



REQUEST FOR PROPOSALS FOR HIRING OF TRANSACTION ADVISORS FOR SWO ASSET OPTIMIZATION AND PARTNERSHIP INITIATIVE

RESPONSES TO QUERIES DOCUMENT

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This Response to Queries Document (this **Response Document**) is further to the Request for Proposal (consisting of the Request for Proposal and Draft Consultancy Agreement issued on **28th June, 2025**) (the **RFP Documents**) in respect of the bidding process relating to hiring a consultancy firm / consortium for Transaction Advisory Services for SWO Asset Optimization and Partnership Initiative (the **Project**).

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Responses on Queries of Consultants

Following are the answers / clarifications to the questions / queries raised by the interested / potential bidders during the pre-bid meeting held on Tuesday, 08th July 2025, and subsequently through email(s), in respect of the Request of Proposals issued by SWO in relation to the captioned project.

No.	Query / Clarification	Response
1.	<p>Fee Adjustment for Phase-II and Phase-III</p> <p>We appreciate the detailed structure outlined in the RFP. However, we would like to express a concern regarding the proposed payment mechanism, particularly the fee adjustment linked to the number of properties proceeding beyond Phase-I.</p> <p>As currently structured, Phase I involves substantial effort including technical feasibility assessments, surveys, stakeholder engagement, market research, and preliminary structuring. This work is largely volumetric in nature and must be completed regardless of whether individual properties proceed to subsequent phases or not.</p> <p>It is pertinent to note that the scope of work in the subsequent phases (Phase-II and Phase-III) is not volumetric in nature. Therefore, regardless of whether a total of 45 properties is ultimately deemed suitable for PPP, the workload (preparation of bidding packages, securing necessary approvals, bid evaluation and achieving commercial and financial close) will remain largely the same in terms of effort and number of hours required. Therefore, any reduction in properties after Phase-I does not result in a commensurate reduction in the consultant's effort or cost incurred.</p> <p>Tying a significant portion (55%) of the consultant's fee to the number of properties carried forward into Phase-II and III creates a misalignment of incentives. It may inadvertently compromise the objectivity of the recommendations in Phase-I, particularly regarding asset selection for PPP structuring. We understand that in order to achieve the objectives of this transaction, a key principle of sound advisory work is the independence of analysis and the ability to recommend exclusion of non-viable assets without fear of financial penalty. We respectfully request reconsideration of this structure, possibly through exclusion the conditional fee reduction mechanism from the RFP. However, we propose that the fee for Phase-II</p>	<p>The inclusion of this condition is intended to safeguard the interests of the Organization and to ensure that the Transactional Advisor undertakes the assignment with full diligence, commitment, and in accordance with the agreed terms and maximum number of properties are outsourced in PPP mode. It is important to underscore that the consultant's efforts during Phase I will be compensated in full, recognizing the foundational work required during this stage.</p> <p>However, the scope and intensity of work involved in Phases II and III are inherently dependent on the number of properties or buildings ultimately proposed for implementation under the Public-Private Partnership (PPP) model. Accordingly, the payment structure for these phases has been purposefully aligned with the actual number of properties/buildings selected for outsourcing. This performance-based approach not only ensures fairness and transparency but also incentivizes the Transactional Advisor to deliver tangible, outcome-oriented results through out the project.</p>

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	and Phase-III may be allocated across the sub-projects proportionately based on the number of properties, in the event the overall assignment is divided into multiple PPP sub-projects.	
2.	<p>Clarification on TORs</p> <p>We appreciate that the scope of work broadly aligns with the objectives of the transaction. However, the following clauses appear to extend beyond the intended purpose and may require reconsideration:</p> <p>Clause 5.3.1.2 (f) – This clause includes a requirement for market sounding, which we fully support. However, the subsequent provision “Facilitate workshops or consultations to gather input and feedback from key stakeholders” introduces potential cost and logistical implications that may not be proportionate to the scope of Phase I. Additionally, it could become a point of contention at the time of assignment closure. We therefore respectfully propose that this portion of the clause be removed.</p> <p>Clause 5.3.1.2 (m) – This clause calls for the development of SOPs for the concessionaire. In our view, the Concession Agreement itself will sufficiently define the roles and responsibilities of the concessionaire. Developing SOPs at this stage does not align with the expected outcomes of Phase I. Accordingly, we recommend excluding this clause from the current scope.</p> <p>Clause 5.3.1.5 (d) – This clause mandates the preparation of a draft bill, rules and regulations, or trust documents, “if required.” While we understand this is a conditional requirement, we suggest revising it for greater clarity. We propose amending it as: “...if specifically required for this transaction.” Alternatively, this clause may be excluded to avoid interpretational ambiguity during the course of the assignment.</p>	<p>Clause 5.3.1.2(f): The provision requiring the facilitation of workshops or consultations with key stakeholders is an essential component of Phase I and must remain in place.</p> <p>The success of any PPP initiative is heavily reliant on robust stakeholder engagement at the earliest stages. Facilitated consultations and feedback sessions are not only industry best practice but also critical for ensuring that project design, risk allocation, and implementation strategies are aligned with ground realities and stakeholder expectations, including those of potential private partners, government departments, and regulatory bodies.</p> <p>Clause 5.3.1.2 (m): Agreed. This clause will stand excluded from 5.3.1 Phase-I (Feasibility Study) and added at 5.3.2 Phase-II (Transaction Advisory).</p> <p>Clause 5.3.1.5 (d): This clause already includes the phrase “if required,” indicating that these services will be provided by the consultant only if the situation necessitates.</p>
3.	The RFP does not contain any clause pertaining to performance security. We would appreciate it if you could clarify whether a performance security will be required, and if so, please specify the applicable percentage or amount to be furnished by the consultant upon award of the project.	The successful bidder is not required to submit the performance security.

