

**RESPONSES TO  
PROSPECTIVE BIDDERS' QUERIES &  
AMENDMENT NO. 1 TO THE RFP  
LINK ROAD PROJECT**

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**RESPONSES TO PROSPECTIVE BIDDERS' QUERIES &  
AMENDMENT NO. 1 TO THE REQUEST FOR PROPOSAL  
M9-N5 LINK ROAD PROJECT**



**Works & Services Department  
Government of Sindh**



**Public Private Partnership Unit  
Finance Department  
Government of Sindh**

**October 2020**

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**IMPORTANT NOTICE/DISCLAIMER**

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This **RESPONSES TO PROSPECTIVE BIDDERS' QUERIES DOCUMENT & AMENDMENT NO. 1 TO THE REQUEST FOR PROPOSAL** (this **Response Document**) is further to the 'REQUEST FOR PROPOSAL' (consisting of Volume I (*Request for Proposal*) (the **RFP**) and Volume II (*Draft Concession Agreement*) (the **DCA**)) issued in August 2020 (the **RFP Documents**) and the various queries received from prospective bidders (the **Prospective Bidders' Queries**) in respect of the Competitive Selection Process relating to the Karachi-Hyderabad Motorway (M9)-National Highway (N5) Link Road Project, proposed to be undertaken on a DFBOT basis (the **Link Road Project**). This Response Document is being circulated by the Works & Services Department, Government of Sindh (the **GoS**), solely for use in preparing and submitting a Bid for participation in the Competitive Selection Process conducted for the purposes of selection of a Preferred Bidder to undertake the Link Road Project. Upon signing of the Concession Agreement for the Link Road Project, the Concession Agreement will be the final and binding document and any responses set out in this Response Document will not have any effect or be used for interpretation.

*Unless expressly specified otherwise, all capitalized terms used in this Response Document shall bear the meanings ascribed thereto in the RFP Documents.*

This Response Document consists of the following two (2) parts:

- Part I (*Responses to Prospective Bidders' Queries*), which enumerates responses to the Prospective Bidders' Queries; and
- Part II (*Amendment No. 1 to the Request for Proposal*), whereby various provisions of the RFP Documents have been amended in view of the Prospective Bidders' Queries and the internal deliberations of the GoS. The amendments made by way of Amendment No. 1 to the Request for Proposal set out in Part II (*Amendment No. 1 to the Request for Proposal*) of this Response Document (this **Amendment No. 1**) shall stand incorporated in the RFP Documents. Notwithstanding anything to the contrary, all relevant provisions of the RFP Documents shall stand amended to the extent required to give effect to the matters set out in this Addendum No. 1 and necessary conforming changes may be made at any stage. To the extent necessary, the GoS shall be entitled to introduce further changes to the RFP Documents at any stage to give effect to the matters set out in this Addendum No. 1 and/or to rectify any clerical errors. Except as set out in this Response Document, all other provisions of the RFP Documents shall remain unchanged.

This Response Document is not an agreement; its sole purpose is to provide interested Persons with information that may be useful to them in making their Bids pursuant to the RFP Documents. The RFP Documents and this Response Document includes statements, which reflect various assumptions and assessments arrived at by GoS in relation to the Link Road Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This Response Document may not be appropriate for all Persons, and it is not possible for GoS, its employees, personnel, agents,

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consultants, advisors, legal advisors and contractors etc. to consider the investment objectives, financial situation and particular needs of each Person, that relies on, reads or uses this Response Document.

None of the GoS' entities and its relevant stakeholders in the Link Road Project (including, *inter alia*, the WORKS & SERVICES DEPARTMENT, the PPP Unit, the Finance Department, and the TFEC) nor, in each case, their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., make any representation (expressed or implied) as to the accuracy or completeness of the information contained herein, or in any other document made available to any Person in connection with the Competitive Selection Process for the Link Road Project and the same shall have no liability for this Response Document or for any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Link Road Project. Neither these entities nor their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., will be liable in any manner whatsoever to reimburse or compensate the recipient for any costs, fees, damages or expenses incurred by the recipient in evaluating or acting upon this Response Document or otherwise in connection with the Link Road Project.

The assumptions, assessments, statements and information contained in the RFP Documents, may not be complete, accurate, adequate or correct for the purposes of Bids. GoS' entities and its relevant stakeholders in the Link Road Project (including, *inter alia*, the WORKS & SERVICES DEPARTMENT, the PPP Unit, the Finance Department, and the TFEC) and, in each case, their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., have no liability for any statements, opinions or information provided in the RFP Documents. Each Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in the RFP Documents. The Bidders are required to undertake their independent assessment and to seek independent professional advice on any or all aspects of the RFP Documents. No decision should be based solely on the basis of the information provided by the RFP Documents and this Response Document.

GoS expressly disavows any obligation or duty (whether in contract, tort or otherwise) to any Bidder. No Bidder is entitled to rely on GoS' involvement in the preparation of this Response Document or in the Competitive Selection Process as a basis for preparing the Bid or developing the Link Road Project.

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**PART I  
RESPONSES TO PROSPECTIVE BIDDERS' QUERIES**

*Unless expressly specified otherwise, all capitalized terms used in this Response Document shall bear the meanings ascribed thereto in the RFP Documents.*

SR. NO.	PROVISION NUMBER OF RFP DOCUMENT	COMMENTS	RESPONSES
1.	General	<p>After study the project area it has been revealed that an existing link road takeoff from N-5 between the existing Steel Mill and Port Qasim connecting roads. If this road gets improved and developed and connected with Malir Expressway, it will be potentially capable to tap and attract the toll able freight traffic for being providing shorter distance for the traffic originating from Steel mill and Port Qasim and bond to M-9 and N-25. Further in the concession of Malir Expressway, there is a provision for concessionaire to develop any such link to attract the traffic in order to yield the maximum benefit. Our question is that any such anticipated/ potential development and connection through Malir Expressway will significantly compromise the ability proposed link road to attract the traffic. The shifting of traffic under such conditions for being shorter in distance will have financial implications in terms of toll collections and project benefits. If the situation owing to development of this link under the provision of Malir Expressway project arise, how GoS will ensure the future benefits of the link road which may compromise due to such development?</p>	<p>First, no such improvement works are part of the GoS' proposed developmental plans.</p> <p>Second, the existing alignment of Malir Expressway is on the right bank of Malir River. Under the concession agreement in relation to Malir Expressway, the concessionaire has the right to determine the locations of two (2) interchanges only, while the locations of the remaining interchanges are fixed. Such interchanges are to be established on the existing alignment of Malir Expressway on the right bank of Malir River, as opposed to the left bank. Therefore, by mere determination of the locations of such interchanges in terms of the Malir Expressway concession agreement, the connectivity apprehended in the query is not likely.</p> <p>Third, upon establishment of the Project Link Road, the possibility of investment of a significant amount by the GoS for construction of another link, as highlighted in the query, is remote.</p>

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2.	General	<p>In support of our contention, we have developed the location plan showing existing link and proposed link road and the distance along N-5 between existing link and proposed link road. From the map, the facts which are evident are given as under.</p> <p>(a) The distance between N-5 and M-9 through existing link (potentially to be developed and connected with Malir Expressway) is about 23 KM for the traffic originating from Steel Mill and Port Qasim. If this link will be develop properly this distance will further reduce to about 4 to 5 Km.</p> <p>(b) The distance between N-5 and M-9 through proposed link road is about 31 Km for the traffic originating from Steel Mill and Port Qasim.</p> <p>(c) There will be obvious distance saving of more than 8 Km if this link will be develop properly.</p> <p>(d) This saving of distance will contribute to travel costs including POL and time cost. Therefore the freight traffic which have greater degree of freedom to opt the route will certainly opt the link for saving.</p> <p>(e) This anticipated shifting of traffic under the conditions for being shorter in distance will have financial implication in terms of toll collection and</p>	Please refer to the response to query No. 1 above.
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		project benefits and will compromise the project benefits.	
3.	General	Similarly, dualization of Karachi-Thatta section of N-5 is planned to be extended up to Kotri. This development is also potentially capable to attract the traffic and to compromise the project benefits. Owing to development and dualization of N-5 up to Kotri, how GoS will ensure the future benefits of a link road which may compromise due to such development.	Even after dualization of Karachi-Thatta-Kotri section of N5, traffic beyond Kotri must ply on congested and narrow urban roads of Hyderabad and Kotri to reach the three (3) lane dual carriageway of M9 for uninterrupted travel upcountry, as N5 is only a two (2) lane road facility beyond Kotri. Therefore, vehicles may prefer travelling on the Project Link Road to reach M9 for onward journey upcountry.
4.	Paragraph 4.6.1.2 of RFP	Provision of MRG amount “Financial instrument”, should be in form equal to base amount required as MRG, rather than present value, since concessionaire will need to be paid in nominal/actual terms and not present value terms. This will also improve bankability for purpose of raising financing.	In terms of the DCA, the GoS has an obligation to gross-up the value of the MRG Financial Instrument upon occurrence of the MRG Financial Gross-Up Event in an amount equal to the MRG Financial Gross-Up Amount. Therefore, for the duration of the MRG Funding Period, the GoS shall ensure that the Minimum Revenue Guarantee Amount is available to the Concessionaire in gross terms.  In any case, the GoS is providing the MRG Financial Instrument upfront in present value terms, which will secure a significant portion of the Financing and thereby enhance the bankability of the Link Road Project.
5.	Section 10.1.4 of DCA	Please provide a basic working: a) How will accrual of 4% will work (compounded each year, or 4% on base amount)? b) Repayment of interest portion accrued during grace period, will this be made part of principal to be repaid, or will it have its own mechanism of repayment?	(a) The 4% accrued mark-up will not be compounded i.e. there will be no mark-up on mark-up.  (b) Payment of mark-up accrued during the Grace Period will be made during the Repayment Period together with the principal repayment instalments.

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6.	Section 10.1.4 of DCA	<p>a) Accrual of interest during construction period will unnecessarily increase the project cost, as well as the VGF required.</p> <p>b) Sub debt repayment period is starting early and does not give sufficient time cushion for repayment of commercial debt principle amount. The bidder should be able to propose their own commercial debt repayment timeline to put minimum cash flow burden on the project (especially in first operational years).</p> <p>c) Furthermore, since GoS will already receive interest and VGF amount during repayment period, the grace period should not accrue any interest.</p>	<p>(a) Given that payment of mark-up on the Subordinated Financing is to be made after the Financing Repayment Date, accrual of such mark-up has no impact on the Total Project Cost. Any impact on the lifecycle cost is nominal in the context of the Link Road Project.</p> <p>(b) The Repayment Period is assumed to commence after the Financing Repayment Date i.e. eight (8) years after the earlier of the Substantial Completion Date or the Scheduled Substantial Completion Date. Bidders may, however, propose a shorter period for payment/repayment of the Financing to create a cushion for accumulation of funds for servicing of the Subordinated Financing. In addition, the present structure does not preclude Bidders from building a reserve for the Subordinated Financing any time after the Commercial Operations Date.</p> <p><b>To give additional comfort to the Concessionaire, in case the actual Revenues are less than eighty percent (80%) of the Benchmark Revenues for three (3) consecutive years prior to commencement of the Repayment Period, the current Repayment Period of three (3) years will be extended to six (6) years.</b></p> <p>(c) The GoS does not agree with the proposed elimination of the concept of accrual of mark-up during the Grace Period.</p>
7.	Paragraph 4.5.3 of RFP	Since an initial 8 KM portion shall be operational sooner than 20 months (construction period), the concessionaire should be allowed to collect toll revenues from partially	The concept of sectional tolling is not appropriate for the Link Road Project. Toll collection can only be justified once

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		<p>completed portion. The concept of sectional completion may be added.</p> <p>If the concessionaire will be entitled to collect toll after segment substantial completion, then the DLP period for that section will end earlier than rest of the road. Hence, the maintenance cost of the same may be allowed accordingly (before 24 months post Substantial Completion)</p>	<p>continuous connectivity between the origin and destination of the Project Link Road is provided.</p>
8.	Paragraph 4.5.4 of RFP	<p>a) Sharing of toll revenues in excess of 110% of Benchmark Revenue to be on Proportionate Basis, which is 70:30 in favor of GoS. Sharing percentage is unreasonable and does not sufficiently incentivize the concessionaire to work diligently towards upside potential. Furthermore, if cost estimate of the concessionaire is higher than the estimate by GoS (for adding design efficiencies or otherwise), then the concessionaire will not be able to get their requisite IRR with this sharing percentage.</p> <p>b) In all the past PPP projects undertaken in Pakistan, benchmark revenue sharing has always been above 120% which provides reasonable earning potential for the concessionaire therefore, this needs to be adjusted accordingly.</p> <p>c) Sharing of toll revenues does not make sense since the Government is already providing VGF as sub-debt. Not only is the Government taking back the initial</p>	<p>(a) Bidders are requested to take a view on the existing Revenue sharing mechanism in the RFP Documents in determining the viability of the Link Road Project. Based on its own independent assessment, the GoS is of the view that the Benchmark Revenues plus the Concessionaire 10% Windfall and the Concessionaire Additional Windfall will provide sufficient funds to the Concessionaire to service its liabilities and enable its Sponsor(s) to earn an IRR that is reasonable for a project of this nature. Prospective Bidders are encouraged to undertake a detailed due diligence on the viability of the Link Road Project based on its current structure.</p> <p>(b) You will appreciate that the structuring of each PPP project is undertaken based on an analysis of its own unique dynamics. Given (i) the size of the Link Road Project, and (ii) GoS' assessment of its bankability, GoS is of the view that the proposed Revenue sharing thresholds are appropriate and provide sufficient incentive for mobilization of private sector investment.</p>



