REQUEST FOR PROPOSALS

FOR

TRANSACTION ADVISORY SERVICES
For

Establishment of Cool Chain System
Under
National Trade Corridor Improvement Project

ON PUBLIC PRIVATE PARTNERSHIP MODALITY

March 2008
Letter of Invitation

Dear Sir/Madam,

1. Introduction

1.1 The Infrastructure Project Development Facility (“IPDF”), a company established under section 42 of the Companies Ordinance, 1984 hereby invites submission of proposals for assessing the feasibility of the development, implementation and operation of Cool Chain System (hereinafter referred to as “CCS” or the “Project”) across National Trade Corridor under Public Private Partnership (PPP) modality on behalf of Pakistan Horticulture Development and Export Board (hereinafter referred to as “PHDEB”). Your proposal will form the basis for negotiations and ultimately an agreement between IPDF and the successful bidder.

1.2 The qualified Transaction Advisors (firms) having work experience / doing transaction advisory services in projects on the basis of PPP/BOT/BOO modality will be required to structure the Project and assist in bringing of a qualified investor for the Project (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 (“TOR”) 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 IPDF (“Client”) on behalf of the Steering Committee comprising of one member each from all the stakeholders.

1.5 Reference to ‘the Transaction Advisor’ includes the entire Transaction Advisory team, or relevant members, under management of a single lead Transaction Advisor who shall contract with IPDF.

1.6 Please note that (i) the costs of preparing the proposal/offer as well as of negotiating the contract, including any visits, are not reimbursable; and (ii) IPDF reserves the right to reject any or all the proposals or offers submitted.
2. **Pre-bid Conference**

The firms will be invited to a pre-bid conference before submission of their technical & financial proposal 14 days after the publication of the project in daily newspapers. The date and time of the pre-bid conference will also be mentioned in the advertisement. The objective of Pre-bid conference is to develop a complete understanding of the interested firms on scope of the assignment, its deliverables and other clarifications with respect to the assignment, if any.

3. **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 TOR. Transaction Advisor will *inter-alia*, conduct review of the existing legal, organizational, technical and financial system, need & 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), time-lines, 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. You 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 IPDF 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.

Interested parties are requested to submit their proposals within four weeks from the date of publication of the advertisement.

4. **Negotiations**

Contract negotiations shall be carried out in terms of the criteria given in Annex-2 and based on the Draft Transaction Advisory Services Agreement (“ASA”) attached as Annex-4.

5. **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 Mr. Afzal Dar, Deputy Advisor Projects, IPDF (Email: afzal.dar@ipdf.gov.pk). In the interest of fairness, any clarifications issued would be posted on IPDF’s website (www.ipdf.gov.pk).

6. **Other Terms**

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

7. **PPP Framework**

The PPP policy highlighting the salient features of the PPP framework under which the Project is to be implemented is available on the IPDF website.

Yours sincerely,

Afzal Dar
Deputy Advisor Projects

**Attachments:**

- Annex-1: Terms of Reference
- Annex-3: Format for Submission of Proposals
- Annex-4: Draft Transaction Advisory Services Agreement
- Annex-5: Conditions
Annex -1:

TERMS OF REFERENCE
FOR PROVIDING TRANSACTION ADVISORY SERVICES
FOR
ESTABLISHMENT OF COOL CHAIN SYSTEM UNDER
NATIONAL TRADE CORRIDOR IMPROVEMENT PROJECT
UNDER
PUBLIC PRIVATE PARTNERSHIP
1. Introduction

Horticulture sector contributes about 12% to the national agriculture GDP of Pakistan, and holds great potential for increasing export premium quality horticulture produce, and offering multiple employment opportunities throughout the supply chain, particularly in the rural areas. However, its growth and profitability is restrained mainly by the lack of proper post harvest management and transport infrastructure. Out of around 14 million tones of fruits and vegetables produced annually, about 30-40 percent goes to waste, between farms to consumers, while less than 4% is exported at far lower price (41%) compared to world average price, owing to poor produce quality and relying on traditional low end markets. Improving the postharvest management infrastructure (grading, packing, storage and transport/cool-chain), will help reduce post harvest losses, increase production surplus along with improving shelf life and quality of fresh produce, which will help to stabilize prices in domestic markets as well as to substantially boost export to highly lucrative and competitive international markets.

