

**GOLDEN OPPORTUNITY FOR INVESTMENT IN
ASIA'S PREMIER GOLF & COUNTRY CLUB**

CORRIGENDUM

**INVITATION FOR BIDS
LEASE OF ROYAL PALM GOLF & COUNTRY CLUB
(RPGCC), LAHORE, PAKISTAN**



On the request of the interested firms/companies, the last date for submission of bids which was fixed on 06th March, 2024 till 15:00 hrs PST has been extended up to 23rd April, 2024 till 15:00 hrs PST. Minutes of the pre-bid conference and Corrigendum No.1 are available on Pakistan Railway's official website www.pakrail.gov.pk, PPRA's website www.ppra.org.pk & Club's website www.rpgcc.com for information.

Director General, Property & Land
Pakistan Railways, Headquarter Office,
Lahore, Pakistan
Ph: +92-42-99201769
Email: facilitationofficer@rpgcc.com

Subject:- MINUTES OF PRE BID CONFERENCE HELD ON 14.02.2024 IN CONNECTION WITH LEASING / LICENSING OF ROYAL PALM GOLF & COUNTRY CLUB

A Pre-Bid Conference on subject cited above was held on 14.02.2024 at 11:00 hours at Royal Palm Golf & Country Club, Lahore. Meeting was chaired by Director General/P&L, Pakistan Railways and duly attended by the following Railway officers:-

- | | | |
|-----------------------------|----------------------------|----------|
| 1. Mr. Muhammad Hafeezullah | Director General/P&L | In Chair |
| 2. Mr. Salman Kazmi | Legal Advisor/PR | |
| 3. Mr. Raja Irfan Ahmad | Joint Director/P&L | |
| 4. Mr. Mudassar Shah | Deputy Director/P&L | |
| 5. Mr. Imran | Facilitation Officer/RPGCC | |
| 6. Mr. Usama Atta | M/s UHY (Consultant) | |

Number of companies participated through their authorized representatives. List of participants is enclosed as **Annexure-A**.

Meeting started with recitation of holy Quran, Director General/Property & Land, Pakistan Railways welcomed all the participants and thanked them for attending the pre-bid meeting. In introductory session, a video showing all salient features of the Club was shown to the participants which was appreciated by every-one. In addition, a presentation was also made by Mr. Mudassar Shah, Deputy Director/P&L regarding the bidding documents specially about the Technical and financial evaluation criteria and draft agreement. Director General/Property & Land also enlightened the salient features of leasing of Royal Palm Golf & Country Club.

Number of participants from different companies raised queries which were replied as under:-

Mrs. Rida Zahoor (M/s KH Group)

Q-1: What should be the minimum Experience of J.V?

Ans: It is clearly mentioned in **Section-III: Bidding Data Sheet, Clause-B (Preparation and submission of Bids), Sub-Clause-E (Minimum Experience) Page-38**, that Bidder (Group/Firm/Company) must have minimum five (5) years of experience in Hospitality Industry and Golf Club business (which includes services as mentioned in Section II(A) sub clause (m) and (mm) of the ITB). In case of joint venture any one of the partner must have minimum five (5) years of experience in Golf Club business and any one of the partner with minimum five (5) years of experience in Hospitality Industry.

Q-2: Is it mandatory for all partners of the JV that their financial credentials may be used for the evaluation of net worth and annual turnover?

Ans: As explained in reply above, that in case of joint venture any one of the partner must have minimum five (5) years of experience in Golf Club business and any one of the partner with minimum five (5) years of experience in Hospitality Industry, however, as per **Section-III: Bidding Data Sheet**,

Handwritten initials and signatures in blue ink.