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		VGF invested, but they will also receive interest, along with interest accrued.	(c) The contents of the immediately preceding paragraphs are reiterated.
9.	Definition of MRG Financial Instrument Amount (Initial) in DCA	Please clarify whether discount rate will be 8% or will this be open? Leaving the discount rate open at this stage will make the bidders use unreasonable discount rates, and discussion will shift from the nominal values of MRG required to the various iterations of present values that can occur, depending on the selected discount rate by each bidder. Therefore, as instated in point (1) of this document, the MRG Financial Instrument Amount should be in nominal terms, and not present value terms.	The discount rate of 8% is fixed for purposes of evaluation of the Bids, so as to provide the Bidders a level playing field. However, the discount rate at which the MRG Financial Instrument shall be issued and the MRG Financial Instrument Amount (Initial) shall be determined shall be the rate negotiated by the GoS with the MRG Financial Instrument Issuing Bank at the time of issuance of the MRG Financial Instrument.
10.	General	Concept of competing routes compensation is missing in the RFP/DCA (construction of Malir Expressway in future). This needs to be incorporated since adding any competing routes will completely change the financial dynamics of the project, which are being finalized today. Moreover, if GoS does not foresee any future competing routes, then GoS should not have any problem with incorporating the concept of relief compensation.	Development of Malir Expressway has been factored in by the GoS in structuring the Link Road Project. The GoS is offering Subordinated Financing and Minimum Revenue Guarantee support to address any perceived viability gap concerns. In addition, the GoS' current developmental plans do not include any routes that may compete with the Link Road Project. Bidders are requested to independently assess whether development of a competing route in the foreseeable future is practicable, given the unique dynamics of the Concession Area and its surrounding localities.  <b>That notwithstanding, to give added comfort to Bidders and in view of concerns raised by several interested parties with regard to revenue assumptions and potential adverse impact of developments such as Malir Expressway and ML-1 on the Link Road Project, the GoS proposes to increase the ceiling of the Minimum Revenue Guarantee Amount support from twenty percent (20%) of the Benchmark Revenues to forty</b>

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			<b>percent (40%) of the Benchmark Revenues. However, this increase is subject to approval of the PPP Policy Board, GoS.</b>
11.	General	Multiple roads are intersecting the Link Road, there is no mechanism provided for collection of traffic at intersections for entry and exit of the traffic. Please clarify what is toll collection in case of pilferage of traffic.	There are no significant roads intersecting the Project Link Road, except small local routes with minimal traffic movement
12.	Paragraph 3.4.4 of RFP	<p>“Notwithstanding anything contained in this RFP, <b>any refinancing and/or additional financing by the Bidder during the Concession Period shall require a written approval of the GoS and the Independent Auditor and such refinancing/additional financing shall not increase any risk and/or liability for the GoS.</b> The Bidder and the GoS shall mitigate any risk involved pursuant to such refinancing.”</p> <p>Please change language to mutual consent/consultation with GoS and Independent Auditor, since express written approval can take much longer due to potential issues within the Government (such as time taken for approvals), which can pose cash flow risk to project. The project may require timely cash injections, which may be elongated due to untimely approvals within the Government. This will unnecessarily increase project risk that is ultimately faced by the concessionaire.</p>	Given that any rescheduling/refinancing can increase the GoS' financial/contingent liabilities and/or have an impact on the sustainability of the Project, any such rescheduling/refinancing will require the express consent of the GoS and the Independent Auditor, which principle is reflected in section 27.3 ( <i>Financing Term Sheet &amp; Financing Amendment Term Sheets</i> ) of the DCA and will be further addressed in the Concession Direct Agreement.
13.	General	Please elaborate the mechanism for toll collection at M-9 interchange to be bifurcated for traffic exiting from Link road.	<p>The Toll collection mechanism for the Link Road Project shall be as follows:</p> <p>(a) the Link Road Project shall have an entry based Tolling system. Users will pay Toll at the entry Toll Plaza, where</p>

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			<p>Users will be issued a receipt and the relevant details of the vehicle will be recorded in the ITS;</p> <p>(b) upon reaching the exit Toll Plaza, Users will be required to produce the Toll payment receipt. Subject to (c) below, if a User is unable to produce the receipt or if the ITS does not disclose payment of Toll by such User, such User will be liable to deposit the Toll at the exit Toll Plaza;</p> <p>(c) given the small volume of such Users, current residents of localities adjacent to the Project Site who directly arrive at the exit Toll Plaza without first entering the entry Toll Plaza will not be liable to pay Tolls. However, a separate Toll collection mechanism will be devised in terms of section 29.2 (<i>Commercial Rights &amp; Additional Facilities</i>) of the DCA for residents of any major developments adjacent to the Project Site that may occur in future, to the extent such Users are able to bypass entry onto the Project Link Road through the entry Toll Plaza.</p>
14.	<b>ANNEXURE N (Benchmark Revenues)</b> of RFP	Please provide traffic study on which benchmark revenues have been assumed in RFP. Since the benchmark revenues are dictating various material nature elements of the project (such as MRG and revenue sharing), it is pertinent that the bidder should be privy to the exact assumptions and precision of the traffic analysis.	Prior to submission of their Bids, Bidders are encouraged to undertake an independent due diligence of the base traffic, traffic growth rate and other traffic related trends, assumptions and projections by conducting a detailed traffic study to determine the reliability of the Benchmark Revenues.
15.	Section 4.13 of DCA	Costs related to felling of trees should be borne by the GoS as is the precedent in other PPP road projects (M-9, SMP & LSM). Furthermore, GoS should also be responsible for seeking the necessary approvals.	Such cost will be borne by the Concessionaire.

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16.	General	Please clarify as to whether the embankment level of existing 8 km will remain the same (since it mostly at ground level) or will if required to be raised from existing level?	Keeping in view hydrological/HFL requirement, embankment level shall be higher than existing ground level of any portion of the Project Link Road including the 8 kilometre long existing road alignment that shall remain a part of the Project Link Road.
17.	Sections 5.6 and 6.6 of DCA	Payments to be made to IE & IA should be linked with the performance of the IE & IA rather than irrevocable standing instructions. Otherwise, there will be no mechanism for administrative check and balance on performance of the IE & IA.	In drafting the Independent Engineer Contract and the Independent Auditor Contract and devising the Independent Auditor Payment Account Standing Instructions and the Independent Engineer Payment Account Standing Instructions, the element of performance evaluation and administrative checks and balance will be duly incorporated.
18.	Section 12.5 of DCA	The time provided for the submission of detailed engineering design to IE has been stipulated as within 2 months of the effective date which is unreasonably less and should be extended to 6 months overall.	The time period for submission of the Detailed Engineering Design shall be increased from two (2) months to three (3) months.
19.	Section 17.3 of DCA	<p>The mechanism for compensation to GoS against toll revenues shortfall is required to be deleted as this does not capture the unique dynamics of this project.</p> <p>The road is an open access facility whereby, slippage/pilferage of vehicles is not only possible, but expected. As an example, if the facility is entry tolled, then vehicles can enter the facility mid-way and avoid paying toll. Similarly, if the facility is exit tolled, the then vehicles can exit the facility mid-way and avoid toll payment.</p> <p>Monitoring of the same may not be practically possible, and this may remain a perpetually contentious element throughout the concession period.</p>	GoS proposes to penalize the Concessionaire for Toll pilferage and Toll collection related performance failures and not in instances where the Concessionaire is excused from the obligation to collect Tolls, in each case, in terms of section 17.3 ( <i>Toll Audit</i> ). Such mechanism will be retained in the DCA.

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20.	Paragraph 4.2 of <b>SCHEDULE H (O&amp;M Requirements)</b> to DCA	Vehicles exceeding the Permissible Load shall not be allowed to use the Project Link Road which may affect the numbers of toll-able traffic (as postulated in the traffic study of GoS).  However, if the load regime is not to be followed, then should the bidder assume a rigid pavement structure or not? Please clarify.	The Applicable Laws of Pakistan with regard to overloaded vehicles shall be applicable to the Project Link Road.
21.	Paragraph 13 of <b>SCHEDULE A (Scope of the Project)</b> to DCA	Please clarify, whether the toll building at each toll gate location will be of 100 sq.m or 200 sq.m?	Two (2) toll buildings each of one hundred square meter (100 sq. m), one (1) on N5 and the other on M9 are to be established, as elaborated in the RFP Documents.
22.	General	Clarity regarding provision of U-turn facility for intersection roads on main carriage way.	Appropriate opening in median shall be provided for U-turns on intersecting road locations. Tentative reference chainages are as follows:  02+458 06+830 12+372 17+180  Median opening details are given in general drawings of the technical feasibility report.
23.	General	This is a general but important point, that there seems to be a clear lack of clarity in the RFP, which continuously refers to the Concession Agreement for various material points (such as mechanism of repayment of VGF, which is not mentioned in the RFP at all). Similarly, various important definitions are missing in the RFP and	This is a general drafting comment and is a matter of drafting convenience. Since this query does not raise any substantive issue, it requires no response.

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		<p>constantly refers to Concession Agreement. Several capitalized words (that should have been defined) in the RFP are not defined in the RFP at all (e.g. Additional Development Rights, Proportionate Basis etc.).</p> <p>The RFP should be a standalone document which details all the key elements of the project, without having to constantly navigate between the Concession Agreement and the RFP for points of material nature.</p>	
24.	<b>SCHEDULE A</b> <b>(Scope of the Project)</b> to DCA	<p>The bidder is required to submit its cost estimate in the proposal, basing on design requirement of a trumpet interchange at M-9 Link, as desired by GoS in the referred clause of DCA. However, it is our understanding that the NOC for the same has to be procured from NHA/SCORE. Hence, if the same is not acceptable to NHA/SCORE, and they require a more expensive solution, the cost over-run of the same should be borne by GoS. Please clarify in the DCA accordingly.</p>	<p>The design requirement of trumpet interchange at M9 is similar to the recently built Bahria and DHA interchanges and the already constructed interchanges, in each case, at M9. Therefore, such design requirement is in line with the applicable interchange related standards of NHA at M9.</p>
25.	General	<p>If there is significant traffic coming on the road through connecting roads/by climbing the embankment, this will be a source of wear and tear to the road, increasing both routine maintenance expense as well as the major /periodic maintenance expense.</p> <p>How will GoS control this excess of un-tolled traffic, considering the facility is designed to be an open access facility?</p>	<p>Please refer to the response to query No. 13 above.</p>

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		In the case GoS wishes to add new toll plazas in the facility, then they must also fund this in the future through variation order, otherwise this will be a significant cost-hit to the concessionaire.	
26.	Definition of Proportionate Basis in DCA	This definition is overall problematic, since it creates any savings made by the concessionaire to be shared majority with GoS (@70%), and the lower percentage (30%) to be given to the concessionaire. This makes concessionaire less incentivized to make significant value additions in the project. As also postulated in point 5 above, we believe this should be changed to be in favor of the concessionaire.	Please refer to the response to query No. 8 above.
27.	Paragraph 12 of <b>SCHEDULE A (Scope of the Project)</b> to DCA	Please clarify whether toll is entry toll (as discussed in pre-bid) or exit toll as stated in the referred clause.	Please refer to the response to query No. 13 above.
28.	General	In order to facilitate the bidders to prepare a comprehensive and cost-efficient proposal, it is requested that bid submission time be extended by minimum 30 days. Moreover, it is requested that a 2 <sup>nd</sup> pre-bid meeting may also be convened for discussion.	The GoS has decided to extend the Bid Submission Date to November 16, 2020.
29.	Specific Work Experience - For Construction - <b>ANNEXURE A (Eligibility Criteria)</b> of RFP	Under the head of Specific work Experience, For Construction, second para stating  <i>“In addition, in case there is more than one (1) EPC Contractor, each of the EPC Contractor(s) not in lead shall have completed at least two (2) projects of a nature similar to the link Road Project i.e. highways/Motorways/Expressways including interchanges and/or flyovers of PKR 1,000,000,000/- (Pakistan Rupees one Billion only) or higher in the past ten (10) years”.</i>	This criteria is to be retained without any change. It is also clarified that in case the Bidder consists of one (1) EPC Contractor, such sole EPC Contractor shall have to comply with the criteria that is applicable to the lead member of the EPC Contractor joint venture set out under <i>Specific Work Experience - For Construction of ANNEXURE A (Eligibility Criteria)</i> to the RFP.

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		It is proposed that in case there is more than one (1) EPC Contractor, All Contractors collectively should meet a specified criterion.	
30.	General	It is being requested to extend the submission deadline of Request for Proposal (RFQ). Collaboration with JV partners and finalizing the role of each member is in last phases. The delay was caused due to the unfortunate series of events including COVID-19. Acknowledgement of this situation will be highly appreciated with ONE Month extension in submission deadline.	The GoS has decided to extend the Bid Submission Date to November 16, 2020.
31.	Specific Work Experience - For Construction - - ANNEXURE A ( <i>Eligibility Criteria</i> ) of RFP	Regarding the EPC Contractor having Joint Venture, it is mentioned in RFP that the Associate Member shall have completed two similar projects having cost more than 1 Billion Rupees. How the cost of work is evaluated? If a work of Rupees 880 Million completed in 2011. It will not be justified if it is not considered at par of Rupees 1 Billion. If the quantum of the project completed 9 years back at the cost of Rupees 1 Billion and the same project having the same quantum will not be completed in the same cost in the year 2020. There must be some parameters while evaluating the cost of such works completed many years back. This factor may be 5% or above per year added in the original cost of work completed many years back.	Not agreed.
32.	General	Can the Concessionaire use the existing toll plaza?	No.
33.	General	Please clarify the start point of the project and identify that km 0+000 (Alignment Data) is taken from N-5 or M9.	The start point is to be taken from N5.



