

## **PC's Response to Clarifications Sought by Interested Parties for Roosevelt Hotel**

<b>Question</b>	<b>Response</b>
1. Based on public information, we understand that Pakistan International Airlines Investments Limited ('PIAIL' or 'Owner') has leased the Roosevelt Hotel ('asset') to the New York City Administration for a period of three years to provide accommodation to migrants. What advice (if any) has the Privatisation Commission (PC) and PIAIL received with respect to any reputational / legal implications of breaking the lease early in case development on the project has to begin prior to the completion of the lease?	PC / GOP foresees that envisaged transaction will have a short to long term timelines, therefore, the lease agreement will not have any legal implications. Apart from that GOP does have termination rights even at an earlier stage subject to specified period of notice.
2. Based on the Terms of Reference, we understand that there is flexibility with respect to the post lease scenario as envisaged in the transaction structure. Are there any considerations that the PC has with respect to how much ownership stake PIAIL is willing to retain in the asset?	Your attention is drawn to para 6.2 of the ToRs. having said that GOP remains open to any constructive discussions leading to a win-win situation in this regard.
3. Are there any specific motivations behind the PC and PIAIL's preference for a lease structure versus going forward with an outright sale of the asset?	Your attention is drawn to para 2 of TORs wherein it is stated that "The Owner intends to lease the Property site for setting up a joint venture project for prospective mixed-use development, through the best suited mode of privatization as delineated in the Privatisation Commission (PC) Ordinance 2000 ("Transaction")."
4. Are interested parties required to form a consortium prior to the RFP submission or is there flexibility to submit a proposal exclusively and form a consortium after the submission of the RFP?	IPs shall form consortium before submission of RFP.
<b>Question</b>	<b>Response</b>
1. Based on our research, corroborated by our partners, there are no North America/US League Tables specifically dedicated to Real Estate advisory services for the type of work we understand would be required under this mandate and given ,the scope of the RFP.	Your assertion is correct to the extent of real estate advisory services. However, pls. refer to data sheet item 5.2, wherein, reference is given to I. Global Ranking of IP in any of the Globally Recognised League Tables for North America/USA

<p>2. Nevertheless, we seek clarification on how the information outlined above, which is not derived from a League Table, will be considered within the evaluation criteria set forth by PC in the RFP.</p>	<p>during the last 05 years (10 marks)</p> <p>II. Ranking in any of the Globally Recognised League Tables for Real Estate Sector for North America/USA during last 05 years (10 marks)</p> <p>However, it is not mandatory for the IP to be represented in the LT Real Estate Advisory Services alone. Any area concerning with the real estate shall be considered adequate.</p>
<p><b>Question</b></p>	<p><b>Response</b></p>
<p><b>1. Logistical:</b> Under Section II Definitions, 4.3 of the RFP it states: “electronic submission of proposals/ copies maybe be considered with password protection.” Please clarify if this submission method can replace the physical copy submission or is this in addition to?</p>	<p>Submission of Technical &amp; Financial proposals against RFP can be submitted only in password protected electronic form. However, our work will be facilitated by submission of hard copies of at least the technical proposal, which can be submitted even after opening of the bids.</p>
<p><b>2. Valuation:</b> As part of the proposal, does the Privatisation Commission expect the Financial Adviser to provide a valuation as a development site and/or as a going concern?</p>	<p>Your attention is drawn to para 2 of TORs wherein it is stated that “The Owner intends to lease the Property site for setting up a joint venture project for prospective mixed-use development, through the best suited mode of privatization as delineated in the Privatisation Commission (PC) Ordinance 2000 (“Transaction”).”</p> <p>GOP intends to draw maximum value from this joint venture development project. It is for the FA/ Transaction Adviser to look and propose any optimal structure for this purpose.</p>

<p><b>3. Structuring:</b> In 5.2(c), the Privatisation Commission notes that the Financial Adviser should submit a “Comparative analysis of the Transaction Structuring options and recommendation to successfully complete the Transaction.” Does the Privatisation Commission anticipate that the Financial Adviser will be providing a recommendation on transaction structuring at this point?</p> <p><b>4. Follow-up:</b> Will teams be given an opportunity to put together a separate presentation?</p>	<p>Yes.</p> <p>Yes, this is mentioned on page 12 of RFP also.</p>
<p><b>5. Lease with NYC:</b> Is it possible to provide a summary or a copy of New York City’s agreement with the hotel for housing migrants?</p>	<p>Not at this stage, however, this is available with GOP and will be shared with pre-qualified FA/TAs.</p>
<p><b>6. Hotel Unions:</b> Please clarify if there are any union-related issues that would have an impact on pricing or the ability to transact?</p>	<p>To be established as result of HR Due Diligence.</p>
<p><b>7.</b> For legal, accounting, and tax advisory services. Will the Privatisation Commission be choosing its advisors a la carte or will the designated team in the submission be final?</p>	<p>IPs to form consortium before submission of RFP.</p>
<p><b>8. Billing Structure:</b> Regarding the fees in form FIN-2, does the Privatisation Commission expect all sub-contractors (including legal) to be paid based on a flat monthly fee, or will hourly billing also be acceptable for portions of the team?</p>	<p>There will be a consolidated retainership fee which will be paid based on specific milestones / deliverables. However, out of pocket expenses (not covered in retainership) with an upper cap to be submitted at the time of submission of financial proposals.</p>

<p><b>9. Engineers and Architects:</b></p> <ul style="list-style-type: none"> <li>▪ Has the Privatisation Commission previously contracted with any advisor to analyze the site’s redevelopment potential?</li> <li>▪ Is the Privatisation Commission currently working with either an architect or an engineer?</li> <li>▪ Does the Privatisation Commission anticipate that architects and engineers will become subcontractors of the FA? If so, should architects and engineers be included on the team or in out-of-pocket expenses?</li> </ul>	<p>GOP carried out a study.</p> <p>No</p> <p>IPs to understand the scope of work and accordingly select the team, and costing details with explanations are provided on page 25 of RFP. However, we see only a limited engagement of such human resource at this stage of process.</p>
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