Pakistan’s geo-political location along the historical silk route makes it an important player in regional connectivity to China, Central Asia and Europe, among others. The north-south National Trade Corridor (NTC) along the River Indus, with linkages to Gwadar and the Chinese border, currently accounts for 80% of the total national trade. The strategic thrust of NTC is to gain competitive advantage in the fast globalized world. The efficiency and affordability will be enhanced through the provision of world class infrastructure, efficient logistic chain, smooth interface between public and private sectors and better rural-urban connectivity. NTC development adopts a holistic and integrated approach to reduce cost of doing business by improving trade logistics to international standards.

The proposed project is to be established as a Common Facility Centre (CFC), with a network of Pack Houses, Reefer Yards and Cold Storages across the National Trade Corridor. The Cool Chain project is bound to be a back bone for the supply chain infrastructure of horticulture produce. It envisages the establishment of (i) 39 Export/ pack Houses equipped with grading, washing, waxing, drying, hot water treatment(for mango crop only), packing and storage facilities of different capacities at 31 locations in various parts of the country for major commodities. (ii) It also aims to establish 23 cold storages and controlled atmosphere storages in fruit production areas, airports and sea ports. (iii) Establishment of two reefer yards with a capacity of 250 containers in both Lahore and Karachi, and (iv) establishment of 6 testing labs in production areas is also incorporated in the project plan.
The project has been conceived by the Pakistan Horticulture Development and Export Board (PHDEB), as a part of the National Trade Corridor improvement initiative. PHDEB being the implementing institution for the project will be responsible for coordinating with provincial governments and other institutions for execution of the project.

2. Rationale of the Assignment

The IPDF in collaboration with The PHDEB, Ministry of Commerce, and Government of Pakistan will assist PHDEB in structuring and execution of the “CCS Project” under the PPP modality. IPDF is seeking Transaction Advisory services from qualified firms / advisors / consortium of consultants for designing, setting-up and implementing an integrated Cold Chain System across the NTC under the PPP modality. The salient features of Pakistan’s PPP program and the PPP Policy are available on the IPDF website at www.ipdf.gov.pk.

PHDEB has already conducted a feasibility study for the project, which is to serve as a source document for the proposed Transaction Advisor. The Transaction Advisor would review the feasibility and amend where deemed appropriate any of the observation / suggestions to bring it in line with the PPP structure.

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.

3. Objectives of the Assignment

Some of the main objectives of this assignment are:

- Review of the existing feasibility study and financial model and update the reported findings in line with the current environment
- Conduct an extensive financial evaluation of each project component (Pack house, Cold Storage, Reefer Yards and Testing Labs.) and develop proposals for its financial feasibility and viability as a PPP
- Conduct an extensive evaluation and analysis of the market for the Project and assessment of the market potential to identify segments categorizing i) segments / components of the Project to be implemented in the private sector (without government financial support) ii) sub-projects to be implemented under the PPP modality iii) sub-project to be implemented in the public sector.
- Develop a robust business and corresponding financial model, recommending the most optimal option.

- Recommend PPP models keeping in view the critical mass to make these projects financially viable according to clustering approach / geographical segmentations.

- Recommend the most optimal structure for the project by analyzing the existing project make-up, and structuring it if required by suggesting the projects that can be carved out for private investment under PPP modality and those that should be done in the public sector or with government support.

- Develop an optimal marketing strategy for the project.

- Designing 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).

- Design and draft bidding documents including concession agreements, investor solicitation plan and promotional material.

- Implement investor solicitation plan and assist in the selection of the appropriate investor(s) / operator(s) through a competitive bidding process and finalization of the appropriate documentation including concession agreements to be signed by PHDEB and the potential investor/ investors.

- Bring project to financial closure.

3) Scope of Assignment

Phase I (Transaction Structuring): Review of the existing work including the PC-1 prepared earlier by PHDEB and the feasibility study conducted earlier by PHDEB appointed consultants with a view to structure the transaction under which various options with respect to the public and private sector cooperation will be investigated taking into consideration the dynamics, costs and resource requirements of the Cool Chain System (this will also involve undertaking a review of the market). The advisor will provide the most optimal /best suited PPP models along-with a financial model, solution options available and recommended structure.

Time Frame = 10 weeks after signing the agreement with Transaction Advisor.
Phase II (Transaction Implementation): Marketing the project and responsibility for coordinating project development with potential investors. Transaction Advisor will prepare and finalize project information memorandum, competitive bidding documents, arrange pre-bid meetings, evaluation criteria, finalization of documentation & bidding and financial closing of the project.

Time Frame = 24 weeks after approval of transaction structure indicated in phase 1

4. Phase 1 - Transaction Structuring: (Activities and Deliverables)

Task 1: Kick-off Meeting

Within one week 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.
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.