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34.	General	Design criteria mentioned about use of Rigid pavement however the cross sections provided in the RFP does not include the Rigid pavement. The cross sections provided are of flexible pavement.	Only flexible pavement is to be used for the Project Link Road. However, at Toll Plazas appropriate length and width of rigid pavement is to be provided.
35.	General	For use of Rigid Pavement, a consistent strategy may be provided to all stake holders.	Same as above.
36.	General	Can the Concessionaire change the proposed pavement thickness/design?	The pavement thickness given in figures No. 1 to 3 in <b>ANNEXURE L (Scope of Work)</b> of the RFP are tentative and indicative only. The Detailed Engineering Design shall be undertaken by the Concessionaire in terms of the Applicable Standards set out in the RFP Documents, which are to be assumed by Bidders for purposes of preparing their Bids.
37.	General	Reach wise map may be provided. Only control points are provided however list of benchmarks may also be provided.	List of benchmark is given in topographic survey of the technical feasibility report.
38.	General	Units on the cross sections are missing. Kindly provide the required units on the typical cross sections.	Metric (SI) units are considered for the typical cross-sections.
39.	General	Please clarify that if any interchange is required on N-5. RFP mentioned about only one Interchange on M-9.	Only at-grade intersection is proposed at N5.
40.	General	Please clarify that if Design Consultant needs to provide CVs as mentioned in RFP since it does not have any scoring assigned.	CVs of personnel of the design consultant are required to be provided in terms of 'Design Requirement' detailed under <b>ANNEXURE B (Technical Evaluation Criteria)</b> .
41.	General	We are planning to carry out topographic survey on ground therefore more time would be required. It is requested that extension of time of one month may be granted for making a complete and concise proposal.	The GoS has decided to extend the Bid Submission Date to November 16, 2020.
42.	General	It is requested to share Technical Feasibility Study Report of the Project.	The following chapters of the technical feasibility report will be shared with prospective Bidders:

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			<p>(a) Road Alignment Report; (b) Topographic Survey Report; (c) Hydraulic Study Report; (d) Geotechnical Investigation Report; (e) Road Geometric Design Report; (f) Structural Design Report; (g) Preliminary Design and Drawings.</p> <p>Such reports shall be made available at: <a href="http://www.pppunitsindh.gov.pk">www.pppunitsindh.gov.pk</a> <a href="http://www.wsdsindh.com">www.wsdsindh.com</a></p> <p>However, the '<i>Important Notice/Disclaimer</i>' on page 4 of the RFP is reiterated. Bidders are required to undertake their own technical, financial and legal due diligence regarding the viability of the Link Road Project structure and not place reliance on the aforesaid reports.</p>
43.	General	Please clarify that the Toll Rate provided in Schedule P of Concession Agreement is to be taken on each of two Toll Plazas or it is to be distributed on two toll plazas.	As clarified above in the response to query No. 13, Tolling shall be undertaken at each Toll Plaza on an entry based Tolling system. Each User entering a Toll Plaza shall be liable to pay Toll at the rate set out in <b>SCHEDULE P (Toll Notification Structure)</b> .
44.	General	Referring to glossary of terms and clause 2.6.12 of evaluation criteria, please further elaborate the determination of Bid Price as defined in glossary of terms.	The Bid Price assigns 40% weight to the proposed Pre Estimated Project Cost and 60% to the total of (a) NPV of proposed Minimum Revenue Guarantee Amounts discounted at 8%, and (b) proposed GoS Funding Amount.
45.	General	Since the project concession have been developed by the consultant to Government of Sindh (GoS), therefore we	Please refer to the response to query No. 42 above.

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		<p>believe that relevant studies and preliminary design of the project is available with the Client i.e. GoS. It is requested to provide and share the studies, design and other pertinent data information of the project which may include.</p> <p>a. Topographic Survey and plans. b. Traffic count and traffic study report. c. Soil and sub-soil investigation reports. d. Hydrological Study and report. e. Preliminary engineering design including plan profile, typical cross section of road and bridges etc.</p> <p>Provision and sharing of studies and design will enable the prospective bidders to review the available reports and design and to abreast themselves with the project specific requirements and to finalize most relevant and rationale bid. The provision of information will result in time saving in preparation and submission of bids which will ultimately befits the client equally.</p> <p>Further referring and complying with the requirement of clause 2.1.5 of Data Sheet “<i>Access to information, or to any modification or update shall be made available to the Bidders subject to submission of the Non-Disclosure Agreement</i>”, we are pleased to attach herewith Non-Disclosure Agreement duly signed by the authorized representative.</p>	
46.	General	Please clarify whether the fence around the perimeter of proposed road including intersections at N-5 and M-9 is	No fencing is required.

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		required. We understand that being the access-controlled toll facility, fencing of proposed facility in necessary.	
47.	General	Please clarify that after completion of proposed project existing link will be closed. We understand that closure of existing link will be necessary in order to secure the slippage of toll able traffic through existing link.	<p>The portion of the existing alignment to be abandoned falls within the master plan of the Education City. Upon development of Education City, such portion will be permanently abandoned because no such road is contemplated in the master plan of Education City.</p> <p>In the meanwhile, upon completion of construction of the Project Link Road, the abandoned portion of the existing alignment will be temporarily closed, till commencement of development of the Education City.</p> <p>Further, if Education City provides an access point on the new Project Link Road in future, it will increase the traffic of the Project Link Road, which will naturally be beneficial for the Link Road Project. Any arrangement to this effect shall be formalized under section 29.2 (<i>Commercial Rights &amp; Additional Facilities</i>) of the DCA.</p>
48.	General	Referring to clause 4.9, 5(w) and 10 of Terms of Reference (TOR), carrying out EIA and approval of EIA is Concessionaire responsibility. However, in other DFBOT project, GoS herself conducted the EIA study. Please clarify.	The Concessionaire is to conduct and comply with the Environmental Impact Assessment (EIA) study and obtain the EIA Approvals in accordance with the Applicable Laws and the IFI Standards. However, for such purposes, the Concessionaire will be facilitated by a consultant appointed by the GoS, which has conventionally not been done in the past.
49.	General	After visiting the proposed project site, it is revealed that KW&SB's conduit probably under K-4 project crossing or will be crossing the proposed alignment. Please share the existing and proposed plans of K-4 project in order to	The K4 conduit has to be bridged at any one crossing location of Project Link Road as per the conduit route, and keeping all lateral and vertical clearance requirements as per KW&SB standard. For reference, plan/profile drawings may be referred to, which are

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		familiarize the requirements of K-4 and determine the project specific requirements of crossing the conduit.	being shared with prospective Bidders along with this Response Document.
50.	General	RFP has provided a benchmark Revenue that is based upon historical Traffic flow. It is requested that historical Traffic flow. It is requested that historical data must be shared with us.	Please refer to the response to query No. 14 above.
51.	General	Further traffic forecast for 25 years of operation is also provided. It is requested that we are given a complete set of assumptions explaining in detail the traffic forecast assumptions which are used. [the rate of increase of traffic is very high and the year on year increase is not homogenous. High traffic forecasts will hyper inflate the projected revenue for those years which means higher risk for concessionaires]	Please refer to the response to query No. 14 above.
52.	General	Please understand that internationally Railways shares significant portion freight. China started to implement a comprehensive railway development program in 2000 and by 2020 the railway has started contributing significantly in freight transportation in China. China has seen notable economic benefits of this program also. Under CPEC China has extended help to develop Mll and actively divert freight business to Pakistan railways. In late 70s Pakistan Railways used to carry more than 70% of total freight in Pakistan which continued to decline due to many factors and in 2011 it was less than 4% of the total. Please inform us whether any traffic diversion to railways is assumed. What is GoS view about % of freight movement by Pakistan Railways in 5- 10- 15 years. This will have a critical	Please refer to the response to query No. 10 above.  However, Bidders are requested to undertake a thorough risk assessment of the demand risk of the Link Road Project, taking into account all realistic developments that may potentially impact the Revenues.

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		impact on the revenue model. We would like to understand the complete impact of Mll in traffic forecasts.	
53.	General	Similarly Karachi - Thatta Motorway will have an impact on the traffic; please share the details if this motorway is taken into account once forecasting traffic.	Please refer to the response to query No. 3 above.
54.	General	The concession agreement states that the revenue beyond 110% of Benchmark Revenues will be shared with the government. However, in the earlier projects like Malir Expressway, it was 120% threshold beyond which revenues were shared.	Please refer to the response to query No. 8 above.
55.	General	GoS funding of PKR 1.56 Billion carries an interest Rate of 4% till grace period of 09 years and 08 months and thereafter the interest rate increases to 8% and repayment is to be done in 03 years after the grace period in 06 semiannual installments. In light of the risks highlighted above this should be revisited.	Please refer to the responses to queries No. 6 and 8 above.
56.	General	If bidder fulfils all the requirements for bidder solely, is it necessary for him to have a EPC contractor who fulfill all the requirement of RFP?	Both the criteria applicable for Bidders and EPC Contractors must be satisfied. However, it is possible for one Person to satisfy both criteria.
57.	General	For all the financial matters i.e. Net Worth and Annual Construction Turnover over the eligibility parameter are gauged as "Collectively" for other JV members and while scrutinizing the specific work experience of EPC Contractor, separate parameters are fixed for lead member & JV members. In this case the work experience may also be examined as collectively.	Such criteria has been devised in view of the size and nature of the Link Road Project and is to be retained as is.
58.	Specific Work Experience - For Construction -	Regarding the EPC Contractor having Joint Venture, the eligibility criteria for other JV members is mentioned in the RFP as under:-	Please refer to the response to query No. 31 above.

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	<p><b>ANNEXURE A</b> <b>(Eligibility Criteria)</b> of RFP</p>	<p>1. In addition, in case there is more than one (1) EPC Contractor, each of the EPC Contractor(s) not in lead shall have completed at least two (2) projects of a nature similar to the Link Road project i.e. highways/motorways/expressways including interchanges and/or flyovers of PKR 1,000,000,000/- (Pakistani Rupees One Billion Only) or higher in the past ten (10) years.</p> <p>How the work of an amount of Rupees 01 Billion is compared if a project is completed 01 year back and a project is completed 08 years back. There should be a factor of price inflation added to such amount for the works completed many years back, while working out cost of the work completed. As per the procedure of the Planning and Development Department (P&amp;D), Govt. of Sindh a premium of 6.5% is added in the cost of work each year for the work delayed in construction for many years so the same factor be used here while working out the cost of the project completed by the JV Partner many years back.</p>	
59.	<p>Specific Work Experience - For Construction - <b>ANNEXURE A</b> <b>(Eligibility Criteria)</b> of RFP</p>	<p>The eligibility criteria for specific work experience of JV Partner of EPC contractor is mentioned as completed minimum 2 works having cost of Rupees 01 Billion Each. This amount is on higher side, as in Karachi there are few works completed in last 10 years having cost over Rupees 01 Billion. Therefore, this amount may be reduced to 2</p>	<p>Bidders may rely on work experience undertaken in or outside Karachi. There is no restriction that only Karachi-specific works will be considered for evaluation purposes.</p>

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		works of Rs. 500 Million each or one work of Rupees 01 Billion in last 10 years.	
60.	General	What kind of connection at N-5 is required? Simple Left-in/Left-out or an interchange?	At-grade intersection.
61.	General	Proposed alignment Centerline seems to run along eastern edge of existing link road. Does this mean existing road to be abandoned? If yes, how would local population move around within the area on both sides of the proposed link road?	Please refer to the response to query No. 47 above.
62.	General	Can pipe culverts be proposed in place of box culverts?	No.
63.	General	Can we have "WAPDA – Feasibility Report Karachi Flood Control Plan" for all bidders to assess design requirements and costs at par.	Interested parties may obtain the feasibility report from WAPDA.
64.	General	Since it is an open access facility, how will someone travelling in between will be charged?	Please refer to the response to query No. 13 above.
65.	General	Can the bidder propose any additional interchange facility on between such as 'Education City' to enhance the ridership as well as to ease the process of toll collection?	Please refer to the response to query No. 13 above.
66.	General	Why NFR will be decided at later stage? Since NFR has a lot of potential so can some major line of activities be chalked down right now?	Presumably, this query is with respect to Revenue to be generated from Additional Facilities. The process for establishment of Additional Facilities and the terms and conditions applicable to the same are governed by section 29.2 ( <i>Commercial Rights &amp; Additional Facilities</i> ) of the DCA. The Concessionaire has the right to propose development of various Additional Facilities from time to time, which proposals shall be processed in terms of section 29.2 ( <i>Commercial Rights &amp; Additional Facilities</i> ) of the DCA.
67.	General	The revenue potential shown in year wise breakup table seems to be too high. Is there any technical study available	Please refer to the response to query No. 14 above.



