



# NATIONAL HIGHWAY AUTHORITY

PPP Cell

28 Mauve Area, G-9/I, Islamabad ☎ 051-9032728

No. 2(97)/PPP/SKM/NHA/2021/115

Islamabad, 27 May 2021

## Director General

Public Procurement Regulatory Authority  
1<sup>st</sup> Floor FBC Building near State Bank,  
Sector G-5/2, Islamabad

Subject: **ANNOUNCEMENT OF EVALUATION REPORT (PPRA RULE-35):  
CONSTRUCTION OF SIALKOT (SAMBRIAL) - KHARIAN  
MOTORWAY PROJECT UNDER PPP ON BOT BASIS**

Reference: PPRA Rule-35

Find enclosed herewith the Evaluation Report (as per Rule 35 of PP Rules, 2004) for the subject Works for uploading on PPRA website at the earliest, please.

(IJAZ AHMED)  
Director (PPP)

**Enclosure:** Evaluation Report along with **Annex-I**

### **Copy for kind information to:**

- Member (Planning), NHA, Islamabad;
- Director (P&CA)-II, NHA, Islamabad;
- Director (MIS), NHA, Islamabad.

**Evaluation Report**  
**As per Rule-35 of PP Rules, 2004**

1	Name of Procuring Agency	National Highway Authority
2	Method of Procurement	Single Stage Two Envelope Competitive Bidding Procedure
3	Title of Procurement	Construction of Sialkot (Sambrial) – Kharian Motorway on Build-Operate-Transfer (BOT) basis
4	Tendering Inquiry No.	2(531)
5	PPRA Ref No.	TS447753E
6	Date & Time of Bid Closing	30 <sup>th</sup> April 2021 at 1530 hours
7	Date & Time of Bid Opening	30 <sup>th</sup> April 2021 at 1600 hours
8	No. of Bids Received	Three (03)
9	Criteria for bid evaluation	As per attached Bid Evaluation Criteria
10	Details of bid evaluation	As mentioned below

Sr. No	Name of Firms/ JVs	Technical Evaluation	Project Cost (Rs.)	Annual Installment of Operational VGF (Rs)	NHA Revenue Share (Rs Million in PV Terms)
I	M/s Frontier Works Organization – Sultan Mahmood & Company, JV	Qualified	27,326,540,351	1,000,000,000	1,373
II	M/s ZKB	Qualified	39,115,029,063	3,800,000,000	398
III	M/s Techno-Matracon	Qualified	32,804,588,131	Cannot be Determined	2,349

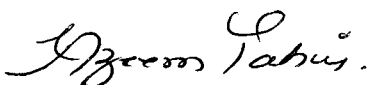
**Final Results of Financial Evaluation**

Sl #	Evaluation Factor	Max. Marks	Marks Obtained		
			FWO-SMC	ZKB	Techno-Matracon
1	Project Cost	10	10.00	06.99	Financial Proposal declared non-conforming as per Request for Proposal.
2	Annual installment of operational VGF	80	80.00	21.05	
3	NHA's Revenue Share	10	10.00	02.90	
TOTAL:		100	100.00	30.94	
<b>FINAL RANKING:</b>			<b>First</b>	<b>Second</b>	

Successful Evaluated Bidder: **M/s Frontier Works Organization (FWO) – Sultan Mahmood & Company (SMC), Joint Venture**

11. Any other additional / supporting information, the procuring agency may like to share: **Nil**

**Azeem Tahir**  
General Manager (PPP)  
National Highway Authority  
Islamabad

Signature: 

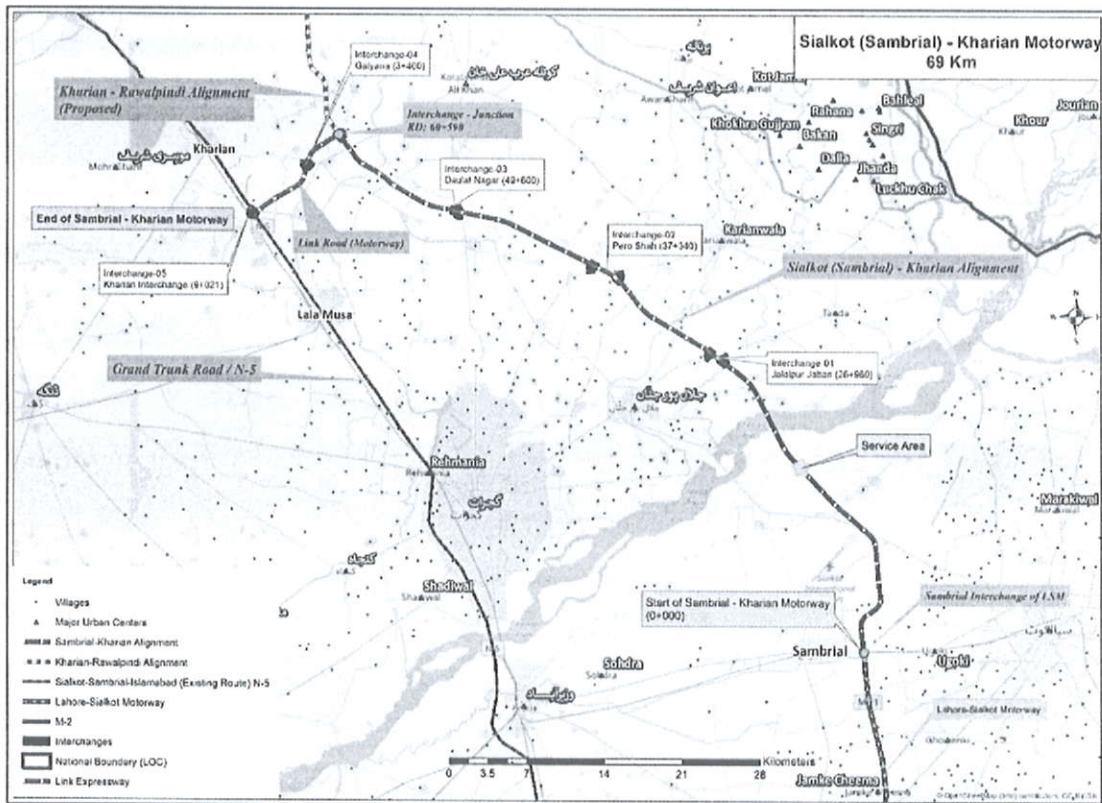
Official Seal / Stamp: \_\_\_\_\_

GOVERNMENT OF PAKISTAN  
MINISTRY OF COMMUNICATIONS  
NATIONAL HIGHWAY AUTHORITY



**VOLUME - I**

**REQUEST FOR PROPOSAL  
SIALKOT (SAMBRIAL) – KHARIAN MOTORWAY  
ON BUILD-OPERATE-TRANSFER BASIS**



March 2021



PROCUREMENT & CONTRACT ADMINISTRATION SECTION  
**National Highway Authority**  
28-Mauve Area, G-9/1, Islamabad, Pakistan

**REQUEST FOR PROPOSAL**  
**Construction of Sialkot (Sambrial) – Kharian Motorway**  
**69 Kilometer, 4-Lane Controlled Access Facility**  
UNDER PUBLIC PRIVATE PARTNERSHIP ARRANGEMENT  
ON BUILD-OPERATE-TRANSFER BASIS

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**REQUEST FOR PROPOSAL**  
**Construction of Sialkot (Sambrial) – Kharian Motorway**  
**69 Kilometer, 4-Lane Access Controlled Facility**  
UNDER PUBLIC PRIVATE PARTNERSHIP ARRANGEMENT  
ON BUILD-OPERATE-TRANSFER BASIS

**PART I: INTRODUCTION**

The National Highway Authority (“NHA”) hereby disseminates this Request for Proposal (“RFP”) to invite all interested parties to submit Technical and Financial Proposals to compete for “**Construction of Sialkot (Sambrial) – Kharian Motorway, 69 Kilometres, 4-Lane, access controlled facility**” (“the Project”), as more elaborated in Draft Concession Agreement (“DCA”), under Public Private Partnership (“PPP”) arrangement on Build-Operate-Transfer (“BOT”) basis. NHA is envisioning and planning extension of the Project “Lahore – Sialkot Motorway” to Rawalpindi/Islamabad through construction of a new Kharian – Rawalpindi Motorway, subject to commercial and financial viability.

NHA envisages and desires private sector to come up with the best, affordable, efficient, cost effective solutions providing value-for-money for the road users without compromising international standards of safety and reliability. The private parties are required to come up with the development and financial arrangements for designing, construction, commissioning, operations and maintenance of the Project.

*Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the DCA attached to this RFP as Appendix-11.*

RFP includes PART II “**Instructions to Bidders**”, which is briefly described as follows:

- A. A description of the Project; including a statement of the objectives, scope, expected output and basic, non-negotiable, parameters of the Concession.
- B. The Minimum Technical Parameters required of Bidders to be considered responsive.
- C. The Minimum Financial Data required of Bidders to be considered responsive.
- D. The evaluation criteria to be used by NHA to determine the highest evaluated bid, price and other factors considered.
- E. Proposal submission procedures; including, *inter-alia*, the date, time and location of proposal submission, validity period, and the permissible mode of proposal transmission.



