

## **ADDENDUM NO. 1 TO BIDDING DOCUMENT**

No. 473-W/BD/RPGCC/P&L

dated: March, 2022

### **ADDENDUM NO.1 TO BIDDING DOCUMENTS (BD) FOR**

### **LEASE OF ROYAL PALM GOLF AND COUNTRY CLUB**

As a result of Pre-Bid Conferences held on 15<sup>th</sup> Feb, 2022 & 2<sup>nd</sup> March, 2022, this addendum is being issued to provide clarifications, additions, amendments and / or corrections to the above-mentioned RFP document. This addendum shall be deemed to form part of the RFP document.

## **BIDDING DOCUMENT**

### **GENERAL**

1. The words “Schedule M”, written anywhere in the Bidding Document, are replaced with “Schedule L”.
2. Words “100 rooms”, written anywhere in the Bidding Document, are replaced with “100 rooms with  $\pm 10\%$  variation”.
3. The words “Volume I”, written anywhere in the Bidding Document, are replaced with “Part I”.
4. The words “Volume II”, written anywhere in the Bidding Document, are replaced with “Part II”.
5. The words “Volume III”, written anywhere in the Bidding Document, are replaced with “Part III”.

### **Part-I**

#### **SECTION-I: LETTER OF INVITATION TO BID**

6. Clause no. 7: Last Date for Submission of Bid and Opening of Bid that is mentioned in clause no. 7 as 12<sup>th</sup> April, 2022 is extended to 17<sup>th</sup> May, 2022.

#### **SECTION-II: INSTRUCTIONS TO BIDDERS**

7. The text of Clause 9.5 is deleted and replaced with the following:

*“The Bidder shall give details as prescribed in Schedule B to Part I of the Bidding Documents of the Sub-Contractors to whom the Bidder intends to sub-contract a part of the Services.”*

8. The text of Clause no. 20.5 (a) is deleted and replaced with the following:

*“a. Annual Fixed Fee quoted for the first year will be discounted to reach at Present Value as explained in Bidding Data Sheet. Upfront Fee and present value of Annual Fixed Fee will be summed up and compared to determine the highest quoted amount among the bidders.”*

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### SECTION-III: BIDDING DATA SHEET

#### A. General

9. Clause no. ITB 15: Last Date for Submission of Bid that is mentioned in clause no. ITB 15 as 12th April, 2022 is extended to 17th May, 2022.
10. Clause no. ITB 16.1: Last Date for Opening of Bid that is mentioned in clause no. ITB 16.1 as 12th April, 2022 is extended to 17th May, 2022.

#### B. Preparation and Submission of Bids

11. Clause no. ITB 18 & 20: Under heading “4. Approach, Methodology and Business Plan” the text of Serial no. 1.c. that is “*Detailed Design of the Project (50%)*” is deleted and replaced with “*Concept Design of the Project (50%)*”.
12. Clause no. ITB 18 & 20: The text under heading “Bid Evaluation” is deleted and replaced with the following:

*“The financial bids of technically qualified Bidders shall be opened. To evaluate a Financial Proposal, the Procuring Entity shall consider the following:*

- a. Annual Fixed Fee quoted for the first year shall be multiplied with 8.97 (factor based on discount rate of 15%) to reach at Present Value*
- b. Upfront Fee and present value of Annual Fixed Fee will be summed up and compared to determine the highest quoted amount among the bidders.”*
- c. The bidder offering highest quoted amount shall be declared as successful.*

*Note: The above method adopted is only for the purpose of bids evaluation without incurring any liability on the Lessor.”*

13. Clause no. ITB 25.1: The words “*Annual Fixed Fee of one year*” is replaced with “*Annual Fixed Fee of first year*”

### SECTION-IV: BID FORMS & SCHEDULES

14. Schedule B is deleted and replaced with Appendix-2 to Addendum no. 1. Appendix-2 to Addendum no. 1 is attached at the end of this document.
15. The words “*c. Detailed design of the Project*” under heading “A- b) Work Plan” in Schedule D is deleted and replaced with “*c. Concept Design of the Project*”
16. The Last Row of Table in Schedule K (Checklist) is deleted and replaced with the following.