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		to back up those numbers? If yes, can it be shared with all potential bidders?	
68.	General	Since we are making altogether a new highway, so why do we make it 2 lanes per direction rather we should think of making 3 lanes per direction since we are making it for next 25 years?	Based on the projected traffic volumes, a 4 lane carriageway is sufficient.
69.	General	What would be the indexation mechanism for toll increase per year?	Please refer to <b>SCHEDULE P (Toll Notification Structure)</b> to the DCA.
70.	General	In the wake of very short time left for preparing a serious bid, it is humbly requested to extend the bid submission date by at least 4 weeks as the consultants need time for the design after the second pre bid clarification.	The GoS has decided to extend the Bid Submission Date to November 16, 2020.
71.	Paragraph 3.1.1.2 of RFP	<p>(i) The clause relating to Joint Bidding Agreement states that “<i>it shall also commit that no Member of the Consortium shall, express with the prior written consent of the GoS, sell, transfer, convey or otherwise dispose of its direct and/or indirect, legal and/ or beneficial ownership in the Ordinary shares (or any part thereof);</i>”</p> <p>(ii) The Joint Bidding Agreement also requires the Members of the Consortium to undertake that they shall collectively submit/include a statement and an express undertaking in favor of the GoS to the effect that all members of the Consortium shall be liable, jointly and severally, for all obligations of the Concessionaire in relation to the Link Road Project until the Construction Performance Security Expiry Date.</p>	This provision is to be read in light of the shareholding change restrictions set out in section 10.3 ( <i>Change in Complete Control, Change in Control and Change in Shareholding</i> ) of the DCA.

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		The foregoing requirement are over and above the provisions of the DCA. Therefore, it should be clarified that the requirements under the Joint Bidding Agreement shall be subject to the requirements of the DCA.	
72.	Paragraph 4.3.1.3 of RFP	<p>It Is provided that any Item of the Pre Estimated Project Cost “<i>shall be funded through the GoS Funding Amount, the Sponsor Base Equity Funding Amount and the Financing on a pro rata basis and the sequence of funding in this regard shall be the Sponsor Base Equity Amount first, the GoS Funding Amount second and the Financing third, as more particularly detailed in the Funding &amp; Utilization Agreement; provided, that the Sponsor(s) may in its/their discretion, fund more than its/their pro rata share in relation to any item of the Pre Estimated Project Cost; provided, further, that prior to the Financial Close and availability of the Financing, the Preliminary Works shall be financed through the Sponsor Base Equity Amount; provided, further, that the GoS may, in its discretion, fund the cost of the Preliminary Works based on its funding percentage set out in Base Case Financial Model and in accordance with the Funding &amp; Utilization Agreement</i>”</p> <p>We understand that if the Sponsor injects equity more than pro-rata portion, or if it injects equity more than its Base Equity Share then this sequence not required to be followed as long as the debt to equity ratio required by the Financiers is being maintained.</p>	This understanding is correct.
73.	General	Various documents to be submitted by a foreign entity are required to be notarized and consularised. Please note that consularisation is an extremely time-consuming process (at least 3-4 weeks) and may result in the inability of foreign	In the event a Bidder is unable to timely submit consularised documents owing to a delay at the relevant consulate’s end, it may submit evidence that such documents have been submitted for consularisation (including a receipt issued by the relevant

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		entities to compete. It is proposed that the requirement for consularisation should be removed as notarization should be sufficient to confirm the authenticity of the submitted documents.	consulate). In case consularisation is not complete at the time of submission, a receipt of the application for consularisation of the documents shall be submitted to the GoS.
74.	<b>ANNEXURE L (Scope of Work)</b> to RFP	The Concessionaire is also required to establish a service area on the project highway which includes restaurants, workshops, dhabas, bathrooms and a business center.  Please clarify how the foregoing requirement interplays with the Section 29.2 ( <i>Commercial Rights and Additional Facilities</i> ). In other words, does the concessionaire have right to set up the area and earn revenue from the same?	Revenues collected from such service area shall form part of the overall Revenues of the Concessionaire and shall be utilized in accordance with the terms and conditions set out in the DCA. Section 29.2 ( <i>Commercial Rights and Additional Facilities</i> ) does not apply to such service area.
75.	Paragraph 2.10 of RFP	We understand that any changes proposed by the GoS after selection of the Preferred Bidder will not be binding on the Preferred Bidder unless mutually agreed to.	GoS reserves the right to negotiate the Bid and the terms and conditions of the DCA with the Preferred Bidder subject to the requirements of the Applicable Laws and the RFP.
76.	<b>ANNEXURE A (Basic Eligibility Criteria)</b> to RFP	We understand that the work experience, accounts, and turnover of the parent company can be used to satisfy the eligibility criteria of the EPC Contractor in the event the entity undertaking the EPC works is an SPV. Please clarify.	For purposes of evaluation of Bids, the eligibility criteria for Bidders and EPC Contractors set out in the RFP must be satisfied. Upon execution of the Concession Agreement, the Construction Works must be undertaken in terms of article 13 ( <i>Construction Works</i> ) of the DCA. The Construction Works can be undertaken by a Person that complies with the requirements of the RFP Documents.
77.	<b>ANNEXURE B (Technical Evaluation Criteria)</b> to RFP	1. In Section A3 the bidders " <i>are encouraged to propose debt securitization structures which are expected to reduce the financing/ securitization burden upon the GoS.</i> "  Please clarify whether how this will be evaluated. Is this intended to encourage greater sponsor support and reduce GoS support?	1. The idea behind this provision is for Bidders to propose a workable and innovative structure which reduces GoS' financial support for the Link Road Project. In any event, the amount of financial support sought by a Bidder (in terms of Minimum Revenue Guarantee Amount and GoS Funding Amount) is part of the evaluation criteria.

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		2. In Section A4 a letter of support is required from potential lenders. Please elaborate on the required contents of this letter because banks will not be able to provide an unconditional offer and any offer under the LOS will contain disclaimers and caveats.	2. At this stage, neither is an unconditional offer required nor a standard format to be followed.
78.	<b>ANNEXURE L</b> <b>(Scope of Work)</b> to RFP	All entry and exit location shall be in accordance with the bidder's plan and should not require confirmation/consultation of IE.	The entry and exit locations of the Project Link Road shall be in accordance with the parameters set out in the RFP Documents and shall be finalized as part of the Approved Detailed Engineering Design.
79.	Form J-4 of RFP	Bidder is required to provide details of average monthly "invoicing" over the last 6 months. We understand that "invoicing" includes receivables such as collected tolls and other revenue. Language to be clarified accordingly.	Bidders are required to submit/mention either the average invoiced amounts or billings over the last six (6) months in respect of any contracts awarded to such bidders. The average will be the total billed/invoiced amount(s) divided by (6) six. Form J-4 does not particularly relate to any toll specific receivables of a Bidder.
80.	Form J-8 of RFP	The form relates to information regarding the plant and equipment. Ownership/rent agreements in relation to the machinery is required. Please note that the same will may difficult to arrange. Please consider if such requirement can be removed.	The legal right of a Bidder in respect of plant and equipment that it claims to be part of its fleet must be evidenced through some form of credible evidence, even if a Bidder is unable to provide agreements in this regard.
81.	Form J-10 of RFP	The form relates to detailed plan to achieve FC. It is unclear what is required under Form J-10. Please clarify.	Since achieving Financial Close is the responsibility of the Concessionaire, a detailed plan is required from the Bidders with regard to achievement of Financial Close which may include (without limitation):  (a) amount of Financing to be raised from the proposed Financiers; (b) security/collateral for the Financing; (c) bankability of the Sponsor(s);

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			<p>(d) credentials, if any, of raising project finance based loan from the market;</p> <p>(e) any other issues which the Bidders deem necessary to include in their Financial Close achievement plan.</p>
82.	General	<p>1. The GoS is issued ordinary share capital in the SPV against the funding of MRG Amounts up to 49%.</p> <p>We propose having non-voting shares. Please clarify why GoS would like voting shares?</p> <p>2. It has also been stated that ordinary shares of GoS will attract “MRG Shares Dividend” which shall be GoS windfall.</p> <p>Since confirm that the GoS is aware that an amount equal to the GoS Windfall will only be paid to the GoS when the company declares a dividend.</p>	<p>1. The MRG Shares will be non-voting shares.</p> <p>2. The mechanism for declaration and payment of the MRG Dividends will be detailed in the Funding &amp; Utilization Agreement and the Escrow Agreement.</p>
83.	General	<p>1. MRG support should extend till the termination of the Financing/till the termination amounts are paid to the lenders. Currently it is envisaged that the MRG Support Date shall be discharged on the earlier of certain specified events which includes “MRG Support Discharge Date (Forecast)” i.e. the forecast termination date provided in the financial model. Please note that the MRG Instrument is security for the lenders for unpaid termination amounts, therefore it cannot be discharged before such amounts are paid to the lenders.</p>	<p>1. The Minimum Revenue Guarantee support shall extend till the MRG Support Discharge Date (Actual), which is a variable date and may occur on the Financing Termination Date. Please note that the primary function of the MRG Financial Instrument is to plug viability gaps during the MRG Funding Period. To the extent Revenue shortfalls do not occur or are less than projected shortfalls, the unutilized amount will be clawed-back by the GoS. In addition, such MRG Financial Instrument will also serve as the Financier’s security.</p>

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		<p>2. As the MRG Instrument is key security for the lenders, encashment on account of failure by the Concessionaire to pay damages should be removed.</p> <p>3. Please clarify that lenders will be allowed security over the MRG Funding Account.</p>	<p>2. Such damages are to be paid based on standing instructions pursuant to the terms of the Escrow Agreement and the MRG Agreement, whereby the damages may be off-set by way of encashment of the MG Financial Instrument and/or debit of funds from the Escrow Account.</p> <p>3. The Financiers will be allowed security over the MRG Funding Account.</p>
84.	General	<p>To make the concession package bankable, lenders have requested that the agreement include a specific termination event which allows the lenders to obtain their Financing Due in case the Concessionaire defaults under the Financing Documents.</p> <p>In precedent projects this has been covered in the Concession Direct Agreement, but there is little room to negotiate post-bidding. Therefore, we request that the Concession Agreement lay out this mechanism explicitly in the following terms:</p> <p>1. Financiers can request the GoS to terminate the Concession Agreement on account of a default by the Concessionaire under the Financing Documents; and,</p> <p>2. If the GoS does not terminate the Concession Agreement by a certain long stop date the agreement will be deemed terminated and Termination Payments will fall due.</p>	<p>This issue will be treated in the Concession Direct Agreement in the same manner as in the case of precedent transactions.</p>

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85.	Definition of Toll Collection End Date of DCA	<p>The definition of “Toll Collection End Date” should be amended to capture the fact that the right to collect Tolls should vary depending on whether Financing Due is outstanding. If Financing Due is outstanding the Concessionaire should be permitted to collect tolls until Termination Payments are actually made. In our discussions with lenders we have been informed that this is their requirement. The following language is proposed:</p> <p><b>Toll Collection End Date</b> shall mean the date on which the Concessionaire’s right to collect Toll in terms of this Agreement shall stand cancelled and shall cease to exist, such date being:</p> <p>(a) in case this Agreement is not terminated prior to the Final Expiry Date, the Final Expiry Date;</p> <p>(b) in case this Agreement is terminated prior to the Final Expiry Date and during the period when Financing Due is outstanding, the Transfer Date;</p> <p>(c) in case this Agreement is terminated prior to the Final Expiry Date and during the period when no Financing Due is outstanding, the Toll Collection End Date shall be: (i) in case the Concession Agreement is terminated due to Authority Event of Default, the Transfer Date; or (ii) in case the Concession Agreement is terminated due to Concessionaire Event of Default, Force Majeure or Corrupt Act, the Termination Date.</p>	<p>If the Financing Due is outstanding and the Concession Agreement is Terminated due to a Concessionaire Event of Default, the Concessionaire should not have the right to continue collection of Tolls. A party that has been ousted due to a material default cannot continue to undertake a vital function of the Link Road Project. However, the Financiers will continue to have security over the Revenues until the Financing Due is settled.</p>
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86.	Section 4.2 of DCA	<p>The Concessionaire should be protected from a delay by the GoS in handing over the Site and such delay should entitle the Concessionaire to a Relief Order Request. It should also be clarified that such protection is applicable from prior to the Commencement Date (i.e. the Effective Date) as handing over the Site is a condition precedent to Commencement Date. The risk that the Concessionaire faces is the delay in handing over the site once the Concession Agreement is executed.</p> <p>The Concessionaire should be protected from a delay by the GoS in handing over the Site and such delay should entitle the Concessionaire to a Relief Order Request. It should also be clarified that such protection is applicable from prior to the Commencement Date (i.e. the Effective Date) as handing over the Site is a condition precedent to Commencement Date. The risk that the Concessionaire faces is the delay in handing over the site once the Concession Agreement is executed.</p> <p>Secondly, the Agreement should specify the long stop date by when the GoS is required to obtain Vacant Possession of the Site. If the GoS does not hand over the Site within this time frame the Concessionaire should be entitled to claim a Relief Event.</p>	<p>If the GoS fails to deliver Vacant Possession of the Project Site to the Concessionaire, the Concessionaire can elect to Terminate the Concession Agreement, be paid the relevant termination compensation and exit the Link Road Project.</p> <p>Further, in case there is a delay in delivery of the Project Site, there will be a corresponding delay in achievement of the Commencement Date (unless the Concessionaire elects to agree to declaration of the Commencement Date). Please note that the Final Expiry Date is linked with the actual Commencement Date. Therefore, despite delay in delivery of the Project Site, the duration of the Construction Period and the Operations Period will stay the same.</p>
87.	Section 8.1 of DCA	<p>1. An explicit representation of GoS should be included which states that it has good and valid title to the Project Site and is able to grant the License in accordance with Section 4.</p>	<p>1. The GoS shall ensure that there is no defect in the Concessionaire's License to the Project Site, which thereby interferes with the Concessionaire's ability to implement the Link Road Project.</p>



