

PRE-BID QUERIES REGARDING O&M AND FAISALABAD CHINIOT SARGODHA ROAD

INVIGO ADVISORY PVT LIMITED

<u>Sr No.</u>	<u>QUERY</u>	<u>REPLY (C&W) Version</u>
1a	<p>General Project Scope Please confirm the exact chainage limits and final alignment of the dualization works for the Chiniot–Sargodha section.</p>	<p>The chainage limits and alignment are specified in Section 3.2 of the RFP (Volume I) and the Geometric Design Report (Volume III). The dualization portion starts at the beginning of Chiniot Bypass at RD 19+100 (Coordinates: 31.698, 73.95547) and ends at Sargodha RD 66+660 (Coordinates: 32.01792, 72.710762), covering approximately 47.5 km. Bidders are advised to refer to the Geometric Design Report at Volume III, Document 1 for detailed chainage-wise alignment and GPS coordinates.</p>
B	<p>Will any modifications to the preliminary design included in the DPR be permitted by bidders during detailed design?</p>	<p>Pursuant to Section 3.3 (Scope of Work) and Section 3.4 (Concession) of the RFP read with Section 12.5 of the PPP Contract, the design risk rests with the Private Partner. The Private Partner is responsible for detailed design and may review, modify, and optimise the preliminary design provided in the DPR, subject to compliance with the Applicable Standards (including C&W Road and Bridge Specifications 2022 and AASHTO standards) and approval by the Independent Engineer and the Implementing Agency.</p>
C	<p>Is the bridge over River Chenab completely excluded from the scope of work, including any O&M responsibilities?</p>	<p>As stated in Section 3.2(d) of the RFP, the bridge over River Chenab is not included in the construction scope, having already been dualized. However, the O&M responsibilities of the Private Partner extend to the entire Faisalabad-Chiniot-Sargodha Road as per Section 3.8 of the RFP and Section 19.1 of the PPP Contract. Accordingly, the Private Partner shall be responsible for the O&M of the Chenab bridge, including maintenance of joints, parapet walls, bearing pads, sub-structure, road surface, and rehabilitation works, in accordance with Schedule H (O&M Requirements).</p>

D	Please confirm the exact locations of the proposed toll plazas and whether bidders may propose alternative locations.	<p>As per the Geometric Design Report (Volume III, Document 1) and Schedule Q of the PPP Contract, three (3) toll plazas are planned on the Project Road: one at Faisalabad, one at Chiniot, and one at Sargodha. All three toll plazas are supposed to be installed by the Private Partner . Amendments are being made to the bid documents and shall be shared in the form of an addendum.</p> <p>The toll plaza locations are fixed, as land has been acquired accordingly. Bidders may not propose alternative locations. Please refer to the Geometric Design Report for exact coordinates and layout details.</p>
2a	<p>Land Acquisition and Right of Way Please confirm whether the entire required Right- of- Way (ROW) and the approximately 800 kanal land acquisition will be fully acquired and handed over before the construction commencement.</p>	<p>Pursuant to Section 3.1.4(a) and (b) of the PPP Contract, delivery of Vacant Possession of the Project Site by the Implementing Agency is a Condition Precedent to the Commencement Date. Section 4.2.2 of the PPP Contract further provides that the Implementing Agency shall, at its own cost and expense, deliver Vacant Possession of the Project Site to the Private Partner on or prior to the Scheduled Commencement Date. Land acquisition is at an advanced stage in Chiniot District; acquisition of less than 80 kanal required in Sargodha District is in process. The Implementing Agency is committed to handing over the Project site free of all encumbrances.</p>
B	What mechanism will be used if land acquisition delays affect the construction schedule?	<p>Section 4.15 of the PPP Contract addresses Material Adverse Impediments. If a delay in land acquisition constitutes a Material Adverse Impediment, the Private Partner may issue a notice to the Independent Engineer, who shall verify and certify the impediment. In such an event, the Private Partner shall be entitled to a Relief Order (including extension of Time For Completion) under Section 15.2.1(a) of the PPP Contract. Additionally, the Risk Allocation Matrix (Schedule Y) assigns the Right-of-Way risk to the Implementing Agency.</p>
C	Will encumbrances, utilities relocation, or settlements within ROW be cleared by the Implementing Agency prior to handover?	Yes. ROW will be handed over free of all encumbrances.
3a	Design and Technical Requirements	

	Are bidders allowed to optimize the geometric design within the design standards specified in the DPR?	Yes. Design risk lies with the Private Partner under the PPP Contract. As per Section 3.3 of the RFP and Section 12 (Construction Drawings) of the PPP Contract, the Private Partner may optimize and improve the design subject to compliance with the Applicable Standards and Construction Requirements, and subject to approval/vetting by the Independent Engineer and the Implementing Agency (Section 12.5 of the PPP Contract).
b	Will the Implementing Agency provide final approved design standards and codes (e.g., NHA, AASHTO, or others)?	The applicable design standards are specified in the Construction Requirements definition in the PPP Contract and include: (i) C&W Standard Specifications for Roads and Bridges, 2022; (ii) AASHTO Standards for Geometric Design; (iii) AASHTO Design Guidelines 1993 for Pavement Design; and (iv) LRFD Design Guidelines for Bridges, including approved loading standards for bridges in Pakistan. Please refer to the Construction Requirements definition in Section 1 of the PPP Contract and Schedule B (Design Requirements).
C	Will the bidders be responsible for detailed geotechnical investigations and hydrological studies during the design phase?	Geotechnical investigations were carried out by M/s NESPAK and are provided as Volume III, Document 5 (Soil Investigation Report). However, as per Section 4.4.1 of the PPP Contract, the Project Site Conditions are the sole responsibility of the Private Partner. The Private Partner is deemed to have carried out its own investigation and satisfied itself as to the Project Site Conditions. Bidders are therefore advised to satisfy themselves independently before finalising the design.
D	Please clarify whether the solar street lighting in urban areas is mandatory or optional depending on traffic analysis.	As per the project specifications in Section 3.2 of the RFP and the policy of the Punjab Government, solar-powered street lighting is specified for urban areas. The Scope of the Project in Schedule A of the PPP Contract and the Design Requirements in Schedule B shall govern. Bidders should treat solar street lighting in urban areas as part of the mandatory scope.
4a	Construction Period and Schedule Please confirm the maximum allowable construction period mentioned in the PPP Contract and whether extensions are permitted.	The Scheduled Substantial Completion Date is defined in the PPP Contract as the date falling twenty-four (24) months after the Commencement Date. Extensions are only permissible pursuant to a Relief Order issued by the Independent Engineer under Section 15 of