Following Appendices are attached, as integral part of RFP, for consideration of the Bidders.

- Appendix – 1: Project Description and Scope of Work
- Appendix – 2: Format of Bid Security
- Appendix – 3: Construction Performance Standards & Design Criteria
- Appendix – 4: Operations and Maintenance Requirements
- Appendix – 5: Handback Requirements
- Appendix – 6: Outline Design of the Project
- Appendix – 7: Format of Curriculum Vitae
- Appendix – 8: Public Private Partnership Authority Act, 2017
- Appendix – 9: Bid Forms of Technical Proposal
  - A. Bidder's Information Form
  - B. Specific Construction Experience
  - C. Non-Blacklisting
  - D. Financial Qualification – Net Worth
- Appendix – 10: Bid Forms of Financial Proposal
  - A. Financial Data Forms
  - B. Work Breakdown Structure for Construction Cost
  - C. Work Breakdown Structure for Project Cost
- Appendix – 11: Draft Concession Agreement

In case any discrepancy is found between, Instructions to Bidders and its Appendices, except Appendix–8, the stipulation of Instructions to Bidders shall prevail. The hierarchy, in terms of priority of documents of RFP, is as follows:

- a. Appendix–8: Public Private Partnership Authority Act, 2017
- b. Request for Proposal, Part-II: Instructions to Bidders
- c. Appendix–1: Project Description and Scope of Work
- d. Appendix–3: Construction Performance Standards & Design Criteria
- e. Appendix–4: Operations and Maintenance Requirements
- f. Appendix–5: Handback Requirements
- g. Appendix–6: Outline Design of the Project
- h. Appendix–7: Format of Curriculum Vitae
- i. Appendix–11: Draft Concession Agreement



## PART II: INSTRUCTIONS TO BIDDERS

### A. PROJECT DESCRIPTION

#### A.1 Background

Upon successful completion of Lahore – Sialkot Motorway under PPP arrangement on BOT basis, NHA has planned construction of Sialkot (Sambrial) –Kharian Motorway, 69 KM, 4-lane access controlled facility on BOT basis. The Project will reduce travel time and create numerous economic and social benefits.

The Government of Pakistan (“GOP”) is desirous to undertake the Project on fast-track basis, so that the benefits could be made available to general public at the earliest.

Following **Figure-1** portrays the Project alignment that commences from Sialkot (Sambrial) and terminates at Kharian. It also indicates the location of the proposed interchanges.

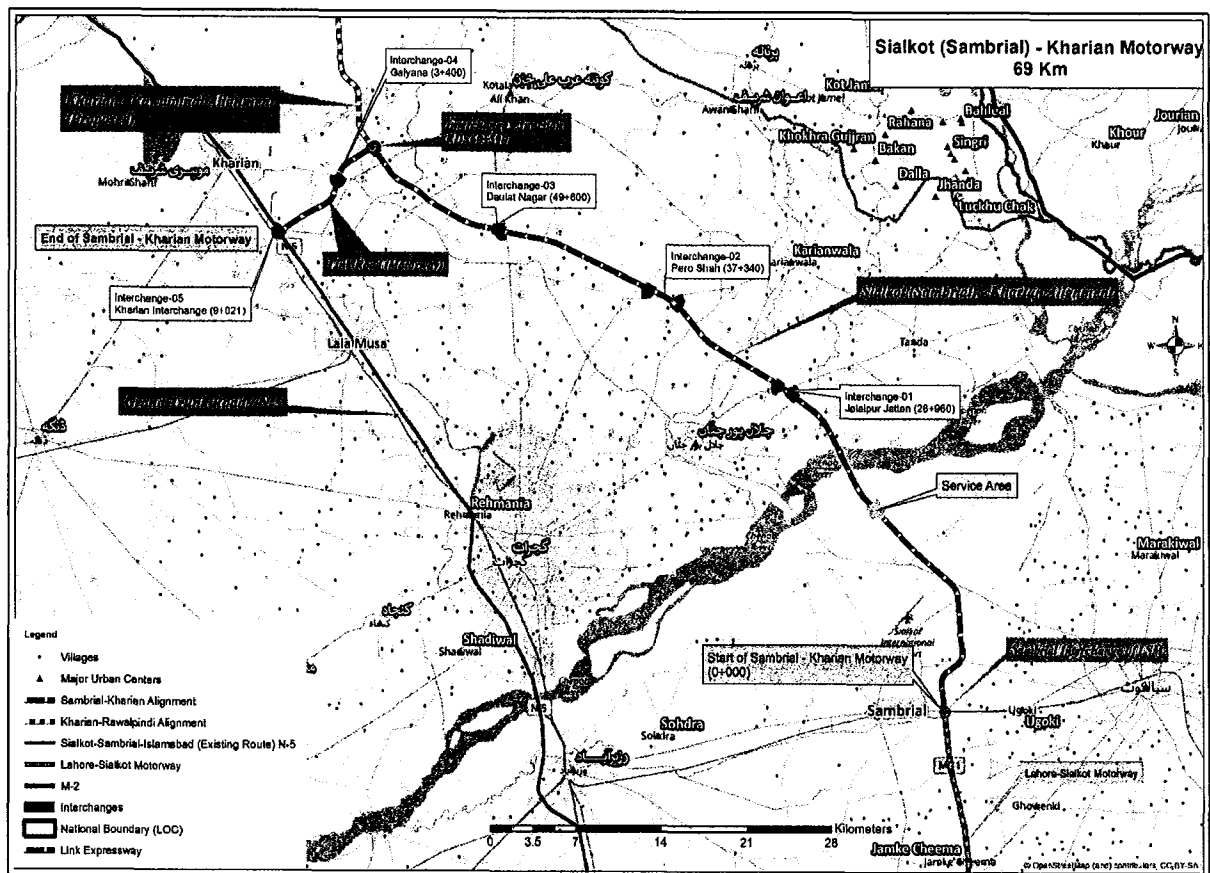


Figure 1: Location Plan of Sialkot (Sambrial) – Kharian Motorway







## A.2 Scope of the project

A detailed project description and scope of work, that includes key engineering features of the Project for construction of a world-class motorway, is attached at **Appendix-1**.

## A.3 The Concession

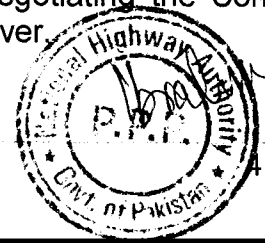
NHA envisages granting an exclusive and non-assignable Concession to the selected bidder to undertake, develop, design, finance, construct, insure, commission, manage, operate, maintain and, at the end of the Concession Period, transfer to NHA all the Project Assets, including but not limited to, Service Areas, Allied Facilities and all the superstructures, buildings and civil works built on Right of Way (ROW) for the purposes of the Project. The Concession will also include the exclusive right, subject to the terms of the Concession Agreement, of the selected Bidder to collect toll from vehicles/users using the Project, except exempted vehicles, generate revenue through toll and by exploiting the commercial use of the Service Areas and other Allied Facilities built by the Bidder as part of the Concession and to appropriate the same during the Concession Period. The Concession Agreement shall include the terms and parameters of the Concession as contained herein.

NHA expects that changes in the DCA shall be kept to a minimum level; however, both the parties in good faith shall make efforts to protect the interests of each other for the success of the Project. Bidders are expected to address all of the aspects of the DCA in their submissions. The form and content of the negotiated Concession Agreement ("CA") are expected to conform closely to the **DCA** included here as **Appendix-11**.

## A.4 Basic, Non-Negotiable, Parameters of the Concession

Following are the basic parameters of the Concession. The bidders are required to consider these parameters, as fixed and non-negotiable, for preparing their bid proposals.

- a) **Concession Period:** The Concession will be for a maximum period of **twenty-five (25) years**, commencing from Effective Date i.e. signing of the Concession Agreement.
- b) **Financial Close Period:** The Concessionaire will have to achieve Financial Close within one hundred and eighty (180) calendar days from the Effective Date. During this phase the Concessionaire shall keep NHA well posted of its activities / correspondence with potential lenders / financial institutions. The Financial Close period may be extended for another period of maximum one hundred and twenty (120) days subject to approval of NHA upon providing sufficient evidence of efforts made by the Concessionaire for achievement of Financial Close.
- c) **Expenditures before Financial Close:** In case the Concessionaire is unable to achieve the Financial Close its Financial Close Bond shall be forfeited and NHA shall not be liable to any claim(s) (in part or as a whole) for any expense(s) that are incurred on, *inter-alia*, the preparation/submission of bid proposal, incorporation of the Project Company, negotiating the Concession Agreement or preparation of project design, whatsoever.





- d) **Construction Period:** Construction period for the Project will be twenty-four (24) months from achievement of Financial Close.
- e) **Land/Concession Area:** NHA shall, at its own cost and expense, make available encumbrance free Right of Way / Concession Area required for the Project. NHA shall deliver to the Concessionaire immediately after the Financial Close, the vacant possession of the construction corridor matching with the construction plans in line with the Accepted Detailed Design. The Right of Way together with the Concession Area to be made available by NHA, will be fenced by the Concessionaire.