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		2. An explicit representation of the GoS should be included stating that the GoS has the authority to collect and cause to be collected tolls.	2. The entire transaction is premised on the ability of the GoS to levy and collect Tolls from the Users of the Project Link Road. Bidders are requested to undertake their legal due diligence in this regard.
88.	Section 8.2 of DCA	<p>The general undertakings of the GoS should include:</p> <p>(i) an undertaking to issue the Toll Notification in accordance with Schedule P and the Applicable Laws in order to implement the Toll Notification Structure.</p> <p>(ii) an undertaking to enter into a Concession Direct Agreement with the Financiers which shall provide for step in rights of the Financiers and extended cure periods. Corresponding language changes should be made in the definition of “<i>Concession Direct Agreement</i>”.</p>	<p>(i) The GoS already has an express obligation under the DCA to issue Toll Notifications.</p> <p>(ii) The DCA expressly contemplates the GoS’ obligation to enter into the Concession Direct Agreement. The form and substance of such Concession Direct Agreement will be in line with precedent transactions.</p>
89.	Section 8.13 of DCA	The section provides that the Project Manager/Project Director shall enter into the GoS Agreements on behalf of the GoS other than the DCA. This is not acceptable. The Secretary should also sign other GoS Agreements.	The concern expressed in this provision is not clear. The Project Manager/Project Director will ultimately derive the authority to execute such agreements from the Secretary, Works & Services Department. This has merely be done for administrative convenience.
90.	Section 10.1.4 of DCA	<p>This Section provides that the GoS Funding Amount shall funded by the GoS in the form of a subordinated loan which has to be paid off within the specified period (12 years) and shall attract mark up.</p> <p>The DCA currently envisages that the MRG instrument can be encashed to fund this amount. Please remove such encashment event.</p>	Unless there is a rescheduling (which will require the consent of the GoS, the Concessionaire, Financiers and the Independent Auditor), there will be no overlap between the debt servicing period in relation to the Financing and the Repayment Period in respect of the Subordinated Financing. And the MRG Financial Instrument support is not contemplated beyond the debt servicing period in relation to the Financing. Therefore, in practice, it is unlikely that the MRG Financial Instrument will be encashed to make payments relating to the Subordinated

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			Financing. The MRG Financial Instrument support is to terminate no later than the date occurring on the earlier of eight (8) years from the Scheduled Substantial Completion Date or the actual Substantial Completion Date.
91.	Section 17.3 of DCA	<p>1. <b>Toll Revenue Shortfall Events:</b> If the Toll Progress Report concludes that the actual Toll Revenues collected are less than the Toll Revenues ought to have been collected by the Concessionaire in accordance with the Applicable Standards the Concessionaire shall deposit of the amount being the difference between (i) the Toll Revenues ought to have been collected in accordance with the Applicable Standards; and (ii) the Toll Revenues actually collected.</p> <p>2. <b>Toll Revenues Damages Event:</b> The Concessionaire is liable to pay damages if there is a deficiency in the records of the Concessionaire with regard to the Toll Revenues and/or the Concessionaire has otherwise failed to undertake (or cause to be undertaken) collection and/or deposit of the Toll Revenues in accordance with the Applicable Standards. Such damages are a percentage of the Benchmark Revenues of the relevant Operational Years (varying for each operational year).</p> <p>The foregoing obligations are extremely onerous and disregard any factors beyond the control of the Concessionaire which may result in reduced toll collection. Therefore, appropriate carve-outs for relief events should</p>	Please refer to the response to query No. 19 above.

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		<p>be included. It is also unclear why these requirements are inserted as failure to collect Toll also adversely impacts the Concessionaire.</p> <p>Toll Revenues Damages Event also covers failure to collect toll which is already covered through Toll Revenue Shortfall Events. Kindly clarify the duplication.</p>	
92.	Paragraph 4.16.1 of RFP and <b>SCHEDULE X (KPIs and Damages)</b> to the DCA	<ol style="list-style-type: none"> <li>1. Please clarify that if a lack of compliance potentially falls within two categories, there will be no double recovery and the lesser of the given penalties will apply.</li> <li>2. The schedule states that the list of LDs is not exhaustive. Please provide an exhaustive list as no additional LDs should be inserted later.</li> </ol>	<ol style="list-style-type: none"> <li>1. In the event the Concessionaire fails to comply with multiple KPIs, each corresponding penalty shall be payable.</li> <li>2. While <b>SCHEDULE X (KPIs and Damages)</b> to the DCA covers most of the major KPIs, the GoS may introduce additional KPIs and corresponding damages in the O&amp;M Manual, which will eventually emanate from the key obligations of the Concessionaire in relation to the Link Road Project set out in the DCA.</li> </ol>
93.	General	<p>Concessionaire apprehends the risk of “competing” or “alternative” route to the Project Highway being constructed during the concession term. This will affect the volume of traffic that will be attracted to the road. We request protection from this risk.</p> <p>The GoS should warrant that there is no alternate/competing route as of the effective date of the Agreement and if any alternative/competing is developed during the term of the agreement, the same shall be treated as a Relief Event and shall entitle the Concessionaire to Relief Costs and compensation for loss of revenue.</p>	Please refer to the response to query No. 10 above.

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94.	Definition of Additional Cost in DCA	<p>“<i>Additional Cost</i>”: this concept includes “additional taxes” that may be incurred by the Concessionaire as a result of a Change in Law. We request that the protection afforded for “additional taxes” be elaborated upon to include two aspects:</p> <ol style="list-style-type: none"> <li>1. taxes to mean any type of fee, levy, duty or tax; and,</li> <li>2. It should include not just new taxes but also changes in rates of existing taxes and changes in the application of an existing tax.</li> </ol> <p>At the time of a tax claim we want to avoid disputes as to interpretation of the term “additional taxes” as appearing in the definition of “Additional Costs”.</p>	These concerns are already addressed in the list enumerated under the definition of ‘ <i>Change in Law</i> ’.
95.	Definition of Change in Law in DCA	The definition of “ <i>Change in Law</i> ” to explicitly include pronouncement of orders/judgments by courts.	This is covered in sub-section (d) under the definition of ‘ <i>Change in Law</i> ’.
96.	Definition of Concessionaire Permits in DCA	“Concessionaire Permits” should include the Licence to be granted by the GoS under Section 4.1.	The objective sought to be achieved here is not clear.
97.	Definition of Capital Cost Increase in DCA	The definition of “ <i>Capital Cost Increase</i> ” means “ <i>in relation to a Relief Compensation Relief Event, the amount (if any) by which: (a) Capital Expenditure that is <b>demonstrably</b> incurred by the Concessionaire in carrying out its obligations under this Agreement as a direct consequence of such Relief Compensation Relief Event, the Concessionaire having taken all reasonable steps to minimize such Capital Expenditure, exceeds: (b) Capital Expenditure which would have been <b>demonstrably</b> incurred by the Concessionaire in</i>	The threshold of demonstration will be satisfied if the Concessionaire is able to prove to the Independent Engineer, based on objective parameters and documentary evidence, that a Capital Cost Increase has in fact occurred.

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		<p><i>carrying out its obligations under this Agreement without such Relief Compensation Relief Event;</i></p> <p>The “demonstration” requirement should be removed as all relief order requests are already verified by the IE. Therefore, this adds an additional layer to the burden of proof required. Furthermore, a relief event may be claimed before the actual incurrence of the capital cost increase.</p>	
98.	Definition of Delayed Payment Rate in DCA	<ol style="list-style-type: none"> <li>1. Delayed Payment Rate should be applicable on all delayed payments and not just on Termination Amounts, including delayed payment of Relief Costs and Additional Costs by the Authority.</li> <li>2. The rate is low and we suggest including KIBOR + 2% be the delayed payment rate to keep it in line with a concessionaire’s cost of funds.</li> </ol>	Delayed Payment Rate related provisions are to be retained as is.
99.	Definition of Termination Dividend Amount in DCA	<p>Termination Dividend Amount should be in accordance with the Financial Model and not limited to just 3 years.</p> <p>There needs to be a sufficient disincentive for the GoS to terminate the Concession Agreement post repayment of the lender’s debt.</p>	This is in line with precedent transactions in Pakistan and international best practices.
100.	Definition of Transfer Date in DCA	Transfer Date: to be clarified that if payment is not made by the Termination Payment Date then the Transfer Date will be the date that payment is actually made.	This is already covered in the definition of the term ‘ <i>Transfer Date</i> ’.
101.	Section 3.5.2 of DCA	In the event the Agreement is terminated prior to the Commencement Date due to an GoS Event of Default or Force Majeure Event, the Concessionaire should be reimbursed for any costs and expenses incurred for any	The extent of compensation in such instance is set out in section 3.5.2 of the DCA. The treatment of compensation in relation to Preliminary Works will be set out in the Funding & Utilization Agreement.

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		Preliminary Works and the preparation of the Detailed Engineering Design.	
102.	Section 4.13 of DCA	Costs in relation to felling of trees should be borne by the GoS as is the precedent in other PPP road projects. The GoS should also be responsible for seeking the necessary approvals.	Please refer to the response to query No. 15 above.
103.	Section 4.15.1 of DCA	Subsection I provides that the Material Adverse Impediment shall only be removed if the Concessionaire has taken all reasonable measures and steps to mitigate and minimize the effects of such impediment. This condition should be removed on account of being too onerous. Adds an additional layer which is vague. In any case IE certification/verification is required for the claim for removal of the impediment. Furthermore, the Concessionaire will be taking mitigation measures in its own interest in any case therefore this should not be explicitly required will do for bus interest in any case.	It is the Concessionaire's obligation to ensure that the Project Site is kept free of all Encumbrances after delivery of Vacant Possession of the Project Site. Therefore, inherently, the Material Adverse Impediment support is reserved for events which cannot be handled by the Concessionaire despite its best endeavours. Therefore, the element of mitigation has to be incorporated in this provision.
104.	Section 10.3 of DCA	<ol style="list-style-type: none"> <li>1. In relation to the concept of Change in Complete Control and Change in Shareholding, up to Commercial Operations Date 51% of the Ordinary Shares should be retained by the Sponsor; and post Commercial Operations Date, the Sponsor should be permitted to divest up to 80% of Ordinary Shares without the approval of the GoS;</li> <li>2. Section 10.3.3I and (d) should be deleted as they are very restrictive.</li> </ol>	These provisions are to be retained in their present form.
105.	Section 10.5.3 of DCA	The Section provides:	Yes, the obligation of the GoS to fund the Pre Estimated Project Cost shall stand reduced on a <i>pro rata</i> basis.

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		<p><i>“In the event the amounts allocated for an Escalable Item in the Pre Estimated Project Cost (as determined by the Independent Engineer) does not exceed by ten percent (10%) of the amounts allocated for such Escalable Item in the Pre Estimated Project Cost due to a lower than expected increase in the cost of such Escalable Items (the Escalable Items Saving) (as determined by the Independent Engineer), such Escalable Items Saving shall be shared between the parties to the Price Escalation Agreement in proportion to their funding percentage in relation to the Pre Estimated Project Cost set out in the Base Case Financial Model and the Funding &amp; Utilization Agreement, in each case, only upon the Independent Engineer and Independent Auditor duly verifying such escalable items Saving...”</i></p> <p>Please clarify how benefit is being shared. Is it through a reduced requirement of GoS to fund the GoS Funding Amount?</p>	
106.	Section 10.5.4 of DCA	<p>The obligation of the GoS to bear and fund the Escalation Cost shall terminate on the Scheduled Project Construction Completion Date.</p> <p>The foregoing condition should be removed and should be linked to actual Project Construction Completion Date.</p>	The GoS cannot accept contingent liabilities in the event the Concessionaire defaults on its obligation to complete the Construction Works in a timely manner.
107.	Section 15.2.1 of DCA	A relief order can only be made if the Relief Event continues for more than 15 days, as certified by the IE. This condition should be removed as it is onerous, and Lenders have found this to be problematic in the past.	In terms of section 15.2.1 of the DCA, either the event or <b><i>its effects</i></b> must continue for more than fifteen (15) days. So an event may occur and last for one (1) day, but its effects must last for at least fifteen (15) days for the Concessionaire to be entitled to claim relief under article 15 ( <i>Relief Extensions &amp; Relief Compensations</i> ).
108.	Section 17.5 of DCA	1. GoS should not have the right to reduce tolls of the Concessionaire in violation of the Toll Notification	1. In case the Concessionaire is experiencing a Revenue windfall and the GoS elects to reduce the Toll rates, the Concessionaire

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		<p>Structure, as the Concessionaire will be deprived of any windfall gains which is its legitimate right.</p> <p>2. Concessionaire should be entitled to a Relief Event if the Toll is reduced by the GoS or any other public body including a court of law.</p>	<p>will be compensated for 'Revenue Loss', which includes the Concessionaire's share of the windfall. Please refer to the definition of 'Revenue Loss'.</p> <p>2. This is already addressed in the definition of 'Change in Law'.</p>
109.	Section 21.1 of DCA	Delays caused by rains and monsoon are excluded from force majeure events. This exclusion should be removed and protection for the same should be provided as a non-political FMEs.	This provision is to be retained without modification.
110.	General	Request that the contents of all GoS agreement be described within the draft of the Concession Agreement in a new section in order to avoid confusion later on.	Such agreements will be shared and negotiated after execution of the Concession Agreement, as in the case of precedent transactions.
111.	Section 3.1 of DCA	It should be a condition precedent of the GoS that a legal opinion is provided (from the GoS law department or the transaction advisors) confirming that this Agreement and the GoS Agreements have been validly entered into and form the legal, valid and binding obligations of the GoS.	Bidders are required to undertake their own legal due diligence in relation to the Link Road Project.
112.	Section 3.5.1 of DCA	It should be clarified that the GoS shall be entitled to terminate the Concession Agreement if the Concessionaire CPs are not satisfied due to reasons <b>solely</b> attributable to the Concessionaire. This is because several conditions precedent of the Concessionaire are dependent on the GoS completing its conditions precedent.	Please refer to section 3.5.1 of the DCA.
113.	Section 4.10 of DCA	<p>1. The clause to specify when the details of existing utilities are to be provided to GoS.</p> <p>2. It should be clarified that the Concessionaire shall not be responsible for the rectification of any damage</p>	This provision is to be retained without modification.



