

PREQUALIFICATION DOCUMENT

INSTRUCTIONS TO PROSPECTIVE BIDDERS



SINDH FOOD DEPARTMENT

SINDH GRAIN STORAGE PROJECT

January 01, 2014

IMPORTANT NOTICE/DISCLAIMER

This Prequalification Document is provided to the recipient solely for use in preparing and submitting applications for prequalification in connection with the Sindh Grain Storage Project. This Prequalification Document is being issued by the Sindh Food Department, Government of Sindh in collaboration with PPP Unit in the Finance Department, Government of Sindh solely for use by Prospective Bidders in considering the Project. This Prequalification Document has been prepared with the assistance of IFC as a Transaction Advisor on the Project.

Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the Glossary of this Prequalification Document.

The evaluation criteria were determined by Sindh Food Department in collaboration with the PPP Unit in the Finance Department, Government of Sindh. Neither any of these entities, nor their consultants, advisors (including the Transaction Advisor), employees, personnel, agents, make any representation (expressed or implied) or warranties as to the accuracy or completeness of the information contained herein, or in any other document made available to a person in connection with the tender process for the Project and the same shall have no liability for this Prequalification Document or for any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Project. Neither any of these entities, nor their employees, personnel, agents, consultants, advisors and contractors etc. will be liable to reimburse or compensate the recipient for any costs fees, damages or expenses incurred by the recipient in evaluating or acting upon this Prequalification Document or otherwise in connection with the Project as contemplated herein.

The Prequalification Applications submitted in response to this Prequalification Document by any of the Prospective Bidders shall be upon the full understanding and agreement of any and all terms of this Prequalification Document and such submission shall be deemed as an acceptance to all the terms and conditions stated in this Prequalification Document.

Any Prequalification Applications in response to this Prequalification Document submitted by any of the Prospective Bidder shall be construed based on the understanding that the Prospective Bidder has done a complete and careful examination of this Prequalification Document and has independently verified all the information received (whether written or oral) from the Government (including from its employees, personnel, agents, consultants, advisors and contractors etc.).

This Prequalification Document shall neither constitute a solicitation to invest, or otherwise participate, in the Project, nor shall it constitute a guarantee or commitment of any manner on the part of the Government that the Project will be awarded. The Sindh Food Department reserves its right, in its full discretion, to modify the Prequalification Document and/or the Project at any time to the fullest extent permitted by law, and shall not be liable to reimburse or compensate the recipient for any costs, taxes, expenses or damages incurred by the recipient in such an event.

GLOSSARY

ARTICLES OF ASSOCIATION	The Articles of Association of the Prospective Bidder.
ANNEXURE	The term shall mean the annexure of this Prequalification Document.
AUTHORITY/SINDH FOOD DEPARTMENT	The ‘Sindh Food Department’, Government of Sindh.
BOARD OF DIRECTORS	The Board of Directors of the Prospective Bidders.
BOO	Build-Own-and-Operate.
CONSORTIUM	The term shall bear the meaning as ascribed thereto in Section 3.1.1.
CONTROL	The term shall bear the meaning as ascribed thereto in Section 4.3.2.
CONCESSION AGREEMENT	The term shall bear the meaning as ascribed thereto in Section 2.2.2.
ESTIMATED TIMETABLE	The term shall bear the meaning as ascribed thereto in Section 4.8.1.
FINANCE DEPARTMENT	‘The Finance Department,’ Government of Sindh.
GOVERNMENT AGENCY	The term shall bear the meaning ascribed to the term ‘Agency’ under the PPP Act.
GOVERNMENT/GOVERNMENT OF SINDH	The term shall bear the meaning ascribed to the term ‘Government’ under the PPP Act the same being the ‘Government of Sindh’.
IFC	International Finance Corporation.
IFC PROJECT TEAM LEADER	The term shall mean the designated IFC team leader, details of which are set out in the Prequalification Document.
INVITATION FOR PREQUALIFICATION	The term shall bear the meaning as ascribed thereto in Section 3.
LEAD MEMBER	The term shall bear the meaning as ascribed thereto in Section 3.1.2
MEMORANDUM OF ASSOCIATION	The Memorandum of Association of the Prospective Bidder.
NON-PREQUALIFIED BIDDER	The term shall bear the meaning as ascribed thereto in Section 6.2.3.
OPERATOR	The term shall bear the meaning as ascribed thereto in Section 2.2.2.
PPP ACT	The Sindh Public Private Partnership Act 2010 (as amended from

