

"Flag-A" (14)

Government of Pakistan
Ministry of Foreign Affairs
Islamabad

Subject: RESPONSE TO POTENTIAL BIDDERS' QUERIES – HIRING OF TRANSACTION ADVISOR FOR COMMERCIAL UTILIZATION OF STATE GUESTHOUSE LOCATED IN LAHORE, ON PPP BASIS

S #	Quarries	Comments	Response
1.	Page 3 – Table of contents <i>Annex-6: Details of the state guest-house.</i>	Annex 6 is missing from the RFP. The Annex 6 is very important to prepare a responsive and competitive proposal and estimate time and fee. You are requested to please provide the missing Annex-6. Also, MoFA is requested to provide any legal / regulatory or cultural heritage related restrictions applicable on the project site which would need to be considered at this stage.	The details of the State Guesthouse located in Lahore as part of Annex-6 has already been furnished through e-mail. The Annex-6 is also available on this Ministry's Website (www.mofa.gov.pk). It contains relevant details such as location, area and cultural heritage restrictions attached to the Guest House. Such cultural restrictions were imposed by the decision of competent authority.
2.	Page 4: PPP Authority approvals <i>PPP Authority has the mandate to advise, facilitate and regulate federal PPP transactions and facilitate federal implementing agencies in developing,</i>	Since it is mentioned in the RFP that this project will be taken over according to Federal PPP Act 2017, accordingly, as we understand the transaction structure and feasibilities shall also be presented to PPP Authority for their review and approval. Since PPP Authority has been set up recently, and there are very limited transaction precedents, the	PPP Authority (through its Board), since its establishment, has approved a number of PPP projects' feasibility studies and transaction structures, the most recent being Construction of Sukkur Hyderabad Motorway Project on BOT basis and Construction of NUST's 505

	<p><i>structuring, procuring and approving, through its board, their infrastructure projects through private sector investment</i></p>	<p>review and approval process may take a longer period of time and hence is likely to require additional time and efforts of the advisory consortium. Such a time cushion would need to be incorporated in to the overall transaction advisory timeline given in the RFP. MoFA to please confirm.</p>	<p>Teaching & Research Hospital on BOT basis. The Board of PPP Authority is very proactive in taking-up PPP transactions for their consideration and approval without undue delays. We believe the Ministry of Foreign Affairs (MoFA) and/or potential Transaction Advisor are unlikely to face any undue delays on the part of PPP Authority or its Board.</p>
<p>3.</p>	<p>Page 5 - deadline to submit the proposal <i>Interested parties are requested to submit their proposals within two weeks from the Date of publication of the advertisement.</i></p>	<p>In accordance with RFP document available on website of MoFA, the deadline to submit the proposal is mentioned as two weeks i.e. 12 February 2020. Based on the nature and scope of the assignment and diverse expertise to be identified and taken on board (legal and technical firms), the proposal submission timeline is unrealistic and therefore MoFA is kindly requested to reconsider and extend the submission timeline until 26 February 2020.</p>	<p>On the request of the potential bidders, this Ministry has extended the deadline for submission of proposals until February 26, 2020 at 1200 hours. Potential bidders have been informed through e-mail and an addendum has also been published in Newspapers and Ministry's Website etc.</p>
<p>4.</p>	<p>Page 10: Scope of Technical advisor <i>E: Detailed engineering design of the proposed high end hotel</i></p>	<p>With respect to the scope of work of technical advisor, please note that feasibilities for PPP transactions are prepared based on conceptual design and budgetary estimation whereas the detailed designing is the responsibility of the successful private party selected as an outcome of the competitive bidding process to be conducted under PPP Authority Act 2017. Therefore you are kindly requested to please amend the</p>	<p>The PPP feasibility studies only Preliminary/Conceptual Engineering Design is carried out to reliably estimate the life-cycle costs of the project. Accordingly, the potential Transaction Advisor will be required to come-up with only preliminary/conceptual design for the Project in the feasibility study</p>