Reference	Bidding Document - Page Reference	Check	Page Ref.
<i>Schedule J</i>	<i>Power of Attorney- JV on legal paper (PKR (1,000) (if applicable)</i>	<input type="checkbox"/>	
<i>Schedule L</i>	<i>JV Agreement duly executed by all partners of the JV (if applicable)</i>	<input type="checkbox"/>	
<i>PART-IV</i>	<i>Letter of Financial Proposal</i>	<input type="checkbox"/>	
<i>PART-IV</i>	<i>Form of Financial Proposal</i>	<input type="checkbox"/>	

**Part – II – DRAFT LEASE AGREEMENT**

17. Clause no. 1.4 (g) (CONDITIONS PRECEDENT): The word “worth PKR 400 million” is deleted.
18. Clause no. 3.1 (UPFRONT FEE): The word “worth PKR 400 million” is deleted.
19. Clause no. 3.1 (UPFRONT FEE): Following is added at the end of clause no. 3.1.

*“The Upfront Fee submitted shall not be refunded in any case whatsoever”*

20. Clause no. 3.4 (SHARE OF MEMBERSHIP FEE): Following lines are added at the end of clause no. 3.4:

*“Non-transferable temporary memberships of maximum 1 Year duration will be allowed subject to the conditions that 50% share from fee of such memberships will go to Pakistan Railways provided that defaulter member or their dependents shall not be eligible for this temporary membership. Temporary memberships will not be counted towards (capped) additional 4000 memberships and their number shall not exceed 100 in any particular year”*

*Memberships granted against cancelled memberships out of new members will not be counted towards additional members. However, Pakistan Railways shall receive 20% share from membership fees of such additional memberships.”*

*Matters of existing members who are inactive and their dues outstanding shall be dealt by Pakistan Railways till signing of agreement. If subsequently such memberships are cancelled by the lessee after exhausting all efforts to recover dues pertaining to Pakistan Railways, the lessee will be allowed to grant new memberships against such cancelled memberships and such members will not be counted towards (capped) additional 4000 members. Pakistan Railways will also receive 25% share from membership fees of such additional memberships.”*

21. Clause no. 3.4 (SHARE OF MEMBERSHIP FEE): Following lines is deleted “*In this context, the number of additional members will be capped at 4,000.*” and replaced with the following:

*“In this context, total number of additional members shall be capped at 4000 over the lease term and maximum memberships allowed in a particular year shall be 500. However, yearly restriction can be reviewed by Overseas Management Committee on the request of the lessee depending upon the business need in a particular year”*

22. Clause no. 3.4 (SHARE OF MEMBERSHIP FEE): Following lines are added in the end
- “the 4000 members will include Corporate Memberships offered. However maximum number of sub-members in a single Corporate Membership shall be 10”*

23. Clause No. 4 (MEMBERSHIP): In sub-clause-5 the word “BS-20” is replaced with “BS-19”. The words “judiciary” is deleted and replaced with “MP Scale officers of Pakistan

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Railways”. After “IG/Railway Police” the words “, Member Finance, Additional Secretary” are added. The words “shall also be eligible for the same facility subject to minimum one-year service in Railway” are deleted and replaced with “shall be eligible for complimentary membership”

24. Clause no. 4 (MEMBERSHIP), the text of sub-clause 3 is deleted and replaced with the following:

*“A prior consent of the Oversee Management Committee shall be required for decrease in upfront membership fee and monthly subscription fee. However, Lessee shall not be permitted to reduce the monthly subscription fee by more than 10% of the existing subscription fees as at the time of the agreement. Moreover, Lessee shall intimate the Oversee Management Committee the prevailing upfront membership fee every year”.*

