeting

Within two weeks of the award of the Assignment, the Transaction Advisor will conduct a kick-off meeting with the Client and its representatives. Objective of this meeting will be to discuss and finalize the detailed plan of activities proposed by the Transaction Advisor. The meeting will cover the following:

1. Review of the proposed methodology and requirements to complete the assignment;
2. Review of timetable of activities / milestones going forward;
3. Review of the team organization and detailed functions of the team members;
4. Discussion and finalization of a communication strategy whereby all stakeholders will be regularly involved and consulted throughout the assignment; and
5. Any specific issue requiring immediate attention of the Client.

Under no circumstances will the objective be to re-define the scope of work committed in the Advisory Services Agreement. In this meeting, the Transaction Advisor will present a brief report, containing information about the key issues; mainly relevant to the Bidder's perspective, which might affect Bidder interest in the Project. The report will also contain recommendations with respect to mitigation of Bidder concerns on such issues.

Deliverables:

1. Detailed methodology and time schedule for the said consultancy assignment with completion dates for the IM;
2. A communication strategy;
3. Progress report to date; and
4. A brief report on the Identification of key issues relevant from the Bidder's perspective and/or issues that might affect Bidder interest in the Project, which will also contain recommendations with respect to mitigation of Bidder concerns on such issues.

Timeframe: 1 to 2 week from signing of Transaction Advisory Services Agreement

Task 2: Review of Relevant Information

This stage is required for the Transaction Advisor to become familiar with all the previous work that has been done on the subject; in particular studies already conducted by LTC or other transport entities in Punjab. Transaction Advisor will be expected to liaise closely

with the LTC and visit the sites. The Transaction Advisor will conduct due diligence and collect information regarding the site and the Project. The Transaction Advisor will also research and summarize the overall global experience in similar Projects and lessons learnt for Pakistan and the region.

Task 3: Review of Existing Systems

Transaction Advisor shall study the legal, organizational, technical and financial aspects of the existing system in place for fee/rent/toll collection in the Project area.

Deliverable of Task 2 & 3:

1. Summarizing findings from Task-2 & 3; and
2. Review of the existing studies and identification of gaps keeping in view the current environment.

Timeframe for Task 2 & 3: 6 weeks from signing of Transaction Advisory Services Agreement

Task 4: Preparation of Feasibility Study

The Transaction Advisor shall study and propose various alternative models of PPP to carry out the subject Project, covering all the legal, organizational, technical, environmental, social and financial implications. The Transaction Advisor shall conduct a market survey and the following surveys/studies to examine/analyse the commercial viability, market demand and revenue potential of the Project with respect to alternative models of PPP:

1. Survey of user/client potential as user of proposed commercial facility;
2. Survey to determine bus terminal and the overnight parking areas requirements;
3. Survey to assess need for all utility and infrastructure requirements including water, waste water disposal, gas, electricity of complex along with estimate and assistance required from LTC and Government departments/Agencies to provide these utilities and infrastructure.
4. Socio-Economic assessment and Analysis, Environment assessment of the Project to devise social and environmental management plan to address and mitigate the potential negative social and environmental impacts of the Project.

Based on above said survey findings, the Transaction Advisor shall determine the facilities requirement, size, capacity and a concept design with complete capital costs for project completion.

A comprehensive financial model shall also be prepared that determines the optimal design parameters, service level, all risks assessment (identification, evaluation, estimation of risk cost and occurrence, mitigation and allocation) & cost analysis, cash flow, sensitivity analysis, capacity of the Project to meet its obligations of lease payments to LTC, Debt service coverage and ROE for the Bidders.

Also the Feasibility Study must enable the LTC to determine:

1. Full Project cycle costs including but not limited to Project development costs, cost of infrastructure, Interest During Construction (IDC), Construction Period Insurance Costs, other capital costs;
2. All operating cost inclusive of insurance, training costs, other relevant cost used in calculating net annual cash flows/profits for Bidders;
3. Debt and equity assumptions of project cost financing (any upfront debt service reserve fund amount as required by lenders should be capitalized and funded from equity as lenders may not be inclined to fund this cost);
4. Calculate EBITDA to assess the cash flow available to pay lease rentals to LTC, any debt servicing payments and the ROE for the Bidders;
5. Present summary of results from the base financial model: Pay Back Period, Discounted Pay Back Period, IRR, NPV, Economic IRR, Key indicators and recommend a Concession period.
6. Projected financial statements with all assumptions and notes
7. Affordability in terms of budgetary provisions and user charges;
8. Lenders interest and conditions of lending that includes preferred Bidder profile, appetite for funding amount, terms and conditions of financing and structure of the financing;
9. Outputs required in terms of service delivery (Service levels standards, performance indicators and etc);
10. Risks identified, quantified and its sharing between Public and private party
11. Payment and Penalty mechanisms; and
12. Value for money for the Project.

Since a single lender may not fund project debt requirements, bank/banks expressing interest to lead a syndicate to be encouraged, these findings must be used in the preparation of the financial model.

Feasibility Study clearly needs to demonstrate affordability for the full project life cycle, and propose the feasible solution for LTC to achieve its desired outcomes. The feasible recommended structure must be genuinely reflective of the constraints and concerns of all the key stakeholders.

In addition to above, Transaction Advisor shall also conduct Socio-Economic Assessment & Analysis, stakeholders Consultations, Environmental Assessment of the Project. Social and environmental management Plan to address and mitigate the potential negative social and environmental impacts of the Project shall form a part of feasibility study;

Lastly, the Transaction Advisor shall also determine the output specifications based on quality of service and performance standards for engineering works to be met by the private party and to be formalized as a Service Level Agreement. This will be formulated in the context of buildings safety measures specific to the Project.

Deliverables:

Feasibility Report including:

1. Reports on Survey / studies completed by Transaction Advisor during Advisory Services Agreement (**Annexure-6**);
2. A detailed assessment of the recommended structure keeping in view the critical mass to make this Bus Terminal cum Commercial Complex financially viable according to clustering approach / geographical segmentations. The Project design should develop marketing tool to attract clients for its use and should be attractive to evoke interest of the discerning visitor, for entertainment, business houses/individuals for leasing of office space and use of other facilities;
3. An extensive financial evaluation of each facility to be provided in Commercial Complex, taking account of its financial feasibility and viability as a PPP. Full cost of the Commercial Complex shall be determined from concept design and shall be broken down by each type and size of facility proposed including revenue sources & amount and estimated operating and maintenance costs; full cost of insurance for all risks attached;
4. A robust business and corresponding financial model (for the proposed structures), recommending the most optimal option. The Excel-based financial model should represent the full costs of delivering the Project, as well as risks associated with the Project according to the specified output via the preferred feasible structure. Model must be flexible enough to assess the viability and efficiency of the various proposed structures.
5. **Design structures for the implementation of the Project segments including appropriate legal, capital and corporate structures. (The proposed corporate set-up for these Projects could be formation of private limited companies, the shareholding level for which needs to be determined in the study);**
6. **Development of Asset and Facilities Management Plans for Project and shall collect data from primary and secondary sources for provision of utility services. The presentations and compiling of all relevant data required by line departments such as WASA, SNGPL, CDGL, TMA; and**
7. Submission of the complete feasibility along with financial model, EIA, stakeholders consultation, legal due diligence and draft concession agreement.

Timeframe: 12 weeks from signing of Transaction Advisory Services Agreement.

Phase II-Transaction Approval (Activities and Deliverables)

Task 1: Approval of Project by the PPP Steering Committee

The Transaction Advisor, shall, based on the feasibility report recommendations, assist the LTC to obtain approvals from the PPP Steering Committee. In this regard all Transaction Advisors shall address all issues and shall complete all necessary requirements for approval from PPP Steering Committee including clearance from Risk Management Unit of P&D Department.