However, bidders will be provided access to the Concession Area for conducting surveys for preparation of their bids.

- f) **Project Company:** The successful bidder will have to incorporate a private limited company with the Securities & Exchange Commission of Pakistan (SECP) in the form of a special purpose vehicle (SPV), who will execute a Concession Agreement with NHA as Concessionaire.
- g) **Bid Security:** For a Bid to be responsive, each Bidder is required to provide, as a part of its Technical Proposal, a Bid Security in the amount of **PKR 100,000,000 (Pak Rupees one hundred million only)**. The Bid Security shall be denominated in Pakistani Rupees, and shall be in the form as detailed under Section D.5.1 of this RFP.
- h) **GOP/NHA's Financial Support:** The GOP/NHA shall provide Financial Support/ viability gap funding (VGF) in the form of upfront and operational VGF as given below:
- i. **Upfront VGF:** PKR 4,000,000,000/- (Pak Rupees Four Thousand Million only) in the form of Equity ("Class B" equity shares) having no dividend and voting rights. The upfront VGF shall be provided, through an escrow arrangement.
  - ii. **VGF During Operations Period:** The Operational VGF, per annum for the first eight Operational years of the Project shall be provided by the Government in the form of the "Subsidy" (annual equal amounts). The Bidder's quote of the VGF amount shall be inclusive of all the applicable taxes.
- i) **Equity Requirement & Debt:** The Concessionaire shall be responsible for arranging project financing and shall be required to commit a minimum thirty percent (30%) of the Project Cost [after deducting the amount of GOP/NHA's Financial Support as upfront viability gap funding (VGF)]. Whereas, maximum seventy percent (70%) of the Project Cost, [after deducting the amount of GOP/NHA's Financial Support as upfront viability gap funding (VGF)], shall be arranged by the Concessionaire as Debt.
- j) **PPP Authority Fee:** The successful bidder (as Concessionaire) shall pay to Public Private Partnership Authority (PPP Authority) an exact amount of PKR 60.00 million (Pak Rupees Sixty Million only) exclusive of all taxes (PPP Authority Fee) at the time of Financial Close.



- k) **Removal/Relocation of Public Utilities:** The NHA shall be responsible to remove / relocate the public utilities, which are required to be removed /relocated for construction of the Project, at its own risk and cost. The utilities shall be removed/ relocated in a reasonable time after submission of utilities relocation folder by the Concessionaire in its Detailed Design.

However, the ducts (including bridges/ box culverts wherever required) for the existing utilities crossing across the motorway, including, but not limited to, sui-gas pipeline, water pipeline etc. shall be provided by the Concessionaire at its own cost.

- l) **Future Public Utilities:** The Concessionaire shall be responsible for providing service corridor/duct in order to provide space for cables/utilities and Concessionaire may charge rentals, subject to the conditions imposed by and approvals granted by NHA as per rules and regulations of NHA.

- m) **Riding Quality:** Since Sialkot (Sambrial) – Kharian Motorway is a green field project, NHA expects that riding quality of the Project would meet high quality international standards. The roughness of the pavement level (riding quality) for the Concession Period, in terms of International Roughness Index (IRI – m/km), over any one (1) kilometre length of any single lane shall be as follows:

- |                                    |   |                   |
|------------------------------------|---|-------------------|
| i. Upon Construction Completion    | : | IRI less than 1.4 |
| ii. During the Operations Period   | : | IRI less than 3.0 |
| iii. Upon overlay / rehabilitation | : | IRI less than 1.8 |
| iv. On the Transfer Date           | : | IRI less than 2.0 |

- n) **Kharian – Rawalpindi Motorway Construction:** NHA is envisioning and planning extension of the Project to Rawalpindi/Islamabad by construction of a new Kharian – Rawalpindi Motorway, subject to commercial and financial viability. Construction of Kharian-Rawalpindi motorway is expected to supplement the Revenues. The Concessionaire shall be required to share 75% (seventy five percent) of enhanced revenue of the Project with NHA. The 25% (twenty five percent) of enhanced revenue shall be retained by the Concessionaire to cater for extra operation and maintenance cost of the Project.

- o) **Additional Interchange/Toll Plaza:** The NHA/GOP may build any additional interchange/toll plaza (other than the interchanges/toll plazas to be established as part of the Project Scope of Work, **Appendix-1** of this RFP) during Concession Period. For this additional interchange/toll plaza, NHA/GOP shall provide land (if required) and shall bear its costs and expenses.

In case the Concessionaire desires to build any additional interchange/toll plaza (other than the interchanges/toll plazas to be established as part of the Project Scope of Work, **Appendix-1** of this RFP) during the Concession Period, it shall seek approval of NHA for the same and shall pay the initial access fee to NHA. Subsequent to NHA's approval the Concessionaire shall construct new interchange/toll plaza at its own costs, efforts and expenses. In case the additional land is required for this additional interchange/toll plaza, it





shall be procured by the Concessionaire at its own cost, which shall be mutated in the name of NHA. However, the Concessionaire shall get the design accepted from NHA for new interchange/toll plaza, which will meet minimum standard design criteria of the Project.

This additional interchange/toll plaza, constructed by the NHA or by the Concessionaire, shall become part of Project Assets and the Concessionaire shall be responsible for the operation and maintenance of additional interchange/toll plaza and its allied facilities.

- p) **Variations:** The Concessionaire may propose Variations to the Accepted Detailed Design or the NHA may request a Variation to the Accepted Detailed Design in accordance with the terms and conditions of the Concession Agreement. If such Variation is proposed during the Construction Period, the rates shall be based on the Concessionaire's Bid Price. In the event that a Variation is proposed during the Operations Period, the rates shall be based on prevailing market prices as verified by the Independent Engineer ("IE").
- q) **Project Tolling Rights:** The Concessionaire shall be given tolling rights of the Project under closed tolling system. However, the Concessionaire shall be obligated to coordinate and implement at its own cost, an integrated e-tolling system with the objective that the road users have to make single entry and single exit while travelling on Lahore - Sialkot - Kharian motorway and even to Rawalpindi if the Kharian - Rawalpindi motorway is constructed during the concession period.
- r) **Base Year Toll Rates:** The Base Year Toll rates, applicable from the Service Commencement Date of the Project, i.e. once the Project is fully operational after completion of Motorway, are fixed as under:

Vehicle Category	Base Toll Rate (PKR/Km)
Class 1: Car/Jeep/Taxi	2.37
Class 2: Wagon	3.95
Class 3: Coaster	5.54
Class 4: Buses	7.90
Class 5: Trucks (2 & 3 Axle)	10.27
Class 6: Articulated Truck	13.22

- s) **Annual Toll Escalation:** No toll escalation shall be allowed during Construction Period even if a section of the Project is opened for vehicular traffic. Eight percent (8%) annual Toll escalation shall be first applied on the Base Year Toll Rates on the first (1st) anniversary of Service Commencement Date, and subsequently eight percent (8%) Toll escalation on the increased Toll rate shall be applied thereafter.
- t) **NHA Revenue Sharing:** NHA Revenue Sharing (if proposed) shall be given in terms of percentage of gross revenue, to be calculated in the bidder's financial

*Abulhasan*



model, which will be considered guaranteed amount. The Concessionaire shall pay annually to NHA, the guaranteed amount or percentage of actual gross revenue of the payment year, whichever is higher.

- u) **Future Commercial Rights:** The concessionaire shall have the right to earn revenue from commercial use of ROW. The same shall be shown in the financial model. Any future avenues of earning revenue not contemplated in the financial model shall be subject to mutually agreed terms and approval of NHA.
- v) **Exempted Vehicles:** The Concessionaire will not be required to exempt any specific vehicle types or group of road users from the payment of tolls except the following:
  - i. Provincial and National Highways & Motorway Police
  - ii. Fire Brigades
  - iii. Ambulances
  - iv. Armed Forces of Pakistan vehicles bearing broad arrow number plates
  - v. Vehicles having Supreme Court / High Court Flags / Insignia Plates

However, Concessionaire can make arrangements with regular users of the facility (either individuals, companies or others), only to reduce the toll charged in individual cases. NHA shall not be made responsible for any such arrangement and shall not be liable of any claim(s) whatsoever in this regard.

- w) **Project Escrow Account:** The Concessionaire shall be responsible to open and establish an Escrow Account in addition to other project accounts. The nature, scope and operation of the Escrow Account including but not limited to the preferential rights of NHA shall be finalized/ negotiated during finalization/ negotiation of Concession Agreement and Escrow Agreement.
- x) **Penalties:** In the event that the Concessionaire does not comply with performance indicators given in the Concession Agreement and the Operations Manual, the Independent Engineer (IE) shall make determination of the penalty amounts payable by the Concessionaire to NHA. The amounts shall be retrieved from the Project Escrow Account after determination by the IE.
- y) **IE and IA:** The Concessionaire shall bear the entire cost of Independent Engineer (IE) and Independent Auditor (IA) and shall make monthly payments to them after due verification of their invoices by the NHA Representative.
- z) **Sectional Completion:** Upon sectional completion of the project, i.e. substantial completion of continuous stretch of motorway between any two interchanges of the Project (including, but not limited to: completion of fence, interchange(s) for entry/exit, relevant toll plazas and all other safety measures & allied facilities), the Concessionaire shall be allowed to open that stretch to traffic. The Concessionaire may apply the toll rates to a Section of the Project by de-escalating the Base Year Toll Rates @ discount rate of eight percent (8%) per annum, subject to ensuring the safety and reliability





standards as set by NHA and verification of Independent Engineer (to be appointed after signing of Concession Agreement).