Deliverables:

a. Detailed methodology and time schedule for the assignment
b. A communication strategy

Timeframe: 1 week from signing of Transaction Advisory Services Agreement

Task 2: Review of Relevant Information / Existing Horticulture Supply Chain System

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 the feasibility study already conducted by PHDEB. Transaction Advisor will also
review and summarize global experiences and lessons learnt through similar projects carried out in other jurisdictions.

Transaction Advisor shall study the legal, organizational, technical, social, environmental and financial aspects of the existing horticulture supply chain system in both public and private sector in the areas identified by PHDEB.

Deliverable:

a) Review of the existing feasibility study and financial model and identification of gaps keeping in view the current environment.

Task 3: Needs and Options Analysis

The Transaction Advisor shall study and propose various alternative models of PPP to carry out the subject assignment, covering all the legal, organizational, technical, environmental, social and financial implications. The advisor will examine the viability of having an integrated Cool Chain System comprising of all the four components of the project as compared to a system where each project is an independent and a separate unit. The possibility of integrating commercially viable projects and carving out commercially unviable projects should be analyzed and explored. Identified options would be presented in a workshop to be arranged by the Transaction Advisor, inviting all stakeholders for finalization of the most appropriate option.

Deliverables:

a. Summarizing findings from Task 2
b. A detailed assessment of various alternative models of PPP along with the recommended structure
c. Evaluation and analysis of the market for the project and assessment of the market potential to identify segments categorizing i) projects to be implemented in the private sector (without government financial support) ii) projects to be implemented under the Public Private Partnership (PPP) modality iii) the projects to be implemented in the Public sector.

Timeframe: 6 weeks from signing of Transaction Advisory Services Agreement

Task 4 Review / Update of Feasibility Study

Transaction Advisor will be required to review the existing feasibility study to incorporate any recent changes in data and present an updated feasibility study, which thoroughly investigates the preferred implementation options and finalizes the transaction structure covering but not limited to, legal & regulatory, organizational structure, technical details (extensively covered in
the initial feasibility), an excel based financial model reflecting optimal design parameters, risks & costs, and the service levels.

Feasibility Study clearly needs to demonstrate affordability for the full project life cycle, and propose the optimal solution for PHDEB to achieve its desired outcomes. The optimal solution option and the recommended structure must be genuinely reflective of the constraints and concerns of all the key stakeholders involved. The revised feasibility report should take cognizance of IPDF project preparation/feasibility guidelines for PPP projects.

**Deliverables:**

An Updated Feasibility Report including:

a. A detailed assessment of various alternative models of PPP along with the recommended structure keeping in view the critical mass to make these projects financially viable according to clustering approach / geographical segmentations.

b. An extensive financial evaluation of each sub-project, taking account of its financial feasibility and viability as a PPP

c. 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 option. Model must be flexible enough to assess the viability and efficiency of the various proposed options. (Refer to IPDF project preparation/feasibility guidelines for PPP projects as well as section 5 of Appendix-B for the format)

d. 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).

e. Presentation to IPDF and PHDEB on the report, and assistance in the selection and approval of appropriate transaction structure.

Timeframe: 10 weeks from signing of Transaction Advisory Services Agreement

5. **Phase 2 - Transaction Implementation (Activities and Deliverables)**

**Task 1 Development of the Draft PPP Agreement**

The advisor will develop a draft Master PPP Agreement and similar concession agreements for the project components envisaged in “CCS Project”, based on
the agreed PPP modality. In this regard the standardized contractual provisions devised by IPDF need to be conformed with to the extent possible. If advisor proposes a deviation from the standardized contractual provisions then a full justification needs to be provided. PPP agreement should include outputs required in terms of service delivery related to managing and operating the “CCS Project”; i.e. service level standards, performance indicators regarding collection of produce, transportation, storage, treatment etc. These defined outputs would enable the institution to measure and monitor the operator’s as well as the system’s (Cool Chain) performance.

**Deliverables:** Draft Master PPP Agreement.

**Timeframe:** 4 weeks after approval and finalization of transaction structure including all related documentation.

**Task 2 Marketing and Preparation of Information Memorandum (IM) / Project Prospectus (PP)**

The Advisor will be responsible for marketing of the “CCS Project” to a wide variety of investors. Costs related to marketing exercise including advertisements and travel costs other than advisory consortium member will be borne by IPDF. All such costs would require prior approval. The IM/PP will be a comprehensive marketing document, intended to assist pre-qualified potential bidders in evaluating the investment opportunity and risks.