		the PPP Contract in respect of Relief Events (e.g., Material Adverse Impediment, Political Events, Non-Political Events, Force Majeure). No extension shall be granted for delays attributable to the Private Partner.
B	What procedure will apply for extensions due to Force Majeure or delays caused by government approvals?	<p>For Force Majeure: The affected Party must issue a Force Majeure Notice within 7 days of occurrence (Section 21.2.1 of the PPP Contract). The Parties shall convene a meeting within 5 days. The Private Partner may submit a Relief Order Request under Section 15.2 for extension of Time For Completion and/or Relief Costs. Political Events entitle the Private Partner to both time extensions and Relief Costs, while Non-Political Events are entitled to time extensions only (Section 15.2.1(b) and (f)).</p> <p>For government approval delays: Section 8.3 of the PPP Contract obliges the Implementing Agency to use reasonable efforts to support the Private Partner in obtaining permits. A Lapse of Consent lasting 30+ days constitutes a Political Event under Section 21.1.1(a)(ii), entitling the Private Partner to relief under Section 15.2.</p>
C	Are there specific milestones or liquidated damages associated with delayed completion of particular sections?	Section 14.5 of the PPP Contract provides for Construction Period Damages in the event the Private Partner fails to achieve Substantial Completion by the Scheduled Substantial Completion Date. The damages are calculated at 0.5% of the Construction Performance Guarantee amount (PKR 500 million) per full day of delay, up to a maximum of 100% of the Construction Performance Guarantee. If delay continues beyond that maximum and a fresh guarantee is not furnished within 30 days, termination may be initiated under Section 23.
5a	<p>Financial Structure and Revenue Model</p> <p>Please clarify the assumptions used in the Benchmark Revenue model provided in Form 11.</p>	The Benchmark Revenue is defined in Section 6.5 of the RFP and the PPP Contract (Section 1 – Definitions). It represents the Implementing Agency’s estimate of traffic and other variables for each operating year, factoring in 10% annual toll escalation during the debt repayment period, followed by the lower of 8% or CPI annually. The detailed toll rates by vehicle category and year are set out in Schedule P (Toll Notification Structure) of the PPP Contract and Form 11 (Benchmark Revenue) of the RFP. Traffic projections are based on the traffic study in the Design Report (Volume III, Document 6). Bidders are advised to independently verify traffic and revenue assumptions.

B	Will bidders be allowed to revise toll traffic assumptions based on independent traffic studies?	Bidders shall submit their own Expected Toll Revenue as part of their Financial Model. As per Section 6.5 of the RFP, the Expected Revenue is based on the Bidder's own estimate of traffic and other variables. The MRG and revenue sharing under Section 3.9 of the RFP shall be determined on the basis of the lower of the Benchmark Revenue and the Bidder's Expected Toll Revenue (Section 3.9(5)). The proposed Financial Model of the bidder cannot exceed the Benchmark Revenue figures provided. However, once the PPP Contract has been executed, no revisions will be permissible by the Private Partner.
C	How will non-toll revenues (advertising, service areas, etc.) be treated in the financial model?	Section 29.1 of the PPP Contract provides that the Private Partner shall have no right to engage in advertising activities on the Concession Assets. Commercial Rights and Additional Facilities are governed by Section 29.2 of the PPP Contract, which reserves Development Rights to the Implementing Agency. Accordingly, non-toll revenues from advertising or commercial activities within the ROW are not available to the Private Partner, and the financial model should be built on toll revenue only.
D	Is there any cap on the percentage revenue share offered to the Implementing Agency?	There is no absolute cap on the percentage revenue share offered to the Implementing Agency. The revenue-sharing mechanism is structured as defined under Section 3.9(3) of the RFP read with Section 17.4 of the PPP Contract.
6a	Minimum Revenue Guarantee (MRG) Please clarify the calculation mechanism for Minimum Revenue Guarantee during the debt repayment period.	As per Section 3.9(1) of the RFP and Section 17.4.1(b) of the PPP Contract MRG entitlement is triggered if the Actual Project Revenue falls below 90% of the Benchmark Revenue. The MRG amount payable to the financiers is determined on a quarterly basis to the extent of any shortfall in debt servicing obligations only and is paid through the Debit Authority. The 10% first-loss risk remains with the Private Partner. The MRG amount payable is determined on a quarterly basis as per Section 8.12.3 of the PPP Contract (which has now been amended): (i) within 15 days of each quarter-end, the Financiers are entitled to submit a quarterly report to the Independent Auditor and the Implementing Agency, detailing Actual Project Revenues and any actual

		<p>shortfall in debt servicing obligations of the Private Partner as per the Financing Documents; (ii) the Independent Auditor shall, within 15 days of receipt of the Financiers' quarterly report, verify the Actual Project Revenues and prepare a verification report setting out: the overall MRG entitlement for that quarter; the actual debt servicing shortfall, if any; the amount payable to the Financiers through the Debit Authority, being the lower of the MRG entitlement and the debt servicing shortfall; (iii) upon receipt of the verification report, the Financiers are entitled to invoke the Debit Authority and submit a demand to the State Bank of Pakistan for the amount certified by the Independent Auditor, provided that: the demand shall not exceed the verified debt servicing shortfall; the demand shall not exceed the MRG entitlement for that quarter; the aggregate MRG claimed across all quarters of an Operational Year shall not exceed the total MRG payable for that year; and any excess amount received shall be transferred to the treasury account designated by the Implementing Agency. Amendments are being made to the Draft PPP Contract, which will be communicated by way of an addendum.</p>
B	<p>How will the 10% revenue risk retained by the Private Partner be calculated and verified?</p>	<p>Please refer to Section 17.4.1 of the Draft PPP Contract. The 10% first-loss retention means that if the Actual Project Revenue is 90% or more of the Benchmark Revenue (or Expected Toll Revenue, whichever is lower) for the relevant Operational Year, the Private Partner shall not be entitled to MRG. The Independent Auditor verifies the Actual Project Revenue through the Toll Progress Reports (issued pursuant to Section 17.3 of the PPP Contract) and the quarterly verification mechanism under Section 8.12.3.</p>
C	<p>What is the payment timeline for the Government share in case the MRG is triggered?</p>	<p>As per Section 8.12.3 of the PPP Contract, the MRG entitlement operates on a quarterly cycle: (a) within 15 days of quarter-end, the Financiers may submit a quarterly report to the Independent Auditor detailing Actual Project Revenues and any actual debt servicing shortfall; (b) within 15 days of receipt, the Independent Auditor prepares a verification report certifying the MRG entitlement, the debt servicing shortfall, and the amount payable through the Debit Authority, being the lower of the two; and (c) upon receipt, the Financiers may invoke the Debit Authority and submit a demand to SBP, which shall not</p>