Deliverables:

Approval of Project from the PPP Steering Committee based on the feasibility report and the Transaction Advisor recommendations.

Timeframe: Maximum 4 weeks for assistance in getting approval from PPP Steering Committee.

Phase III – Transaction Implementation (Activities and Deliverables)**Task 1: Drafting of Procurement Documents**

Transaction Advisor will develop a draft Concession Agreement for the implementation of the Project based on the PPP framework and concession agreements. Transaction Advisor shall draft RFP/TOR & concession agreement for competitive bidding that must include, terms of the agreement based on the financial model and Bidder's feedback.

Deliverables:

1. Draft Concession Agreement including:
 - Draft Output specifications and service level;
 - Draft of monitoring mechanisms;
 - Draft payment and penalty mechanism;
 - Draft schedules of concession agreement.
2. Pre-bid conference after issuance of the RFP
3. b) Bids evaluation and selection and appraisal/approval of Successful Bidder
4. c) Consolidated report which includes Bids evaluation, selection/appraisal of Successful Bidder, EOI & Evaluation criteria, RFP including TORs & Bidding documents, final agreement and the process of selection

Timeframe: 4 weeks after approval and finalization of transaction structure

Task 2: Marketing and Drafting of Information Memorandum (IM)

The Transaction Advisor will be responsible for marketing of the Project to a wide universe of Bidders. Transaction Advisor will circulate IM among potential Bidders and conduct road shows for marketing of Project to potential Bidders and to assess potential Bidders interest in the Project. Costs related to marketing exercise including advertisements and travel costs other than advisory consortium member will be borne by LTC. All such costs would require prior approval. The IM will be a comprehensive marketing document, intended to assist pre-qualified potential bidders in evaluating the investment opportunity and risks.

The IM will contain concise information on the Project and the envisaged timeline for the Project. It will highlight the opportunity and salient features of the Project, financial

model; viability development plan, market soundings and appropriate solution for the Project development as well as the broad terms & conditions and draft transaction documents for the execution of the Project.

Deliverables:

1. Information Memorandum; and
2. Marketing strategy, advertising and implementation plan for soliciting Bidder interest.

Timeframe: 8 weeks after approval and finalization of transaction structure

Task 3: Procurement Process

Transaction Advisor shall assist LTC in conducting pre-bid meeting, responding to bidder's queries, bid evaluation and selection of successful Bidder. Recommendations on award, presentation to LTC for seeking approval of said recommendations, preparation and issuance of LOI to the successful bidder. Transaction Advisor shall also suggest amendments in the Project design/structure/size and concession agreement based on Bidder responses.

Based on the chosen structure, competitive tendering process will have to be initiated to select the most appropriate Bidder, which could most effectively implement the Project. The process to be adopted will be transparent with clearly defined evaluation criteria and devised to encourage participation by the private sector.

Deliverables:

1. Complete Requests for Qualifications RFQ Package;
2. Pre-qualification Report of Potential Bidders including evaluation of RFQs furnished by Bidders and short-listing of Bidders, recommendations for pre-qualification of Bidders and presentation to LTC for seeking approval of said recommendations.
3. Complete RFP Package;
4. Pre-bid conference after issuance of the RFP to pre-qualified Bidders;
5. Bids evaluation and selection and appraisal/approval of Successful Bidder;
6. Consolidated report which includes Bids evaluation, selection/appraisal of Successful Bidder, final agreement and the process of selection;
7. Letter of Invitation (LOI).

Timeframe: 16 weeks after approval and finalization of transaction structure

Task 4: Deal Closure and Signing of the Concession Agreement

After selection and approval of successful bidder, Transaction Advisor shall assist LTC:

1. Assist the Institution in its contract negotiation / finalization with successful bidders;
2. Update/Amend the PPP Agreement to reflect finalized terms; and
3. Assist in ensuring that all conditions precedent to signing of the contract is fulfilled and complete.
4. Facilitate permissions/approvals from regulatory departments.

After the Concession Agreement has been signed, Transaction Advisor shall engage with successful bidder for financial closure and handing over of project site for project construction and completion to the selected party.

Finally, the Transaction Advisor will provide support to LTC in setting-up a monitoring mechanism to ensure timely completion of the project.

Deliverables:

1. Deal closure and Signing of the Agreement (Concession Agreement); and
2. Handing over of the site to the successful bidder after financial close the period for which shall not exceed 12 weeks from concession agreement signing.

Timeframe: 4 weeks after the selection of the successful bidder for concession agreement signing and 12 weeks period for financial close from concession agreement signing

5. Transaction Advisor Profile

The Transaction Advisory team is expected to include the following skills and competencies:

1. Technical Expertise such as planner, architects and structure engineers with expertise of similar project planning, design, engineering and construction etc;
2. Financial Expertise in Financial model preparation, PPP project structuring and financing;
3. Legal and Regulatory expertise in PPP projects
4. Market Survey expertise with capacity to meet survey TORs
5. Project Management expertise.

Selection will be based on verifiable demonstration of experience in similar projects and qualification of firm as well as assigned staff.

6. General Conditions

1. A Steering Committee comprising representatives of the Client, Concessionaire will oversee the project. The Steering Committee shall meet at designated place to review each deliverable. The proceeding of the Steering Committee shall not be affected due to lack of Quorum. Failure on part of any of the member of the Steering Committee to submit the comments in prescribed time period shall be assumed to be concurrence with the contents of the deliverables.

2. Transaction Advisor shall be responsible for assisting in all activities leading to and including successful closure of the Project and the competitive bidding process for the Project. While a detailed scope of work has been spelled out in the present TOR, the Transaction Advisor shall also be responsible for providing assistance in activities, not specifically mentioned in the TOR, that are necessary for successfully concluding the Assignment. Transaction Advisor will appoint a Team Leader to assume overall responsibility of the Project and to interface with LTC/ project steering committee, the Advisor will assist LTC in dealing with queries/issues related to the Project.
3. Five hard copies and one soft copy of each draft document mentioned under deliverable will be submitted to the Client. The Client will share the documents with the Steering Committee who will offer its comments and recommendations. The Transaction Advisor shall incorporate these to the draft final documents. After incorporation of The Client comments, the Transaction Advisor shall submit 15 hard copies and one soft copy of each of the final documents to the Client.
4. All documents shall be prepared in English and submitted on electronic media along with required number of hard copies.
5. All the data, documents and reports produced by the Transaction Advisor for the said services shall be the property of the Client. The Transaction Advisor shall not share and use any data, document and reports for any other purpose / job without the explicit written approval of the Client.
6. The LTC will nominate one Project Manager to liaise with the Transaction Advisor on all activities pertaining to this assignment. The Project Manager will be responsible for providing technical inputs and information to the advisor on the Project. The Project Manager will assist in securing appointments with Government ministries and departments, as may be required.
7. The Transaction Advisor shall begin this assignment as soon as the contract agreement is signed.

**PROCEDURE FOR SUBMISSION AND EVALUATION OF
PROPOSALS**

FOR

DEVELOPMENT OF

BUS TERMINAL CUM COMMERCIAL COMPLEX

Railway Station, Lahore

UNDER

PUBLIC PRIVATE PARTNERSHIP

PROCEDURE FOR SUBMISSION & EVALUATION OF PROPOSALS

1. Submission of Proposals

The Technical Proposal shall be submitted in duplicate (one original and one copy) and placed in a sealed envelope clearly marked “**Technical Proposal - Transaction Advisory Services for Development of Bus Terminal cum Commercial Complex, Railway Station, Lahore**”.