The IM/PP will contain concise information on the “CCS Project” and the envisaged timeline for the Project. It will highlight the opportunity and salient features of the Project as well as the broad terms and conditions and draft transaction documents for the execution of the Project.

**Deliverables:**

a. Information Memorandum/CCS Project Prospectus  
b. Proactive Marketing Strategy (Chambers of Commerce Presentations, Road Shows etc.), advertising and implementation plan for soliciting investor interest

**Timeframe:** 4 weeks after approval and finalization of transaction structure

**Task 3 Procurement Process**

Based on the chosen structure, competitive tendering process will have to be initiated to select the most appropriate private party, which could most effectively implement the “CCS Project”, with least assistance from the PHDEB (Public Sector). The process to be adopted will be transparent with clearly defined evaluation criteria. Advisor will assist IPDF/PHDEB in management of the bidding process including, but not limited to, the conduct of bidding
process, bid opening and evaluation, recommendations on award, presentation to IPDF, PHDEB, MINFAL, Planning Commission and MOC for seeking approval of said recommendations, negotiations with successful bidder(s) and closing of the project. The procurement process should be in conformity with procurement guidelines issued by IPDF.

**Deliverables:**

a) Pre-bid conference after issuance of the RFP
b) Bids evaluation and selection and appraisal/approval of Successful Bidder
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: 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, negotiations will be entered into if required. The Transaction Advisor will:

- Assist PHDEB in its negotiation with preferred bidders
- Update/Amend the PPP Agreement to reflect negotiated terms
- Assist in ensuring that all conditions precedent to signing of the agreement are fulfilled and complete

After the PPP Agreement has been signed, the Advisor will provide support to PHDEB in setting-up the payment, settlement and monitoring mechanism to ensure timely completion of the project.

**Deliverables:**

a) Deal closure and Signing of the PPP Agreement
b) Report on the payment and monitoring mechanisms.

Timeframe: 4 weeks after the selection of the Successful Bidder

**Note:** This is to clarify that Financial Closure is separate from the deliverable of Task 4: (a) Deal Closure and Signing of PPP Agreement. Therefore, Financial Closure must be treated as a separate task to be undertaken after completion of Task 4.

Reference “Procurement Guidelines for Public Private Partnership Projects”, once the deal is closed and the agreement is signed between the Institution and Private Party, the Transaction Advisor must ensure that loan and other
financing agreements are signed between the Private Party and financiers. Upon completion of this task, the project will achieve financial closure.

6. Transaction Advisor Profile

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

- Legal and Regulatory expertise
- Procurement expertise
- Financial expertise
- Expertise on Horticulture & Its Marketing
- Technical expertise
- Project management expertise

Selection will be based on verifiable demonstration of experience (same sector / similar projects) and qualification (firm as well as assigned staff).

7. General Conditions

1. A steering committee comprising of two sub-committees a) Working Committee and b) Transaction Structuring Committee will be established to oversee the project. The working committee will be responsible for overseeing and directing the work of Transaction Advisor till the financial close. It would have representation from IPDF and PHDEB. The transaction structuring committee would provide requisite approvals for structuring the project and procuring investor(s). It would be represented by IPDF, PHDEB, MINFAL, Planning Commission and Ministry of Commerce. Payments against the deliverables shall be made by the client on the satisfactory completion of that deliverable. The steering committee (Working Committee) shall meet at designated place to review each and every deliverable. The proceeding of the 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. The Advisor shall be responsible for assisting in all activities leading to and including successful closure of the “CCS Project” and the competitive bidding process for the “CCS Project”. While a detailed scope of work has been spelled out in the present TOR, the Advisor shall also be responsible for providing assistance in activities, not specifically mentioned in the TOR, that are necessary for successfully concluding the assignment. Advisor will appoint a Team Leader to assume overall responsibility of the “CCS Project” and to interface with IPDF and
PHDEB. The Advisor will maintain all records of the Project for a period of one year from the termination of activities under the ASA. During this period, the Advisor will assist IPDF in dealing with queries/issues related to the Project.

3. Transaction Advisor will use the available IPDF formats while preparing required documents/reports mentioned under deliverable. (Please see the IPDF website www.ipdf.gov.pk or Appendix-B for additional information).

4. 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. These shall be incorporated to the draft final documents by the Transaction Advisor. 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.

5. All documents shall be prepared in English and submitted on electronic media along with required number of hard-copies.

6. 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.