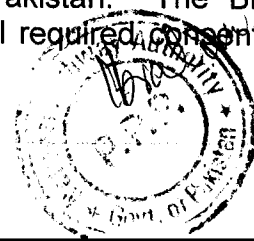
Sectional opening of the Project is offered to support Concessionaire's cash flow during Construction Period, whereas, actual Base Year Toll Rates shall be applied upon completion of whole stretch of the Project, along with allied facilities, of the Project and subsequently annual toll escalation shall be allowed.

No toll escalation shall be allowed during Construction Period.

- aa) **Project Risks:** The Concessionaire, *inter-alia*, shall exclusively bear the risks of demand including traffic, forex and cost & time overrun, all commercial risks, design, construction, performance and insurance risks. NHA shall share the risk of change in law, force majeure and political risk. NHA shall also support the project lenders by giving them step-in and substitution rights, in accordance with the terms and conditions of the Concession Agreement and lenders direct agreement (to be signed if required by the lenders).
- bb) **Taxation framework:** The Concessionaire shall be liable to pay all applicable taxes of the Federal or Provincial Government of Pakistan. The bidders must show in their Financial Model the extent and timing of its tax provision and the proposed tax depreciation policy that will be adopted for each category of asset.
- cc) **Facilities for NHA Representative:** The Concessionaire shall provide, for the NHA Representative and project staff, a fully furnished office at the Concession Area and transportation facilities as described in Appendix-1: Project Description and Scope of Work.
- dd) **Capacity Development NHA Officials:** The Concessionaire shall arrange:
- i. Training abroad for at least for two (02) NHA officials, in the fields of PPP project structuring / development. The training level must be equal to or better than that provided by the IP3 Institute USA;
  - ii. A visit abroad for at least for two (02) NHA officialsto visit PPP projects to have experience of implementation of PPP projects.
  - iii. Literature support in the field of PPP of at least US\$ 5,000.
- ee) **Rules & Regulations:** The rules and regulations, manuals and standards made by NHA/ PPPA or otherwise adopted by NHA shall apply on the Project for the purposes of achieving harmony and uniformity.

For commercial use of ROW, the Concessionaire shall adopt the prevailing standards and rates of NHA as prescribed in SOP for commercialization of ROW.

- ff) **Project Environment:** The Bidder (as Concessionaire) shall keep the Concession Area in a safe condition in compliance with the environmental requirements in accordance with the Laws of Pakistan. The Bidder (as Concessionaire) shall be responsible to procure all required consents for the





Project under the Pakistan Environmental Protection Act 1997 and the approval of the Environmental Impact Assessment from the relevant EPA (Environment Protection Agency).

- gg) **Transfer of Project:** At the end of the Concession Period, the Project shall be returned to NHA in a well maintained operational condition, meeting the riding quality standards and all other hand back requirements at a consideration of PKR 1.00 (Pak Rupee One only) to the NHA as per Handback Requirements prescribed in the Concession Agreement.

#### **A.5 Disclaimer**

All information, assumptions and projections contained in the RFP including its appendices are indicative only and are provided solely to assist in a preliminary assessment of the Project. Nothing in these documents or elsewhere shall create any contractual relationship between the NHA and any Bidder, nor shall it commit the NHA to any policy described in these documents or elsewhere and neither Government of Pakistan nor the NHA or any of its consultants or advisers will have any liability or responsibility if the information, assumptions or projections contained herein or otherwise in respect of the Project prove to be incorrect. It is the responsibility of the Bidder to verify the information, assumptions and projections contained in these documents or elsewhere.

#### **A.6 Bribery & Collusion**

The NHA shall be entitled to reject the Bid or terminate the Concession Agreement (if signed) and recover from the successful Bidder the amount of any loss resulting from such termination if the successful Bidder shall have offered or given to any person any gift or consideration of any kind as an inducement or reward for doing, or forbearing to do, any action in relation to obtaining, or execution of the Concession or any other contract with the NHA, or for showing favour to any person in relation to the Concession or any other contract with the NHA, or if any of the like acts shall have been done by any person employed by the successful Bidder or acting on its behalf (whether with or without the knowledge of the successful Bidder), or if the successful Bidder shall have come to any agreement with another Bidder or number of Bidders whereby an agreed quotation or estimate shall be offered as a Bid to the NHA by one or more Bidders.





## **B. MINIMUM TECHNICAL INFORMATION REQUIRED**

The minimum technical information the NHA requires Bidders to submit in their Technical Proposal to be considered responsive to the technical requirements are set out in **Sections B.1 to B.4** below:

### **B.1 Mandatory Submission**

Following information / documentation, as detailed under Section B.1.1 to B.1.6 below, is mandatory for the Bidders to submit as part of Technical Proposal, to be considered responsive.

#### **B.1.1. Executive Summary**

A covering letter identifying the company(s), firm(s), joint venture(s) or consortium, the relationship of the parties, the lead and associated company(s)/firm(s) and an Executive Summary of the Bidder's Technical Proposal (not to exceed five pages).

#### **B.1.2 Power of Attorney**

A Power of Attorney to the signatory of the Bid on following format must accompany the Bid:

- Principal (issuing authority of Power of Attorney) shall provide the legal documents establishing his authority of issuing the Power of Attorney on behalf of Firm / Company / (for all partners of JV/ consortium);
- the name, designation / title in the Firm / Company, of the person issuing the Power of Attorney must be mentioned on the Power of Attorney;
- the Power of Attorney shall be submitted on the Company's letterhead;
- the Power of Attorney shall be in original with original signatures (scanned and electronic signatures shall not be acceptable);
- the Power of Attorney shall bear the name, specimen signature, specimen initial of the signatory of the Bid as well as his designation / title in the Firm / Company and identification number (CNIC/ Passport No.)

#### **B.1.3 Copy of articles of incorporation/legal documents of private parties (companies/ firms etc.)**

- All the private parties that comprise the bidder in case of JV/ Consortium, or a single entity, as the case may be, shall submit copy(ies) of articles of incorporation, memorandum of association or any other legal documents of incorporation pertaining to registration with SECP (Securities & Exchange Commission of Pakistan) or the Registrar of Firms.
- The foreign company(ies) shall submit copy of articles of incorporation, memorandum of association or any other legal documents of incorporation from its relevant authority(ies) in the country of its origin.
- If the certificate is in foreign language, the bidder shall attach a copy of the accurate translation in English.







### **B.1.4 Joint Venture/ Consortium**

Following are the requirements for a joint venture/ consortium:

- All companies/ firms comprising the joint venture/ consortium shall be legally constituted.
- All partners of the joint venture/ consortium shall at all times and under all circumstances be liable jointly and severally to NHA for the execution of Concession Agreement in accordance with the terms and conditions of the Concession Agreement.
- One of the partners of joint venture/ consortium shall be nominated as “being in-charge” and the authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the joint venture/ consortium partners.
- A copy of the JV/consortium agreement shall be submitted with the Technical Proposal stating the conditions under which it will function, its period of duration, the persons authorized to represent and obligate it, the proportionate participation of the partners and any other information necessary to permit a full appraisal of its functioning.

### **B.1.5 Bid Security**

Bidders are required to submit a Bid Security as specified in **Section D.5.1** below.

### **B.1.6 Statement of Bid Conformity**

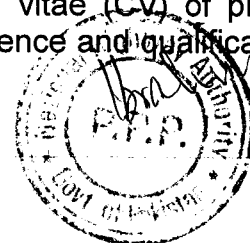
A Statement of Bid Conformity, stating whether or not the Bid conforms to all requirements of the RFP. The requirements of bid conformity are set out in Section E.3.4 below.

## **B.2 BOT Managerial, Technical and Construction Qualifications**

A narrative and graphic presentation of the bidder's current managerial, corporate, technical, construction and other related qualifications to undertake and successfully design, finance, construct, commission, develop, manage, operate, maintain, insure and transfer at the end of the Concession Period, the Project under BOT arrangement. It should also highlight the organizational chart of the Bidder. It should further elaborate in detail the relevant experience of the bidder (any firm/ company included in JV/ consortium) in different aspects of the project i.e financial close, design, construction supervision and construction of similar project as particularly mentioned in Section D.2. The narrative must explain the Bidder's BOT institutional arrangements; including its proposed project organization, particularly during the construction, operation and maintenance phases.

The Bidder's audited financial statements (Balance Sheet, Income Statement and Profit & Loss Statement) for the last three (03) years must be submitted. In case of JV/ consortium, the financial statements of each equity shareholder shall be provided.

The Technical Proposal must contain the curriculum vitae (CV) of proposed key personnel for the Project detailing their relevant experience and qualifications. Each





CV must be prepared as per the format given at **Appendix-7**. Within this section, the Bidder may also provide comments to the Draft Concession Agreement.