25. Clause no. 4 (MEMBERSHIP), following is added as sub-clause 7:

*“The memberships offered by the Club shall be lifetime”*

26. Clause no. 13.3 (INTELLECTUAL PROPERTY RIGHTS): Following line is added at the end of clause:

*“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 Name)” as per relevant laws”.*

27. Clause no. 9.2 a), the line “Any other items of equipment which were purchased by Lessee shall remain the property of Lessor at the end of Lease Term or upon termination” is deleted and replaced with the following:

*“Any other items of equipment which were purchased by Lessee excluding vehicles in use of the Management, shall remain the property of Lessor at the end of Lease Term or upon termination. However, vehicles meant for Club services e.g. Golf Carts or transport vehicles shall be transferred to the Lessor”*

28. Clause no. 40, at the end of second paragraph of clause no. 40 add following lines:

*“Purpose & Functions of Oversee Management Committee are attached as Appendix-3 to Addendum No.1. Appendix-3 to Addendum No.1 is attached at the end of this document.”*

### **Part – III – TERMS OF REFERENCE & TECHNICAL SPECIFICATION**

#### **DEVELOPMENT ENVISAGED (“THE PROJECT”)**

29. Under heading “i. Development Phase” while describing “b) Additions in Existing Structures” the last line that is “Desired additions to the club” is deleted and replaced with the following text:

*“Desired Additions for capacity building of Club. However, where restrictions on such facilities are provided elsewhere in the bidding*

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*documents, same will prevail for e.g., lessee will not be allowed additional rooms other than  $\pm 10\%$  variation or construction of more additional marquees or marriage halls”*

30. Under heading “i. Development Phase” while describing “b) Additions in Existing Structures” following line is added at the end of point b)

*“The 100 rooms with  $\pm 10\%$  variation will be Club Rooms for facilitation of the members and local laws will be observed regarding height of the building consisting of Club Rooms”*

31. Under heading “ii. Operations and Management Phase” while describing the “a) Service level Requirements for Club Operations” the line “That account shall be opened in an internationally recognized bank with good standing chosen by Pakistan Railways” is deleted and replaced with the following. Remaining clause is to be read the same.

*“That account shall be opened in any scheduled Bank of AA rating or equivalent in Pakistan”*

### **COMMERCIAL CONSIDERATION**

32. Under heading “Commercial Consideration” the words “PKR 400 million” is deleted.

33. Under heading “Commercial Consideration” following is added at the end of para “a) Upfront Fee”:

*“The Upfront Fee submitted shall not be refunded in any case whatsoever”*

34. Under heading “Commercial Consideration” following is added at the end of para “d) Share of Memberships”:

*“Non-transferable temporary memberships of maximum 1 Year duration will be allowed subject to the conditions that 50% share from fee of such memberships will go to Pakistan Railways provided that defaulter member or their dependents shall not be eligible for this temporary membership. Temporary memberships will not be counted towards (capped) additional 4000 memberships and their number shall not exceed 100 in any particular year*

*Memberships granted against cancelled memberships out of new members will not be counted towards additional members. However, Pakistan Railways shall receive 20% share from membership fees of such additional memberships.*

*Matters of existing members who are inactive and their dues outstanding shall be dealt by Pakistan Railways till signing of agreement. If subsequently such memberships are cancelled by the lessee after exhausting all efforts to recover dues pertaining to Pakistan Railways, the lessee will be allowed to grant new memberships against such cancelled memberships and such members will not be counted towards (capped) additional 4000*

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*members. Pakistan Railways will also receive 25% share from membership fees of such additional memberships.”*

### **Part – IV - FINANCIAL PROPOSAL:**

#### **LETTER OF FINANCIAL PROPOSAL**

35. Clause no. (b): All text is deleted and replaced with the following:

*“We hereby submit our Financial Proposal for the amount of \_\_\_\_\_ PKR [in words & figures] as Upfront Fee and amount of \_\_\_\_\_ PKR [in words & figures] as Annual Fixed Fee in the first year of contract; as specified in the annexed Form of Financial Proposal.”*

#### **FORM OF FINANCIAL PROPOSAL**

36. Form of Financial Proposal is deleted and replaced with the Appendix-1 to Addendum No. 1. Appendix-1 to Addendum No. 1 is attached at the end of this document.