Clause-B (Preparation and submission of Bids), Sub-Clause-D (Financial Soundness) Page-37 & 38;

- Minimum net worth*(average of immediately preceding five years) of the Bidder (Group/ Firm/ Company/ JV) shall not be less than Three (3) billion Rupees based on the audited financial statements of respective years to demonstrate the current financial soundness of the Bidder's financial position.
- The Bidder (Group/Firm/Company/JV) shall have minimum annual turnover (average of immediately preceding five years) of Seven Hundred Fifty (750) million Rupees based on the audited financial statements of respective years.

*** In case of JV, average net worth and turnover as per the audited financial statements of each partner of JV shall be summed up for evaluation. The net worth and the average turnover in case of foreign/international bidders shall be converted to Pak Rupees at the Telegraphic Transfer and Over Draft (TT & OD) composite selling exchange rate published/authorized by the State Bank of Pakistan and applicable to similar transactions, on the last date of Bid submission.**

The net worth as required in the bidding documents shall be considered for joint venture.

Q-3: During first three years, the lessee will invest handsome amount in the Club in shape of construction of additional rooms & renovation of Club, so why not the fixed upfront fee can be received in four years.

Ans: Financial Business Model has been finalized after thorough deliberations and has already been examined by Board of Investment, M/s NESPAK and M/s A.F. Ferguson which was accordingly approved by the Management Committee of Royal Palm Golf & Country Club. The same has already been submitted in Supreme Court of Pakistan. Hence, any change in the Financial Business Model at this stage is not admissible.

Q-4: Why in the bidding documents, additional members have been capped upto maximum 4000?

Ans: Keeping in view the capacity of the Club and staff to provide best services to the members and to avoid any complaints due to capacity/staff short fall, additional member upto 4000 have been capped with the restriction of 500 membership / annum.

Q-5: Kindly indicate the vacant area earmarked for construction of 100 rooms?

Ans: Except Golf Course, 100 rooms can be constructed at any suitable location, however, one of the marquee named Silver Bell can be shifted to other place and 100 rooms can be constructed in front of Golf Course giving peaceful living environment and pleasant view of the Golf Course to the Guests/members residing in rooms.

Q-6: Who will be responsible to get NOC for carry out different construction activities in the Club from different authorities.

Ans: It is the responsibility of lessee to get NOCs from the different departments/ local Government etc.

Handwritten signature

Handwritten signature

Q-7: Please clarify whether any brand name can be used for any restaurant or residential rooms.

Ans: No brand can be introduced directly, however, it can be mentioned that restaurants/rooms/residing facility is being operated / maintained by specific brand.

Q-8: Please clarify whether existing business facilities shall remain continue as it is or can be changed altogether or otherwise.

Ans: The lessee has the right to introduce its own business facilities, keeping in view his requirements and customer demand, however, sanctity of the Golf Club should be kept at priority.

Mr. Fida -i- Rehmat (M/s Joyland Ltd):-

Q-1: Is there any possibility of short term / temporary membership.

Ans: Non-transferable temporary membership is allowed for one year as explained in bidding documents vide **Clause – d (Share of Membership), Commercial Consideration, Part-III – Terms of Reference & Technical Specification (Page-96)** with the condition that 50% share will be given to Pakistan Railways. In addition corporate membership is also allowed.

Q-2: Can existing building façade can be changed or not?

Ans: The lessee can bring his proposal to the Management Committee of the Royal Palm Golf & Country Club in the light of provisions of **Clause-ii (operation and management phase, Part-III – Terms of Reference and Technical Specification (Page No.93))** for its consideration with complete justification.

Q-3: The bid opening date should be extended as formation of elected Government is under process. In addition, holy month of RAMZAN is also going to start in March.

Ans: Matter shall be appraised to the Management Committee/Royal Palm Golf & Country Club and final decision shall be conveyed well in time.

Q-4: Weather all existing assets shall be handed over to the lessee or otherwise.

Ans: Yes, Club shall be handed over to the lessee in running condition and the lessee shall strictly observe clause, a, b & c of Equipment & Machinery detailed at page 135 & 136 and has to hand over all equipment & machinery back to Pakistan Railway administration after expiry of lease period in efficient running condition.