The following shall be the critical evaluation factors within this section:

- a. Proposed SPV and Project Implementation Structure
- b. Relevant Experience of the Bidder:
  - i. Financial Close
  - ii. Design
  - iii. Construction Supervision
  - iv. Construction
- c. Proposed key personnel for the Project:
  - i. Chief Executive Officer / Managing Director
  - ii. Finance Manager/ Financial Consultant
  - iii. Project Manager
  - iv. O&M Manager

### **B.3 Appreciation of scope of Works**

Appreciation of scope of Works shall be based upon the Bidder's survey and technical studies conforming to "project description and scope of the Works" (Appendix-1) and "Construction Performance Standards and Design Criteria" (Appendix-3) of the RFP. The bidders are expected to conform their Bids/Proposals to the requirements of the Appendix-1 and Appendix-3.

Appreciation of scope of Works shall, among other topics, include the following information / submissions, which carry weightage for evaluation:

- a. Linear plan, indicating all important features of the Project and the Bidder's concept
- b. Traffic study: analysis and projections
- c. Preliminary design, typical cross-section & typical drawings of:
  - i. Plan and Profile
  - ii. Bridges
  - iii. Interchanges & service areas
  - iv. Flyovers, underpasses, cattle creeps and pedestrian crossings
  - v. Toll plazas & weigh stations
- d. ITS, Motorway, safety features and allied Motorway facilities and systems well explained supported by pictorial manner
- e. Environmental Plan
- f. Project cost basis & analysis





#### **B.4 Project Implementation Methodology**

A narrative and graphic presentation of the Bidder's Project Implementation Methodology to execute the works is required.

During the operational phase of the Project, the NHA shall measure the Concessionaire's compliance with operations and maintenance standards included as part of Draft Concession Agreement.

Propose innovations and other state-of-the-art Motorway features to help ensure public safety and convenience for the Project. Bidders proposing innovative approaches, concepts or other features for general public welfare under Corporate Social Responsibility shall receive score as detailed in the Technical Evaluation Criteria.

The bidder shall explain project implementation methodology, clearly elaborated in layout plans, which shall include, but not limited to:

- a. Construction methodology for Motorway and Intelligent Transport System including CPM with resource loading
- b. Machinery and plant owned and to be available for the project (availability to be confirmed through Affidavit);
- c. Corporate Social Responsibility plans
- d. Work zone safety & traffic diversion plans
- e. Operation & maintenance plan, procedures and systems
- f. Innovations

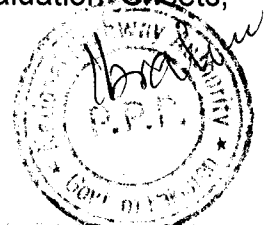


## C. MINIMUM FINANCIAL INFORMATION REQUIRED

### C.1 Minimum Financial Information

The minimum financial information the NHA requires each Bidder to submit, in its Financial Proposal as a mandatory requirement, is as under:

- a. **Financial Data Form:** The bidders are required to provide details of Financial Proposal, as per **Financial Bid Form – A**.
- b. **Construction Cost:** A breakdown of Project's capital/construction cost in a Work Breakdown Structure ("WBS"), **covering the Scope of Work as mentioned in Appendix-1** of the RFP. The format of Work Breakdown structure is given at **Appendix-9, Financial Bid Form – B**.
- c. **Project Cost:** The Project Cost shall be given as part of Financial Proposal. The format of Project Cost is given at **Appendix-9, Financial Bid Form – C**.
- d. **Financing Structure:** The GOP/NHA shall provide Financial Support/ viability gap funding (VGF) in the form of upfront and operational VGF as given below:
  - i. **Upfront VGF:** PKR 4,000,000,000/- (Pak Rupees Four Thousand Million only) in the form of Equity ("Class B" equity shares) having no dividend and voting rights. The upfront VGF shall be provided, through an escrow arrangement.
  - ii. **VGF During Operations Period:** The Operational VGF, per annum for the first eight Operational years of the Project shall be provided by the Government in the form of the "Subsidy" (annual equal amounts). The Bidder's quote of the VGF amount shall be inclusive of all the applicable taxes.
  - iii. **Equity Requirement & Debt:** The Concessionaire shall be responsible for arranging project financing and shall be required to commit a minimum thirty percent (30%) of the Project Cost [after deducting the amount of GOP/NHA's Financial Support as upfront viability gap funding (VGF)]. Whereas, maximum seventy percent (70%) of the Project Cost, [after deducting the amount of GOP/NHA's Financial Support as upfront viability gap funding (VGF)], shall be arranged by the Concessionaire as Debt
- e. **Financial Model:** The Bidders are required to prepare detailed robust Financial Model and provide an unprotected (without any pass word on all sheets) soft copy on Microsoft Excel format. The detailed Financial Model will include, but not limited to, the following:
  - i. Projections: Detailed Revenue sheets, Expenditure sheets, Loan Amortization Schedule, Financing structure sheets, Valuation Sheets, Tax calculations & Return on Investment Analysis.
  - ii. Cash Flow Statement





- iii. Balance Sheet
  - iv. Profit & Loss Statement
  - v. Toll Charge computation and traffic computation with rationale; including minimum base toll rates (as has been provided) and escalations / projections (as has been provided) in toll rates.
  - vi. NHA Revenue Share: NHA Revenue Share, may clearly be reflected in the Financial Model.
- f. Letter of Intent(s) of bank(s) / financial institution(s) for project debt financing support. This Letter of Intent must be Project and Party specific and must be designed to evidence the success of the future Financial Close to be submitted by the bidder for the project if awarded.

It should be clearly understood that all the above documents, especially the proposed/projected financial model, are sought, *inter-alia*, for the purposes of evaluation only and mere submission does not amount to acceptance by NHA of the data, projections or analysis in any way whatsoever.

## C.2 Currency

Bidders are required to express all financial calculations in Pakistan Rupees.





## **D. EVALUATION PROCESS, CRITERION AND PROCEDURES**

### **D.1 The Overall Evaluation Process**

The NHA will use the evaluation criteria described in this Section of the RFP to determine the highest evaluated Bid. The evaluation process will consist of a four step approach that includes:

- i. responsiveness;
- ii. eligibility;
- iii. technical evaluation; and
- iv. financial evaluation.

#### **D.1.1 Responsiveness**

The NHA shall first ensure that following requirements are met in order to ascertain responsiveness of the bid:

- a. Bid Security is attached in the amount and format as prescribed in the RFP;
- b. Bid is submitted by the Proposal Due Date including any extension thereof;
- c. Bid is accompanied by the power of attorney authorizing a representative to sign the Bid;
- d. Each page of the Bid, along with RFP, is signed and stamped by the authorized representative; and
- e. Bid contains number of copies (complete in all respects) as required in this RFP.

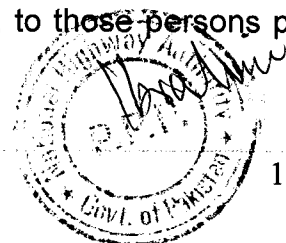
#### **D.1.2 Bid Opening**

At the date, time and location specifically announced by the NHA, proposal packages received from the Bidders shall be opened in the manner described in **Section E.5**.

The NHA shall first determine whether or not the Bidders' Technical and Financial Proposals are contained in separately sealed envelopes. The NHA shall announce to those persons present at the Proposal Opening (and upon request to a Bidder who submitted a proposal but is not present or represented at the Proposal Opening), the name and address of each bidder whose package is opened. Such announcement shall be recorded immediately in the record of the tendering proceedings.

In order to objectively evaluate Technical Proposals without being influenced by financial data, bidders failing to separate Technical and Financial Proposals shall be deemed non-responsive and will be so recorded in the record of the tendering proceedings.

The NHA shall then determine whether or not Bidders have included Bid Securities in their Technical proposals. The NHA shall announce, to those persons present at





the Proposal Opening (and, on any request by a bidder who submitted a proposal but is not present or represented at the Proposal Opening), the name and address of each bidder whose Technical proposal is opened. Such announcement shall be recorded immediately in the record of the tendering proceedings. Bidders failing to provide the required Bid Security shall be deemed non-responsive and so recorded immediately in the record of the tendering proceedings.

The NHA shall not evaluate either the Technical or the Financial Proposal from any bidder determined to be **non-responsive**, as reflected in the record of the tendering proceedings.

The public portion of the Proposal Opening will then be closed.

The NHA shall separately, and privately, evaluate responsive proposals in accordance with the evaluation criteria detailed in this **Section D.2 & D.3** of the RFP subsequent to meeting eligibility criteria given in the following section.