		exceed the verified debt servicing shortfall or the quarterly MRG entitlement.
7	Debit Authority and Financing Please clarify the procedure for issuance of Debit Authority by Government of Punjab in favour of project lenders.	As per Section 8.12.1 of the PPP Contract, the Implementing Agency shall procure the Debit Authority before Financial Close. The Implementing Agency will present the case for the issuance of the Debit Authority before the Punjab Government along with the recommendation of the P4A for approval and authorization to the Finance Dept for issuance.
	Will the Debit Authority cover both principal and interest obligations or only specific components of financing?	As per Section 8.12.1 of the PPP Contract, the Debit Authority shall cover the amount specified in the Financial Proposal of the successful bidder. This amount cannot be more than 60% of the outstanding principal amount of the Financing Due as set out in the Financing Documents and the Base Case Financial Model, and shall be callable by the Financiers in the event of a shortfall in debt service obligations only in the manner specified in Section 8.12 of the Draft PPP Contract (as amended). Amendments have been made to Section 8.12 of the Draft PPP Contract and shall be shared in the form of an addendum. Please note that the Debit Authority is callable against shortfalls in debt service (which includes both principal and interest obligations as per the Financing Documents) as long as the amount called for is within the limitations prescribed under the Draft PPP Contract.
	Is refinancing allowed during the concession period and how will it affect the Debit Authority arrangement?	Section 27.3 of the PPP Contract permits amendments to Financing Documents, including refinancing, subject to: (i) prior submission of a revised term sheet to the Implementing Agency and Independent Auditor at least 30 business days before execution; and (ii) no objection from the Implementing Agency and Independent Auditor within 30 days. According to Section 27.3 of the PPP Contract any refinancing should not increase the financial obligations of the Implementing Agency.

8a	<p>Price Escalation Support Please clarify the formula or index used for price escalation of bitumen, cement, steel, and diesel during construction.</p>	<p>Price variation is governed by Section 8.13 of the PPP Contract and Schedule X (Price Variation). Key features: (i) Variation is limited to four items: cement, steel, bitumen, and diesel, with maximum quantity caps specified in Schedule X. (ii) The Base Price is the price prevalent on the Bid Submission Date as notified by the Finance Department, GoPb. (iii) The price in the month of consumption is compared against the Base Price, using Finance Department-notified rates. (iv) Formula: Price Adjustment = (Current Price - Base Price) × Quantity consumed. (v) For diesel, a separate formula applies using a factor of 0.15 for highway works and 0.07 for RCC structures. (vi) Variation of 5% or more triggers the adjustment. (vii) No variation is admissible beyond the Construction Period.</p>
B	<p>Will escalation support apply to subcontracted works and materials as well?</p>	<p>The price variation mechanism under Section 8.13 of the PPP Contract and Schedule X applies to certain items consumed in the Project, based on actual quantities of the specified items consumed on the works during each month. Price Variation Support is a project-level mechanism provided by the Implementing Agency to the Private Partner as concessionaire only. The Private Partner is responsible for managing its own subcontracting arrangements.</p>
C	<p>How will escalation be handled if the construction period extends beyond two years due to approved extensions?</p>	<p>As per Section 8.13.2 of the PPP Contract, if the Construction Period is extended for a reason other than a Relief Event for which a Relief Order has been passed under Section 15, the Private Partner shall not be eligible for the Project Variation Guarantee for the extended period. Conversely, if the extension results from a Relief Event (such as a Material Adverse Impediment, Force Majeure, etc.) for which a Relief Order has been issued, the Private Partner shall remain eligible for price variation support during the extended period.</p>
9a	<p>Tolling and Traffic Management Will the Implementing Agency specify toll rates and escalation formula in advance, or can bidders propose toll rates?</p>	<p>Toll rates and the escalation structure are prescribed by the Implementing Agency in Schedule P (Toll Notification Structure) of the PPP Contract. The Implementing Agency shall issue the Toll Notification under Section 17.5 of the PPP Contract. The toll escalation is 10% per annum during the debt repayment period, followed by the lower of 8%</p>

		or CPI annually thereafter (Schedule P, Paragraph 2), as determined by the Independent Auditor. Bidders do not propose toll rates; however, bidders may use their own traffic assumptions in their Expected Toll Revenue model.
B	Please clarify whether toll collection rights extend to both the Chiniot–Sargodha and Faisalabad–Chiniot sections.	Yes, The Private Partner shall be entitled to charge and collect Toll Revenues on both sections following issuance of the Toll Notification by the Implementing Agency under Section 17.5 of the PPP Contract.
C	Who will bear the risk of traffic diversion due to alternative routes or competing infrastructure projects?	Section 17.6 (Competing Route) and Section 17.7 (Alternative Route) of the PPP Contract address this risk. The Implementing Agency warrants that no Competing Route or Alternative Route exists as of the Effective Date (Sections 17.6.1 and 17.7.1). If the Implementing Agency or a Public Sector Entity subsequently constructs or upgrades a road to a Competing Route, the Private Partner may seek a Relief Order under Section 15, including Loss of Toll Revenues (Section 17.6.2). An Alternative Route Event is similarly treated as a Relief Event. See also Risk No. 12 in Schedule Y (Risk Allocation Matrix), which allocates demand risk as shared during the debt financing period.
10a	<p>Operation and Maintenance Responsibilities</p> <p>Please clarify the detailed Level of Service (LoS) requirements for O&M. What are the penalties or deductions for non-compliance with Operational Performance Measures?</p>	The Operational Performance Measures (OPM) and Management Performance Measures (MPM) are detailed in Schedule H (O&M Requirements) of the PPP Contract. Per Section 3.10 of the RFP and Section 19.10 of the PPP Contract, failure to maintain the required Level of Service results in First Day Deductions. A grace period is provided for rectification. In the event of non-compliance after the grace period, further compensation shall be payable by the Private Partner in accordance with Section 19.10 of the PPP Contract. Persistent non-compliance for more than three months may constitute a Private Partner Event of Default under Section 22, potentially leading to termination under Section 23 of the PPP Contract.
B	Will periodic major maintenance costs (e.g., resurfacing) be fully borne by the Private Partner?	Yes. As per Section 19 of the PPP Contract and Schedule H (O&M Requirements), the Private Partner is solely responsible for all O&M costs, including periodic and major maintenance/overlays, throughout the Operations Period. The Private Partner is required to establish a