	time to time).
PPP UNIT	The term shall bear the meaning ascribed to the term ‘Unit’ under the PPP Act, the same being the Public-Private Partnership Unit established under section 6 of the PPP Act. .
PPP RULES	The Sindh Public Procurement Rules, 2010 (as amended from time to time).
POWER OF ATTORNEY	The Power of Attorney to be provided by the Prospective Bidder in the form prescribed in ANNEXURE 4 (POWER OF ATTORNEY) .
PREQUALIFICATION APPLICATIONS	The prequalification application and documents required to be submitted by the Prospective Bidders in terms of and in accordance with this Prequalification Document.
PREQUALIFICATION APPLICATION FORM	An application duly executed by the duly authorized representative of the Prospective Bidder (or if the Prospective Bidder is a Consortium, the duly authorized represented of the Lead Member) in the form attached hereto at ANNEXURE 2 (PREQUALIFICATION APPLICATION FORM) .
PREQUALIFIED BIDDER	The term shall bear the meaning as ascribed thereto in Section 6.2.2.
PREQUALIFICATION APPLICATION SUBMISSION DEADLINE	The term shall bear the meaning as ascribed thereto in Section 5.3.
PREQUALIFICATION CRITERIA	The term shall bear the meaning as ascribed thereto in Section 4.3
PREQUALIFICATION DOCUMENT	This ‘Prequalification Document, Instruction to Prospective Bidders’, including all annexures attached hereto.
PROSPECTIVE BIDDER	An enterprise or consortium that submits the Prequalification Applications in response to this Prequalification Document.
RESPONSE TO QUESTIONS DOCUMENT	The term shall bear the meaning as ascribed thereto in Section 4.7(Clarification).
SECTION	The term shall mean any section of this Prequalification Document.
SINDH GRAIN STORAGE PROJECT / PROJECT	The ‘Sindh Grain Storage Project,’ as described in Section 2.
SUBSIDIARY COMPANY	The term shall bear the meaning as ascribed thereto in Section 4.3.1.
TECHNICAL CRITERION	The term shall mean the Technical Criterion prescribed in Section 4.3.
TRANSACTION ADVISOR	The International Finance Corporation.

TABLE OF CONTENTS

1.	INTRODUCTION & SCOPE	6
2.	PROJECT DESCRIPTION	6
3.	PROSPECTIVE BIDDERS	7
4.	PREQUALIFICATION: PREPARATION	8
5.	PREQUALIFICATION APPLICATION: SUBMISSION	13
6.	PREQUALIFICATION APPLICATION: OPENING AND EVALUATION	14
7.	INVITATION FOR BIDS	15

LIST OF ANNEXURES

ANNEXURE 1 - DATA SHEET

ANNEXURE 2 - PREQUALIFICATION APPLICATION FORM

ANNEXURE 3 - BASIC INFORMATION FORM

ANNEXURE 4 - POWER OF ATTORNEY

ANNEXURE 5 – EXPERIENCE FORM (DQC1)

ANNEXURE 6 - FINANCIAL DATA FORM (DQC 2)

ANNEXURE 7 - PARENT COMPANY LETTER OF COMFORT

ANNEXURE 8 - AFFIDAVIT

1. INTRODUCTION & SCOPE

1.1 INTRODUCTION

The Sindh Food Department in collaboration with PPP Unit in the Finance Department, Government of Sindh invites Prequalification Applications from Prospective Bidders for the execution and completion of the Project involving the design, financing, construction, operation and maintenance of specified grain storage facilities across Sindh.