**D.1.3 Eligibility**

The eligibility of the bidder and all parties constituting the bidder shall be assessed on the following parameters of the responsive bids:

Sr. No.	Eligibility Factor
1.	<p><b>Registration of Bidder with Tax Authorities</b></p> <p>a. The bidder must possess valid registration certificate from income tax authority (i.e., the NTN certificate). In case of a consortium/ JV, all members of the consortium/ JV must possess the requisite registration certificate</p> <p>b. Valid NTN certificate(s) and proof of filing tax returns for the last year to be attached.</p> <p>c. Foreign entities, if participating in the bidding process, should submit tax certificate of their country duly translated in English and duly attested by Pakistani Consulate / High Commission in their country or their country's Embassy / High Commission in Pakistan.</p>
2.	<p><b>Registration of Constructor(s) with Pakistan Engineering Council (PEC)</b></p> <p>a. The constructor(s) must possess valid PEC registration certificate in category 'CA' and in discipline CE01, CE02&amp; CE-10.</p> <p>b. Copy of Valid PEC registration certificate(s) to be attached.</p> <p>c. In case there is more than one constructor, all such constructors must provide valid PEC license in above-mentioned category and disciplines.</p> <p>d. PEC registration of foreign entity in category FC-A will be required. In accordance with PEC Construction Bylaws, foreign constructor will be required to enter into joint venture with Pakistani firm registered with PEC in category as mentioned above. Foreign constructor will employ minimum 70% Pakistani engineers of relevant discipline/ field on the project.</p>





Sr. No.	Eligibility Factor
3.	<p><b>Specific Construction Experience of Constructor(s)</b></p> <p>The constructor must have substantially completed at least one (01) similar contract within the last twenty (20) years in the capacity of Contractor. The similarity shall be reckoned as comprising of construction of at least 25 Km 4-lane or 50 Km 2-lane stretch of motorway / expressway / highway. The presented work shall comprise of at least: earthworks, sub-base and aggregate base course, asphaltic course and structures etc. In case of consortium or JV of the constructors, lead constructor must meet the requirement.</p> <p><b>Letter of Award/ Acceptance and Completion/ Substantial Completion Certificate must be provided with the Documents.</b></p>
4.	<p><b>Net Worth of Bidder</b></p> <p>Members of the Consortium/JV who are proposed to be shareholders/ equity holders as per the consortium/ JV agreement shall have collective Net Worth of Pak Rupees 10,000 million or US\$ 65 million.</p> <p>Each partner must meet as per their proposed JV share.</p> <p><b>Certified copies of the Annual Audit reports for last Three (03) years of each equity holder/ shareholder must be provided to demonstrate the current soundness of the bidder's financial position and its prospective long term profitability. The last three years shall mean Financial Year 2017-18, 2018-19, and 2019-20 of the bidders which close their accounts on June 30 every year OR calendar year 2017, 2018 and 2019 of the bidders which close their accounts on 31<sup>st</sup> December every year.</b></p>
5.	<p><b>Non-Blacklisting of Bidder</b></p> <p>a. The bidder or any member of the consortium/JV should not be presently under blacklisting by NHA or their respective regulatory bodies.</p> <p>b. Blacklisting of any member of the consortium/JV shall cause disqualification of the bidder.</p> <p>c. The bidder and all members of the consortium/JV shall submit an Affidavit, on the stamp paper of worth PKR 100/-, to this effect.</p>

In case, the bidder is found eligible as per criteria detailed in D.1.3, its proposals shall be evaluated. If it is assessed that the bidder does not meet the eligibility criteria, its proposals shall not be further evaluated.





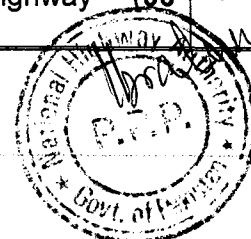


## D.2 Technical Proposal Evaluation Criteria

The Technical Proposals of only those bidders shall be evaluated who will qualify as eligible bidder. The NHA shall evaluate the bids and score each Technical Proposal on a scale up to one hundred (100) points. In the event the NHA has evaluated and assigned the score of less than seventy (70) points to a Technical Proposal, the NHA shall not open/evaluate the Financial Proposal submitted by that Bidder. Where NHA has evaluated and assigned the score of seventy (70) points or more of a Technical Proposal, the NHA shall then individually evaluate and individually score the Financial Proposal submitted by that Bidder.

The NHA has developed a list of evaluation factors that will be used to evaluate each Technical Proposal based on assessments to determine which factors were of critical importance to the selection of the Bidder. The following is a list of the quantitative factors and their associated maximum Technical score which will be used for the evaluation of Technical Proposal(s):

Sr. No.	Evaluation Factor	Max. Marks	
		Individual	Total
<b>1</b>	<b>Managerial, Technical &amp; Construction Qualifications</b>		<b>28</b>
	a. Proposed Project Implementation Structure: The Bidder must provide the organization structure of the JV/consortium with clear delineation of roles of each member as follows (each item carries maximum 03 marks):		
	(i) Each partner's/ sponsor's proposed share in the equity contribution towards the Project. The maximum equity share holder/ sponsor shall be designated as a lead partner in the Bid.	09	
	(ii) The constructor(s) who will take part in construction shall be defined along with their construction share in percentage. The local constructors as per the PEC byelaws shall be defined (in case of foreign Bidder).		
	(iii) The project management entity for design and construction supervision shall also be defined by the Bidder in its Bid.		
	b. Relevant Experience of the Bidder:	15	
	i. Financial Close of any project – (03 marks)		
	ii. Design of 4 lane highway/expressway/motorway – (03 marks)		
	iii. Construction Supervision of 4 lane highway/expressway/motorway – (03 marks)		
	iv. Construction of 25 Km 4-lane/ 50 Km 2 lane stretch of motorway/ expressway/ highway – (06 marks)		





Sr. No.	Evaluation Factor	Max. Marks	
		Individual	Total
	c. Proposed key personnel for the Project ( <i>each CV carries maximum 01 mark</i> ): i. Chief Executive Officer / Managing Director ii. Finance Manager/ Financial Consultant iii. Project Manager iv. O&M Manager	04	
<b>2</b>	<b>Appreciation of scope of Works</b> a. Linear plan, indicating all important features of the Project and the Bidder's concept b. Traffic study: thorough analysis and projections to be shown c. Preliminary design, typical cross-section & typical drawings of ( <i>each item carries maximum 04 marks</i> ): i. Plan and Profile ii. Bridges iii. Interchanges & service areas iv. Flyovers, underpasses, cattle creeps and pedestrian crossings v. Toll plazas & weigh stations d. ITS, Motorway & safety features and allied Motorway facilities & systems well explained supported by pictorial manner e. Environmental Plan f. Project cost basis & analysis	3 10 20 5 3 4	<b>45</b>
<b>3</b>	<b>Project Implementation Methodology:</b> a. Construction methodology for Motorway and Intelligent Transport System including CPM with resource loading b. Machinery and plant owned and to be available for the project ( <i>availability to be confirmed through Affidavit</i> ); c. Corporate Social Responsibility plans d. Work zone safety & traffic diversion plans e. Operation & maintenance plan, procedures and systems f. Innovations	7 5 3 3 6 3	<b>27</b>
<b>TOTAL:</b>			<b>100</b>





### D.3 Financial Proposal Evaluation Criteria

The Financial Proposals of only those bidders shall be opened who will qualify by scoring minimum 70 points, out of total 100 points, in technical evaluation.

The Financial Evaluation Criteria shall be as follows:

Sr. No.	Evaluation Factor	Marks
1	Project Cost	10
2	Annual installment of operational VGF	80
3	NHA's Revenue Share	10
<b>TOTAL:</b>		<b>100</b>

1. Project Cost: The Bidder, who quoted minimum Project Cost, shall be given maximum marks and other Bidders shall get proportionately lower marks.
2. VGF During Operations Period: The lowest amount of VGF during Operations Period (annual equal installment from Operations year 1 to year 8) shall be awarded the maximum marks and other Bidders shall get proportionately lower marks.
3. NHA's Revenue Share: The Bidder, who offers maximum NHA's Revenue Share to NHA, in terms of PV, shall be given maximum marks and other Bidders shall get proportionately lower marks. The amount of NHA's Revenue Share shall be evaluated in terms of PV by using discount rate of ten percent (10%).

### D.4 Final Evaluation Results

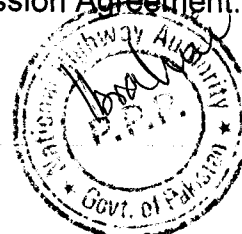
- (a) The results of Financial Evaluation shall be considered as final results of the evaluation process to determine the final ranking of each proposal.

The bidder obtaining highest marks in the Financial Evaluation shall be the highest ranked bidder.

NHA may ask Bidder(s) for clarifications or presentation or additional information of their proposals in order to assist in the scrutiny, evaluation and comparison of proposals. No change in a matter of substance in the proposal, including changes in price and changes aimed at making a non-responsive Bid responsive, shall be sought, offered or permitted.

When clarification or presentation or additional information of proposals requires, the NHA shall maintain a written "Minutes of Clarification" report. Adequate notice will be given to the Bidder prior to conducting the meeting.

- (b) It may be necessary for the NHA to reject all proposals:
- i. Subject to approval by the Chairman NHA, the NHA may reject all Bids at any time prior to signing of the Concession Agreement.





