

**Minutes of Meeting of 1<sup>st</sup> Pre-Bid Meeting held on 15.2.2022 regarding lease of Royal Palm Golf & Country Club (RPGCC): Clarifications to the Bidding Documents.**

Pre bid meeting was held as scheduled at Summit Hall, Royal Palm Golf & Country Club, Lahore. The list of participants is enclosed. Following issues were raised by various bidders during the meeting which have been deliberated in the meeting of Management Committee of RPGCC on 19-02-2022 and following responses have been approved by Management Committee of Royal Palm Golf & Country Club;-

<b>Points</b>	<b>Response</b>
1. Past history of Club Accounts and information about the Club staff/human resource, profit & loss statement etc may be provided.	The desired information has been uploaded at club website <a href="http://www.rpgcc.com">www.rpgcc.com</a> and can be downloaded by clicking link mentioned at the end of this document.
2. How the rights of receiving payments/revenue stream from the members and other clients will be entrusted to new Management/Company/SPV?	Please refer clause 1.1 & 1.2 of the draft agreement.
3. Upfront fee of Rs.400 million seems on higher side and it was proposed that amount either may be reduced or collected in installments. Moreover, The bidders questioned the rational of so many fees as well as 5% share in the revenue, besides demanding upto 45% share from	Will be responded after 2 <sup>nd</sup> pre-bid meeting.

Points	Response
<p>membership fee also. In their opinion, these conditions would limit the competition and discourage the bidders. Base line of the annual fixed fee (benchmark) may also be informed. 5% share in revenue and 5% yearly increase in annual fixed fee should be relaxed on the first 5 years. 45% share of Pakistan Railway from membership fee is looking too much, it also should be either flat &amp; minimum or should be discarded to encourage the investors.</p>	
<p>4. All existing payments which are being received in the name of MHPL and all existing contracts are in their favor. How these will be transferred to new SPV/lessee.</p>	<p>Please refer clause 1.1 &amp; 1.2 of the draft agreement.</p>
<p>5. It may be clarified whether the property needs commercialization from concerned District Govt/Local Govt authority?</p>	<p>Property is already a running and established Club. Only Club Rooms for member's facilitation and other facilities are being added. However, the lessee will be required to obtain necessary NOCs/permissions from concerned local bodies if applicable.</p>
<p>6. How the new Management is to follow employment agreements of existing employees?</p>	<p>New management will be fully authorized to hire or fire any of the employees. However, the firing should be according to their employment agreement i.e. by giving appropriate notice of termination.</p>

Points	Response
7. Would the lessee be allowed to use Brand name of some hotel for constructed rooms?	Lessee will not be allowed to use the Brand Name of any Hotel chains for additional room facility. However, they will be allowed to use the word “operated by ____Brand” as per relevant laws.
8. Will there be any restriction on constructed rooms regarding their standards and height of the building. Whether the rooms will be considered a separate entity/Hotel or part of Club.	For room standards please refer Section 49, Exhibit H. Local laws shall be observed regarding height of the building. The rooms will be for the Club Members and considered part of the Club.
9. Condition of 100 rooms should be to the extent of minimum number rather than restricting bidders to construct 100 rooms. (fix number)	Will be responded after 2 <sup>nd</sup> pre-bid meeting.
10. In case of more than 100 rooms more time should be granted than 36 month period.	Will be responded after 2 <sup>nd</sup> pre-bid meeting.
11. Whether 36-month construction time includes the time of designing.	Yes, it includes the time of planning and designing.
12. Whether the successful bidder is allowed to use the Brand Name of Royal Palm Golf & Country Club because it may be the property of previous operator.	The honorable Supreme Court of Pakistan in its order dated 28.06.2019 has directed vide clause 31 (vi) that “All Statutory Registrations of the Club shall also stand transferred to PR”.
13. It may be clarified that which moveable assets e.g. Vehicles will be the property of lessee and which one will become the property of lessor after expiry of lease.	All moveable and immovable assets excluding vehicles/cars must be registered on the name of SPV and shall be transferred to PR at the end of lease term