2. PROJECT DESCRIPTION

2.1 GENERAL

2.1.1 The Government aims to modernize Sindh's grain storage facilities and undertake steps to enhance quality, reduce losses and wastage of grain in Sindh and safeguard strategic reserves through more scientific and modernized storage facilities. In order to encourage greater private sector participation in the wheat sector, the Government, acting through the Authority, envisages a Public Private Partnership model, for the introduction of bulk grain storage facilities in Sindh.

2.1.2 The Project is an important part of the Government's strategy towards developing Sindh's agricultural sector.

2.1.3 The Authority and the PPP Unit has engaged IFC, a member of the World Bank Group, as the Transaction Advisor for the Project.

2.1.4 The Authority's key objectives for the Project include:

- (i) Increasing grain storage capacity in the province with modern grain cleaning and handling systems;
- (ii) Reducing inefficiencies and avoidable costs occurring in the existing wheat supply value chain;
- (iii) Delivering better quality wheat to millers and other consumers;
- (iv) Introducing the concept of protein based segregation of wheat procured by the Authority;
- (v) Encouraging greater private sector investment in storage and handling of grain; and
- (vi) Enhancing the Government's ability to provide longer-term food security.

2.2 PROJECT STRUCTURE

2.2.1 The Authority's objective is to implement the Project for up to 60,000 metric tonnes, each to be built across districts to be identified by the Authority at a later stage.

2.2.2 The Project shall be structured as a 22-year BOO contract which includes, *inter alia*, a construction period of up to 2 years (a "**Concession Agreement**"). At the end of the Concession Agreement, ownership of all Project land and facilities will remain with the winning bidder of the Project (the "**Operator**"), who will have no further obligations towards the Authority, unless the Concession Agreement is extended on mutually agreed terms.

- 2.2.3 For the duration of the given Concession Agreement, the relevant Operator will be responsible for receiving wheat procured by the Authority from farmers in bulk. Each consignment of wheat received will be checked for quality, cleaned, segregated based on average protein content, and stored until instruction for release are received from the Authority. Further detail on the performance specifications to be met by the Operator will be provided to Prequalified Bidders at a later stage in this process.

The districts will be identified by the Authority based on existing storage deficits, and importance towards ensuring food security in Karachi, Sindh's main centre of wheat consumption. The exact locations within the identified districts will be selected by Prequalified Bidders with consultation of the Authority, based on requirements for availability of land and utilities, transport accessibility and suitability for constructing heavy structures; these requirements will be communicated to Prequalified Bidders at a later stage in the process. The Operator will acquire the corresponding land under its sole responsibility and will bear all costs and expenses related to the acquisition of land for the Project.

- 2.2.4 Having a strong commitment towards making the Project a successful Public-Private Partnership, and in order to provide Prospective Bidders additional comfort, the Government is considering providing a number of supporting mechanisms, which could include making a contribution towards the upfront Project cost of the Operator in the form of a grant/loan from its Viability Gap Fund (the VGF) Details of possible VGF contribution, as well as any other credit enhancement mechanisms to be made available under the Project will be communicated to Prequalified Bidders at a later stage in the bidding process for the Project.

3. PROSPECTIVE BIDDERS

This Prequalification Document is addressed to all persons having requested it in accordance with the Invitation for Prequalification published in the Daily Dawn on January 01, 2014 and in the Daily Express News (Urdu) on January 01, 2014 and in the Daily Kawish on January 01, 2014 and in the Daily Gulf News on January 03, 2014 and on the website of the Authority <<http://www.food.gos.pk/>>, Sindh PPP Unit <<http://www.pppunitsindh.gov.pk>> and Sindh Public Procurement Regulatory Authority <<http://pprasindh.gov.pk>>, on January 01, 2014.

3.1 CONSORTIUM-LEAD MEMBERS

- 3.1.1 A Prospective Bidder for the Project may be a single entity or may take the form of a consortium (a “**Consortium**”) comprising of companies, firms, corporate bodies or other legal entities as defined in Companies Ordinance 1984.
- 3.1.2 Each Consortium shall appoint and authorize one (1) lead member (the “**Lead Member**”) to represent and irrevocably bind all members of the Consortium in all matters connected with the prequalification and tendering process including but not limited to the submission of the Prequalification Application on behalf of the Consortium.