The Financial Proposal in duplicate (one original and one copy) shall be submitted in a separate sealed envelope clearly marked “**Financial Proposal - Transaction Advisory Services for Development of Bus Terminal cum Commercial Complex, Railway Station, Lahore**”.

Shortlisted Transaction Advisors are requested to submit their Technical and Financial Proposals in separate sealed envelopes enclosed in one larger sealed envelope addressed correctly and legibly to CTO, LTC (Refer to section 8 below, for precise address and date of submission).

A duly authorized representative of the Bidder must sign the Technical Proposal and Financial Proposal. The Proposals should include a power of attorney / letter of authority authorizing such representative to sign and submit the Technical Proposal and Financial Proposal to LTC (in case of firm/consortium).

2. Evaluating the Proposals

On expiry of the date for submission of Proposals, the evaluation process will begin. The Client will circulate the Technical Proposals to the Evaluation Committee, while the sealed Financial Proposals will remain with LTC.

A Single stage two envelope procedure shall be adopted in evaluating the Proposals. The technical evaluation shall be carried out first, followed by the financial evaluation. The Evaluation Committee shall carry out its evaluation, applying the evaluation criteria and point system specified below. Each responsive proposal shall be attributed a technical score (Str). Firms scoring less than 70 points shall be rejected and their Financial Proposals returned unopened.

Technical Proposal

Each Technical Proposal shall be evaluated using the following categories and weights below:

| <u>Category</u> | <u>Weight</u> |
|---|---------------|
| Company Profile (Specific firm/consortium experience related to the Assignment) | 30% |

| | |
|---------------------------------------|-----|
| Competence and qualifications of team | 35% |
| Approach and methodology | 35% |

Criteria, sub-criteria, and point system for the evaluation of Technical Proposals are:

| | <u>Points</u> |
|---|---------------------------|
| (i) Company Profile: | [100] |
| a) Number of 5 similar assignments | [45] |
| b) Value of similar assignments | [45] |
| c) Organizational structure | [10] |
| | ----- |
| | Total = (A ₁) |
| (ii) Project Team: | [100] |
| a) Team Leader (Financial Expert) | [16] |
| b) Legal & Institutional Development Expert | [14] |
| c) Urban Economist | [14] |
| d) Traffic and Transportation Planner | [14] |
| e) Urban Planner /Architect | [14] |
| f) Structural/design Engineer | [14] |
| g) Environmentalist | [14] |
| | ----- |
| | Total = (A ₂) |

The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant score:

| | |
|---------------------------------|-------|
| 1) Education and qualifications | [25] |
| 2) Relevant background | [70] |
| 3) Time with firm | [5] |
| | ----- |
| Total score: | [100] |

| | |
|-----------------------------------|---------------------------|
| (iii) Approach & Methodology: | [100] |
| a) Understanding & Innovativeness | [20] |
| b) Methodology & Work plan | [40] |
| c) Presentation | [40] |
| | ----- |
| | Total = (A ₃) |

$$\text{Technical Score}^* = \frac{A_1[10]}{100} + \frac{A_2[50]}{100} + \frac{A_3[40]}{100}$$

The minimum technical score St required to pass is: 70 Points

Financial Proposal

Short-listed Transaction Advisors that receive a raw technical score (Str) of 70 points or higher will be informed of their pre-qualification. All other Transaction Advisors will stand disqualified and their sealed Financial Proposals will be returned to them unopened. The Client shall open the sealed Financial Proposals of the qualified Transaction Advisors on a pre-determined date which will be intimated in advance.

Fee proposals shall be made for each completed deliverable submitted according to milestones given in the RFP. Payments shall be made accordingly.

3. Scoring of Technical and Financial Proposals

The Technical Proposal shall be assigned a raw score (Str), which shall be scaled up to constitute a final technical score (St) as follows:

$$St = Str \times 100 / St_{max}$$

Where St_{max} = Raw score of the highest ranked Transaction Advisor on technical criteria.

The financial score (Sf) will be calculated as follows:

$$Sf = 100 \times (F_{min} / F_f)$$

Where F_{min} = Lowest Total Fee bid, and
 F_f = Total Fee bid by the Transaction Advisor under consideration.

The combined score of the Technical and Financial proposals (Sc) shall be calculated as follows:

$$Sc = 0.80 \times St + 0.20 \times Sf$$

(Technical Proposal will have 80% weightage, while Financial Proposal will have a 20% weightage.)

4. Opening of Financial Proposals

Transaction Advisors that receive a raw technical score (Str) of 70 points or higher will be invited by LTC to attend the opening of the sealed financial bids. All other parties will stand disqualified and their sealed Financial Proposals will be returned to them unopened. The CTO of LTC shall open the sealed Financial Proposals.

5. Negotiations for Contract Finalization

Negotiation for Contract finalization will be conducted by LTC with the successful Transaction Advisor with the highest score based on the score calculation criteria given in Scoring of Technical and Financial Proposals section above. The primary focus of negotiations for contract finalization

shall be on the work plan achievability, deliverables and contract completion deadlines. A copy of the document conferring authority of the successful Transaction Advisor team will be made available to LTC prior to commencing negotiations for contract finalization. In case the negotiations for contract finalization with the highest ranked party are unsuccessful, negotiations for contract finalization with the authorized representatives of second-highest ranked Transaction Advisor may be carried out, and so on and so forth.

LTC may reject all bids or proposals at any time prior to the acceptance of a bid or proposal.

6. Address and Date of Submission

The Project Proposals should be delivered to the “CTO, Lahore Transport Company, IEP Building, Liberty Market Roundabout, Gulberg III, Lahore, Punjab, Pakistan within **30 days**. from the date of issuance of RFP i.e **21-7-2014 at 11.00 A.M** which will be opened on the same date at **11.30 A.M**. Failure to deliver the Proposals as aforesaid shall mean immediate disqualification.

7. Exclusion and Prohibitions

The Transaction Advisor will be prohibited from using any of the proprietary information without the express approval of LTC, for a period of two (2) years after the completion of the Assignment.

LTC may reject all bids or proposals at any time prior to the acceptance of a bid or proposal.

**FORMAT FOR TECHNICAL PROPOSAL AND FINANCIAL
PROPOSAL FOR
PROVIDING TRANSACTION ADVISORY SERVICES FOR
DEVELOPMENT
OF
BUS TERMINAL CUM COMMERCIAL COMPLEX
Located at Railway Station, Lahore
UNDER
PUBLIC PRIVATE PARTNERSHIP**

Section 3: Technical Proposal - Standard Forms

- TECH-1 Technical Proposal Submission Form
- TECH-2 Firm's Organization and Experience
 - A Firm's Organization
 - B Firm's Experience
- TECH-3 Comments or Suggestions on the Terms of Reference and on Counterpart Staff and Facilities to be provided by the Client
 - A On the Terms of Reference
 - B On the Counterpart Staff and Facilities
- TECH-4 Description of the Approach, Methodology and Work Plan for Performing the Assignment
- TECH-5 Team Composition and Task Assignments
- TECH-6 Curriculum Vitae (CV) for Proposed Professional Staff
- TECH-7 Staffing Schedule
- TECH-8 Work Schedule

FORM TECH-1 TECHNICAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: [Name and address of Client]

Dear Sir,

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope¹.

We are submitting our Proposal in association with: [Insert a list with full name and address of each associated Firm]²

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

If negotiations for contract finalization are held during the period of validity of the Proposal, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract finalization.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date given by the Client.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

FORM TECH-2 FIRM'S ORGANIZATION AND EXPERIENCE

A - Firm's Organization

[Provide here a brief (two pages) description of the background and organization of your firm/entity (including organogram) and each associate for this assignment.]