7. PHDEB will nominate one Project Manager to liaise with the Advisor and IPDF on all activities pertaining to this assignment. The Manager will be responsible for providing technical inputs and information to the Advisor and IPDF on the project.

8. Time available for achieving financial closure is tentatively set at thirty four (34) weeks The Transaction Advisor shall begin this assignment as soon as the contract agreement is signed. Indicative deadline and payment schedule is given in Appendix-A
PROCEDURE FOR SUBMISSION AND EVALUATION OF PROPOSALS

FOR

ESTABLISHMENT OF COOL CHAIN SYSTEM UNDER

NATIONAL TRADE CORRIDOR IMPROVEMENT PROJECT

UNDER

PUBLIC PRIVATE PARTNERSHIP
PROCEDURE FOR SUBMISSION & EVALUATION OF PROPOSALS

1. Submission of Proposals

The Technical Proposal shall be submitted in triplicate (one original and two copies) and placed in a sealed envelope clearly marked “Technical Proposal - Transaction Advisory Services for Development of Cool Chain System under NTC.

The Financial Proposal (one original) shall be submitted in a separate sealed envelope clearly marked “Financial Proposal - Transaction Advisory Services for Development of Cool Chain System under NTC.

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

The Financial Proposal shall be signed by a duly authorized representative. The Proposals should include a power of attorney / letter of authority authorizing such representative to sign and submit the Technical and Financial Proposals to IPDF (in case of firm/consortium).

2. Evaluating the Proposals

On expiry of the date for submission of Proposals, the evaluation process will begin. The Project Manager will circulate the Technical Proposals to the Transaction Structuring Committee, while the sealed Financial Proposals will remain with IPDF.

A two-stage 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:
**Category** | **Weight**
--- | ---
Specific firm/consortium experience related to the Assignment | 30%
Competence and qualifications of team | 35%
Work plan and methodology | 35%

**Financial Proposal**

Short-listed Transaction Advisors that receive a raw technical score (Str) of 70 points or higher (pre-qualified Transaction Advisors) 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 pre-qualified parties on a pre-determined date which will be intimated in advance.

Remuneration of Transaction Advisor will be milestone based.

**Advisory Fee**

Advisory fee will be paid as per the Payment Schedule attached as Appendix A.

**Success Fee**

This 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. The Transaction Advisor may include a form of surety in the Request for Proposals to be submitted by the bidders as a guarantee of payment upon fulfillment of all other conditions precedent to the contract signing.

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:

\[ St = \frac{Str \times 100}{St_{max}} \]

where \( St_{max} \) = Raw score of the highest ranked Advisor on technical criteria.
The financial score ($S_f$) will be calculated as follows:

\[ S_f = 100 \times \frac{F_{\text{min}}}{F_f} \]

where \(F_{\text{min}}\) = Lowest Total Fee bid, and
\(F_f\) = Total Fee bid by the Advisor under consideration.

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

\[ S_c = 0.80 \times S_t + 0.20 \times S_f \]

(\text{Technical Proposal will have 80\% weightage, while Financial Proposal will have a 20\% weightage.})

4. **Finalizing the Technical Scores**

A meeting of the Evaluation Committee to finalize the technical scores will be called. The final individual technical scores of the Evaluation Committee members will be tabulated by the Project Manager on a top sheet, which will be signed by all the members of the Evaluation Committee.

5. **Opening of Financial Proposals**

Short-listed parties that receive a raw technical score ($S_{\text{tr}}$) of 70 points or higher (pre-qualified parties) will be invited 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 sealed Financial Proposals shall be opened by the Chief Executive Officer of IPDF or his nominee.

6. **Ranking the Pre-qualified Parties**

Project Manager will submit to the Evaluation Committee the cumulative marks (technical plus financial) of the pre-qualified parties based on the calculations set out above. The submission will identify the pre-qualified party scoring the highest cumulative scores (the “top-ranked party”). Upon endorsement by the Evaluation Committee, the Project Manager will submit the rankings of the pre-qualified parties to the management of IPDF for approval. The top-ranked party will then be invited for contract negotiations.

7. **Contract Negotiations**

Contract negotiations will be conducted with the authorized representatives of the highest ranked party and will primarily focus on issues related to the work plan, deliverables, contract duration and procedure for disbursements. A copy of the document conferring authority in this regard
will be made available prior to commencing contract negotiations. In case the negotiations with the highest ranked party are unsuccessful, negotiations with the authorized representatives of second-highest ranked party may be carried out, and so on and so forth.