- ii. Notice of the rejection of all Bids shall be given promptly to all Bidders who submitted proposals. The NHA shall upon request communicate to any Bidder which submitted a Bid, the grounds for rejection of all the bids.
  - iii. The NHA shall not bear any liability (legal, financial etc.), solely by virtue of its invoking this provision and rejecting all submitted Bids.
- (c) It may be necessary for the NHA to reject a responsive Bid. Subject to approval by the Chairman NHA, the NHA shall reject a Bid if the Bidder offers, gives or agrees to give, directly or indirectly, to any officer or employee of the NHA or any other governmental authority a gratuity in any form, an offer of employment or any other thing of service or value, as an inducement with respect to an act or decision of, or procedure followed by, the NHA in connection with this tendering process. Such rejection of the Bid and the reasons thereof shall be recorded in the record of the proceedings and promptly communicated to the Bidder.

## **D.5 Bond and Security Requirements**

### **D.5.1 Bid Security**

For a Bid to be responsive, each Bidder is required to provide as a part of its Technical Proposal a Bid Security in the amount of **PKR 100,000,000 (Pak Rupees one hundred million only)**. The Bid Security shall be denominated in Pakistani Rupees, and shall be in the form of:-

- (a) a cash deposit; **or**
- (b) a pay order or demand draft drawn on a scheduled bank having a branch in Islamabad; **or**
- (c) a confirmed irrevocable letter of credit, payable at once on the request from the NHA requiring payment there under, issued by a bank located in the Islamic Republic of Pakistan or a country abroad acceptable to the NHA and confirmed by a bank having a branch in Islamabad; **or**
- (d) a bank guarantee in the form specified in Appendix-2.

In case Bid Security is arranged in the form of Bank Guarantee issued by a bank abroad, the same shall be counter-guaranteed by a local scheduled bank.

Bidders are cautioned that no other format will be acceptable and will result in their Bid being declared as non-responsive.

The Bid Securities specified in (c) and (d) above should be valid for a period of at least eighteen (18) calendar months from the date of opening of Technical Proposals. The NHA shall return Bid Securities of all Bidders, once the successful Bidder (as the Concessionaire) has executed a Concession Agreement or in the event the NHA has rejected all Bids.





The Bid Security may be forfeited in cases of:

- (a) withdrawal or modification of a proposal after the deadline for submission of proposals;
- (b) failure to enter into negotiations with the NHA pursuant to Section D.6;
- (c) failure to submit its best and final offer within the time limit prescribed by the NHA pursuant to Section D.6;
- (d) failure to sign the Concession Agreement, if required by the NHA to do so, after the proposal has been accepted; and
- (e) failure to provide Financial Close Bond for the fulfilment of the Concession Agreement after the proposal has been accepted or to comply with any other condition prior to signing the Concession Agreement specified in this RFP.

#### **D.5.2 Financial Close Bond**

Within one (1) Month of the Effective Date (signing of Concession Agreement), the successful Bidder (as Concessionaire) shall submit the Financial Close Bond to NHA with a face amount equal to the face amount of the Bid Security. This Financial Close Bond shall replace the Bid Security. The Concessionaire shall keep the Financial Close Bond valid till such time that it is replaced by the Construction Performance Bond.

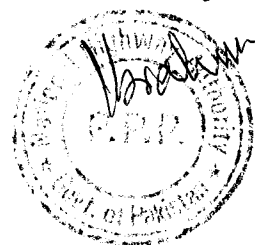
The Financial Close Bond may be in the form of (a) cash, (b) a bank draft confirmed by a scheduled commercial bank, or (c) an unconditional, irrevocable and without recourse letter of credit from a scheduled commercial bank.

#### **D.5.3 Construction Performance Bond**

Prior to commencement of construction activities after financial close, the successful Bidder (as Concessionaire) shall provide to the NHA a Construction Performance Bond to ensure the completion of the construction of the Project in accordance with Concession Agreement. The Construction Performance Bond shall have a face amount equal to **two percent (02%) of the Project's Construction Cost**.

The Construction Performance Bond shall answer for, and guarantee the completion of the Project in accordance with the Performance Standards and the Timetable, and the payment of Liquidated Damages which Concessionaire may be required to pay pursuant to the Concession Agreement. The Construction Performance Bond shall be valid for a period of at least thirty (30) calendar months from the date of issuance.

The Construction Performance Bond may be in the form of (a) cash, (b) a bank draft confirmed by a scheduled commercial bank, or (c) an unconditional, irrevocable and without recourse letter of credit from a scheduled commercial bank.



#### **D.5.4 Operation Bond**

Three (3) months prior to the completion of construction date, the Concessionaire shall deliver to the NHA an Operation and Maintenance Bond with a face amount equal to **five percent (05%) of the Projected Gross Revenue for forthcoming year** of the Operation Phase. The Operation Bond shall answer for, and guarantee the timely Operation and Maintenance of the Project in accordance with the Performance Standards and the Timetable as specified in the Concession Agreement.

#### **D.5.5 Transfer Bond**

Eight (8) months prior to the Transfer Date, the Concessionaire shall deliver to the NHA a Transfer Bond with a face amount equal to **two percent (02%) of the Total Project Cost**. The Transfer Bond shall answer for, and guarantee the timely transfer of the Project in accordance with the Performance Standards, the Timetable and the Handback Requirements as per Concession Agreement.

#### **D.6 Award and Notice to Proceed**

The NHA shall announce the highest ranked Bid in the Financial Evaluation as successful. Thereafter:

- (a) NHA may require the successful bidder to certify that its qualification data have not significantly changed since the bidder's original submission. If the bidder submitting the successful proposal is requested to demonstrate again its qualifications but fails to do so, the NHA shall reject that Bid and shall select the next highest ranking Bid, subject to the right of the NHA to reject all remaining Bids.
- (b) The NHA shall promptly notify all bidders of the bidder submitting the highest-evaluated Bid. As stipulated in this RFP, the NHA shall then request the successful Bidder to negotiate and execute a Concession Agreement. Accordingly, the successful Bidder is required to negotiate and execute the agreements within a reasonable period of time.
- (c) If the successful bidder and NHA fail to agree or execute the Concession Agreement, the NHA may, at its discretion, announce the next highest evaluated Bidder as successful, subject to the right of the NHA to reject all remaining Bids.





## **E. PROPOSAL SUBMISSION PROCEDURES**

### **E.1 Introduction**

This RFP invites interested Bidders to submit technical and financial proposals to compete for the Project on a limited recourse basis under a BOT arrangement. To be considered for this award, Bidders are required to submit responsive Technical and Financial proposals for the Project. The Bid for the Project shall comprise of the Technical and Financial proposal.

### **E.2 General**

#### **E.2.1 Cost of Bidding**

The Bidder shall be responsible for all fees, costs and expenses incurred in preparing and negotiating any proposal submitted by it, and under no circumstances shall the NHA become liable to reimburse any Bidder for any such fees, costs or expenses regardless of the conduct or outcome of the bidding process.

#### **E.2.2 Site Visit**

The Bidder is advised to visit and examine the Project Site/Concession Area and its surroundings and to obtain for itself on its own responsibility, all information that may be necessary for preparing the Bid and entering into a Concession Agreement. The costs incurred in visiting the site shall be at the Bidder's own expense.

#### **E.2.3 Amendment of RFP**

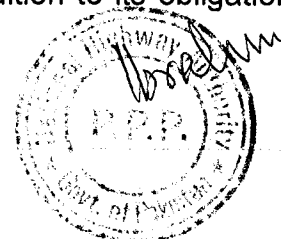
At any time prior to the Proposal Due Date, NHA may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the RFP by amendment.

The amendment will be notified in writing or by e-mail, telex, cable or facsimile to all prequalified Bidders who have purchased the RFP, and will be binding upon them.

In order to afford prequalified Bidders reasonable time in which to take the amendment into account in preparing their Bids, NHA may, at its discretion, extend the deadline for the submission of Bids.

#### **E.2.4 General Considerations for Bidding**

- a. No Bidder shall submit more than one Bid for the Project. A Bidder bidding individually or as a member of a Consortium shall not be entitled to submit another bid either individually or as a member of any other Consortium, as the case may be.
- b. Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the Draft Concession Agreement shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under the Concession Agreement.





- c. Any condition or qualification or any such stipulations contained in the Bid shall render the Bid liable to rejection as a non-responsive Bid.
- d. A Bidder shall be liable for disqualification and forfeiture of Bid Security if any legal, financial or technical adviser of NHA in relation to the Project is engaged by the Bidder, its members or any associate thereof, as the case may be, in any manner for matters related to or incidental to such Project during the Bidding Process, preparation of Bid, evaluation or award of the Concession Agreement.
- e. This RFP is not transferable.
- f. Any award of Concession Agreement pursuant to this RFP shall be subject to the terms of this RFP, including its appendices.

### **E.3 Preparation of Bid**

#### **E.3.1 Proposal Validity Period**

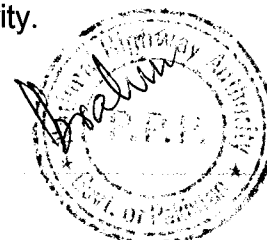
The NHA will award the Project to the Bidder submitting the most acceptable proposal for the Project as described in Section D.4. The NHA will negotiate and grant to the successful Bidder an exclusive concession for a maximum period of twenty-five (25) years to design, finance, construct, insure, commission, develop, manage, maintain, operate and transfer at the end of the Concession Period, the Project. Due to the nature of the process relating to internal approvals in the NHA, each Bidder's proposal is required to be valid for a period of at least **two hundred and forty (240) days** from the Proposal Due Date.