Firm Background:

Chief Executive Officer:

Chief Financial Officer:

Chief Technical Officer (or equivalent):

B - Firm's Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this Assignment. Use maximum 20 pages. Please provide Client's certification and/or evidence of the contract agreement.]

| | |
|---|---|
| Assignment name: | Value of the Contract (in current PKRs): |
| Country: Location within country: | Duration of assignment (months): |
| Name of Client: | Total No of staff-months (by your firm) on the assignment: |
| Start date (month/year): Completion date (month/year): | Value of consultancy services provided by your firm under the contract (in current PKRs): |
| Name of associated Firms, if any: | No of professional staff-months provided by associated Firms: |
| Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader): | |
| Narrative description of Project: | |
| Description of actual services provided by your staff within the assignment: | |

**FORM TECH-3 COMMENTS AND SUGGESTIONS ON THE TERMS OF
REFERENCE AND ON COUNTERPART STAFF AND FACILITIES TO BE PROVIDED
BY THE CLIENT**

A - On the Terms of Reference

[Present and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the assignment (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point, and incorporated in your Proposal.]

B - On Counterpart Staff and Facilities

[Comment here on counterpart staff and facilities desired from the Client]

FORM TECH-4 DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

[Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal (50 pages, inclusive of charts and diagrams) divided into the following three chapters:

- a) Technical Approach and Methodology,
- b) Work Plan, and
- c) Organization and Staffing,

a) Technical Approach and Methodology. In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.

b) Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and inter-relations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule of Form TECH-8.

c) Organization and Staffing. In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.]

FORM TECH-5 TEAM COMPOSITION AND TASK ASSIGNMENTS

| Professional Staff | | | | | |
|---------------------------|-----------------------|------|-------------------|-------------------|---------------|
| Name of Staff | CNIC No./Passport No. | Firm | Area of Expertise | Position Assigned | Task Assigned |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

FORM TECH-6 CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

1. Proposed Position [*only one candidate shall be nominated for each position*]: _____

2. Name of Firm [*Insert name of firm proposing the staff*]: _____

3. Name of Staff [*Insert full name*]: _____

4. Date of Birth: _____ **Nationality:** _____

5. CNIC No (if Pakistani): _____ **or Passport No:** _____

6. Education :

| <i>Degree</i> | <i>Major/Minor</i> | <i>Institution</i> | <i>Date (MM/YYYY)</i> |
|---------------|--------------------|--------------------|-----------------------|
| | | | |
| | | | |
| | | | |

7. Membership of Professional Associations: _____

8. Other Training[*Indicate significant training since degrees under 6 - Education were obtained*]: _____

9. Languages [*For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing*]: _____

10. Employment Record[*Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

| <i>Employer</i> | <i>Position</i> | <i>From (MM/YYYY)</i> | <i>To (MM/YYYY)</i> |
|-----------------|-----------------|-----------------------|---------------------|
| | | | |
| | | | |
| | | | |

11. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]

12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]

- 1) Name of assignment or Project: _____
Year: _____
Location: _____
Client: _____
Main Project features: _____
Positions held: _____
Activities performed: _____

- 2) Name of assignment or Project: _____
Year: _____
Location: _____
Client: _____
Main project features: _____
Positions held: _____
Activities performed: _____

| |
|---|
| 3) Name of assignment or project: _____ |
| Year: _____ |
| Location: _____ |
| Client: _____ |
| Main project features: _____ |
| Positions held: _____ |
| Activities performed: _____ |
| <i>[Unroll the project details group and continue numbering (4, 5, ...) as many times as is required]</i> |

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes my qualifications, my experience, and myself. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

_____ Date: _____
[Signature of staff member or authorized representative of the staff] *Day/Month/Year*

Full name of authorized representative: _____

FORMTECH-7 STAFFING SCHEDULE¹

Full time input
 Part time input

| Year: _____ | | | | | | | | | | | | | | | | | |
|--------------------|---------------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------------|-----|-------------------------|--------------------|-------|--|
| N° | Name of Staff | Staff input (in the form of a bar chart) ² | | | | | | | | | | | | Total staff-month input | | | |
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Home | Field ³ | Total | |
| Foreign | | | | | | | | | | | | | | | | | |
| 1 | | [Home] | | | | | | | | | | | | | | | |
| | | [Field] | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | |
| n | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | Subtotal | | | | | |
| Local | | | | | | | | | | | | | | | | | |
| 1 | | [Home] | | | | | | | | | | | | | | | |
| | | [Field] | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | |
| n | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | Subtotal | | | | | |
| | | | | | | | | | | | | Total | | | | | |

- 1 For Professional Staff the input should be indicated individually; for Support Staff it should be indicated by category (e.g.: draftsmen, clerical staff, etc.).
- 2 Months are counted from the start of the assignment. For each staff indicate separately staff input for home and fieldwork.
- 3 Fieldwork means work carried out at a place other than the Firm's home office.

Section 4: Financial Proposal - Standard Forms

[Comments in brackets [] provide guidance to the shortlisted Firms for the preparation of their Financial Proposals; they should not appear on the Financial Proposals to be submitted.]

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal.

- FIN-1 Financial Proposal Submission Form
- FIN-2 Summary of Costs
- FIN-3 Breakdown of Costs by Activity
- FIN-4 Breakdown of Remuneration
- FIN-5 Reimbursable expenses

FORM FIN-1 FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: [Name and address of Client]

Dear Sir,

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures¹]. This amount is inclusive of all the taxes imposed from time to time.

Our Financial Proposal shall be binding upon us up to expiration of the validity period of the Proposal.

No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Contract execution.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

FORM FIN-2 SUMMARY OF COSTS

| Item | Costs |
|--|--------------|
| | Pak Rupees |
| Total Costs of Financial Proposal ² | |

- 1 Indicate the total costs, including of local taxes, to be paid by the Client in local currency. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms FIN-3 provided with the Proposal.

FORM FIN-3 BREAKDOWN OF COSTS BY ACTIVITY¹

| | |
|---|---|
| Group of Activities (Phase): ² <hr/> <hr/> | Description: ³ <hr/> <hr/> |
| Cost component | Costs |
| | Pak Rupees |
| Remuneration ⁵ | |
| Reimbursable Expenses ⁵ | |
| Subtotals | |

- 1 Form FIN-3 shall be filled at least for the whole assignment. In case some of the activities require different modes of billing and payment (e.g.: the assignment is phased, and each phase has a different payment schedule), the Firm shall fill a separate Form FIN-3 for each group of activities. The sum of the relevant Subtotals of all Forms FIN-3 provided must coincide with the Total Costs of Financial Proposal indicated in Form FIN-2.
- 2 Names of activities (phase) should be the same as, or correspond to the ones indicated in the second column of Form TECH-8.
- 3 Short description of the activities whose cost breakdown is provided in this Form.
- 4 Indicate between brackets the name of the local currency.
- 5 Remuneration and Reimbursable Expenses must respectively coincide with relevant Total Costs indicated in Forms FIN-4, and FIN-5.

FORM FIN-5 BREAKDOWN OF REIMBURSABLE EXPENSES

| N° | Description ¹ | Unit | Unit Cost ² |
|----|---|------|------------------------|
| | Daily allowances | Day | |
| | International flights ³ | Trip | |
| | Miscellaneous travel expenses | Trip | |
| | Communication costs between [<i>Insert place</i>] and [<i>Insert place</i>] | | |
| | Drafting, reproduction of reports | | |
| | Equipment, instruments, materials, supplies, etc. | | |
| | Shipment of personal effects | Trip | |
| | Use of computers, software | | |
| | Laboratory tests. | | |
| | Sub-contracts | | |
| | Local transportation costs | | |
| | Office rent, clerical assistance | | |

- 1 Delete items that are not applicable or add other items.
- 2 Indicate unit cost and local currency.
- 3 Indicate route of each flight, and if the trip is one- or two-ways.