Points	Response
	in line with Section 23.1, Section 2.1 (c) and Section 9.2 (a).
14. Whether Corporate Memberships are allowed and whether they are included in additional limit of 4,000 members.	4,000 Memberships include Corporate Memberships.
15. Capping on 4,000 members should be reconsidered as Oasis Lahore, Gymkhana Lahore, Dream World Karachi are serving upto 20,000 members. The bidders highlighted that capping on number of members would severely discourage the interested parties and would result in poor response therefore, this condition may also be removed	Will be responded after 2 <sup>nd</sup> pre-bid meeting.
16. It should be up to the choice of lessee where he is comfortable to open the bank account.	Successful Bidder will be allowed to open Bank Account in any scheduled Bank of AA rating or equivalent.
17. At page-43 bidders are required to provide the name of sub-contractors for the whole lease term which is not possible at this stage even for construction phase, same may be clarified.	Requirement is tentative. Formal amendment will be issued later.
18. It is mentioned that if the new management wants to fire executives, they will need approval of Over See Managing Committee. How the new lessee will independently run the Club?	New management will be free to fire the executives. However, they will keep the management positions as indicated by them in their bids for first five years. Refer to Section 39 of the Draft Agreement.
19. Whether the member's membership will be for 49 years or 25 years. Whether rights of existing members will be preserved?	Please refer Section 4, clause 4, "The rights of the existing members whether active or non-active shall be fully protected

Points	Response
	<p>by way of this Agreement without any consideration or condition.”</p> <p>New Lessee shall be allowed to issue life time memberships to new applicants.</p>
<p>20. Bidders asked for total No. of members and active and non-active members.</p>	<p>Total members are 3552 out of which 1741 are active and 1881 are non-active.</p>
<p>21. Memberships granted against cancelled memberships out of new members should not be counted towards the additional 4000 memberships.</p>	<p>Will be responded after 2<sup>nd</sup> pre-bid meeting.</p>
<p>22. Bidders demanded that proceedings of Supreme Court hearing regarding Royal Palm Golf Club may be shared publicly.</p>	<p>The desired information has been uploaded on Club Website and can be downloaded by clicking link mentioned at the end of this document.</p>
<p>23. Whether the new management will be affected by any litigation and liability of the previous period.</p>	<p>New management will not be affected by litigations or liabilities of previous period. Please refer Clause No.1.2 of the Draft Agreement.</p>
<p>24. Whether the permission of Supreme Court is obtained for lease of Royal Palm Golf &amp; Country Club.</p>	<p>Specific approval of Supreme Court has been obtained in this regard. Documents are uploaded on Club Website and can be downloaded by clicking link mentioned at the end of this document.</p>
<p>25. On page 39 clause 1-c referred detailed design of the project which is not possible at this stage for bidding purpose.</p>	<p>Only conceptual design is required for the bidding process.</p>

Points	Response
26. Whether 25 years lease period is extendable. Is there any chance to renew the 25 years lease period on the basis of performance by the successful bidder?	25 years lease period is fixed as allowed by Supreme Court of Pakistan.
27. Editable soft copy of the bidding documents may be provided.	Editable soft copy of bidding document has been uploaded on the Website of Club and can be downloaded by clicking link mentioned at the end of this document.
28. Scope, TORs and intent of the Over Sees Management Committee (OMC) may be clarified. The bidders raised the issue that role of Oversee Management Committee of Railways in the contract needs to be minimized to create healthy environment for the investors and to attract more potential bidders. Therefore, TORS of Over See Management Committee may also be reviewed by keeping minimum interference of the department.	Description and TORs of Oversee Management Committee (OMC) being revised. Same will be communicated after 2 <sup>nd</sup> pre-bid meeting.
29. Bidders are required to take permission from the Over Sees Management Committee for variation in the membership fee beyond 10%. This limits the free working of new operator and needs to be relaxed.	Refer to Agreement's Section 4, clause 3, which states that Lessee cannot <b>reduce</b> the monthly subscription fee by more than 10% of the prevailing rate at the time of agreement. However, no permission of Oversee Management Committee (OMC) will be required for increase in membership fee.  Moreover, Lessee shall intimate the OMC the prevailing upfront membership fees every year.