IPDF is under no obligation to select any of the firm / consortium submitting the proposal, and have the right to cancel their Request for Proposal (RFP) at any time, without assigning any reason.

8. **Address and Date of Submission**

   The Project Proposals should be delivered to the “CEO, Infrastructure Project Development Facility, #2, Street 59, Sector F-7/4, Islamabad, Pakistan”, by 30\textsuperscript{th} April, 2008. Failure to deliver the Proposals as aforesaid shall mean immediate disqualification.

9. **Exclusion and Prohibitions**

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

   IPDF is under no obligation to select any of the firms submitting the proposal and have the right to cancel the Assignment without cause.
FORMAT FOR TECHNICAL PROPOSAL AND FINANCIAL PROPOSAL FOR PROVIDING TRANSACTION ADVISORY SERVICES FOR ESTABLISHMENT OF COOL CHAIN SYSTEM UNDER NATIONAL TRADE CORRIDOR IMPROVEMENT PROJECT UNDER PUBLIC PRIVATE PARTNERSHIP
FORMAT FOR TECHNICAL PROPOSAL AND FINANCIAL PROPOSAL

FROM: 

TO: 

_________________________  ____________________________
_________________________  ____________________________
_________________________  ____________________________
_________________________  ____________________________

Sir/Madam:

Subject: Transaction Advisory Services for Development of Cool Chain System under National Trade Corridor Improvement Project

I/We _ Transaction Advisor firm(s) herewith enclose the Technical Proposal (3 copies) and Financial Proposal (1 original) of my/our firm(s)/organization(s) as Transaction Advisor for the Development of Cool Chain System under National Trade Corridor Improvement Project

Yours faithfully,

Signature ____________________________
(Authorized Representative)

Full Name ____________________________
Designation ____________________________
Address ____________________________
FORMAT FOR TECHNICAL PROPOSAL

The Technical Proposal will provide information on how the Transaction Advisor would approach the transaction and why it is qualified to undertake the Assignment. Technical Proposal should include the following:

a) Specific firm / consortium experience
   b) Competence and qualification of team
   c) Work Plan and methodology

a) Specific firm / consortium experience

The Transaction Advisor should give a comprehensive explanation of the team’s relevant experience and capability to undertake the assignment and provide the services envisaged under the TOR. For each relevant experience cited, outline the precise role of the Transaction Advisor, contract duration, contract outcomes, and contract value.

b) Competence and qualification of team

In this part, the bidder should propose the structure and composition of his team. The bidder should list the main disciplines of the assignment, the key experts responsible and the respective qualifications and credentials along with those of the proposed technical and support staff.

c) Work Plan and Methodology

In this part the Transaction Advisor should explain the 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. The Transaction Advisor should highlight the problems being addressed and their importance, and explain the approach he would adopt to address them. The Transaction Advisor should also explain the methodologies proposed to adopt and highlight the compatibility of those methodologies with the proposed approach.

The Transaction Advisor should propose the main activities of the assignment, their content and duration, phasing and interrelations, 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.
FORMAT FOR FINANCIAL PROPOSAL

In addition to the Technical Proposal, the parties will be required to submit in a separately sealed envelope a Financial Proposal describing the amount of its fees in accordance with the requirements of this RFP Package.

<table>
<thead>
<tr>
<th>Currency (Pakistan Rupees)</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total Bid Amount =</td>
<td></td>
</tr>
<tr>
<td>a) Advisory Fee</td>
<td></td>
</tr>
<tr>
<td>b) Success Fee</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
- Advisory Fee: To be paid on the basis of identified deliverables and stages (Indicative schedule in Appendix A).
- Success Fee: 30% of the Bid Amount to be paid by successful bidder at the time of Financial Closure of the project.
- For avoidance of doubt, the Client shall not be responsible for any taxes, charges, levies etc. arising from payments to the Advisor.
DRAFT TRANSACTION ADVISORY SERVICES AGREEMENT

FOR

ESTABLISHMENT OF COOL CHAIN SYSTEM UNDER

NATIONAL TRADE CORRIDOR IMPROVEMENT PROJECT

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 ___ 2007, between Infrastructure Project Development Facility (“IPDF”), a body corporate, (hereinafter called the “IPDF”), 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 together with IPDF hereinafter called the “parties”).

WHEREAS

(a) IPDF wishes to appoint a specialized firm/team of specialists to act as the Transaction Advisor to the IPDF to carry out the Services.