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		caused by utility companies in the process of relocation of existing utilities.	
114.	Section 7.2(hh) of DCA	It should be clarified that the Concessionaire will not be liable in the event of any damage to existing utilities caused by the utility companies' acts and negligence.	Necessary obligations and indemnities can be incorporated in the tripartite arrangement envisaged under section 4.12.1.
115.	Section 7.2(m) of DCA	It should be specified that the Concessionaire's obligation to keep the Project Site free from encroachments and to remove encroachments shall commence from the delivery of Vacant Possession.	Already addressed in section 4.6.1.
116.	Section 7.13 of DCA	Under Section 7.13.1(b), the Concessionaire shall only be required to re-commission the Project if the Independent Engineer certifies that the Emergency Decommissioning was not warranted. The present language creates room for the Independent Engineer to notify the Concessionaire to re-commission even if it is certified that the Emergency Decommissioning was warranted.  In the carve outs under Section 7.13.4 it should be included that if the Emergency Decommissioning results from a Material Adverse Impediment, the Concessionaire will be entitled to Relief Costs/Amounts.	In terms of section 7.13.1(b), re-commissioning may be ordered if the relevant Emergency discontinues.
117.	Section 8.7 of DCA	GoS to clarify what additional fees and revenues are contemplated in this provision. This may reduce the projected flow of traffic on the Project Highway impacting the concessionaire's cash flows.	Bidders are requested to undertake their own independent commercial and legal due diligence in this regard.
118.	Section 15.2.4 of DCA	The following should be deleted on account of being too onerous:	This provision is to be retained.

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		<i>“provided further that the Independent Engineer certifies that the Concessionaire has no space for parallel or alternate sequencing of works available for carrying out its obligations within the prescribed timelines and until the Concessionaire has proved to have made all its efforts to avoid such Relief Event according to Good Industry Practice.”</i>	
119.	Section 17.2.2 of DCA	This Section empowers both the IE and GoS to comment on the operations manual and require the Concessionaire to make changes. This power should lie with the IE alone as the purpose of having an independent entity is precisely to avoid disputes between the parties. If the GoS can unilaterally instruct the Concessionaire to make changes it makes the role of the IE redundant here.	This provision is to be retained in its current form.
120.	Section 19.14 of DCA	<ol style="list-style-type: none"> <li>1. The Maintenance Account should be operated without prejudice to the rights of the Financiers.</li> <li>2. The Concessionaire should be allowed to invest amounts standing to the credit of the Major Maintenance Payment Account in financial instruments bearing a maturity date of at least three hundred and sixty-five (365) days.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Major Maintenance is forecast to be undertaken post servicing of the Financing, therefore, it is not clear how operation of such account will prejudice the Financiers' rights.</li> <li>2. Funds standing to the credit of the Major Maintenance Payment Account will be required immediately in relation to the Major Maintenance, so it may not be practical to invest such funds in other investment instruments. However, for better financial management, safe permitted investments with short-term maturity may be negotiated in the Escrow Agreement.</li> </ol>
121.	Section 23.6 of DCA	The payments by GoS to the Concessionaire should be credited directly to the account of the Concessionaire regardless of whether there is any Financing Due. The	The treatment of this issue will be in accordance with precedent transactions.

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		Financiers may be given security over such account of the Concessionaire.	
122.	Section 27.3.1 of DCA	The requirement here is that the debt repayment should not be greater than the 'Financing Component' using assumptions in the Financial Model. It needs to be specified that when calculating the Financing Component, KIBOR will be calculated at actual and not the number used in the financial model.	At Financial Close, the Financial Model will be updated. However, the same cannot result in the financial liability of the GoS in relation of the Financing Component increasing beyond the numbers sets out in the Base Case Financial Model.
123.	<b>SCHEDULE J</b> <b>(Specified Concessionaire Permits)</b> to DCA	The schedule should state: "To the extent applicable to concessionaire"	If one more of such Concessionaire Permits are not applicable to the Concessionaire in terms of the Applicable Laws, the same will not need to be obtained in any case.
124.	Article 30 ( <i>Dispute Resolution</i> ) of DCA	<ol style="list-style-type: none"> <li>1. An option for international arbitration should be provided for claimed exceeding USD 2 million. Such arbitration should be in accordance with the LCIA. Seat and venue should be London.</li> <li>2. In accordance with Section 30.2, parties are required to undergo a conciliation process before going to arbitration. For the purposes of the same, the appointment of an Independent Legal Counsel may be required (which is on a case to case basis per the scheme under the DCA). The appointment of the legal counsel can take an excessive amount of time and delay the dispute resolution process. Therefore, it should be specified that the Independent Legal Counsel must be appointed within 10 days, otherwise the parties will proceed to the next stage without the appointment of the Independent Legal Counsel.</li> </ol>	<ol style="list-style-type: none"> <li>1. Local arbitration will be retained, as in the case of precedent transactions.</li> <li>2. Appointment of the Independent Legal Counsel is contemplated with mutual consent and is not a mandatory requirement under the conciliation process. If the Parties feel that conciliation is required with the support of the Independent Legal Counsel, they will naturally endeavor to engage the same expeditiously. If, however, the Parties (or either of them) do not wish to engage the Independent Legal Counsel, they may power through to the subsequent Dispute Resolution Procedure stages.</li> </ol>

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125.	<b>SCHEDULE P (Toll Notification Structure)</b> of DCA	The toll rates are specified as flat rates subject to escalation to the rate of fifteen percent (15%) on each consecutive two (2) year anniversary of the Commercial Operations Date, till the end of the Concession Period. If the COD is delayed by more than 12 months on account of reasons attributable to the GoS, then escalation should be applicable to the first year of operations too.	This concern is addressed in the Relief Event related provisions. In particular, please refer to the definitions of ' <i>Calculation Period</i> ' and ' <i>MRG Funding Period</i> '.
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**PART II  
AMENDMENT NO. 1 TO THE REQUEST FOR PROPOSAL**

*Unless expressly specified otherwise, all capitalized terms used in this Response Document shall bear the meanings ascribed thereto in the RFP Documents.*

<b>SR. NO.</b>	<b>PROVISION NUMBER OF RFP DOCUMENT</b>	<b>ORIGINAL PROVISION</b>	<b>AMENDED PROVISION</b>
1.	Bid Submission Date under paragraph 1.15 ( <i>Project Schedule</i> ) of the RFP, on page 27	October 14, 2020	November 16, 2020
2.	Date for anticipated end of design, planning and surveys under paragraph 1.15 ( <i>Project Schedule</i> ) of the RFP, on page 27	Ninety (90) days from Effective Date	One hundred and twenty (120) days from Effective Date
3.	Paragraph 4.6.1.1 ( <i>GoS Funding Amount</i> ) of the RFP, on page 44	The GoS shall provide the Concessionaire support of up to a maximum of PKR 1,560,000,000/- (Pakistani Rupees One Billion and Five Hundred and Sixty Million only) to finance the Pre Estimated Project Cost. This support is anticipated to reduce the financing requirements for the Concessionaire and improve bankability of the Link Road Project. For abundant clarity, it should be noted that GoS Funding Amount shall not increase as a result of increase in the Total Project Cost on account of factors such as (without limitation) cost overruns, KIBOR fluctuations etc. The GoS Funding Amount shall be funded as	The GoS shall provide the Concessionaire support of up to a maximum of PKR 1,560,000,000/- (Pakistani Rupees One Billion and Five Hundred and Sixty Million only) to finance the Pre Estimated Project Cost. This support is anticipated to reduce the financing requirements for the Concessionaire and improve bankability of the Link Road Project. For abundant clarity, it should be noted that GoS Funding Amount shall not increase as a result of increase in the Total Project Cost on account of factors such as (without limitation) cost overruns, KIBOR fluctuations etc.

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		<p>Subordinated Financing in accordance with the terms of the Concession Agreement, the Funding &amp; Utilization Agreement and the Subordinated Financing Agreement.</p>	<p>The GoS Funding Amount shall be funded as Subordinated Financing in accordance with the terms of the Funding &amp; Utilization Agreement and the Subordinated Financing Agreement, subject to (without limitation) the following terms:</p> <ul style="list-style-type: none"> <li>(a) the GoS' disbursement of the GoS Funding Amount as Subordinated Financing;</li> <li>(b) the tenor of such Subordinated Financing in relation to the GoS Funding Amount, the same being the aggregate of (i) a nine year and eight month grace period calculated from the Commencement Date (but commencing on the first drawdown date in relation to the GoS Funding Amount, for purposes of accrual of interest/profit/mark-up) (the <b>Grace Period</b>) for both interest/profit/mark-up and repayment of the Subordinated Financing in relation to the GoS Funding Amount; and (ii) the Repayment Period;</li> <li>(c) the repayment period (the <b>Repayment Period</b>) in relation to such Subordinated Financing (to commence upon expiry of the Grace Period) shall be as follows: <ul style="list-style-type: none"> <li>(i) in the event the actual Revenue is equal to or greater than eighty percent (80%) of the Benchmark Revenues for three (3) consecutive years prior to commencement of the Repayment Period, then the Repayment Period shall be three (3) years, with repayment being made in six (6) equal semi-annual installments;</li> </ul> </li> </ul>
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			<p>(ii) in the event the actual Revenue is less than eighty percent (80%) of the Benchmark Revenues for three (3) consecutive years prior to commencement of the Repayment Period, then the Repayment Period shall be six (6) years, with repayment being made in twelve (12) equal semi-annual installments;</p> <p><b>provided, that for Bidding purposes, the Repayment Period shall be assumed as three (3) years by all Bidders;</b></p> <p>(d) interest/profit/mark-up to be accrued at a flat rate of four percent (4%) per annum during the Grace Period and eight percent (8%) per annum during the Repayment Period, and paid, in each case, during the Repayment Period, calculated on a three hundred and sixty-five (365) days basis, commencing from the first drawdown date in relation to the GoS Funding Amount; and</p> <p>(e) interest/profit/mark-up to accrue but not be paid during the Grace Period.</p>
4.	Paragraph 4.6.1.2 ( <i>Minimum Revenue Guarantee</i> ) of the RFP, on pages 44 and 45	In order to enhance the bankability of the Link Road Project, the GoS shall fund the Minimum Revenue Guarantee Amounts to the Concessionaire up to the Calculation Period MRG Threshold (which shall be up to twenty percent (20%) of the Benchmark Revenues).	In order to enhance the bankability of the Link Road Project, the GoS shall fund the Minimum Revenue Guarantee Amounts to the Concessionaire up to the Calculation Period MRG Threshold (which shall be up to forty percent (40%) <sup>1</sup> of the Benchmark Revenues). Bidders are required to set out in their Financial Bids

<sup>1</sup> Increase of the threshold of the Minimum Revenue Guarantee Amount support from twenty percent (20%) to forty percent (40%) of the Benchmark Revenues is subject to the approval of the PPP Policy Board, GoS.