		requirement accordingly.	
5.	Page 21-22: Bid evaluation method	Evaluation of proposals is proposed as least cost method. Hiring of consultant/transaction advisor for PPP transactions is carried out using "Quality & Cost Based Selection" method instead of "Least Cost Method" by different provincial and federal departments to attract the high quality advisors and professionals. Therefore you are requested to use the Quality and Cost Based Selection (QCBS) with 80:20 (technical and financial) score weightage. This will encourage the participation of mainstream advisory firms and increase the chances of successful closure of this transaction. MoFA is requested to make the required amendments in RFP.	The bid evaluation mechanism proposed in the RFP is not the 'least-cost method'; rather it says only the technically qualified bidders, which will secure at least 75 points in the Technical Bid Evaluation, will be eligible for the opening of their Financial Proposals. Further, the Technical Bid Evaluation criteria are carefully devised to filter out all the bidders which haven't got significant experience in carrying out feasibility studies and acting as transaction advisors for PPP projects. Therefore, we believe that the Quality-Cost basis is ingrained in our evaluation criteria.
6.	Draft Consultancy Contract	We understand that draft consultancy contract given by MoFA in RFP will be negotiated between transaction advisor and MoFA before the signing. We further understand that any past precedents (signed TA contracts) will serve as a basis for contract negotiation. We understand that payment milestone attached in the draft contract is indicative and is subject to the negotiation with the successful bidder. MoFA is requested to please confirm if our understanding is correct.	Yes the understanding is correct. The payment milestones are indicative and they will be negotiated before signing of the Transaction Advisory Agreement (TAA).
7.	Comments on the draft contract	The draft contract included in the RFP does not cover the following key matters	The bid evaluation mechanism proposed in the RFP is not the

		<p>/ clauses and therefore we would like to propose the following to be included in the draft contract as given in the attached General Terms and Conditions (GTCs) Appendix B. These clauses are fairly in line with similar contracts we have signed with federal and provincial government departments:</p> <p>Limitation of Liability</p> <ul style="list-style-type: none"> - Indemnity - Sole Recourse - Intellectual Property - Data Protection - Third Party Access. 	<p>‘least-cost method’; rather it says only the technically qualified bidders, which will secure at least 75 points in the Technical Bid Evaluation, will be eligible for the opening of their Financial Proposals. Further, the Technical Bid Evaluation criteria are carefully devised to filter out all the bidders which haven’t got significant experience in carrying out feasibility studies and acting as transaction advisors for PPP projects. Therefore, we believe that the Quality-Cost basis is ingrained in our evaluation criteria.</p>
--	--	---	---

(Dr. Rana Tahir Jamil)
 Director (SP)
 Contact No. 051-9223798

STATE GUEST HOUSE LAHORE

State Guest house has an area of 16.5 acres = 132.5 Kanals = 600,000 sq. ft, total covered area is 71,375 sq.ft (figures provided by the Pak PWD). The Covered area of the heritage building (47, 550 sq.ft) consists of main building and annex. While the allied structures (23,825 sq.ft.) comprise of comptroller/DCP House, 19 servant quarters, mosque, garages, police barracks and telecom office etc. For any reconfiguration or restructuring, the open area as well as the allied structures can be utilized.

The main building has 8 big rooms and 8 small rooms. They have been refigured into 5 double bed rooms and 5 single bed rooms, a suite for Prime Minister (a bedroom, a dining room and a small kitchen), a suite for Foreign Minister (a bedroom and a dining room), 5 office rooms, a darbar hall, a dining room, a meeting room and a kitchen. Annex building has 5 bed rooms, a drawing room, a dining room and a kitchen.

Following conditions must be kept in mind while restricting the heritage building:-

- i. Façade of the main building of the State Guest House which is the protected building shall not be altered in any way without the prior approval of the competent authority as per the Special Premises (Preservation) ordinance 1985.
- ii. No structural changes shall be carried out in the protected building without the prior formal approval of the competent authority as laid out in the ordinance.
- iii. No structure shall be erected in close proximity to the protected building in order to ensure that its view and beauty remain unaffected.