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**APPENDIX-1 TO ADDENDUM NO. 1**

**FORM OF FINANCIAL PROPOSAL**

[Bidder's Letterhead]

Sr. #	Description	Quoted Amount** (Rs.)
1.	Annual Fixed Fee in the first year of contract*	Rs. (in figures)
		Rs. (in words)
2.	Upfront Fee	Rs. (in figures)
		Rs. (in words)

\* "Annual Fixed Fee quoted for the first year shall be multiplied with 8.97 (factor based on discount rate of 15%)" and summed up with the quoted Upfront Fee for the purpose of determining the highest quoted bid

\*\* The quoted amount is exclusive of all applicable taxes

Note: Minimum Base Value/Benchmark for the Annual Fixed Fee for the first year to be quoted by the Bidders shall be PKR 360 million and for the Upfront Fee quoted by the Bidders shall be PKR 400 million. The quoted amounts less than the base value/benchmark shall not be accepted.

1. The annual Fixed Fee will be subject to an increase each year at the rate of 5% on compound basis. Annual Fixed fee will be paid to the Pakistan Railways on quarterly basis at the beginning of each quarter.
2. The Upfront fee will be paid to Pakistan Railways within eight (8) weeks from the date of issuance of Letter of Acceptance. This fee is exclusive of the applicable taxes, which will be payable separately. The Upfront Fee submitted shall not be refunded in any case whatsoever.
3. The Variable fee equivalent to 5% of the Annual Gross Revenue will be paid to Pakistan Railways at the end of each quarter based on the management accounts duly approved by the Board. The same will, however, be adjusted based on the audited financial statements.

The term "Revenue" and "Gross Revenue" as used herein shall mean the revenue earned as a result of the carrying out of all the existing and planned Club activities including:

- a) membership entrance fees and monthly subscription fees sold in connection with the Club;
- b) facilities and services sold or delivered in upon and/or from the Club;
- c) merchandise products sold at the Club;
- d) occupancy in guest rooms;
- e) food and beverages;
- f) events organized in banquet halls and marquees; and
- g) any other revenue generating activities carried out by the Club.

Project facilities include guest rooms, club, golf course, restaurant, gym, tennis court, marques and cinema. Thus, revenue from all these facilities and that of allied food & beverages and membership.

4. Apart from the variable fee, as explained above, Pakistan Railways will get a share of membership fee from additional members, joining the Club after the commencement of lease term, in the following manner. Total number of additional members shall be capped at 4,000: over the lease term and maximum memberships allowed in a particular year shall be 500.

<b>Up to 1,000 members</b>	No additional share; other than 5% of Gross Revenue as referred to in point 3 of Form of Financial Proposal
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**APPENDIX-1 TO ADDENDUM NO. 1**

<b>1,001 to 2,000 members</b>	20% of membership fee; in addition to 5% of Gross Revenue as referred to in point 3 of Form of Financial Proposal
<b>2,001 to 4,000 members</b>	45% of membership fee; in addition to 5% of Gross Revenue as referred to in point 3 of Form of Financial Proposal

5. *“Non-transferable temporary memberships of maximum 1 Year duration will be allowed subject to the conditions that 50% share from fee of such memberships will go to Pakistan Railways provided that defaulter member or their dependents shall not be eligible for this temporary membership. Temporary memberships will not be counted towards (capped) additional 4000 memberships and their number shall not exceed 100 in any particular year”*
6. Memberships granted against cancelled memberships out of new members will not be counted towards additional members. However, Pakistan Railways shall receive 20% share from membership fees of such additional memberships.”
7. Matters of existing members who are inactive and their dues outstanding shall be dealt by Pakistan Railways till signing of agreement. If subsequently such memberships are cancelled by the lessee after exhausting all efforts to recover dues pertaining to Pakistan Railways, the lessee will be allowed to grant new memberships against such cancelled memberships and such members will not be counted towards (capped) additional 4000 members. Pakistan Railways will also receive 25% share from membership fees of such additional memberships.