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		<p>Bidders are required to set out in their Financial Bids the quantum of Minimum Revenue Guarantee Amount support required by them, which must be capped at twenty percent (20%) of the Benchmark Revenues.</p> <p>The total Minimum Revenue Guarantee Amount support (in present value terms) for the entire MRG Funding Period set out in the Base Case Financial Model shall be provided upfront by the GoS in the form of the MRG Financial Instrument, the terms and conditions in relation to which are detailed in the Draft Concession Agreement. Payment of the Minimum Revenue Guarantee Amounts shall be made through encashment of the MRG Financial Instrument in accordance with the terms set out in the Draft Concession Agreement.</p> <p>The Minimum Revenue Guarantee support will be available to the Concessionaire till the MRG Support Discharge Date, as defined in the Draft Concession Agreement. The Bidders are instructed to distinctly provide, under a separate head, the required Calculation Period MRG Threshold for each Calculation Period in the Financial Model forming part of their respective Financial Bids.</p> <p>Against funding of the Minimum Revenue Guarantee, the GoS shall be issued the MRG Shares that shall be entitled to the MRG Dividends, as detailed in the Draft Concession Agreement; provided, that in the event</p>	<p>the quantum of Minimum Revenue Guarantee Amount support required by them, which must be capped at forty percent (40%) of the Benchmark Revenues.</p> <p>The Minimum Revenue Guarantee Amount support (in present value terms) shall be provided upfront by the GoS in the form of the MRG Financial Instrument, the terms and conditions in relation to which are detailed in the Draft Concession Agreement, for an amount (calculated in present value terms) equal to the aggregate of the Calculation Period MRG Threshold for each Calculation Period till the MRG Support Discharge Date (Forecast); provided, that such amount shall not exceed fifty percent (50%) of the Financing Component (set out in the Financing Term Sheet delivered to and not objected to by the GoS and the Independent Auditor in accordance with Section 27.3 (<i>Financing Term Sheet &amp; the Financing Amendment Term Sheets</i>) of the Concession Agreement); provided, further, that for purposes of calculating such amount in present value terms, the rate of discount shall be the rate negotiated by the GoS with the MRG Financial Instrument Issuing Bank at the time of issuance of the MRG Financial Instrument.</p> <p>Any Minimum Revenue Guarantee Amount support sought beyond the amount stated above shall be part of the MRG Financial Instrument Gross-Up Amount and shall be provided upon occurrence of the MRG Financial Instrument Gross-Up Event by increasing the value of the MRG Financial Instrument. Payment of the Minimum Revenue Guarantee Amounts shall be made through encashment of the MRG Financial Instrument in</p>
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		<p>funding of the Minimum Revenue Guarantee Amounts is likely to result in the MRG Shares constituting more than forty-nine percent (49%) of the total issued share capital of the Concessionaire, then any Minimum Revenue Guarantee Amounts the funding whereof shall cause such forty-nine percent (49%) threshold to be breached shall be funded by the GoS in the form of Subordinated Financing.</p> <p>Other applicable principles in relation to the Minimum Revenue Guarantee Amounts are set out in the Draft Concession Agreement and will be further elaborated in the MRG Agreement.</p>	<p>accordance with the terms set out in the Draft Concession Agreement.</p> <p>The Minimum Revenue Guarantee support will be available to the Concessionaire till the MRG Support Discharge Date, as defined in the Draft Concession Agreement. The Bidders are instructed to distinctly provide, under a separate head, the required Calculation Period MRG Threshold for each Calculation Period in the Financial Model forming part of their respective Financial Bids.</p> <p>Against funding of the Minimum Revenue Guarantee, the GoS shall be issued the MRG Shares that shall be entitled to the MRG Dividends, as detailed in the Draft Concession Agreement; provided, that in the event funding of the Minimum Revenue Guarantee Amounts is likely to result in the MRG Shares constituting more than forty-nine percent (49%) of the total issued share capital of the Concessionaire, then any Minimum Revenue Guarantee Amounts the funding whereof shall cause such forty-nine percent (49%) threshold to be breached shall be funded by the GoS in the form of revenue support payments.</p> <p>Other applicable principles in relation to the Minimum Revenue Guarantee Amounts are set out in the Draft Concession Agreement and will be further elaborated in the MRG Agreement.</p>
5.	First paragraph under Specific Work Experience - For	In relation to the lead member of the EPC joint venture, such lead member must have undertaken similar work with cost and complexity of minimum two (2) similar	In relation to the lead member of the EPC joint venture or a sole EPC Contractor, such lead member or sole EPC Contractor (as applicable) must have undertaken similar work with cost and

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	Construction - <b>ANNEXURE A</b> <b>(Eligibility Criteria)</b> of RFP, on page 53	projects i.e. highways/motorways/expressways including interchanges and/or flyovers of at least fifteen (15) kilometers length each or minimum three (3) similar projects i.e. highways/motorways/expressways including interchanges and/or flyovers of at least ten (10) kilometers length each, completed in the past ten (10) years (submission of commencement letter and completion certificates are mandatory).	complexity of minimum two (2) similar projects i.e. highways/motorways/expressways including interchanges and/or flyovers of at least fifteen (15) kilometers length each or minimum three (3) similar projects i.e. highways/motorways/expressways including interchanges and/or flyovers of at least ten (10) kilometers length each, completed in the past ten (10) years (submission of commencement letter and completion certificates are mandatory).
6.	Width of shoulders and median under Paragraph 6 ( <i>Design Requirements and Standards</i> ) of <b>ANNEXURE L (Scope of Work)</b> to the RFP, on pages 108, 109 and 110	-	On pages 108, 109 and 110 of the RFP, the width of outer shoulder and median shall be read as “3.5” meters instead of “3” meters.
7.	Paragraph 7 ( <i>Embankment Design</i> ) of <b>ANNEXURE L (Scope of Work)</b> to the RFP, on page 112	<b><u>EMBANKMENT DESIGN</u></b>  The embankment design, its height, slopes and protection works, including apron on river side, shall be designed keeping in view of the outcome of hydrology study report which shall be carried out for not less than fifty (50) years flood return period. Also requirement of J spurs in the river bed, where nala opening exist, should be considered carefully where deemed necessary for the protection of the embankment.	<b><u>EMBANKMENT DESIGN</u></b>  The embankment design, its height, slopes and protection work, shall be designed keeping in view of the outcome of hydrology study report which shall be carried out for not less than fifty (50) years flood return period.  In areas of high-water table, filter cut-off layer, if required, shall be provided to protect the pavement structure. This should include day-lighting of the pavement layers to outer side of the embankment. Surface drainage should also be designed properly

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		<p>Due consideration shall be given to road side barriers at high embankment locations as per design standards. In areas of high-water table, filter cut-off layer, if required, shall be provided to protect the pavement structure. This should include day-lighting of the pavement layers to outer side of the embankment. Surface drainage should also be designed properly to ensure no water ponding on Project Link Road and interchanges during or after the rain.</p>	<p>to ensure no water ponding on Project Link Road and interchange during or after the rain.</p>
8.	<p>Paragraph 8 (<i>Pavement Design</i>) of <b>ANNEXURE L (Scope of Work)</b> to the RFP, on page 112</p>	<p><b><u>PAVEMENT DESIGN</u></b></p> <p>The pavement designs shall be carried out as per AASHTO Guide (latest edition) with load factors from NTRC Report and confirm the design with the mechanistic design methodology. The pavement design shall be based on one hundred million (100,000,000) ESALS per lane traffic volume and its projection. Traffic growth factors shall be established through the study of available traffic data.</p> <p>Since the Project Link Road will be a partially new facility, volume of traffic and in turn the required pavement structure is the prime concern. The Concessionaire shall quantify and price the flexible pavement based on a pavement design of one hundred million (100,000,000) ESALS load per lane for a design life of ten (10) years. Two (2) overlays are envisaged during the Concession Period, first likely to commence on the eleventh (11<sup>th</sup>) anniversary of Commercial Operations Date and second</p>	<p><b><u>PAVEMENT DESIGN</u></b></p> <p>The pavement designs shall be carried out as per AASHTO Guide (latest edition) with load factors from NTRC Report and confirm the design with the mechanistic design methodology. The pavement design shall be based on one hundred million (100,000,000) ESALS per lane traffic volume and its projection. Traffic growth factors shall be established through the study of available traffic data.</p> <p>Since the Project Link Road will be a partially new facility, volume of traffic and in turn the required pavement structure is the prime concern. The Concessionaire shall quantify and price the flexible pavement based on a pavement design of one hundred million (100,000,000) ESALS load per lane for a design life of ten (10) years. Two (2) overlays are envisaged during the Concession Period, first likely to commence on the eleventh (11<sup>th</sup>) anniversary of Commercial Operations Date and second (2<sup>nd</sup>) overlay projected to commence ten (10) years after the first</p>

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		<p>(2<sup>nd</sup>) overlay projected to commence ten (10) years after the first (1<sup>st</sup>) overlay. Design lives of both the overlays shall be ten (10) years.</p> <p>For the outer lane of the Project Link Road, the Bidder shall carry out the design of rigid as well as flexible pavement, using the ESALS provided above and for forty (40) years design life of rigid pavement and ten (10) years design life of flexible pavement.</p> <p>Other design criteria not specified herein shall be approved by the Independent Engineer before being adopted for the design.</p>	<p>(1<sup>st</sup>) overlay. Design lives of both the overlays shall be ten (10) years.</p> <p>Other design criteria not specified herein shall be approved by the Independent Engineer before being adopted for the design.</p>
9.	<p>Second sub-paragraph of paragraph 12 (<i>Tolling System and Electronic Toll and Ticketing System-ETTM/ITS</i>) of <b>ANNEXURE L (Scope of Work)</b> to the RFP, on page 142</p>	<p>All Vehicles Entering Toll Gate will be issued a Machine-Readable Toll Ticket. At the Exit Toll Gates, the Vehicle will show the Ticket, and will be charged the applicable toll.</p>	<p>All vehicles entering the toll gate will pay the applicable Toll at the entry Toll Plaza and be issued a receipt against payment of the Toll. At the exit toll gate, the vehicle will show the receipt and be permitted to exit the Toll Plaza.</p>
10.	<p>Third sub-paragraph under paragraph 13 (<i>Weigh Bridges and Control Buildings</i>) of <b>ANNEXURE L (Scope of Work)</b> to the RFP, on page 144</p>	<p><b><u>TOLL GATES</u></b></p> <p>There shall be two (2) Toll Plazas with the following number of toll gates:</p> <ul style="list-style-type: none"> <li>• One (1) Toll Plaza with three (3) toll gates before N5;</li> <li>• One (1) Toll Plaza with three (3) toll gates before M9.</li> </ul>	<p><b><u>TOLL GATES</u></b></p> <p>There shall be two (2) Toll Plazas with the following number of toll gates:</p> <ul style="list-style-type: none"> <li>• One (1) Toll Plaza with six (6) toll gates before N5;</li> <li>• One (1) Toll Plaza with six (6) toll gates before M9.</li> </ul>

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11.	Section 1.1 ( <i>Definitions</i> ) of the DCA, on pages 7 and 8	<b>Calculation Period MRG Threshold</b> means the ceiling set out in the Base Case Financial Model and the MRG Agreement, up to which the GoS shall fund the Minimum Revenue Guarantee Amounts during each Calculation Period. Such ceiling shall not, in relation to a Calculation Period, exceed twenty percent (20%) of the Benchmark Revenues for such Calculation Period	<b>Calculation Period MRG Threshold</b> means the ceiling set out in the Base Case Financial Model and the MRG Agreement, up to which the GoS shall fund the Minimum Revenue Guarantee Amounts during each Calculation Period. Such ceiling shall not, in relation to a Calculation Period, exceed forty percent (40%) <sup>2</sup> of the Benchmark Revenues for such Calculation Period
12.	Section 1.1 ( <i>Definitions</i> ) of the DCA, on pages 34 and 35	<b>Minimum Revenue Guarantee Amounts</b> means the amount that the GoS may be required to fund during a Calculation Period up to the Calculation Period MRG Threshold, in accordance with the terms of the MRG Agreement. Such amount shall not, in relation to a Calculation Period, exceed the Calculation Period Threshold for such Calculation Period and shall be funded through encashment of the MRG Financial Instrument and utilized, in each case, in accordance with the terms of this Agreement and the MRG Agreement. Against funding of such Minimum Revenue Guarantee Amounts, the GoS shall be issued the MRG Shares in the Concessionaire; provided, that in the event funding of the Minimum Revenue Guarantee Amounts is likely to result in the MRG Shares constituting more than forty-nine percent (49%) of the total issued share capital of the Concessionaire, then any Minimum Revenue Guarantee Amounts the funding whereof shall cause such forty-nine percent (49%) threshold to be breached (the <b>MRG</b>	<b>Minimum Revenue Guarantee Amounts</b> means the amount that the GoS may be required to fund during a Calculation Period up to the Calculation Period MRG Threshold, in accordance with the terms of the MRG Agreement. Such amount shall not, in relation to a Calculation Period, exceed the Calculation Period Threshold for such Calculation Period and shall be funded through encashment of the MRG Financial Instrument and utilized, in each case, in accordance with the terms of this Agreement and the MRG Agreement. Against funding of such Minimum Revenue Guarantee Amounts, the GoS shall be issued the MRG Shares in the Concessionaire; provided, that in the event funding of the Minimum Revenue Guarantee Amounts is likely to result in the MRG Shares constituting more than forty-nine percent (49%) of the total issued share capital of the Concessionaire, then any Minimum Revenue Guarantee Amounts the funding whereof shall cause such forty-nine percent (49%) threshold to be breached (the <b>MRG Threshold Breach Amounts</b> ) shall be funded by the GoS in the form of revenue support payments

<sup>2</sup> Increase of the threshold of the Minimum Revenue Guarantee Amount support from twenty percent (20%) to forty percent (40%) of the Benchmark Revenues is subject to the approval of the PPP Policy Board, GoS.