		Major Maintenance and Overlay Payment Account under Sections 3.2.1(b) and 19.14 of the PPP Contract to ensure funds are available for such works.
11a	<p>Performance Guarantees</p> <p>Please confirm whether the Construction Performance Guarantee of PKR 500 million will remain valid until completion of construction only.</p>	As per Section 3.5 of the RFP and Section 11.2.6 of the PPP Contract, the Construction Performance Guarantee of PKR 500 million is for the construction phase and shall remain valid until the date falling six (6) months following the Substantial Completion Date. Upon successful completion of construction, the Construction Performance Guarantee shall be released. A separate O&M Performance Guarantee, equal to 10% of the annual O&M cost (as per base case financial model) for the relevant year, is required for each year of the Operations Period.
B	How will the O&M Performance Guarantee be calculated annually if O&M costs fluctuate?	Per Section 3.5 of the RFP and the PPP Contract (Sections 11.2 and 11.3), the O&M Performance Guarantee for each relevant year of the Operations Period is calculated as 10% of the operations and maintenance cost for the relevant year as set forth in the PPP Contract and the Financial Model. The guarantee amount is updated annually based on the projected O&M costs in the Financial Model, which is finalised at Financial Close.
12a	<p>Independent Engineer and Auditor</p> <p>Please clarify the process for appointment of the Independent Engineer and Independent Auditor.</p>	Per Section 5.1 of the PPP Contract: (i) within 15 days of the Effective Date, the Private Partner provides a list of 3 reputable engineering firms (the First IE List); (ii) within 15 days, the Implementing Agency selects one from the list; (iii) if none is acceptable, the Parties mutually agree on a firm. A similar process applies for the Independent Auditor under Section 5.6 of the PPP Contract. The appointment of both is a Condition Precedent under Sections 3.1.2(i) and (j) and 3.1.4(d) and (e). Remuneration is borne by the Private Partner (Section 5.5).
B	Will bidders have any role in selecting or approving the Independent Engineer?	Yes. The Private Partner initiates the selection process by providing the First IE List (Section 5.1.1 of the PPP Contract). The Implementing Agency selects from this list. If the Implementing Agency rejects all listed firms, a mutually acceptable firm must be identified (Section 5.1.3). The process therefore requires the agreement of both Parties.

C	How will disputes between the Independent Engineer and the Private Partner be resolved?	As per Section 5.4 of the PPP Contract, decisions of the Independent Engineer are binding on both Parties unless mutually agreed otherwise (Section 5.4.1). If a dispute arises regarding any advice, instruction, decision, direction, or award of the Independent Engineer, such dispute shall be resolved in accordance with the Dispute Resolution Procedure set out in Section 30 (initially through amicable resolution, and if unsuccessful, through arbitration under the Arbitration Act, 1940) (Section 5.4.2).
13a	<p>Risk Allocation</p> <p>Please confirm the allocation of risks related to traffic shortfall, inflation, and changes in law.</p>	<p>As per Schedule Y (Risk Allocation Matrix) and the PPP Contract:</p> <p>Traffic Shortfall (Demand Risk): Shared between the Parties during the debt repayment period through the MRG mechanism (Section 3.9 of the RFP and Section 17.4 of the PPP Contract). After the debt repayment period, demand risk is borne by the Private Partner.</p> <p>Inflation Risk: Shared during the construction phase through the Price Variation Guarantee (Section 8.13, limited to four specified items). During the O&M phase, inflation risk is borne by the Private Partner. Toll escalation provides partial mitigation.</p> <p>Change in Law: Governed by Section 28 of the PPP Contract. If the aggregate financial effect exceeds PKR 20 million in any Accounting Year, the Private Partner may seek compensation. The IA shall compensate the Private Partner to restore it to its pre-Change-in-Law financial position.</p>
B	Who will bear the risk of unforeseen ground conditions discovered during construction?	As per Section 4.4.1 of the PPP Contract, the Project Site Conditions (including geotechnical, geological, hydrological, and environmental conditions) are the sole responsibility of the Private Partner. The Private Partner is deemed to have investigated and satisfied itself regarding all Project Site Conditions prior to the Effective Date. Schedule Y (Risk Allocation Matrix) allocates Design Risk and Technical Specifications Risk to the Private Party. Geological and archaeological finds are addressed separately under Section 4.9 as a Relief Event entitling time extensions and Relief Costs (Section 15.2.1(d)).

C	How will environmental compliance risks be allocated between the parties?	As per Schedule Y (Risk Allocation Matrix), Environmental Risk and associated cost is allocated to the Private Partner. The Private Partner is responsible for ongoing environmental compliance during both construction and operations phases in accordance with the Applicable Laws.
14a	<p>Change in Law and Regulatory Approvals Please clarify the compensation mechanism in case of Change in Law affecting project cost or revenue.</p>	Section 28 of the PPP Contract governs Change in Law. If a Change in Law causes an increase in costs or reduction in net after-tax return exceeding PKR 20 million in any Accounting Year (as certified by the Independent Engineer and Independent Auditor), the Private Partner may notify the Implementing Agency and propose amendments. If no agreement is reached within 60 days, the Implementing Agency shall pay the Additional Costs within 30 days of receiving notice. Failure to pay attracts late payment interest at the Delayed Payment Rate. If the Change in Law subsists for 60+ days or payment is not made, the Private Partner may terminate the Agreement and receive a Change in Law Termination Amount (Section 28.1.3 and 28.1.4).
B	Which permits and approvals will be the responsibility of the Implementing Agency and which will be obtained by the Private Partner?	The Private Partner is responsible for procuring all Specified Private Partner Permits listed in Schedule J of the PPP Contract, as per Section 7.6. The Implementing Agency's obligation is to provide support and use reasonable efforts to expedite consideration of permit applications (Section 8.3.1 of the PPP Contract).
15a	<p>Concession Period and Handover Please confirm the exact start date of the 27- year concession period.</p> <p>Does the concession period include the construction phase or start after Commercial Operations Date?</p>	As per Section 3.4 of the RFP, the Concession is for twenty-seven (27) years. The Concession Period is defined in the PPP Contract as commencing on the Commencement Date and ending on the Trigger Date (Final Expiry Date, being the 27th anniversary of the Commencement Date). An addendum will be issued to incorporate this in the PPP Contract. The Commencement Date is the date of issuance of the Commencement Certificate by the Independent Engineer upon satisfaction of all Conditions Precedent and achievement of Financial Close. The Concession Period includes both the Construction Period (2-years) and the Operations Period (25-Years).

B	What are the asset handover requirements at the end of concession?	Section 24 (Divestment of Rights and Interest) of the PPP Contract governs handover. Key requirements include: (a) notification of location and particulars of all Concession Assets; (b) delivery of actual or constructive possession free and clear of all encumbrances; (c) curing all Defects and Deficiencies per the Handover List; (d) transfer of all records, reports, intellectual property, as-built drawings, and O&M documents; (e) transfer of Private Partner Permits; (f) execution of conveyance deeds; (g) training of Implementing Agency's nominated staff; and (h) compliance with all applicable legal requirements. Inspection by the Independent Engineer shall commence not earlier than 12 months prior to the Transfer Date but not later than six months prior to the Transfer Date (Section 24.2.1(b)).
16a	Bidding Process and Submission Please confirm whether electronic submission of the financial model is acceptable instead of CD/DVD.	An electronic submission portal is not currently operational. Bidders are required to comply with the submission format as prescribed in the RFP. As per Section 4.5.3 of the RFP, the Financial Proposal shall include a fully functional, non-restricted, dynamically linked financial model in Excel spreadsheet form on a USB .
B	Will any extension to the bid submission deadline be considered if significant clarifications are issued late?	The Bid Submission Deadline has been extended to 5 May 2026
C	Please confirm whether international contractors can participate through a joint venture with local firms.	While this is a local bidding process, foreign firms may participate in this bidding process as long as they are part of a consortium in which they are not the lead member and the lead member is an entity registered and existing under the applicable laws of Pakistan. Necessary amendments are being made to Section 1.1 of the RFP which shall be communicated through an addendum.
17	Traffic Survey a) In the submitted Design Report, the traffic surveys referenced were carried out in 2020. During the recent meeting, CNW informed that the traffic counts have since been updated. Kindly provide the updated traffic survey results along with the corresponding detailed	Traffic report appended with Technical Feasibility Report is prepared by M/s NESPAK in year 2020. Later a traffic study was carried out by the C&W Department. It was observed that there is no significant change in the traffic volumes, therefore classified traffic count carried out by NESPAK was used in the model.