#### **E.3.2 Single Stage Two Envelope System of Tendering**

The NHA will separately evaluate all Technical and Financial proposals; therefore Bidders are required to submit their Technical and Financial proposals in two separately sealed "envelopes". The NHA requires the first envelope, marked TECHNICAL PROPOSAL, to contain the original and five (5) copies of the Bidder's Technical Proposal and Bid Security. The NHA requires the second envelope, marked FINANCIAL PROPOSAL, to contain the original and five (5) copies of the Bidder's Financial Proposal. Bidders are cautioned to ensure that their Technical and Financial proposals are contained in separately sealed envelopes clearly marked as indicated above. The NHA requires Bidders to submit the separately sealed envelopes in one sealed package. In the event of any discrepancy between the original and copies, the original shall govern.

The original and copies of the Bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorised to bind the Bidder to the offer. Proof of authorisation shall be furnished in the form of a written Power-of-Attorney (along with the authorising board resolution if the Bidder is a corporate entity), which shall accompany the Bid. All pages of the bid, except for un-amended printed material, shall be initialled by the person or persons signing the Bid.

Each original as well as copy shall be bound separately and loose paper shall not be considered part of the Proposal, except the Bid Security.







The complete Bid shall be without alterations, interlineations or erasures, except as necessary to correct errors made by the Bidder, in which case such corrections shall be initialled by the person or persons signing the Bid.

The Bidders are required to submit, along with their bid(s), a CD or USB containing soft copy of Technical and Financial Proposals in pdf format and also a soft copy of **Financial Model in the MS Excel format, fully functional all sheets to be password free, non-restricted dynamically linked for evaluation.** The CD or USB shall be attached with the respective proposals.

### **E.3.3 Language**

All proposals shall be presented in the English language.

### **E.3.4 Conformity with the RFP**

The Bidder must submit a Conforming (Bona Fide) Bid that conforms with the requirements of the RFP.

#### **E.3.4.1 Conforming Bids**

A Conforming Bid is a bid that conforms in full, both in engineering and operational terms with the NHA's Conforming Scheme set out in **Sections A.4 of Instructions to Bidders & Appendix-1 of the RFP**, and in financial, organisational and obligation terms with the Draft Concession Agreement, except for minor departures that do not materially affect the design, financing, construction method or operational characteristics of the Project or the financial, organisational or obligation regime under which the Concession will be conducted. All such minor departures, if they exist, must be clearly identified and fully described in the Bid. If the Bid contains no deviations from the Conforming Scheme a positive statement to this effect must be made.

The NHA reserves the right to determine whether a Bid is a Conforming (Bona Fide) Bid or not. The NHA's decision will be final and not subject to appeal.

### **E.4 Proposal Due Date**

The Bidders are required to submit Technical and Financial proposals, in two separately sealed envelopes in one bound package to be received by NHA on or before **1530 hours on 30<sup>th</sup> April, 2021** at the following address:

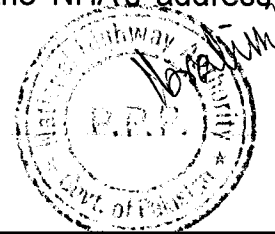
**General Manager (P&CA)**  
National Highway Authority  
28-Mauve Area, G-9/1,  
Islamabad, Pakistan  
Phone No.: +92-51-9032727  
Fax No.: +92-51-9260419





## E.5 Processing of Proposals before Evaluation

- (a) The NHA intends to facilitate and sustain an environment of competitiveness, transparency and fairness in the procurement process by, among other means, fairly and impartially processing and evaluating Bidders' Technical and Financial proposals in accordance with the procedures and pre-established evaluation criteria specified in this RFP.
- (b) The NHA shall receive and keep secure all Bids submitted before the Proposal Due Date specified in **Section E.4** above.
- (c) Any bidder may substitute, or withdraw his Bid after bid submission provided that the substitution or written notice of withdrawal is received by NHA prior to the deadline for submission of Bids.
- (d) The substitution, or notice for withdrawal of any Bid shall be prepared, sealed, marked and delivered in accordance with the provisions of Section E.3.2 with the outer and inner envelopes additionally marked "SUBSTITUTION" or "WITHDRAWAL" as appropriate.
- (e) Any and all Bids received by the NHA after the above stipulated date and time for Proposal Closing will be returned unopened to the submitting Bidder.
- (f) The NHA shall keep, secure and unopened, all timely submitted proposals until Bid Opening at **1600 hours on the Proposal Due Date**, when only Technical Proposals will be publicly opened. The Financial Proposals shall remain secure and unopened for later private opening, scrutiny and evaluation.
- (g) The Bidders' representatives who are present shall sign a register evidencing their attendance. NHA will examine the Bids to determine:
  - i. whether they are complete;
  - ii. whether the requisite Bid Securities have been furnished;
  - iii. whether the bid documents have been properly signed; and
  - iv. whether the Bids are otherwise in order as per requirements of RFP
- (h) The Bidders' names, bid withdrawals (if any), the presence of the requisite Bid Security and such other details as the NHA, at its discretion, may consider appropriate will be announced after the Bid Opening takes place. NHA shall prepare minutes of Bid Opening for its own record. The public portion of the Bid Opening Session will then be closed.
- (i) NHA shall separately, and privately, evaluate each Bidder's Technical and Financial proposals in accordance with the evaluation criteria specified in this RFP.
- (j) From the date and time of Bid Opening until the time the Concession Agreement is executed, any Bidder wishing to contact the NHA on any matter related to this RFP must do so in writing at the NHA's address specified in





**Section E.4** above. Any effort by any Bidder to influence the NHA in its evaluation of Technical and/or Financial proposals is a violation of the laws of Pakistan, shall result in the rejection of that Bidder's Bid(s) and may lead to necessary action under law.

## **E.6 Pre-Bid Conference**

Bidders are invited, and strongly encouraged, to attend a pre-bid conference organized, and to be conducted, by the NHA:

Date: **12<sup>th</sup> April, 2021**  
Time: **1130 hours**  
Venue: **NHA Auditorium, Islamabad**

Prior to the Pre-Bid Conference, Bidders are invited to submit written questions concerning the Project, this RFP, the Proposal Due Date or other related matters. All such questions should be submitted to **General Manager (P&CA)**, NHA. The NHA will conduct the Pre-Bid Conference, record all questions, both oral and written, posed by Bidders, record all answers provided thereto, and provide a written Pre-Bid Minutes of Meeting or, if required, RFP amendment to each Bidder. The NHA will not, during the Pre-Bid Conference, modify in any material respect any provision or term of this RFP unless such modification is made as a written amendment hereto prepared by the NHA and disseminated to all Bidders.

## **E.7 Confidentiality**

After the Bid Opening, information relating to the examination, clarification, evaluation and comparison of Bids and recommendations concerning the award of a Concession shall not be disclosed to Bidders, or other persons not officially concerned with such process, until the award of the Concession is announced.

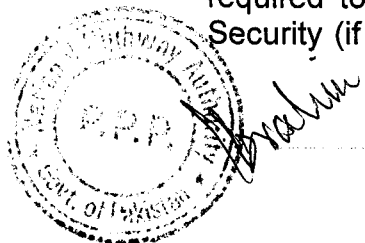
Any effort by a Bidder to influence the NHA in the process of examination, clarification, comparison and evaluation of Bids, or decisions concerning award of a Concession is contrary to the laws of Pakistan, shall result in the rejection of that Bidder's Bid(s) and may lead to action under law.

## **E.8 Negotiations**

Subsequent to the detailed evaluation of the Bids and announcement of the successful Bidder as set out in **Section D.6** above, the NHA shall issue a revocable Letter of Intent ("LOI") to such Bidder and carry out negotiations for the purposes of finalizing the detailed terms and conditions of the Concession Agreement.

As a part of this negotiation process the NHA may, if it deems appropriate, require the Bidder to submit one or more revised Bids in accordance with revised requirements put forward by the NHA. At this stage the NHA will issue a Letter of Support ("LOS") to the successful Bidder stipulating the meeting of certain requirements within a specified time.

Thereafter, the Concessionaire through a Project Company (private limited), will be required to enter into a Concession Agreement with the NHA and renew the Bid Security (if required by the NHA). The successful Bidder will be required to achieve





the financial close within a period of one hundred and eighty (180) (excluding allowable extensions under the terms of the Concession Agreement) days from Effective Date of Concession Agreement.

Failure to fulfil any of the above requirements as contained in the LOI or LOS within the time specified, as the case may be, may, result in the forfeiture of the Bidder's Bid Security. Whether Bid Security is forfeited or not NHA may, at its discretion, withdraw the LOI or LOS, as the case may be, either invite the Bidder scoring next highest to the successful Bidder in the evaluation carried out by the NHA to negotiate, or terminate the Bidding Process without accepting any Proposal.

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