Name of Bidder: \_\_\_\_\_

Address: \_\_\_\_\_

Contact #: \_\_\_\_\_

Email: \_\_\_\_\_

Signature of Authorized Signatory: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

[Seal]



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**APPENDIX-2 TO ADDENDUM NO. 1**

**SCHEDULE B**

**SERVICES TO BE PERFORMED BY SUB-CONTRACTORS**

*The Bidder will undertake the whole of the Services, except the work listed below which he intends to subcontract in accordance with the terms and conditions of the Agreement and after approval of the Procuring Entity.*

***The said list provided by the Bidders is tentative and is for the evaluation purposes only and will not be binding upon Procuring Entity nor have any financial implication***

Items of services to be Sub-contracted	Name and address of Sub-contractors

**Note:**

1. *The Bidder may sub-contract with prior approval of Procuring Entity.*
2. *The Bidder shall be permitted to nominate up to a maximum of 3 (three) Sub-Contractors against each item of the Services.*
3. *The Bidder shall be responsible for all actions, performances, works or services carried out by the sub-contractor (s).*
4. *Any liability arising out of the performance of the sub-contractor of any portion or part of the Services shall be deemed as liability of the Bidder.*

## **Purpose & Functions of Overseer Management Committee**

**Purpose:** The Club is being leased as per instructions of the Supreme Court. To oversee the lease of the Club from the start and during the term of the lease an Overseer Management Committee will be setup.

**Composition:** Overseer Management Committee will have serving officers of the Pakistan Railways as its members, appointed by Pakistan Railways, in number deemed appropriate. The Committee will be chaired by Chairman Pakistan Railways.

**Functions:** The functions of the Overseer Management Committee as elaborated in the draft agreement have been listed as follows:

1. Approval of the Detail Design for Lessee's Work Phase-II. **(Section 2.3.1 (a))**
2. Giving written consent for amendments, variation and/or modification in any part of the Lessee's Work which the Lessee deem necessary for the due completion of the work. **(Section 2.3.3)**
3. To Monitor Club's operations by having monthly performance reports from the Lessee within 15 days from the close of the month and an annual performance report compiled on the basis of monthly reports. **Section 3.5 (b)**
4. Giving consent for decrease in upfront membership fee and monthly subscription fee. **(Section 4 (3))**
5. Giving consent for selection of statutory auditors. **(Section 5 (1))**
6. To have a budget prepared and presented before it by the Lessee at least 60 days before the beginning of each calendar year. **(Section 7 (a))**
7. To have presented before it for approval an inspection report, at the time of transfer upon expiry of lease term, containing list of all project facilities and other content as deemed necessary. **(Section 23.1(a))**
8. Giving consent for change in initial management team of Lessee for policy & routine management of operations which is fixed initially for the tenure of five years.
9. Issuing necessary directions to the Lessee to ensure compliance of agreed lease term. **(Section 40)**
10. To give all such approvals required from PR under the agreement for operations of the Club and its property. **(Section 40)**
11. To enter into discussion or negotiations with the Lessee for the Lease Agreement. **(Section 40)**
12. To have any information presented before it by the Lessee related to operation or lease of the Club. **(Section 40)**
13. To have officers of the PR inspect the property of the Club on quarterly basis to report back to it on maintenance of the Club. **(Section 40)**
14. To give consent to engage auditors or consultants for major assignments. **(Section 40)**

————— **END OF ADDENDUM NO. 1 TO BD** —————