(b) The Transaction Advisor, represents and covenants to the IPDF 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 IPDF 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 [this definition is subject to review by IPDF’s legal counsel]

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) “PHDEB” means Pakistan Horticulture Development and Export Board

(h) “CCS” Project” means the whole mechanism for procurement, installation, implementation and maintenance of Cool Chain System project including all ancillary components

(i) “IPDF” is defined in the preamble.

(j) “Party” means the IPDF or the Transaction Advisor, as the case may be, and the IPDF and the Transaction Advisor shall collectively mean the “Parties”.

(k) “Personnel” means persons hired/employed by the Transaction Advisor or by any of its Subcontractors and assigned to the performance of the Services or any part of the Services.

(l) “Project” means the Financing, Procuring, Installing, Commissioning Operation and Maintenance of Cool Chain project for PHDEB through the Public Private Partnership modality and requisite post transaction activities as identified in the attached TOR.

(m) “Advisory Fee” means the total amount to be paid against deliverables as specified in Appendix _____, by IPDF to the Transaction Advisor under this agreement.
(n) “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.

(o) “Starting Date” means the date referred to in Clause 2.2.

(p) “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.

(q) “Third Party” means any person or entity other than the IPDF, the Transaction Advisor or a Subcontractor.

1.2 Relation between the Parties

(a) The Transaction Advisor shall act as Advisor to the IPDF 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 IPDF.

1.3 Law Governing Agreement

This Agreement, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law. The Transaction Advisor undertakes to comply with the Applicable Law 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 IPDF:

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 IPDF, by Chief Executive 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 IPDF may, by written notice of suspension to the Transaction Advisor, suspend the Services under this Agreement for a cumulative period not exceeding 60 (sixty) days.

2.7 Termination

2.7.1 Termination by IPDF

The IPDF may terminate this Agreement 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 IPDF may have subsequently approved in writing) of being called to do so by the IPDF; 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 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 IPDF 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 IPDF shall be required to make payment to the Transaction Advisor in relation to fees which have been duly accrued or 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 expiry of twelve (12) months from the Start Date.

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 (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 seven (7) 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 IPDF all documents prepared directly by the Transaction Advisor or by any of its Subcontractors, 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 IPDF’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 IPDF 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 and IPDF 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 PHDEB/MINFAL and MOC.

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 IPDF’s or PHDEB business or operations (other than for the purposes of the Services) without the prior written consent of the IPDF and PHDEB, unless such disclosure is required by Applicable Law 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 IPDF, PHDEB by the Transaction Advisor**

The Transaction Advisor shall indemnify and hold harmless the IPDF and PHDEB against all losses, claims, damages or liabilities to which the IPDF and PHDEB 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 IPDF**

IPDF 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 IPDF and/or PHDEB relating to this Agreement and the information to be provided to the Transaction Advisor in terms of this Agreement, provided that IPDF 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 IPDF 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 IPDF’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 IPDF hereunder shall not relieve the Transaction Advisor of their obligations under this Agreement.

3.8 Accounting, Inspection and Auditing

The Transaction Advisor shall keep accurate and systematic accounts and records regarding the Services and the Project, which records shall be entitled to inspect and make copies thereof, as and when required during the pendency of this Agreement and for the one year from the expiry or termination of this Agreement, provided that the modalities of conducting such audit/inspection are agreed in advance with the Transaction Advisor.

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 IPDF 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 IPDF 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 IPDF.

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 IPDF for review and approval and whom the IPDF may if it so desires call for an
interview at the cost and expense of the Transaction Advisor. If the IPDF 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 IPDF.

(b) If the IPDF (i) finds that any of the Personnel or Subcontractors has committed misconduct as ascertained by IPDF 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 IPDF’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 IPDF subject to the same terms and conditions specified in Clause 4.3 (a).

5. OBLIGATIONS OF THE IPDF

5.1 Assistance and Exemptions

The IPDF shall use its best efforts, where such efforts are specifically requested stating the reasons for IPDF assistance, to ensure that the IPDF 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 IPDF will co-operate with the Transaction Advisor and will endeavor to furnish the Transaction Advisor with all such information and data concerning “CCS Project” which the Transaction Advisor may require in connection with the performance of the Services. The IPDF will provide the Transaction Advisor with access to PHDEB’s officers and employees and to such other information and reports as the Transaction Advisor may reasonably require. The IPDF 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 IPDF subsequently discovers something, which renders any such information untrue, unfair, inaccurate or misleading it will notify the Transaction Advisor at once.