Points	Response
30. Bidders demanded that time of obtaining NOCs/Permissions from the local bodies should not be counted towards 36 month time of construction phase.	It has been covered in Section 2.3.2 of the Draft Agreement.
31. Exit policy/clauses to terminate the contract should be provided in the documents. In case of exit policy, what status will be of the amount of Rs.400 million upfront fee.	Section 21 of the Draft Agreement covers the Termination Aspects. Upfront Fee is non-refundable in any case.
32. In case of litigation on Brand Name/Trademark of the Club, bidders may be allowed to choose alternate Brand name.	Lessee will be allowed to adopt alternate brand name. However its utilization shall be valid only for lease period and Pakistan Railway will have the right to use the same for future lease.
33. From which date the payments/fees will become due.	All fees will start from the date of agreement except Upfront Fee and Performance Security which will be taken before agreement as per terms of Bidding Documents.
34. Bidder highlighted that the recovery of past dues from the existing members is to be made by successful bidder and transferred to Pakistan Railways. However, no incentive in this regard has been provided like some share from the recovered amount.	Not agreed.
35. To what extent lessee will be allowed to make changes to the Club bye laws or enforce new bye laws of their choice.	New Lessee will be allowed to frame the rules for operation and management of Club within the framework of bidding

<b>Points</b>	<b>Response</b>
	documents and prevailing Govt. rules & regulations. Aspects regarding rules and regulation for members of the Club have been covered in Section 4.1 and regarding operation of business is covered in Section 8.3 of the Draft Agreement

The data on Club Website, as referred in above clarifications, can be downloaded by clicking following link. If clicking does not work copy and paste this link in to your browser.

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<https://www.rpgcc.com/index.php/invitation-for-bids/>  
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## **List of Participants**

### **Pakistan Railways & Administration of RPGCC**

- 1) Director General / Property & Land
- 2) Deputy Director / Property & Land
- 3) Joint Director / Property & Land
- 4) Manager Accounts / RPGCC
- 5) Facilitation Officer / RPGCC

### **Consultant of Pakistan Railways**

- 1) Mr. Ibne Hassan (M/s UHY Hassan Naeem & Co)
- 2) Mr. Usama Ata (M/s UHY Hassan Naeem & Co)
- 3) Mr. Khurram Akbar Khan (M/s A.f Ferguson & Co.)
- 4) Mr. Hammad Ali (M/s A.f Ferguson & Co.)

### **Companies / Firms**

- 1) Mr. Ahmed Bilal (M/s Ayan Energy)
- 2) Mr. M.Atif (M/s UNICON GLOBAL )
- 3) Mr. M.Khalil Malik (M/s Raas Logistic)
- 4) Mr. Nadeem M.butt (M/s Frontline Advisor Pvt Ltd)
- 5) Mr. Nawaz Mahmood (M/s Nova City)
- 6) Mr. Abid Zaidi (M/s Hanif Rajput)
- 7) Mr. Salman Ashraf (M/s Hanif Rajput)
- 8) Mr. Sk Khalil & Mr. Nisar-ul haque (M/s Chohan Group Bussines Development)
- 9) Mr. Khalid (M/s Royal Homes Khalid Pervaiz)
- 10) Mr. M Hamza Tariq (M/s Road & story Pvt )
- 11) Mr. Waqar Qureshi (M/s HASHOO Group)
- 12) Mr. Qasim Askari (M/s HASHOO Group)
- 13) Mr. Adeel Malik (M/s Warm Waters Advisory)
- 14) Mr. Mehdi Raza (M/s Kabana Hotel Restaurants)
- 15) Mr. Haseeb Riaz (M/s DELIGHT FOOD & EVENT MANAGEMENT)
- 16) Mr. Imran Khan (M/s CHUHAN Associate)
- 17) Mr. Adnan Ahab (M/s R & S)
- 18) Mr. Umar rashid (M/s Civcle club)
- 19) Mr. Nadir Ali (M/s Kaizen constructor Pvt Ltd)
- 20) Mr. Faisal Zaffar (M/s Shahzad International)
- 21) Mr. Irfan (M/s Elba Golf)
- 22) Mr. Ahsan (M/s Elba Golf)
- 23) Mr. Liaquat Ali (M/s Ayan Group)
- 24) Mr. Naveed Qazi (M/s Baron Pakistan)