FORM FIN-6 – CONSULTANT’S REPRESENTATIONS REGARDING COSTS AND CHARGES

A - Undertaking

Consulting Firm:

Assignment:

Date:

We hereby confirm that:

- (a) the basic salaries indicated in the attached table are taken from the firm’s payroll records and reflect the current salaries of the staff members listed which have not been raised other than within the normal annual salary increase policy as applied to all the firm’s staff;
- (b) attached are true copies of the latest salary slips of the staff members listed;
- (c) the away from headquarters allowances indicated below are those that the Firms have agreed to pay for this assignment to the staff members listed;
- (d) the factors listed in the attached table for social charges and overhead are based on the firm’s average cost experiences for the latest three years as represented by the firm’s financial statements; and
- (e) said factors for overhead and social charges do not include any bonuses or other means of profit-sharing.

[Name of Consulting Firm]

Signature of Authorized Representative

Date

Name: _____

Title: _____

B – Firm’s Breakdown Regarding Costs and Charges

(Expressed in [PKR Local currency])

| Personnel | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------|----------|---|-----------------------------|-----------------------|----------|------------------|----------------------------------|--|---|
| Name | Position | Basic Salary per Working Month/Day/Year | Social Charges ¹ | Overhead ¹ | Subtotal | Fee ² | Away from Headquarters Allowance | Proposed Fixed Rate per Working Month/Day/Hour | Proposed Fixed Rate per Working Month/Day/Hour ¹ |
| Home Office | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Field | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

1. Expressed as percentage of 1
2. Expressed as percentage of 4

DRAFT TRANSACTION ADVISORY SERVICES AGREEMENT

FOR

DEVELOPMENT

OF

BUS TERMINAL CUM COMMERCIAL COMPLEX

Located at Railway Station, Lahore

UNDER

PUBLIC PRIVATE PARTNERSHIP

DRAFT ADVISORY SERVICES AGREEMENT

THIS AGREEMENT, (hereinafter together with the recitals and the appendices attached hereto called this “Agreement”) is made on the ___ day of ___ 2014,

BETWEEN

Lahore Transport Company (“LTC”), a body corporate, (hereinafter called the “LTC”), which expression shall mean and include its successors, administrators and legal representatives,

AND

_____, (hereinafter called the “Transaction Advisor”, which expression shall mean and include its successors, administrators and legal representatives,

(_____ and LTC are hereinafter called the “Parties”).

WHEREAS

- (a) LTC wishes to appoint a specialized firm/Consortium/Joint venture/team of experts to act as the Transaction Advisor to the LTC to carry out the Services.
- (b) The Transaction Advisor, represents and covenants to the LTC that they have the required professional skills, personnel and technical resources, and have agreed to provide on the terms set out in this Agreement of Services together with the Terms of Reference and Letter of Appointment, which would also form an integral part and parcel of this Agreement, in particular, to provide the services which are essential in respect of the Services in terms of this Agreement, and which the Transaction Advisor recommends from similar experiences in the field.

NOW THIS AGREEMENT WITNESSETH

1.1. GENERAL PROVISIONS

1.1.1 Definitions

Unless the context otherwise requires, the following terms, wherever used in this Agreement, shall have the following meanings:

- (a) “Transaction Advisor” is defined in the Preamble.
- (b) “Agreement” means this Agreement between the LTC and the Transaction Advisor.
- (c) “Applicable Law” means the laws of Islamic Republic of Pakistan.

- (d) “Effective Date” means the date on which this Agreement is signed between the Parties.
- (e) “End Date” means the_____, unless agreed in writing by the Parties.
- (f) “Force Majeure” for the purpose of this Agreement means
- I. an event or circumstance which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations under this Agreement impossible, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts, other industrial action or any sanction or restriction imposed by any governmental authority or body within or outside Pakistan; which has a material adverse affect on the ability of the Transaction Advisor to carry out the Services.
 - II. Force Majeure shall not include: (i) any action or failure to take action by a Party; (ii) any event which is caused by the negligence or willful act or omission of a Party or that Party's Subcontractors or Personnel or agents or employees; and (iii) any event which a diligent Party could reasonably have been expected both: (a) to have taken into account at the time of the Effective Date of this Agreement; and (b) to have avoided or overcome in the course of carrying out its obligations under this Agreement
- (g) “Party” means the LTC or the Transaction Advisor, as the case may be, and the LTC and the Transaction Advisor shall collectively mean the “Parties”.
- (h) “Personnel” means persons hired/employed by the Transaction Advisor or by any of its Sub-contractors and assigned to the performance of the Services or any part of the Services.
- (i) “Project” means the whole mechanism for development and implementation of Bus Terminal cum Commercial Complex at site near Railway Station, Lahore including all ancillary components through the Public Private Partnership modality and requisite post transaction activities as identified in the attached TOR.
- (j) “Retainer Fee” means the total amount to be paid against deliverables as specified in Appendix , to the Transaction Advisor
- (k) “Services” means the work to be performed by the Transaction Advisor as and when required, pursuant to this Agreement for the purpose of the Project, or any other service mutually agreed upon by the Parties from time to time in writing during the Agreement.

- (l) “Starting Date” means the date referred to in Clause 2.2.
- (m) “Sub-contractor” means any person or entity to be appointed by the Transaction Advisor including but not limited to accounting, legal, and technical, consultants whether located in Pakistan or abroad, to which the Transaction Advisor sub-contracts directly or indirectly any part of the Services in accordance with the provisions of this Agreement.
- (n) “Success Fee” means amount of compensation that will be paid at the time of financial closure of the project by the successful Transaction Advisor
- (o) “Third Party” means any person or entity other than the LTC, the Transaction Advisor or a Subcontractor.

1.2 Relation between the Parties

- (a) The Transaction Advisor shall act as Advisor to the LTC for all Services; shall manage, and be responsible for the work carried out by the Sub-contractors (whether local or foreign); shall be solely responsible for any payments due to Sub-contractors and/or Personnel hired by the Advisor; shall have complete charge of all Personnel performing the Services and shall be fully responsible for the Services performed by them or on their behalf under this Agreement.
- (b) The Advisor shall not assign this Agreement or its rights or obligations under this Agreement, without the prior written consent of the LTC.

1.3 Law Governing Agreement

This Agreement, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law of Pakistan. The Transaction Advisor undertakes to comply with the Applicable Law of Pakistan during the performance of the Services and completion of the Project.

1.4 Headings

The headings shall not limit, alter or affect the meaning of this Agreement.

1.5 Notices

- 1.5.1** Any notice, request or consent required or permitted to be given or made pursuant to this Agreement shall be in writing and shall be deemed to have been given or made when delivered in person to any

authorised representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the following address:

For the Transaction Advisor:

For LTC:

The Chief Technical Officer
Lahore Transport Company
4th Floor, 97-B-D/I, Engineering Center
Liberty Roundabout
Gulberg-III, Lahore
Phone: +92-42-111-582-111
Fax: +92-42-99268200
e-mail: info@ltc.gop.pk
Web: www.ltc.gop.pk

1.5.2 Notice will be deemed to be effective as follows:

In case of personal delivery or registered mail, on delivery; and in the case of facsimiles, four (4) hours following confirmed transmission, only if confirmation is during business hours otherwise notice will be deemed effective as of the next working day, disregarding weekends and national holidays in the country to which the facsimile is transmitted. Facsimile notices shall not require confirmation by hard copies.