(b) The IPDF 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 IPDF or PHDEB 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 IPDF 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 IPDF and/or PHDEB in addition to other information which the Transaction Advisor shall be responsible for gathering for effective design of system.

5.3 Road shows

The IPDF shall ensure that the road shows, marketing, fact finding and other related activities are attended by the IPDF representative and PHDEB 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

IPDF shall pay a total of Pak Rupees, , to the transaction advisor for the performance of services under this agreement.

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) The Advisory 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.

(c) All payments under this Agreement shall be made to the account of the Transaction Advisor as follows:

[Bank account details]

(d) 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 Islamabad 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.

8.2 Courts having jurisdiction

The Parties agree that the Courts at Islamabad and 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 IPDF and PHDEB 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 IPDF.

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 IPDF

_________________________________

FOR AND ON BEHALF OF THE TRANSACTION ADVISOR

_________________________________
CONDITIONS
FOR REQUEST FOR PROPOSALS FOR ADVISORY SERVICES
FOR
ESTABLISHMENT OF COOL CHAIN SYSTEM UNDER
NATIONAL TRADE CORRIDOR IMPROVEMENT PROJECT
UNDER
PUBLIC PRIVATE PARTNERSHIP
CONDITIONS

1. IPDF 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
   - 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 IPDF and PHDEB, 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. IPDF makes no representation, covenants, warrants or guarantees, express or implied, other than those expressly set forth in this Agreement. In no case shall IPDF be liable for contingent or consequential, special or indirect damages.

3. Any addendum issued by IPDF subsequent to this RFP but prior to the submission of the proposals will become part and parcel of the RFP document.

   All such addenda and clarifications relating to the RFP will be posted on the IPDF’s website. It is the responsibility of the potential bidders to ensure a review of any such addenda / clarifications prior to the submission of their respective proposals.
### APPENDIX A

#### Indicative Payment Schedule

Payment is subject to the completion of all deliverables in a particular task. The Indicative Advisory Fee Payment Schedule is as follows (Payment to be made in Pak. Rupees):

<table>
<thead>
<tr>
<th>Indicative deliverables</th>
<th>Percentage age of Advisory Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1</strong></td>
<td></td>
</tr>
<tr>
<td>Signing of the Agreement for Transaction Advisory Services</td>
<td>05</td>
</tr>
<tr>
<td>Deliverables pertaining to task 3</td>
<td>15</td>
</tr>
<tr>
<td>task 3(a,b)</td>
<td>10</td>
</tr>
<tr>
<td>task 3 (c)</td>
<td>05</td>
</tr>
<tr>
<td>Deliverables pertaining to task 4</td>
<td>25</td>
</tr>
<tr>
<td>task 4 (a)</td>
<td>10</td>
</tr>
<tr>
<td>task 4 (b)</td>
<td>05</td>
</tr>
<tr>
<td>task 4 (c)</td>
<td>05</td>
</tr>
<tr>
<td>task 4 (d)</td>
<td>05</td>
</tr>
<tr>
<td><strong>Phase 2</strong></td>
<td></td>
</tr>
<tr>
<td>Deliverables pertaining to task 1</td>
<td>10</td>
</tr>
<tr>
<td>Deliverables pertaining to task 2 (a,b,c)</td>
<td>05</td>
</tr>
<tr>
<td>Deliverables pertaining to task 3</td>
<td>25</td>
</tr>
<tr>
<td>task 3 (a)</td>
<td>05</td>
</tr>
<tr>
<td>task 3 (b)</td>
<td>15</td>
</tr>
<tr>
<td>task 3 (c)</td>
<td>05</td>
</tr>
<tr>
<td>Deliverables pertaining to task 4</td>
<td>15</td>
</tr>
<tr>
<td>task 4 (a)</td>
<td>10</td>
</tr>
<tr>
<td>task 4 (b)</td>
<td>05</td>
</tr>
<tr>
<td><strong>Total =</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
APPENDIX B

Indicative Feasibility Study

Please refer to the Project Preparation/Feasibility Guidelines devised by IPDF available on its website at www.ipdf.gov.pk

Section 1: Introduction

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

Section 2: Needs Analysis

- PHDE’s strategic objectives
- Budget
- Institutional analysis and Strategic Issues related to cool chain system.
- Output specifications in terms of service level
- Scope of the project
- Design parameters for the Cool Chain System Project

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
- Summary of results from the base model: NPV, Key indicators

- 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

Section 6: 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
- Discussion on any issues and challenges in implementation
- Best Procurement practices/procedures suited to the project type
- Bid evaluation process and teams