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4.	<p>The RFP specifies that the Lead Member must be a Financial Advisory Firm. We seek clarification on the following points:</p> <ul style="list-style-type: none"> • Would it be permissible for two advisory firms to jointly act as the Lead Member, subject to valid justification? • In the case where two companies belong to the same group, can the group entity act as the Lead Member, with the financials and experience of both companies combined to meet the eligibility and evaluation criteria outlined in the RFP?" 	<p>It is clarified that the Lead Member must be a financial firm. Two advisory firms cannot jointly act as the Lead Member, in order to ensure transparency, accountability and a clear line of communication.</p>
5.	<p>As per Page 45 of the RFP, Scoring System – Section 6.3, Note II states that in the case of a consortium, scores will be allotted only once for the same project/milestone.</p> <p>We respectfully request reconsideration of this clause. The nature and scope of work undertaken by technical, financial, and legal advisors within the same project are typically distinct and independent of each other. Therefore, if consortium members—such as the legal or technical consultants—have previously worked together on the same project, each should be allowed to claim and be evaluated on the basis of their respective roles and experience under that project.</p>	<p>A project will be considered/scored once for one sub-criterion under the section of experience. However, projects which have completed multiple stages can be presented separately in different sub-criteria along with the respective deliverables.</p>
6.	<p>We seek clarification on how partially completed assignments will be treated for evaluation purposes, particularly in cases where the consultant has fulfilled its obligations, but the project was halted by the client mid-way due to reasons beyond the consultant's control.</p> <p>For instance, if a feasibility study was to be conducted for six properties, and the consultant successfully completed studies for four of them, while the remaining two were discontinued by the client, would such an assignment be considered 'completed' for the purposes of technical evaluation.</p>	<p>For evaluation purposes, a completion certificate or an equally valid supporting document is mandatory to ensure a fair and merit-based assessment. No marks will be awarded for partially completed assignments.</p>
7.	<p>We would appreciate clarification on whether the same project experience can be cited for both the Financial Team Leader and the Project Finance Specialist. Given the similarity in educational qualifications and professional backgrounds typically</p>	<p>The same project may be cited, provided the nominated staff played an active role in its execution.</p>

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	<p>required for both roles, it is likely that the same individuals may have worked on similar or overlapping assignments over the past five years. In such cases, would it be acceptable to list the same projects under both personnel?</p>	
8.	<p>The RFP outlines requirements for several key professional staff within the technical team, including specialists such as environmental experts, hospitality consultants, and architectural professionals. We seek clarification on whether it is permissible to engage such experts from outside the core technical firm—for instance, as individual consultants or through subcontracting arrangements—provided their qualifications and experience meet the specified criteria.</p>	<p>The Bidders may add CVs of the staff not currently an employee. CVs of such individuals should be submitted in compliance with 3.6 Form Tech-6.</p>
9.	<p>The turnover of lead member required is PKR 300 million for maximum marks and PKR 100 million for minimum marks</p> <p>We request a revision in the turnover thresholds as the current requirement—PKR 300 million for maximum marks and PKR 100 million for minimum marks for the lead member—appears disproportionately high, particularly considering the nature of transaction advisory and feasibility assignments, which are predominantly knowledge- and expertise-driven rather than capital-intensive.</p> <p>Many experienced and specialized financial advisory firms, especially those focused on public sector and PPP projects, operate with lean structures and relatively lower annual turnovers, yet possess the technical capacity, sectoral expertise, and qualified teams necessary to deliver high-quality outputs. By setting high turnover thresholds, the RFP may unintentionally limit the pool of qualified bidders, especially local firms with proven experience but modest financial size.</p> <p>We therefore suggest adopting a more inclusive and proportionate criterion, such as an average turnover of PKR 20 million for the lead firm and PKR 150 million for the consortium, calculated over the last three years. This would allow broader competition and participation from technically sound firms, while still ensuring sufficient financial standing and stability.</p>	<p>Not accepted.</p>
10.	<p>The RFP requires at least 5 completed PPP (Public Sector) projects from the financial advisor having project value of PKR 5 billion each.</p> <p>We respectfully request a revision in the qualification criteria due to the limited</p>	<p>Not accepted.</p>

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	<p>number of high-value PPP projects concluded in Pakistan in recent years, particularly with a project size of PKR 5 billion or more.</p> <p>Furthermore, many reputed financial advisory firms possess substantial experience in public sector transactions, including infrastructure, utilities, and service delivery reforms, which are highly relevant. These firms may not meet the specific threshold of five PPP projects of PKR 5 billion each but have successfully executed comparable public sector projects in scale and complexity.</p> <p>Therefore, we propose either:</p> <ul style="list-style-type: none"> • Allowing public sector transaction experience in place of exclusively PPP projects, or • Reducing the requirement to three completed assignments with a minimum value of PKR 3 billion, to ensure a fair, competitive, and inclusive bidding process that does not inadvertently restrict capable firms. 	
11.	<p>The RFP requires at least 3 completed PPP (Public Sector) projects from the financial OR Legal advisor having project value of PKR 5 billion each.</p> <p>Same as above (8)</p>	Not accepted.