1.5.3 A Party may change its address for notice under this Agreement by giving the other Party notice pursuant to this Clause.

1.6 Authorized Representatives

Any action required and permitted to be taken, and any document required or permitted to be executed under this Agreement, may be taken or executed:

- (a) on behalf of the LTC, by Chief Technical Officer; and
- (b) on behalf of the Transaction Advisor, by.

2. COMMENCEMENT, COMPLETION, SUSPENSION, MODIFICATION AND TERMINATION OF AGREEMENT

Effectiveness of Agreement

This Agreement shall come into force from the Effective Date.

2.2 Commencement of Services

The Transaction Advisor shall commence carrying out the Services not later than 7 (seven) days (“Starting Date”) after the Effective Date, or on any other date the Parties agree in writing. The Services shall be performed and completed by the Transaction Advisor before the End Date or as mutually agreed in writing by the Parties.

2.3 Expiration of Agreement

Unless terminated pursuant to Clause 2.7, this Agreement shall expire when the Services have been completed.

2.4 Entire Agreement

This Agreement constitutes the final expression and exclusive and entire agreement and understanding between the Parties in relation to the Services and contains all covenants, stipulations and provisions agreed by the Parties as at the date hereof. The Terms of Reference and the Letter of Appointment shall also form an integral part of this Agreement. This Agreement together with the Terms of Reference and Letter of Appointment shall override and supersede all previous or concurrent communications or documents or agreements exchanged on the subject matter of the Agreement and the Transaction Advisor shall not for any or all purposes place reliance on any other document/agreement except this Agreement.

2.5 Modification

Modification of the terms of this Agreement, including any modification of the scope of the Services, may only be made by written agreement between the Parties. Each Party shall give due consideration, and not unreasonably delay or withhold a considered response to any proposals for modification made by the other Party.

2.6 Suspension of Services

The LTC may, by written notice of suspension to the Transaction Advisor, suspend the Services under this Agreement for a cumulative period not exceeding 15 (fifteen) days.

2.7 Termination

2.7.1 Termination by LTC

The LTC may terminate this Agreement and forfeit the Performance Guarantee if the Transaction Advisor:

- (a) is in breach of its obligations under this Agreement and has not remedied the same within thirty (30) days (or such longer period as the LTC may have subsequently approved in writing) of being called to do so by the LTC; OR

- (b) becomes insolvent or bankrupt or enters into any arrangements with its creditors for relief of debt or takes advantage of any Applicable Law of Pakistan for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary; OR
- (c) is unable as a result of force majeure to perform a material portion of the Services for a continuous period of thirty (30) days unless services are suspended under 2.6.

In any event, the LTC may terminate this Agreement at its sole discretion without assigning any reason without liability or continuing obligation except as set forth in this Agreement. In the event of such termination (where termination is without default of the Transaction Advisor), the LTC shall be required to make payment against the matching deliverables to the Transaction Advisor in relation to fees which have been duly accrued and billed by the Transaction Advisor in accordance with this Agreement.

2.7.2 Termination by Transaction Advisor

In the event the Services are not completed by the Transaction Advisor, due to no fault on the part of the Transaction Advisor, its Sub-contractors or Personnel, the Transaction Advisor shall have the right to terminate this Agreement after serving one month written notice to the Client without having any claim of liability/costs on the Client.

2.7.3 Cessation of Rights and Obligations

On termination of this Agreement pursuant to any part of Clause 2.7, or upon expiration of this Agreement pursuant to Clause 2.3, all rights and obligations of the Parties shall cease, except (i) rights and obligations that have accrued as of the date of termination or expiration, (ii) any right which a Party may have under the Applicable Law of Pakistan (iii) the indemnification obligations in Clauses 3.4 and 3.5 hereof.

2.7.4 Cessation of Services

On termination of this Agreement pursuant to Clause 2.7, the Transaction Advisor shall, immediately on receipt/issue of notice to that effect, take all necessary steps to bring the Services to a close within fifteen (15) days of the receipt/issue of the notice in an orderly manner. Upon cessation of Services hereunder, the Transaction Advisor shall hand over to the LTC all documents prepared directly by the Transaction Advisor or by any of its Sub-contractors, whether in final or in draft form, for submission to third parties in connection with the Project on paper and electronic format, which for the avoidance of doubt, do not include research reports or other private material produced by the Transaction Advisor.

3. OBLIGATIONS OF THE TRANSACTION ADVISOR

3.1 General

3.1.1 Scope of Work

The Transaction Advisor shall perform the Services in accordance with the terms and conditions of this Agreement.

3.1.2 Standard of Performance

The Transaction Advisor shall perform the Services and carry out their obligations under this Agreement with all reasonable due diligence, efficiency and economy, in accordance with generally accepted techniques and practices and shall observe sound management practices. The Transaction Advisor shall be under a duty of care and always act in good faith/respect of any matter relating to this Agreement or to the Services, and shall at all times support and safeguard the LTC's legitimate and proper interests in any dealings with Subcontractors, Personnel or Third Parties. The Transaction Advisor shall use its best efforts to ensure that any Subcontractors and Personnel shall be skilled and experienced and competent in their respective trades and professions and that their work shall conform with the standards applicable to the Transaction Advisor.

3.2 Conflict of Interests

3.2.1 Transaction Advisor not to Benefit from Commissions or Discounts

The Transaction Advisor, as consideration for its work under this Agreement or the Services, will only be entitled to receive payments from LTC as per Clause 6 hereunder, and neither the Transaction Advisor nor any person (natural or legal) associated with it shall accept for its benefit or otherwise any remuneration/consideration in the forms including but not limited to trade commission, discount, gifts, payments in kind or financial inducements whatsoever or similar payment in connection with activities pursuant to this Agreement or to the Services or the discharge of its obligations under this Agreement, and the Transaction Advisor shall use its reasonable efforts to ensure that any Sub-contractors, as well as the Personnel and agents of either of them shall neither for itself nor for the benefit of the Transaction Advisor receive any such additional remuneration.

3.2.2 Prohibition of Conflicting Activities

Subject to clause 3.2.3 below, during the subsistence of this Agreement, neither the Transaction Advisor nor its Subcontractors nor the Personnel of either of them shall engage, either directly or indirectly, in any business or professional activities in and with respect to LTC which would conflict with the activities assigned to them under

this Agreement.

3.2.3 Transaction Advisor not to provide other Services

During the term of this Agreement, the Transaction Advisor, Sub-contractors, and the Personnel shall not provide similar/related services to LTC.

3.3 Confidentiality

The Transaction Advisor shall not, during the term of this Agreement, disclose any proprietary or confidential information relating to the Project, the Services, this Agreement, or the LTC's business or operations (other than for the purposes of the Services) without the prior written consent of the LTC, unless such disclosure is required by Applicable Law of Pakistan or regulation or such information is required for research purposes or has entered the public domain other than by a breach of this Agreement, or was already in public domain, or was already lawfully in the possession of the Transaction Advisor at the time of such disclosure to them.

3.4 Indemnification of the LTC by the Transaction Advisor

The Transaction Advisor shall indemnify and hold harmless the LTC against all losses, claims, damages or liabilities to which the LTC may become liable only to the extent, that such losses, claims, damages or liabilities arise out of any act or omission by the Transaction Advisor relating to the Services, provided that the Transaction Advisor shall not be liable for indirect or consequential losses or damages.

3.5 Indemnification of the Transaction Advisor by the LTC

LTC shall indemnify the Transaction Advisor and hold it harmless against all losses, claims, damages or liabilities to which Transaction Advisor may become liable only to the extent that such losses, claims, damages or liabilities arise out of any act or omission of the LTC relating to this Agreement and the information to be provided to the Transaction Advisor in terms of this Agreement, provided that LTC shall not be liable for indirect or consequential losses or damages.