	<p>report, including survey dates, locations, methodology, and any revised traffic growth assumptions adopted in the analysis.</p>	<p>Updated traffic report along with dates and location will be uploaded.</p>
	<p>b) The current Design Report does not clearly describe the travel demand modelling approach adopted. It is unclear whether a formal demand model was developed, including preparation of an Origin–Destination (OD) matrix, assessment of traffic diversion to and from competing routes (motorways and other local roads), and evaluation of traffic generated resulting from reductions in travel time and vehicle operating costs. The report (page 110) states that 10% traffic has been added as generated traffic due to the improved facility; however, no supporting analysis or justification for this assumption have been provided. Clarification is also required on how the absence of a controlled-access expressway configuration was considered in the modelling/projection of current demand to avoid traffic leakage or cater for internal trips. Given that the revenue analysis is based on projected traffic volumes, we request that more details regarding the traffic and revenue estimates presented.</p>	<p>Please refer to the Section 3.3 of Technical Feasibility Report “Traffic Study Report”. Detailed methodology is described in the section.</p> <p>The methodology adopted for this study comprised the following major activities:</p> <ul style="list-style-type: none"> • Updating and use of data collected for previous study reports. • Review of previous studies in the light of future requirements. • Traffic Surveys. • Transport Planning and Traffic Sensitivity Analysis <p>NESPAK conducted Manual Classified Traffic Counts (MCC) and Origin-Destination (OD) surveys on the road sections/ segments at significant locations.</p> <p>Study is sufficiently detailed and contains all the relevant information, like traffic projection over the years and presented on page 119 of Technical Study Report.</p> <p>As far as revenue projection and estimates are concerned, Bidder is advised to carry out its own traffic study and financial modeling for optimum evaluation and subsequent bidding.</p>
	<p>c) We would like to seek clarification on whether three toll plazas are required as per the Design Document, or two as specified in the RFP? The current Design Document indicates that the project will be divided into three sections: Faisalabad to Chiniot, Chiniot to Lalian, and Lalian to Sargodha or simply put there are 3 toll plazas on the road. However, the distances between the proposed toll plazas need to be legally verified to determine whether each</p>	<p>It is clarified that 3 toll plazas are proposed in design. The Private Partner will be expected to install, construct, operate and maintain all 3 toll plazas and collect tolls therefrom.</p> <p>Road from Faisalabad (Kamalpur Interchange) to Chiniot was constructed under Annual Development Plan. Now section from Faisalabad to Chiniot is included in project scope for Operation and Maintenance. Toll will also be collected by Private Partner. Therefore, for efficient toll operation, a private partner has to install toll building</p>

	<p>section can be tolled separately (some distances are around 20 km apart). Further, would local residents be exempt for toll?</p>	<p>along with ETTMS, Traffic count equipment including ANPR Cameras, and control room including Weigh Bridges (WIM).</p> <p>Toll on roads in Province of Punjab is governed legally under “Punjab Toll on Road and Bridges Ordinance 1962”. GoPb can erect tolls on any section of road or bridge. The Toll plaza locations are fixed however No bar is imposed on inter toll plaza distance. Sections were carefully selected to capture maximum traffic and avoid over congestion.</p> <p>Local residents are not exempt from the payment of toll under the current transaction structure.</p>
	<p>d) We would also recommend a review of the benchmark revenue assumptions. Based on our preliminary revenue analysis using the proposed toll rates and projected traffic volumes, we observe a substantial deviation from the benchmark figures. Specifically, the projected traffic benchmark based on three sections differs by 33% from the stated benchmark rates.</p>	<p>The Benchmark Revenue, as set out in Form 11 of the RFP and Schedule AA of the PPP Contract, has been derived from two components: (i) Toll Revenue, calculated by applying the toll rates prescribed in Schedule P (Toll Notification Structure) of the PPP Contract to the traffic projections contained in the Design Report (Volume III); and (ii) Revenue, derived from expected heavy vehicle composition within the commercial traffic count. Both components have been computed across three (3) toll plazas spanning the entire length of the Project Road, namely Faisalabad, Chiniot, and Sargodha, as specified in Paragraph 2 of Schedule P.</p>

J.N & CO. (Faisalabad Chiniot Sargodha Road)

<u>Sr No.</u>	<u>QUERY</u>	<u>REPLY</u>
1	<p>Clause 1.4 - Bidder's Request for Clarification, Comments and Mark-up of the Bidding Documents</p> <p>We refer to the Request for Proposal (RFP) issued for the "Design and Construction of the Dualization of Chiniot-Sargodha Road and Operation & Maintenance of Faisalabad-Chiniot--Sargodha Road under BOT (PPP Mode)". It is noted that the RFP contains two different Bid Submission Deadlines, i.e., 10 March 2026 at 02:00 PM under Clause 1.3 and 17 March 2026 under Section 2.1, which creates procedural ambiguity and uncertainty for bidders in terms of compliance and planning.</p>	<p>Please note that the current bid submission deadline is 5 May 2026. This will be published as a corrigendum.</p>
2	<p>Pursuant to Clause 1.4 of the RFP, we hereby formally request a clarification on submission date & extension of the Bid Submission Deadline to 18 May 2026, based on the following material and operational considerations:</p> <p>1. Insufficient Time for Bid Preparation (Project Complexity):</p> <p>Given the scale, technical complexity and PPP structuring of the Project including detailed design review, financial modeling, risk assessment, traffic analysis, O&M planning and consortium alignment the currently allocated timeframe is inadequate for the preparation of a comprehensive, compliant and competitive bid. A responsible bid submission requires extensive multidisciplinary coordination, site due diligence and structured financial planning, which cannot be reasonably concluded within the existing deadline.</p> <p>2. Ramadan and Eid Period Constraints:</p> <p>The current bidding timeline substantially overlaps with the month of Ramadan and the subsequent Official Eid holidays, during which working hours, workforce availability and consultant engagement are significantly reduced due to religious observances and statutory holidays. This materially impacts productivity, stakeholder coordination and decision-making processes essential for bid finalization.</p> <p>3. Concurrent Major Bid Commitments:</p> <p>Organizations are simultaneously engaged in the preparation and submission of other similar major infrastructure tenders falling within the same period.</p>	<p>We believe that the new bid submission deadline, as specified above, provides a sufficient amount of time to prepare the bids.</p>