3.2 CONSORTIUM PARTICIPATION RESTRICTIONS

- 3.2.1 No Prospective Bidder or Consortium member may prequalify if it owns more than five per cent (5%) of the shares (directly or indirectly, in terms of voting rights and/or rights to dividends) of another Prospective Bidder or member of another Consortium.
- 3.2.2 No Prospective Bidder or Consortium member may prequalify if it has any representative on the Board of Directors of another Prospective Bidder or member of another Consortium.
- 3.2.3 No Prospective Bidder or Consortium member may prequalify if any of the Authority's advisors or external consultants holds any shares or has any representatives in the Board of

Directors of the Prospective Bidder or a Consortium member.

- 3.2.4 Notwithstanding the foregoing, a Prospective Bidder or Consortium may prequalify if it can present evidence reasonably satisfactory to the Authority that arrangements have been established such that any such cross shareholdings do not materially affect the independent investment decisions of the Prospective Bidder or Consortium in which such cross shareholding exists.

3.3 EVALUATION REQUIREMENTS

- 3.3.1 If the Prospective Bidder is a Consortium it shall clearly indicate in its response which Consortium member(s) are to be evaluated for each such Prequalification Criteria.

3.4 INELIGIBILITY OF A PROSPECTIVE BIDDER

- 3.4.1 If the Prospective Bidder or a Consortium member has been barred by any central, state or local government or government instrumentality in Pakistan or in any other jurisdiction to which the Prospective Bidder or a Consortium member belongs or in which the Prospective Bidder or a Consortium member conducts its business, from participating in any project on a private participation basis and the bar subsists as on the Prequalification Application Submission Deadline, such entity shall not be eligible to submit a Prequalification Application, either individually or as a Consortium member.

- 3.4.2 A Prospective Bidder (and in the case of a Consortium, any member) should not have, in the 5 (five) years preceding the Prequalification Application Submission Deadline:

- (a) failed to perform any contract with the Government, federal government, or local or provincial governments, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Prospective Bidder or Consortium member as the case may be; or
- (b) been expelled from any project or contract by any public entity or authority; or
- (c) had any contract terminated by any government or government instrumentality for breach by such Prospective Bidder or Consortium member.

3.5 COSTS

- 3.5.1 The Prospective Bidder shall bear all costs, fees and expenses associated with the preparation and submission of its Prequalification Application, including, without limitation, all costs and expenses related to the Prospective Bidder's preparation of responses to questions or requests for clarification.

3.6 NO CONTRACT

- 3.6.1 No contract whatsoever is created by or arises from this Prequalification Document, which, under no circumstances, constitutes an offer to enter into any contract or arrangement of any nature whatsoever with any party whatsoever.

- 3.6.2 The Government, the Authority and any of their departments, employees, consultants, advisors (including IFC) and/or personnel shall not have any obligation, responsibility, commitment, or legal liability of any nature whatsoever towards any Prospective Bidder arising from this Prequalification Document or any Prequalification Applications submitted in response to it.

4. PREQUALIFICATION: PREPARATION

4.1 LANGUAGE OF PREQUALIFICATION APPLICATION

4.1.1 The Prequalification Applications prepared by the Prospective Bidder, and all correspondence and documents related to the Prequalification Applications shall be submitted in English, as specified in **ANNEXURE 1 (DATA SHEET)**.

4.2 DOCUMENTS COMPRISING THE PREQUALIFICATION APPLICATION

4.2.1 The Prequalification Applications submitted by the Prospective Bidder shall comprise the following documents:

- (a) Part I – the information required by Section 4.3;
- (b) Part II – the documents or information required by Section 4.4;
- (c) Part III – where the Prospective Bidder is a Consortium, the documents required by Section 4.5; and
- (d) Part IV – the power of attorney required by Section 4.6.

Prequalification Applications shall contain no fees or fees schedules or other reference to rates and fees for undertaking the Project. Prequalification Applications containing such fee related information will be rejected.