3.6 Insurance

In the event the Transaction Advisor receives any claim for damages/compensation in respect of the services for which it seeks indemnification from LTC in terms of Clause 3.5 herein then the Transaction Advisor shall first seek settlement from its insurers, if any, for satisfaction of such claims before resorting to the IPDF for purposes of indemnification.

3.7 Transaction Advisor Actions requiring IPDF's prior Approval

The Transaction Advisor shall obtain the LTC's prior approval in writing before:

- (i) Entering into a subcontract for the performance of any part of the Services.
- (ii) Termination of a subcontract for the non-performance of any part of the Services.

Provided that approval by the LTC hereunder shall not relieve the Transaction Advisor of their obligations under this Agreement.

4. TRANSACTION ADVISOR'S AND SUBCONTRACTORS' PERSONNEL

4.1 General

The Transaction Advisor shall employ and provide qualified and experienced Personnel to carry out the Services. The LTC and the Transaction Advisor have agreed that the following senior Personnel shall form the core team:

The Project Team Leader, Mr/Ms., shall be on first call to the LTC throughout the period of the Project, subject only to personal holidays and personal emergencies, when Mr/Ms. shall be available in his/her place.

4.2 Approval of Personnel

All Personnel of the Transaction Advisor and the Subcontractors and any other personnel that may be employed during the course of the project will be subject to normal security clearances where so required by LTC.

4.3 Removal and Replacement of Personnel

(a) If, for any reason, it becomes necessary to replace any of the senior Personnel or any Subcontractor after the Effective Date, the Transaction Advisor shall forthwith provide as a replacement a person or Subcontractor of equivalent qualifications, whose curriculum vitae or resume the Transaction Advisor shall submit to the LTC for review and approval and whom the LTC may if it so desires call for an interview at the cost and expense of the Transaction Advisor. If the LTC does not object in writing within seven (7) days from the date of receipt of the curriculum vitae or interview, that person or subcontractor shall be deemed to have been approved by the LTC.

(b) If the LTC (i) finds that any of the Personnel or Subcontractors has committed misconduct as ascertained by LTC in its discretion or has been charged with having committed an offence or a wrong or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel or Subcontractors, or (iii) finds that any of the

Personnel or Subcontractors has misrepresented with respect to its qualifications, expertise and resources then the Transaction Advisor shall, at the LTC's written request, immediately remove the respective Personnel or Subcontractors from this Agreement and provide a replacement with qualifications and experience reasonably acceptable to the LTC subject to the same terms and conditions specified in Clause 4.3 (a).

5. OBLIGATIONS OF THE LTC

5.1 Assistance and Exemptions

The LTC shall use its best efforts, where such efforts are specifically requested stating the reasons for LTC assistance, to ensure that the LTC issues to its officials, agents and representatives all such instructions as may be specified by the Transaction Advisor as being necessary or appropriate for the prompt and effective implementation of the Services.

5.2 Access to Information and Decisions

- (a) The LTC will co-operate with the Transaction Advisor and will endeavor to furnish the Transaction Advisor with all such information and data concerning LTC's Project which the Transaction Advisor may require in connection with the performance of the Services. The LTC will provide the Transaction Advisor with access to LTC's officers and employees and to such other information and reports as the Transaction Advisor may reasonably require. The LTC will use its best efforts to ensure that all such information (including expressions of opinions) or documentation as is provided to the Transaction Advisor is complete, true, fair, accurate and not misleading and that there are no omissions which could be material. In the event, during the course of the Transaction Advisor's engagement under this Agreement, the LTC subsequently discovers something, which renders any such information untrue, unfair, inaccurate or misleading it will notify the Transaction Advisor at once.
- (b) The LTC shall use its best efforts to ensure that, where co-operation is required from, or decisions need to be taken or approvals given by the LTC in the course of the Project that co-operation will be promptly given and these decisions or approvals will not be unreasonably withheld or delayed.
- (c) The LTC acknowledges and agrees that, in rendering the Services hereunder; the Transaction Advisor will be using and relying on the information supplied to them by the LTC in addition to other information which the Transaction Advisor shall be responsible for gathering for effective design of system.

5.3 Road shows

The LTC shall ensure that the road shows, marketing, fact finding and other related activities are attended by the LTC representatives, employees of an appropriately senior position to be agreed with the Transaction Advisor prior to the start of the road shows, marketing, fact finding and other related activities.

6. PAYMENTS TO THE TRANSACTION ADVISOR

6.1 Currency of Payment

All payments to the Transaction Advisor for the Services shall be in Pak Rupees and shall be subject to deduction of applicable taxes, if any.

6.3 Mode of Billing and Payment

Payments in respect of the Services shall be made within 14 days of receipt of original invoices as follows:

- (a) Fee shall be paid on milestone basis as identified in Appendix A based on the submission of deliverables by the Transaction Advisor as required in the Terms of Reference and following acceptance of the same by the Client.
- (b) All payments under this Agreement shall be made to the account of the Transaction Advisor as follows:
[Bank account details]
- (c) Success fee portion of the compensation is contingent on the success (financial closure with all formalities completed) of the project. The successful bidder must make this payment as the fulfillment of a condition precedent of the final contract.

7. FAIRNESS AND GOOD FAITH

7.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Agreement and to adopt all reasonable measures to ensure the realization of the objectives of this Agreement.

7.2 Operation of the Agreement

The Parties recognize that it is impractical in this Agreement to provide for every contingency which may arise during the life of the Agreement, and the Parties agree that it is their intention that this Agreement shall operate fairly between them, and without detriment to the interest of either of them and that if, during the term of this Agreement, either Party believes that this Agreement is operating

unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause 9.

8. SETTLEMENT OF DISPUTES

8.1 Arbitration

The Parties agree that in the event of any dispute between them arising out of this Agreement or any matter related thereto or connected herewith, they shall endeavor to settle the same in an amicable manner. Should they fail to arrive at an amicable settlement, they shall refer the matter to arbitration at Lahore in accordance with the Arbitration Act, 1940, or any amendment or enactment hereof. Arbitration as aforesaid shall be condition precedent to any other action under law. Arbitration shall be held in Pakistan in Lahore.

8.2 Courts having jurisdiction

The Parties agree that the Courts at Lahore shall have jurisdiction with respect to any litigation arising out of this Agreement.

9. ADDITIONAL COVENANTS

9.1 Publicity

The Transaction Advisor shall ensure that any publicity, press releases, advertisements and publications and public statements concerning the Services, the Project and the Agreement shall be in consultation with and approved in writing in advance by the LTC before release by the Transaction Advisor, its Subcontractors and Personnel.

9.2 Waivers

Time shall be of the essence of the Agreement. No failure or delay of either Party hereto in exercising any right or remedy hereunder shall operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any other or further exercise of any right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

9.3 Severability

Each of the provisions of this Agreement is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

9.4 Originals

This Agreement is being executed in three originals, one each to be retained by the Transaction Advisor and the LTC.

IN WITNESS OF WHICH the Parties have caused this Agreement to be signed as of the day and year first above written.