	<p>These parallel commitments require substantial managerial, technical and financial resources, thereby constraining the capacity to deliver a high-quality bid for this Project within the existing deadline.</p> <p>In light of the above, we respectfully request the Implementing Agency to grant an extension, revising the Bid Submission Deadline to 18 May 2026, to ensure fair competition, robust bid preparation and optimal participation from all qualified bidders.</p>	
3	<p>DISPROPORTIONATE MRG & WINDFALL MECHANISM</p> <p>As per the RFP, if actual toll revenues exceed 105% of the Benchmark/Expected Toll Revenue, the excess revenue is to be shared on a 70:30 basis in favor of the Implementing Agency, thereby allocating a disproportionate upside benefit to the public sector. Conversely, under the MRG mechanism, if actual revenues fall below 90% of Benchmark/Expected Toll Revenue, the revenue shortfall is to be shared 50:50 between the Implementing Agency and the Private Partner, after the Private Partner has already absorbed a 10% first-loss risk exposure.</p> <p>From a bidder's perspective, this construct results in an imbalanced risk-return profile, wherein downside exposure for the Private Partner is materially higher than upside participation. This creates a disincentive for private investment, adversely impacts project bankability and may lead to conservative financial structuring, higher financing costs, or reduced competitive participation.</p> <p>In the interest of equitable risk allocation, commercial viability and alignment with best PPP practices, we respectfully propose that the MRG sharing mechanism be equalized for both downside and upside scenarios, without additional first-loss retention by the Private Partner beyond a commercially reasonable threshold. This would ensure a fair, balanced and sustainable risk-sharing framework while maintaining the fiscal safeguards of the Government.</p>	<p>The Benchmark Toll Revenue has been established on the basis of detailed traffic and revenue studies, representing the threshold at which the project achieves financial viability. The Benchmark has been calibrated such that the initial 10% revenue shortfall band, borne by the Private Partner, does not impair its ability to meet Operation & Maintenance expenditures and debt service obligations. This risk-sharing structure is designed to incentivize operational efficiency while maintaining a commercially reasonable and bankable risk profile for the Private Partner. The upside revenue sharing mechanism shall accordingly remain unchanged and may be relied upon as a firm project parameters.</p>
4	<p>PROPOSED MINIMUM REVENUE GUARANTEE (MRG) SUPPORT MECHANISM</p> <p>The existing draft framework provides for:</p> <ul style="list-style-type: none"> •A Minimum Revenue Guarantee (MRG) in case actual revenue falls below benchmark levels; •A State Bank Debit Authority (SBDA) in favor of lenders. <p>However, the documentation presently:</p>	<p>Thank you for your recommendations. However, we cannot make the proposed changes to the transaction structure at this stage.</p> <p>Please see our responses to your below:</p> <p>1. Whether the Government intends to issue a formal Provincial Guarantee in addition to SBDA.</p>

- Does not provide for an explicit Provincial Guarantee issued by the Finance Department;
- Does not define the operational procedure for invocation of SBDA;
- Does not specify cure periods, notice mechanisms, verification process, or payment waterfall;
- Does not provide a liquidity arrangement to ensure timely servicing during shortfall periods.

Observed Structural Gaps

While SBDA is an enforcement tool, it is not in itself a credit enhancement instrument. It functions only as a post-default recovery mechanism.

In the absence of:

- A clearly articulated Provincial Guarantee;
- Defined procedural steps for payment verification;
- A liquidity buffer or pre-funded support mechanism;

The structure may face the following concerns:

- Operational impracticality of payment within short cure periods (e.g., 5 days);
- Administrative and inter-departmental processing delays;
- Potential technical default during verification and approval stages;
- Reduced lender confidence, impacting bankability and cost of debt;
- Ambiguity in enforceability during financial close negotiations.

Suggested Strengthened Mechanism

In light of the above and to align with best practices in infrastructure PPP financing, we respectfully propose that the MRG support structure be enhanced as follows:

A. Formal Provincial Guarantee Framework

- Issuance of a Provincial Government Guarantee by the Finance Department;
- Confirmation that such guarantee is within NEC/ contingent liability limits;
- Clear definition of scope, extent, and invocation process.

B. Establishment of a Pre-Funded MRG Support Account

To address practical payment delays, it is proposed that:

- A dedicated Pre-Funded MRG Support Account be created prior to Financial Close;
- The account be funded with an agreed portion of projected MRG exposure (e.g., up to 50% of estimated annual contingent liability);
- The account is to be maintained in a Scheduled Bank;
- The account is to be interest-bearing;
- The account is to be placed under lien in favor of project lenders;
- Withdrawals are to be made upon certified revenue shortfall as per the Concession Agreement. This mechanism will:

No. Under the current contractual mechanism, the Government will not be issuing a Provincial Guarantee in addition to the SBDA.

2. The detailed operational mechanism for the invocation of SBDA.

Per Section 3.9(1) of the RFP and Section 17.4.1(b) of the PPP Contract, if the Actual Project Revenue in an Operational Year (during the debt repayment period - not exceeding 7 years from COD) is less than 90% of the Benchmark Revenue, the Financier is entitled to the MRG (i.e. the shortfall of debt servicing obligations up to a maximum of 50% of the difference between the actual revenue earned and the 90% mark). The amount is determined on a quarterly basis per Section 8.12.3 of the PPP Contract: (i) the Financier submits quarterly cash flow statements to the Independent Auditor within 15 days of quarter-end; (ii) the Independent Auditor verifies and certifies the shortfall within 15 days; (iii) the Financiers may then invoke the Debit Authority for payment through SBP. The 10% first-loss risk remains with the Private Partner.

3. The defined cure period and payment verification process;

The PPP Contract does not provide for a cure period in respect of MRG Support disbursement. The payment verification process is as detailed above.

4. Whether the Government would consider incorporating a Pre-Funded MRG Support Account mechanism to enhance bankability.

A Pre-Funded MRG Support Account is not envisaged under the current structure. The Debit Authority mechanism has been designed as the primary instrument for MRG disbursement, providing direct recourse to Government funds through the State Bank of Pakistan.