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		<b>Threshold Breach Amounts</b> ) shall be funded by the GoS in the form of Subordinated Financing	
13.	Section 1.1 ( <i>Definitions</i> ) of the DCA, on page 35	<b>MRG Financial Instrument Amount (Initial)</b> means the aggregate of the Calculation Period MRG Threshold for each Calculation Period till the MRG Support Discharge Date (Forecast), calculated in present value terms; provided, that for purposes of calculating such amount in present value terms, the rate of discount shall be the rate negotiated by the GoS with the MRG Financial Instrument Issuing Bank at the time of issuance of the MRG Financial Instrument	<b>MRG Financial Instrument Amount (Initial)</b> <sup>3</sup> means an amount (calculated in present value terms) equal to the aggregate of the Calculation Period MRG Threshold for each Calculation Period till the MRG Support Discharge Date (Forecast); provided, that such amount shall not exceed fifty percent (50%) of the Financing Component (set out in the Financing Term Sheet delivered to and not objected to by the GoS and the Independent Auditor in accordance with Section 27.3 ( <i>Financing Term Sheet &amp; the Financing Amendment Term Sheets</i> ) of this Agreement); provided, further, that for purposes of calculating such amount in present value terms, the rate of discount shall be the rate negotiated by the GoS with the MRG Financial Instrument Issuing Bank at the time of issuance of the MRG Financial Instrument.
14.	Section 1.1 ( <i>Definitions</i> ) of the DCA, on page 37	<b>MRG Shares</b> means share capital to be issued to the GoS in the Concessionaire, from time to time, against funding of the Minimum Revenue Guarantee Amounts in accordance with this Agreement and the MRG Agreement, which share capital shall be in the nature of ordinary shares and shall be entitled to the MRG Shares Dividends	<b>MRG Shares</b> means the share capital to be issued to the GoS in the Concessionaire, from time to time, against funding of the Minimum Revenue Guarantee Amounts in accordance with this Agreement and the MRG Agreement, which share capital shall be in the nature of ordinary non-voting shares and shall be entitled to the MRG Shares Dividends
15.	Section 1.1 ( <i>Definitions</i> ) of the DCA, on page 55	<b>Subordinated Financing</b> means the amounts in relation to (a) the GoS Funding Amount; (b) the GoS Escalation	<b>Subordinated Financing</b> means the amounts in relation to (a) the GoS Funding Amount; and (b) the GoS Escalation Cost

<sup>3</sup> The GoS may (in its sole and absolute discretion and subject to the approval of the PPP Policy Board, GoS) increase of the value of the MRG Financial Instrument Amount (Initial), with the sole objective of enabling achievement of Financial Close, keeping in view the prevalent banking industry practices, market conditions and project finance norms, in each case, at the time of achievement of Financial Close. Necessary provisions in this regard may be introduced in the Concession Agreement.

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		Cost Share; and (c) the MRG Threshold Breach Amounts, in each case, to be provided as a loan by the GoS to the Concessionaire on the terms and conditions contained in the Subordinated Financing Agreement, which Subordinated Financing shall be unsecured and subordinated to the Financing	Share, in each case, to be provided as a loan by the GoS to the Concessionaire on the terms and conditions contained in the Subordinated Financing Agreement, which Subordinated Financing shall be unsecured and subordinated to the Financing
16.	Section 10.1.4 of the DCA, on pages 132 and 133	<p>The Parties acknowledge and agree that the GoS Funding Amount shall be funded as Subordinated Financing in accordance with the terms of the Funding &amp; Utilization Agreement and the Subordinated Financing Agreement, subject to (without limitation) the following terms:</p> <p>(a) the GoS' disbursement of the GoS Funding Amount as Subordinated Financing;</p> <p>(b) the tenor of such Subordinated Financing in relation to the GoS Funding Amount, the same being twelve years and eight months with a nine year and eight month grace period calculated from the Commencement Date (but commencing on the first drawdown date in relation to the GoS Funding Amount, for purposes of accrual of interest/profit/mark-up) (the <b>Grace Period</b>) for both interest/profit/mark-up and repayment of the Subordinated Financing in relation to the GoS Funding Amount;</p> <p>(c) the repayment period of three (3) years (the <b>Repayment Period</b>) in relation to such</p>	<p>The Parties acknowledge and agree that the GoS Funding Amount shall be funded as Subordinated Financing in accordance with the terms of the Funding &amp; Utilization Agreement and the Subordinated Financing Agreement, subject to (without limitation) the following terms:</p> <p>(a) the GoS' disbursement of the GoS Funding Amount as Subordinated Financing;</p> <p>(b) the tenor of such Subordinated Financing in relation to the GoS Funding Amount, the same being the aggregate of (i) a nine year and eight month grace period calculated from the Commencement Date (but commencing on the first drawdown date in relation to the GoS Funding Amount, for purposes of accrual of interest/profit/mark-up) (the <b>Grace Period</b>) for both interest/profit/mark-up and repayment of the Subordinated Financing in relation to the GoS Funding Amount; and (ii) the Repayment Period;</p> <p>(c) the repayment period (the <b>Repayment Period</b>) in relation to such Subordinated Financing (to commence upon expiry of the Grace Period) shall be as follows:</p>

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		<p>Subordinated Financing to commence upon expiry of the Grace Period with repayment being made in six (6) equal semi-annual installments;</p> <p>(d) interest/profit/mark-up to be accrued at a flat rate of four percent (4%) per annum during the Grace Period and eight percent (8%) per annum during the Repayment Period, and paid, in each case, during the Repayment Period, calculated on a three hundred and sixty-five (365) days basis, commencing from the first drawdown date in relation to the GoS Funding Amount; and</p> <p>(e) interest/profit/mark-up to accrue but not be paid during the Grace Period.</p>	<p>(i) in the event the actual Revenue is equal to or greater than eighty percent (80%) of the Benchmark Revenues for three (3) consecutive years prior to commencement of the Repayment Period, then the Repayment Period shall be three (3) years, with repayment being made in six (6) equal semi-annual installments;</p> <p>(ii) in the event the actual Revenue is less than eighty percent (80%) of the Benchmark Revenues for three (3) consecutive years prior to commencement of the Repayment Period, then the Repayment Period shall be six (6) years, with repayment being made in twelve (12) equal semi-annual installments;</p> <p>(d) interest/profit/mark-up to be accrued at a flat rate of four percent (4%) per annum during the Grace Period and eight percent (8%) per annum during the Repayment Period, and paid, in each case, during the Repayment Period, calculated on a three hundred and sixty-five (365) days basis, commencing from the first drawdown date in relation to the GoS Funding Amount; and</p> <p>(e) interest/profit/mark-up to accrue but not be paid during the Grace Period.</p>
17.	Section 12.5.1 of the DCA, on page 147	Notwithstanding anything to the contrary in this Agreement, the Concessionaire shall, within three (3) months of the Effective Date, procure issuance of the Approved Detailed Engineering Design, which shall set	Notwithstanding anything to the contrary in this Agreement, the Concessionaire shall, within four (4) months of the Effective Date, procure issuance of the Approved Detailed Engineering Design, which shall set out, <i>inter alia</i> , and in addition to any other



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		out, <i>inter alia</i> , and in addition to any other matters determined by the Independent Engineer, the exact location of the Project Site, the relocation of existing utilities etc. and all other matters in relation to any relocations/impediments in relation to the Project Site.	matters determined by the Independent Engineer, the exact location of the Project Site, the relocation of existing utilities etc. and all other matters in relation to any relocations/impediments in relation to the Project Site.
18.	First sentence of Section 12.5.3 of the DCA, on page 147	Subject to Section 12.5.1, the Concessionaire shall, as part of the process of the Concessionaire Conditions Precedent submit its Detailed Engineering Design (in batches), to the Independent Engineer (with a copy to the GoS) within two (2) months of the Effective Date for the approval of the Independent Engineer and the GoS.	Subject to Section 12.5.1, the Concessionaire shall, as part of the process of the Concessionaire Conditions Precedent submit its Detailed Engineering Design (in batches), to the Independent Engineer (with a copy to the GoS) within three (3) months of the Effective Date for the approval of the Independent Engineer and the GoS.
19.	Width of shoulders and median under Paragraph 6 ( <i>Design Requirements and Standards</i> ) of <b>SCHEDULE A (Scope of the Project)</b> to the DCA, on pages 266 and 268	-	On pages 266 and 268 of the DCA, the width of outer shoulder and median shall be read as “3.5” meters instead of “3” meters.
20.	Paragraph 7 ( <i>Embankment Design</i> ) of <b>SCHEDULE A (Scope of the Project)</b> to the DCA, on page 271	<b><u>EMBANKMENT DESIGN</u></b>  The embankment design, its height, slopes and protection works, including apron on river side, shall be designed keeping in view of the outcome of hydrology study report which shall be carried out for not less than fifty (50) years flood return period. Also requirement of J spurs in the river bed, where nala opening exist, should	<b><u>EMBANKMENT DESIGN</u></b>  The embankment design, its height, slopes and protection work, shall be designed keeping in view of the outcome of hydrology study report which shall be carried out for not less than fifty (50) years flood return period. In areas of high-water table, filter cut-off layer, if required, shall be provided to protect the pavement structure. This should include day-lighting of the pavement layers to outer side of the

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		<p>be considered carefully where deemed necessary for the protection of the embankment.</p> <p>Due consideration shall be given to road side barriers at high embankment locations as per design standards. In areas of high-water table, filter cut-off layer, if required, shall be provided to protect the pavement structure. This should include day-lighting of the pavement layers to outer side of the embankment. Surface drainage should also be designed properly to ensure no water ponding on Project Link Road and interchanges during or after the rain.</p>	<p>embankment. Surface drainage should also be designed properly to ensure no water ponding on Project Link Road and interchanges during or after the rain.</p>
21.	<p>Paragraph 8 (<i>Pavement Design</i>) of <b>SCHEDULE A (Scope of the Project)</b> to the DCA, on page 272</p>	<p><b><u>PAVEMENT DESIGN</u></b></p> <p>The pavement designs shall be carried out as per AASHTO Guide (latest edition) with load factors from NTRC Report and confirm the design with the mechanistic design methodology. The pavement design shall be based on one hundred million (100,000,000) ESALS per lane traffic volume and its projection. Traffic growth factors shall be established through the study of available traffic data.</p> <p>Since the Project Link Road will be a partially new facility, volume of traffic and in turn the required pavement structure is the prime concern. The Concessionaire shall quantify and price the flexible pavement based on a pavement design of one hundred million (100,000,000) ESALS load per lane for a design life of ten (10) years.</p>	<p><b><u>PAVEMENT DESIGN</u></b></p> <p>The pavement designs shall be carried out as per AASHTO Guide (latest edition) with load factors from NTRC Report and confirm the design with the mechanistic design methodology. The pavement design shall be based on one hundred million (100,000,000) ESALS per lane traffic volume and its projection. Traffic growth factors shall be established through the study of available traffic data.</p> <p>Since the Project Link Road will be a partially new facility, volume of traffic and in turn the required pavement structure is the prime concern. The Concessionaire shall quantify and price the flexible pavement based on a pavement design of one hundred million (100,000,000) ESALS load per lane for a design life of ten (10) years. Two (2) overlays are envisaged during the Concession Period, first likely to commence on the eleventh</p>

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		<p>Two (2) overlays are envisaged during the Concession Period, first likely to commence on the eleventh (11<sup>th</sup>) anniversary of Commercial Operations Date and second (2<sup>nd</sup>) overlay projected to commence ten (10) years after the first (1<sup>st</sup>) overlay. Design lives of both the overlays shall be ten (10) years.</p> <p>For the outer lane of the Project Link Road, the Bidder shall carry out the design of rigid as well as flexible pavement, using the ESALS provided above and for forty (40) years design life of rigid pavement and ten (10) years design life of flexible pavement.</p> <p>Other design criteria not specified herein shall be approved by the Independent Engineer before being adopted for the design.</p>	<p>(11<sup>th</sup>) anniversary of Commercial Operations Date and second (2<sup>nd</sup>) overlay projected to commence ten (10) years after the first (1<sup>st</sup>) overlay. Design lives of both the overlays shall be ten (10) years.</p> <p>Other design criteria not specified herein shall be approved by the Independent Engineer before being adopted for the design.</p>
22.	Second sub-paragraph of Paragraph 12 ( <i>Tolling System and Electronic Toll and Ticketing System- ETTM/ITS</i> ) of <b>SCHEDULE A (Scope of the Project)</b> to the DCA, on page 315	All Vehicles Entering Toll Gate will be issued a Machine-Readable Toll Ticket. At the Exit Toll Gates, the Vehicle will show the Ticket, and will be charged the applicable toll.	All vehicles entering the toll gate will pay the applicable Toll at the entry Toll Plaza and be issued a receipt against payment of the Toll. At the exit toll gate, the vehicle will show the receipt and be permitted to exit the Toll Plaza.
23.	Third sub-paragraph under paragraph 13 ( <i>Weigh Bridges and Control Buildings</i> ) of <b>SCHEDULE A (Scope</b>	<p><b><u>TOLL GATES</u></b></p> <p>There shall be two (2) Toll Plazas with the following number of toll gates:</p>	<p><b><u>TOLL GATES</u></b></p> <p>There shall be two (2) Toll Plazas with the following number of toll gates:</p>

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	<i>of the Project</i> ) to the DCA, on pages 316 and 317	<ul style="list-style-type: none"> <li>• One (1) Toll Plaza with three (3) toll gates before N5;</li> <li>• One (1) Toll Plaza with three (3) toll gates before M9.</li> </ul>	<ul style="list-style-type: none"> <li>• One (1) Toll Plaza with six (6) toll gates before N5;</li> <li>• One (1) Toll Plaza with six (6) toll gates before M9.</li> </ul>
24.	Date for anticipated end of design, planning and surveys under <b>SCHEDULE E (Project Construction Completion Schedule)</b> to the DCA, on page 364	Ninety (90) days from Effective Date	One hundred and twenty (120) days from Effective Date

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**THE END**