Brig ® Nadeem (M/s RDBL)

Q-1: Is JV allowed within JV.

Ans: In the start, the JV formed is not a legal entity; however, every JV member should have its separate legal entity. An already registered JV can be part of a fresh JV which will get registered as SPV after successful bidding, however,

the maximum number of JV members as restricted upto four members including the JV partners inside JV.

Q-2: Whether existing building structure can be demolishing for rebuilding or not?

Ans: The successful bidder can make changes in accordance with **Clause-ii Operational and Management Phase, Part-III – Terms of Reference and Technical Specification (Page No.93)** according to which the lessee shall bear the operational expenses of the Club during the lease term and shall have the right to modify the internal Civil work or alteration in the structure, only with prior approval of the Overseas Management Committee..

Q-3: Cost of renovation of Golf Course is not included in the bidding documents.

Ans: Condition of Golf Course is in good shape and is well maintained as per playing standards, however, further renovation / up-gradation is the choice of the lessee for the success of his business.

Q-4: In the performance guarantee, in addition to Bank Guarantee, insurance guarantee be allowed.

Ans: Not allowed as per bidding documents, however, if any relaxation is decided, the same shall be conveyed to all the bidders.

Q-5: Railway share of membership fee may be re-visited.

Ans: Business model has been finalized after due diligence & duly approved by all relevant forums after complete deliberation. Furthermore, the Business Model has already been submitted in honourable Supreme Court of Pakistan.

Q-6: Can associated member be given weightage in the Technical Evaluation Criteria.

Ans: The mechanism and criteria for technical qualification of the bidders have been designed by considering all the modern practices and relaxation, hence, any further change in evaluation criteria will not be admissible at this stage.

Mr. M. Atif Qureshi (M/s UNICON)

Q-1. What is the number of existing employees and what will be their future after outsourcing of the Club?

Ans: There are 312 existing employee, out of which 129 are permanent and remaining are on contract / temporary. It is upon the lessee, whether to terminate or to keep continue their services subject to fulfillment of all the contractual obligations/ bindings.

Q-2. Who will clear liability of the staff if they are terminated?

Ans. The liabilities shall be sole responsibility of lessee as per obligations/bindings of the employment contract, however, and shall be dealt in line with clause-ii Operation & Management Phase, sub clause – a (i to iv), **Part-III – Terms of Reference and Technical Specification (Page No.94)**

Q-3. Time frame of response of Management Committee.

Ans. Management Committee will convene its meeting regarding Club issues after every 3 month, however Management Committee meeting can be arranged on the request to resolve specific issues to ensure smooth operation.

Q-4. Whether existing financial account of the Club can be attained?

Ans. Yes, it can be collected from the office of Administrator/RPGCC.


Q-5. Kindly give detail of active and dormant members.

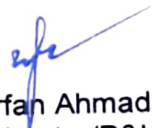
Ans. Mr. Imran, Manager Finance/Facilitation Officer, Royal Palm Golf Club may be contacted for seeking desired information.


Q-6. Whether, monthly subscription can be enhanced?

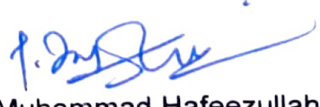
Ans. Yes, the lessee can enhance the monthly subscription as per ongoing market rate, keeping in view the facilities / services provided by the Royal Palm Golf & Country Club to the members, however, it can't be reduced.


Meeting ended with vote of thanks.


(Mudassar Shah)
Deputy Director/P&L
HQrs: office, Lahore


(Raja Irfan Ahmad)
Joint Director/P&L
HQrs: office, Lahore


(Usama Att-ur-Rehman)
UHY Hassan Naeem &
Co.


(Muhammad Hafeezullah)
Director General/P&L
HQrs: office, Lahore


(Salman Kazmi)
Legal Advisor/PR
HQrs: office, Lahore