	<ul style="list-style-type: none"> •Ensure immediate liquidity; •Prevent technical default; •Reduce administrative burden during shortfall periods; •Enhance lender confidence; •Potentially reduce financing costs. <p>C. SBDA to Remain as Ultimate Backstop</p> <p>The State Bank Debit Authority may continue to remain in place as:</p> <ul style="list-style-type: none"> •A secondary enforcement tool; •Triggered only if: <ul style="list-style-type: none"> o Pre-funded account is exhausted; or o The government fails to replenish the account within a defined period. <p>This layered approach creates: Contractual Obligation → Liquidity Buffer → Sovereign Backstop</p> <p>Request for Clarification In light of the above, we respectfully request clarification on the following:</p> <ol style="list-style-type: none"> 1. Whether the Government intends to issue a formal Provincial Guarantee in addition to SBDA; 2. The detailed operational mechanism for the invocation of SBDA; 3. The defined cure period and payment verification process; 4. Whether the Government would consider incorporating a Pre-Funded MRG Support Account mechanism to enhance bankability. <p>Given the importance of ensuring robust financial closure and minimizing risk perception among prospective bidders and lenders, it is respectfully submitted that the MRG framework be revisited and structured in a comprehensive, operationally workable manner.</p>	
5	<p>CLEAR ROW STRUCTURE AND AUTHORITY</p> <p>Further, a clear right-of-way should be provided to the concessionaire for the O&M period, during which the concessionaire may initiate commercial activities in consultation with GOPb.</p> <p>We request the Authority to consider this recommendation favorably and issue necessary clarifications/amendments to Section 3.9 of the RFP to reflect an equitable MRG and revenue-sharing structure.</p>	Thank you for your recommendations. However, we cannot make the proposed changes to the transaction structure at this stage.
6A	We refer to the Request for Proposal (RFP) & Bill of Quantities issued for the “Design and Construction of the Dualization of Chiniot–Sargodha Road and Operation & Maintenance of Faisalabad–Chiniot–Sargodha Road under BOT (PPP Mode)”, we request clarification on the basis to be adopted for bid	There is no prescribed uniform and binding basis of quantification and BOQ provided is purely indicative in nature. Therefore bidders are accordingly advised to prepare their Financial Proposals including their Financial Models and construction cost assumptions on the basis of their own independent

	<p>preparation:</p> <p>Whether bidders are required to strictly base their Financial Proposal on the BOQ quantities provided by the Implementing Agency, or Whether bidders are expected to independently verify and adopt actual site-based quantities (post due diligence) for pricing and financial modeling purposes. In this regard, the Implementing Agency is requested to confirm that a single, uniform and binding basis of quantification shall apply to all bidders and that all Financial Proposals shall be prepared on an identical and non-variable BOQ framework, so as to ensure fairness, transparency and strict comparability of bids and to avoid any distortions in the competitive evaluation process.</p>	<p>engineering assessment, site due diligence, and professional judgment, in accordance with the applicable standards.</p>
B	<p>In case of any discrepancy between BOQ quantities and actual site conditions, please confirm:</p> <ul style="list-style-type: none"> - whether any adjustment mechanism / remeasurement / variation will be applicable under the PPP Contract, or - whether the risk of quantity deviation shall remain entirely with the Private Partner. 	<p>No adjustment mechanism, remeasurement, or variation order for quantity deviations shall be applicable under the PPP Contract in respect of discrepancies between the indicative BOQs and actual site conditions or final construction quantities. The assessment of project site conditions are the sole responsibility of the bidder, who is deemed to have investigated and satisfied itself as to all such conditions before bid submission.</p> <p>The risk of quantity deviation arising from site conditions, design development, or construction execution rests entirely with the Private Partner.</p>
C	<p>As per the RFP, bidders are responsible for conducting independent due diligence and site verification prior to submission of bids. However, clarity on whether the BOQ is binding for bid pricing or indicative only is critical for accurate risk pricing and financial structuring.</p>	<p>The BOQ provided is indicative in nature and for reference purposes only, provided to assist bidders in developing their internal construction cost assumptions, risk pricing and financial structuring. The bidders are advised to independently verify and adopt actual site-based quantities for their financial model.</p>

<u>Sr No.</u>	<u>QUERY</u>	<u>REPLY</u>
1	<p>Section 1 Sub-Section 11 of RFP The Private Partner shall make a payment of an amount equal to one percent (1%) of the Estimated Project Cost to the Authority on the achievement of the financial close. It is requested to consider reduction in the percentage</p>	<p>Thank you for your recommendation. However, we cannot make the proposed change to the amount of the Authority Fee at this stage.</p>
2	<p>Section 3 Sub-Section 9 of RFP The GoPb shall secure the MRG through issuance of Debit Authority in favour of the financiers of the Project to cover no less than 60% of the financing due to the financiers (as explained in more detail In the PPP Contract) during the debt repayment period not exceeding seven (7) years from Commercial Operations Date. it is requested that the MRG Support be extended to ten (10) years</p>	<p>Thank you for your recommendations. However, we cannot make the proposed changes to the transaction structure at this stage.</p>
3	<p>Section 3.5 of RFP An irrevocable bank guarantee for an amount equal to PKR 500,000,000 ("Construction Performance Guarantee") for the construction phase of the Project and for each year of the operation and maintenance phase of the Project ("O&M Performance Guarantee"), acceptable to Implementing Agency of an amount equal to ten percent (10%) of the operations and maintenance cost for the relevant year of operations as set forth in the PPP Contract. Such Performance Guarantee shall be valid in accordance with the terms of the PPP Contract. It is requested that performance guarantee of PKR 500 Mn appears to be on the higher side and should be aligned with financial close bond. Similarly, O&M performance bond should be reconsidered and rationalized to a reasonable percentage</p>	<p>As per Rule 100(2) of the Punjab PPP Rules 2025, the performance guarantee can reach 10% of the contract value. The proposed PKR 500,000,000 falls substantially short of this 10% maximum based on the estimated contract amount.</p>
4	<p>Section 3.9 of RFP During the debt repayment period the Private Partner is required to retain a minimum risk equivalent to 10% of the Benchmark Revenue I Expected Toll Revenue. If actual revenue is less than 90% of the Benchmark Revenue/ Expected Toll Revenue in any given operating year, the aforementioned revenue shortfall shall be shared on a 50:50 basis between the Implementing Agency and the Private Partner. Similarly, actual toll revenues during a year are greater than 105% of the Benchmark Revenue/ Expected Toll Revenues</p>	<p>Thank you for your recommendations. However, we cannot make the proposed changes to the transaction structure at this stage.</p>