4.3 PART I – PREQUALIFICATION CRITERIA

In Part I of the Prequalification Application, the Prospective Bidder shall submit proof that it meets the prequalification criteria set out below (the “**Prequalification Criteria**”).

Qualification Criteria	Required Documents/Forms
QC1: Technical Criterion 1 The Prospective Bidder, or if the Prospective Bidder is a Consortium, at least one of the Consortium members, shall have experience in the development of, or operations in, agriculture or infrastructure projects in 2 of the last 5 years.	DQC1: Experience The Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium members, shall provide its list of relevant projects/sites in the form presented in ANNEXURE 5 (EXPERIENCE FORM) , along with supporting documentation in the form of a confirmation letter from an independent auditor, to demonstrate that it satisfies this criterion.
QC2: Financial Criterion 1 The Prospective Bidder, or if the Prospective Bidder is a Consortium, the Lead Member, shall have a Net Worth ¹ of at least US\$ 3 million or equivalent at the end of the last two (2) full financial years.	DQC2: Audited Financial Statements The Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium member, shall provide the required financial data in the forms presented in ANNEXURE 6 (FINANCIAL DATA FORM) , along with (i) audited financial statements, duly certified by a certified chartered accountant, for the most

¹ "Net Worth": means the value of total assets less total liabilities of the entity concerned at the end of a financial year.

Qualification Criteria	Required Documents/Forms
	recent two (2) full financial years for which such statements are available, including the consolidated balance sheet, income statement, statement of cash flows and the accompanying notes and (ii) a confirmation letter from an independent auditor, to demonstrate that it satisfies the relevant financial criterion.

4.3.1 TECHNICAL CRITERIA - SUBMISSION OF EVIDENCE FROM SUBSIDIARIES

The Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium member, may include evidence of projects undertaken by one or several Subsidiary Companies (as defined below) to satisfy Technical Criteria QC1.

For purposes of the above, the “Subsidiary Company” means any corporate entity Controlled by the Prospective Bidder, or if the Prospective Bidder is a Consortium, by the relevant Consortium member, and “Control” means having, directly or indirectly, a majority of the voting securities and a majority representation in the Board of Directors (or other similar constituent body) of the given corporate entity. For the avoidance of doubt, projects undertaken by other companies of the same corporate group, which do not comply with the above definition of a Subsidiary Company, such as parent companies or sister companies, shall not be taken into account to satisfy Technical Criteria QC1.

In case the Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium member, includes evidence of projects undertaken by one or several Subsidiary Companies, it shall submit, in addition to all other documentation required by this Prequalification Document, the documentation specified in Section 4.4(b) with respect to each relevant Subsidiary Company.

4.3.2 FINANCIAL CRITERIA - SUBMISSION OF EVIDENCE FROM PARENT COMPANY

The Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium member, may choose to present financial statements from a Parent Company to satisfy Financial Criteria in QC2.

For purposes of the above, “the Parent Company” means any corporate entity Controlling the Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium member, and “Control” means having, directly or indirectly, a majority of the voting securities and a majority representation in the Board of Directors (or other similar constituent body) of the given corporate entity.

In case the Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium member, chooses to present financial statements from a Parent Company, it shall submit, in addition to all other documentation required by this Prequalification Document, the documentation specified in Section 4.4(b) with respect to the Parent Company.

In such cases, the Parent Company shall guarantee to the Authority the Prospective Bidder's financial obligations under the Concession Agreement. For purposes of the above, the Parent Company shall provide an executed letter of support in the form attached in **ANNEXURE 7 (PARENT COMPANY LETTER OF COMFORT)**.