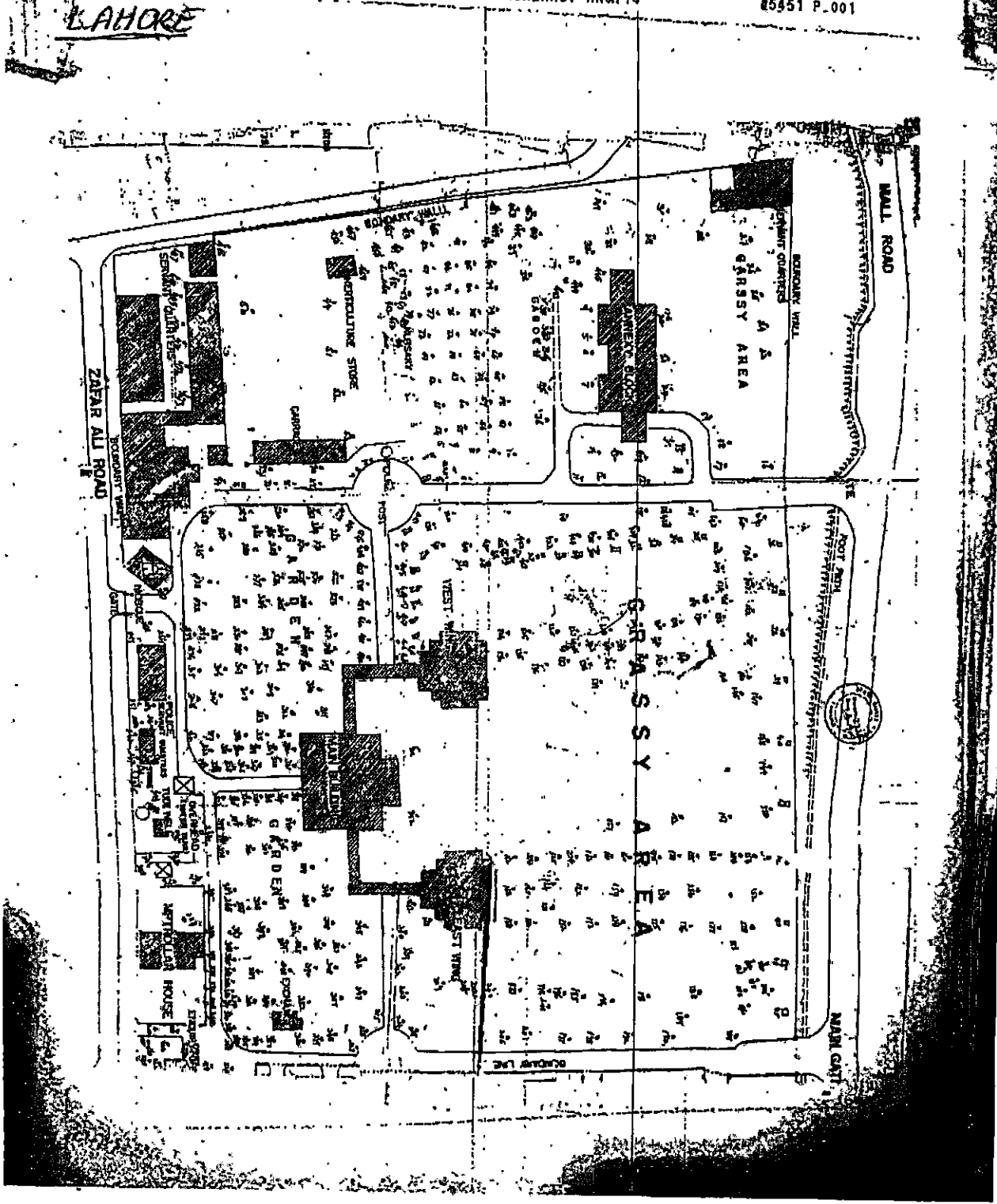
2/3

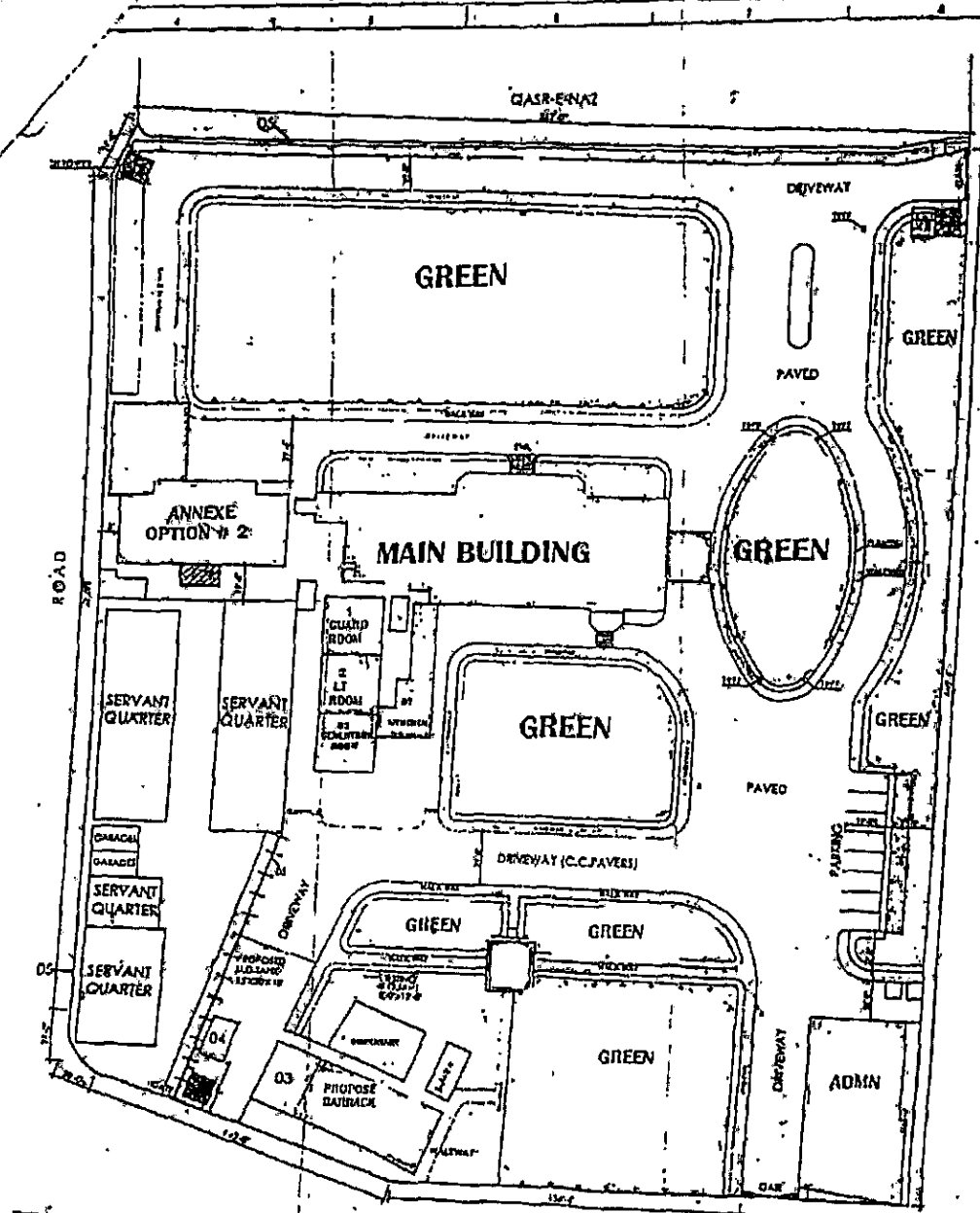
Location Map

LAHORE

MCB RAWALAKOT AK0714

85951 P.001





RACII	TITLE:	EXECUTING AGENCY:	ARCHITECT:	REVISION NO.
	MASTER PLAN	PAKISTAN PUBLIC WORKS DEPARTMENT		
			M. YOUSUF KHAN	