	for such year, such excess toll revenues shall be shared between the Implementing Agency and the Private Partner on a 70:30 basis, where 70% of the excess toll revenues shall be payable to the Implementing Agency and 30% of the excess toll revenues shall be payable to the Private Partner. It is proposed that the downside Minimum Revenue guarantee and upside Windfall sharing mechanism shall be aligned on identical basis	
5	Section 6 Sub-Section 4 of RFP "Maximum score awarded to "General Construction Experience" is 10 marks. However, marks allocated based on maximum experience and incremental marks on experience do not align with stated maximum score". Clarification is therefore required regarding applicable maximum score.	An addendum will be issued to fix the score allocation.
6	Section 6 Sub-Section 5 of RFP Toll escalation during debt tenor is 10% whereas followed by an escalation of 8% or Consumer price index (CPI), whichever is lower. It is suggested that toll escalation after debt tenor shall be locked at 8% instead of lower of 8% or CPI%	Thank you for your recommendations. However, we cannot make the proposed changes to the transaction structure at this stage. The toll escalation after debt tenor (lower of 8% or CPI) is designed to protect road users in a low-inflation environment while providing the Private Partner with adequate revenue growth. Fixing escalation at 8% irrespective of CPI would be contrary to the fiscal and social objectives of the Project.
7	Section 16 Sub- Section 16.1 Clause 16.1.1 of DCA "Change in scope due to implementing agency resulting in variation in the Pre-Estimated Project Cost by more than 4. 5% percent, as determined by the Independent Engineer and the Independent Auditor, all additional cost to be borne by Implementing Agency". It is suggested that all costs arising from any change in scope initiated by the Implementing Agency be entirely borne by the Implementing Agency.	This request for change cannot be accepted at this stage. The coverage of cost variation beyond the 4.5% threshold for scope variation by the Implementing Agency is an established contractual protection balancing the interests of both parties. Minor scope changes below this threshold are intended to be absorbed within the Project's contingency provisions.
8	Section 10 Sub- Section 10.2 Clause 10.2.1 of DCA "Implementing Agency shall have the right (to be exercised in its sole discretion) to nominate two (2) non-voting director on the board of directors of the Concessionaire at its discretion". It is suggested that, since the Implementing Agency does not contribute to the capital structure of the project, the appointment of any additional non-voting directors to the Board of Directors should be at the sole discretion of the Concessionaire.	An addendum will be issued to remove Section 10.2.1 from the Draft PPP Contract entirely.
9	Section 19 Sub- Section 19.2 Clause 19.2.2 Sub-Clause (d) of DCA "The Concessionaire shall be responsible to operate and maintain the Project that includes without limitation performance of obligations in accordance	Bidder will be responsible for maintenance of road, which is not limited to rectification of defects, such as free from potholes, rectification of patches control of vegetation, maintenance of bridges and culverts, maintenance of IRI

	<p>with the Applicable Standards and Good Industry Practices and within the O&M Time for Completion" and "Concessionaire hereby, undertakes routine maintenance including prompt repairs of potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting road signs and other traffic control devices". For O&M of Faisalabad Chiniot Road, it is suggested that routine maintenance should exclude embankment and structural rehabilitation. Consequently, such work should be classified as Major Maintenance in the scope of the Concessionaire.</p>	<p>(International Roughness Index) all other obligations as set out in the O&M Requirements, Evaluation, Enforcement of Maintenance" relevant section of PPP Contract.</p> <p>Although the O&M requirements are very clearly spelled out, it may be kept in mind that Private Partner must keep the Project Road in good condition for 25 years which may include major rehabilitation twice during the course of concession. Private Partner has to maintain the road in pristine condition in the manner prescribed in the Draft PPP Contract.</p> <p>The Private Partner will be responsible for all kinds of maintenance and defect rectification during the course of concession.</p>
10	<p>General In light of unforeseen hyper-inflation experienced in past years, it is suggested that a KIBOR risk-sharing mechanism be incorporated into transaction structure, with an appropriate cap to limit the Concessionaire's exposure.</p>	<p>Not possible, KIBOR fluctuation is equally uncertain for the Implementation Authority. The Price Variation Support mechanism already addresses construction-phase input cost inflation. Bidders are free to structure their financing with appropriate interest rate hedging instruments.</p>
11	<p>General Considering the road operates as an uncontrolled access facility and toll exemptions maybe granted to the local users, it is suggested that a mechanism be established to compensate concessionaire for any toll revenue losses.</p>	<p>Unacceptable because it cannot be determined however the MRG mechanism already provides an adequate structural safeguard. Bidders are advised to factor the risk of potential toll exemptions into their financial modelling when preparing their expected toll revenue model (form 10).</p>
12	<p>General Considering the political situations, it has been observed that road closures can lead to significant revenue losses for the Concessionaire. Therefore, it is suggested that a mechanism be implemented to compensate the Concessionaire for route closures due to political reasons that result in disruptions exceeding 10 - 15 days.</p>	<p>Political disturbances are addressed under the Force Majeure provisions of the PPP Contract. As per Section 21.1.1(a) events such as riot, insurrection, civil commotion, acts of political sabotage, labour strikes constitute Political Events. In the event of an occurrence of a Political Event, the Private Partner is entitled to make a Relief Order Request as per Section 15.2.1(b) of the PPP Contract.</p>
13	<p>General Based on our review of the project traffic study provided by C&W Pb, we note that rickshaws have been included in the toll-able revenue calculations.</p>	<p>Rickshaws have been incorporated into the Benchmark traffic stream based on traffic estimates conducted by C&W Department. Their removal would lead to a reduction in Benchmark Revenue and adversely</p>

	However, the projected volume attributed to rickshaws appears to be on the higher side and may not accurately reflect realistic traffic patterns. It is suggested that rickshaws be excluded from the toll-able revenue projections to ensure a more realistic assessment of the Project's revenue potential.	affect overall project viability. It may be noted that in the event actual revenue falls below 90% of the Benchmark Revenue, the Government of Punjab shall contribute 50% of the shortfall in any case
14	General Faisalabad Chiniot Road (FCR) tolling and O&M rights will be included in the Chiniot Sargodha Road (CSR) Concession Agreement, replacing the 25% GoPb VGF support. Clarification is requested as to whether the toll revenues collected from Operation and Maintenance of FCR, during the construction period of CSR, shall be treated as cross- subsidy for the Project	Yes, it is rightly construed.
15	General Due to limited time available for bid submission, and considering the need to undertake detailed technical and traffic studies to properly assess the project viability, it is requested to extend bid submission deadline by 2.5 months	Will be considered but 10 weeks is not possible given procurement timeline constraints. The Bid Submission Deadline has been extended to 5 May 2026

Grayway Private Limited

<u>Sr No.</u>	<u>QUERY</u>	<u>REPLY</u>
1.	It has been observed that the current technical qualification criteria for Specific Construction Experience is particularly stringent. Specifically, the requirement for similar completed infrastructure works with comparable cost and complexity is set at Rs. 10,000 million (50% of the estimated project cost) . We kindly request that this threshold be revised to Rs. 8,000 million (40% of the estimated project cost) , with appropriate dollar conversion rates applied for projects completed within the last ten years.	We have made amendments to the RFP to the effect that now experience of a similar project of a value of PKR 7 billion within a past period of 10 years will now be required. The amendments will be communicated in the form of an addendum.