4.4 PART II – PREQUALIFICATION FORM AND OTHER DOCUMENTS

In Part II of the Prequalification Application, each Prospective Bidder shall provide the following:

- (a) A Prequalification Application signed by the Prospective Bidder (or if the Prospective Bidder is a Consortium, the Lead Member) in the form of **ANNEXURE 2 (PREQUALIFICATION APPLICATION FORM)**. Notwithstanding the foregoing, the district(s) in which the Project shall ultimately be implemented will be at the sole discretion of the Authority.
- (b) The following legal documents and background information:
 - (i) basic information on the Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of a Consortium), as detailed in **ANNEXURE 3 (BASIC INFORMATION FORM)**, including an up-to-date list of shareholders of the Prospective Bidder (or one list for each Consortium member);
 - (ii) a certified copy of Memorandum of Association and Articles of Association of the Prospective Bidder (or if the Prospective Bidder is a Consortium, the Memorandum of Association and Articles of Association of each member of a Consortium) and any amendments;
 - (iii) a certified copy of the Prospective Bidder's certificate of incorporation (or, if the Prospective Bidder is a Consortium, each of its members); and
- (c) An Affidavit, in the form of **ANNEXURE 8 (AFFIDAVIT)**, confirming that the Prospective Bidder (or, if the Prospective Bidder is a Consortium, each member of the Consortium):
 - (i) is not in bankruptcy or liquidation proceedings;
 - (ii) has not been convicted of fraud, corruption, collusion or money laundering;
 - (iii) is not aware of any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect its capability to comply with the obligations under the Concession Agreement; and
 - (iv) does not fall within any of the circumstances for ineligibility listed in Section 3.4 (Ineligibility of a Prospective Bidder).

4.5 PART III – CONSORTIA DOCUMENTS AND REQUIREMENTS

If the Prospective Bidder is a Consortium, there must be a Lead Member who is duly authorized (through a power of attorney signed in front of a notary, as described in Section 4.6) by all other Consortium members to act on their behalf and provide an undertaking that there will be no change in the constitution of the Consortium without the prior written consent of the Authority.

A Prospective Bidder wishing to qualify as a Consortium shall submit, as Part III of the Prequalification Application, a written commitment, in the form of a letter duly executed by the legal representative of each Consortium member, which:

- (a) confirms each member’s commitment to the Consortium; and
- (b) identifies the member that will assume the role of Lead Member on behalf of the other members, with the authority to commit all members.

4.6 PART IV – POWER OF ATTORNEY

Each Prospective Bidder (or if the Prospective Bidder is a Consortium, each Consortium member) shall provide, as Part IV of the Prequalification Application, a written power of attorney in the form attached hereto as **ANNEXURE 4 (POWER OF ATTORNEY)**, duly notarized, indicating that the person(s) signing the Prequalification Application has(ve) the authority to sign.

4.7 CLARIFICATIONS

A Prospective Bidder requiring any clarification on the Prequalification Document, Prequalification Applications, Prequalification Criteria or any of the requirements set out herein, may send an electronic request for clarification to the Authority with a copy to the IFC Project Team Leader at the e-mail addresses indicated in **ANNEXURE 1 (DATA SHEET)**. Any such request for clarification shall be addressed before 2:00 P.M. (Pakistan time) on January 20, 2014.

Electronic copies of the response, including an explanation of the query without identification of its source (the “**Response to Questions Document**”), will be sent to all Prospective Bidders who have requested the Prequalification Document. If similar or repeated queries are made by Prospective Bidders, those queries may be listed as one query and responded to only once.

4.8 TIMETABLE

4.8.1 The estimated timetable is as follows (the “**Estimated Timetable**”):

Indicative Transaction Timetable*

Activity	Target Date
Invitation for Prequalification	Jan 01, 2014
Clarification Requests Submission Deadline	Jan 20, 2014
Prequalification Applications Submission Deadline	Feb 17, 2014
Announcement of Prequalified Bidders	Feb 27, 2014
Meeting with Prequalified Bidders	Mar 10-12, 2014

** The timetable is presented for indicative purposes only.*

The Authority may, in its sole discretion and without prior notice to the Prospective Bidders, amend the Estimated Timetable. Prospective Bidders shall not rely in any way whatsoever on the Estimated Timetable and the Authority shall not incur any liability whatsoever arising out of amendments to the Estimated Timetable. The Authority shall notify the Prospective Bidders of changes to the Estimated Timetable.