FOR AND ON BEHALF OF THE LTC

FOR AND ON BEHALF OF THE TRANSACTION ADVISOR

**CONDITIONS
FOR REQUEST FOR PROPOSALS FOR ADVISORY SERVICES
FOR
DEVELOPMENT
OF
BUS TERMINAL CUM COMMERCIAL COMPLEX
Located at Railway Station, Lahore
UNDER
PUBLIC PRIVATE PARTNERSHIP**

CONDITIONS

1. LTC shall have the right at all times to:
 - Cancel the process for selection of Transaction Advisor
 - Vary any of the terms set out in the RFP or any of the Annexes and Appendices thereto 7 days prior to submission of bid date
 - Reject any Proposal not delivered in the prescribed format and at the prescribed venue at the prescribed time

2. The Transaction Advisor shall protect and defend unconditionally as well as indemnify and hold LTC, or any other relevant government body/agency, its employees, directors, officers and agents free and harmless from and against any and all liability, losses, claims, liens, demands, damages against any and all causes of action of every kind and character, including without limitation any judgments, penalties, interest, court costs and any legal fees incurred in enforcing this indemnity, arising under this Agreement. LTC makes no representation, covenants, warrants or guarantees, express or implied, other than those expressly set forth in this Agreement. In no case shall LTC be liable for contingent or consequential, special or indirect damages.

**Indicative survey / studies to be completed By
Transaction Advisor during Advisory Services Agreement,
Payment schedule, feasibility Report content**

**FOR
REQUEST FOR PROPOSALS FOR ADVISORY SERVICES
FOR
DEVELOPMENT OF**

**UNDER
PUBLIC PRIVATE PARTNERSHIP**

APPENDIX A

Indicative Surveys and Studies

1. Survey of user/client potential as user of proposed commercial facilities: The survey may include the following to arrive at a realistic estimation of Project's revenue potential, types & size of facilities, cost and financial viability project and potential of project to attract the private parties and lenders to finance it:
 - a. Assess existing quality and type of hotel, shopping and office facilities according to consumer/client needs / preference for type of hotel facilities, cleanliness, room size, toilet quality and quality shopping area;
 - b. Estimate average duration of stay and frequency of trips per month or per quarter, if visitor using hotel facility;
 - c. Estimate of average daily expenditures on hotel, food and shopping facilities with highest cost element i.e., hotel, transportation or food. How cost can be minimized when complex will provides all services;
 - d. Assess customer/client willingness to pay for higher and better quality facilities and food;
 - e. Assess type of food and eating areas preferences such as roof top eating, food type & quality, eating in the hotel or restaurants or indifferent; and
 - f. Determine opinion and interest of resident / business owners of the area and residents other main areas of Lahore on availability of the proposed complex facilities.

2. Surveys to determine bus terminal and the overnight parking areas requirements:
 - a. Assess existing public transport routes that emanate/terminate from Railway station and need for more along with the required operating parameters in terms of headways and the route structure to meet bus riders demand with enhanced use of the complex by HOV sand LOVs and improved financial viability;
 - b. Estimate average daily visitors to the area that includes domestic tourist, business visitor, arrivals and departures from the Lahore Railway Station and Badami Bagh Intercity Bus terminal that potentially will use the Project facilities such as hotels;
 - c. Estimate of Number of daily HOV and LOV vehicles that will use the terminal to determine number of bus bays, parking space and workshop facilities required in the terminal;
 - d. Assess rate per trip to be charged acceptable to owners/operators of HOV/LOV vehicles expected to use the Terminal facilities;

- e. Assess paying capacity of the business visitor and type of transportation services required i.e private or public bus serves the purpose, hotel shuttle between all major markets within the vicinity such as Railway road, Brandreth road, Mcleod road, all markets on circular road including Shahalam, market, Akbari Mandi, Badami bagh bus stand and Auto parts market, Hide market, shad bagh auto manufacturing key areas, and a separate shuttle service for all historical sites of Lahore and shrines and high end commercial markets; and
 - f. Determine the investment required for the Bus terminal and the overnight parking areas for the buses i.e. number of basements and additional floors required for bus parking areas.
3. Survey to assess need for all utility and infrastructure requirements including water, waste water disposal, gas, electricity of the complex along with estimate and assistance required from LTC and Government departments to provide these utility and infrastructure.
 4. Socio-Economic Assessment & Analysis, Environmental Assessment of the project to devise social and environmental management Plan to address and mitigate the potential negative social and environmental impacts of the project.

APPENDIX B

Indicative Payment Schedule

The Retainer Fee Payment Schedule (Payment to be made in Pak. Rupees):

| Deliverables | Percentage age of Fee |
|--|------------------------------|
| Phase 1-All deliverables | 50% |
| Signing of the Agreement for Transaction Advisory Services | 0 |
| Deliverables pertaining to task 2&3 | 20% |
| Deliverables pertaining to task 4 | 30% |
| | |
| Phase 2- All deliverable | 15% |
| Deliverables pertaining to task 1 (PPP proposal submitted to PPP Steering Committee for approval and consequent approval achieved) | 15% |
| Phase 3- All deliverable | 35% |
| Deliverables pertaining to task 1 | 5% |
| Deliverables pertaining to task 2 | 5% |
| Deliverables pertaining to task 3 | 15% |
| Deliverables pertaining to task 4 | 5% |
| Deliverables pertaining to task 5 | 5% |
| Total = | 100% |

APPENDIX C

Indicative Feasibility Study/IM

Section 1: Introduction

- Executive summary
- Introduction
- Project background
- Approach and methodology to the feasibility study
- Project Scope

Section 3: Solution Options Analysis

- Options considered
- Evaluation and assessment of each option
- Summary of evaluation and assessment of all options considered
- Recommendation of a preferred option

Section 4: Project Due Diligence

- Legal aspects
- Technical issues including its design
- Environmental and socio-economic issues
- Mitigation and Its cost

Section 5: Financial Assessment

- Financial model (Base Model and PPP Model)
 - Technical definition of project
 - Discussion on costs (direct and indirect) and assumptions made on costs estimates
 - Discussion on revenue and assumptions made on revenue estimates
 - Discussion on all model assumptions made in the construction of the model, including inflation rate, discount rate, depreciation, budgets etc.
 - inflation rate, discount rate, depreciation, assumptions and basis
 - EBITDA
 - Summary of results from the base model: NPV, Key indicators
 - Concession period recommended
- Risk assessment

- Identify all risks pertaining to the project. At a minimum, the following risks will be examined and probability of risk and its quantification as potential analysed:
 - Availability risk
 - Completion risk
 - Cost overrun risk
 - Design risk
 - Environmental risk
 - Exchange rate risk
 - Force majeure risk
 - Inflation risk
 - Insolvency risk
 - Insurance risk
 - Interest rate risk
 - Latent defect risk
 - Maintenance risk
 - Market demand or volume risk
 - Operating risk
 - Planning risk
 - Political risk
 - Regulatory risk
 - Residual value risk
 - Resource or input risk
 - Subcontractor risk
 - Tax rate change risk
 - Technology risk
 - Utilities risk
- Evaluate impact of each risk
- Estimate likelihood of each risk occurring
- Estimate the cost of each risk
- Identify strategies for mitigating the risks
- Allocation of risks
- Risk adjusted financial model (Base Model and PPP Model)
 - Risks incorporated into project cost as specific line items
 - Summary of results from the risk adjusted financial model: NPV, Key indicators
 - Sensitivity analysis
 - Affordability and value for money test
- Recommended solution
- Summary of results

Section6: Value Assessment

- Quantitative assessment
- Qualitative assessment

Section 7: Economic Assessment/Valuation

- Introduction and valuation approach
- Economic benefits & costs
- Assumptions
- Valuation results

Section 9: Demonstrate Project Viability

- Is it technically deliverable, affordable to users, economically viable, financially viable and socially/environmentally sustainable
- Identify appropriate comprehensive collateral security arrangements required for making the project bankable

Section 10: Procurement Plan

- Project time line for implementation
- Approvals required for implementation
- Any issues and challenges in implementation
- Best Procurement practices/procedures suited to the project type
- Bid evaluation process and teams