5. PREQUALIFICATION APPLICATION: SUBMISSION

5.1 FORMAT AND SIGNING OF THE PREQUALIFICATION APPLICATION

- 5.1.1 Each Prospective Bidder shall prepare and submit one (1) printed original, two (2) printed copies and (1) electronic copy (on DVD or USB drive) of its relevant Prequalification Application, as specified in **ANNEXURE 1 (DATA SHEET)**, clearly marking each one as “**ORIGINAL**”, “**COPY NO. 1**”, “**COPY NO. 2**”, etc., as appropriate. In the event of any discrepancy between the copies and the original, the original shall prevail.
- 5.1.2 The original and all printed copies of the Prequalification Application, each consisting of the documents listed in Section 4.2, shall be typed or written in indelible ink. The person or persons duly authorized to bind the Prospective Bidder shall sign the Prequalification Application by:
- (i) signing the original of the relevant Prequalification Application; and
 - (ii) initialling all of the pages of the original of the relevant Prequalification Application.
- 5.1.3 The relevant Prequalification Application shall contain no alterations, omissions or additions, unless such corrections are signed by the person or persons signing the Prequalification Applications.
- 5.1.4 The DVD or USB drive requested shall include a table of contents, shall be free of any virus and shall contain non compressed and non protected files in printable and reproducible formats.

5.2 SEALING AND MARKING OF PREQUALIFICATION APPLICATIONS

- 5.2.1 The Prospective Bidder shall seal the original Prequalification Application and each copy in separate envelopes, each containing the documents specified in Section 4.2, and shall mark the envelopes as “**PREQUALIFICATION APPLICATION – ORIGINAL**” and “**PREQUALIFICATION APPLICATION – COPIES**” (all duly marked as required herein). The envelopes shall be sealed in an outer envelope. The inner and outer envelopes shall:
- (i) be addressed to the Authority at the following address:

SINDH FOOD DEPARTMENT
M. Khalid Kaimkhani
Additional Director Food, Food Department,
Sindh Secretariat Building# 1, 4th Floor,
Government of Sindh, Karachi, Pakistan
Tel: +92 21 9922 533 / +92 300 924 7222
Fax: +92 21 9211 986

and
 - (ii) bear the words: “**SINDH GRAIN STORAGE PROJECT. DO NOT OPEN BEFORE 2:00 P.M. PAKISTAN TIME, FEBRUARY 17, 2014**”

The inner envelopes shall each indicate the name and address of the Prospective Bidder (in case of a Consortium, the name and address of the Lead Member) to enable the relevant Prequalification Application to be returned unopened in the event that it is declared "late".

If the outer envelope is not sealed and marked as required in this Section 5.2, the Authority will assume no responsibility for any Prequalification Application's misplacement or premature opening. If the outer envelope discloses the Prospective Bidder's identity, the Authority will not guarantee the anonymity of the submission, but this disclosure will not constitute grounds for rejection.

- 5.2.2 The DVD or USB drive requested shall be submitted together with the printed Prequalification Application as provided in **ANNEXURE 1 (DATA SHEET)**. For the avoidance of doubt, it is expressly specified that the Prospective Bidders shall not be allowed to submit their Prequalification Applications by e-mail.

5.3 DEADLINE FOR SUBMISSION OF PREQUALIFICATION APPLICATIONS

Prequalification Applications shall be submitted to the Authority at the address specified above no later than **2:00 P.M. PAKISTAN TIME, FEBRUARY 17, 2014** (the "**Prequalification Application Submission Deadline**").

Any Prequalification Application submitted after the Prequalification Application Submission Deadline shall be rejected and shall be returned unopened to the Prospective Bidder (or in case of a Consortium, to the Lead Member) who sent it.

5.4 COPY TO THE IFC PROJECT TEAM LEADER

In addition and without prejudice to the above, Prospective Bidders are requested to submit, no later than on the Prequalification Application Submission Deadline, one (1) electronic copy of the complete Prequalification Application, in the format set out in Section 5.1, sealed in an envelope, and:

- (i) addressed to the IFC Project Team Leader at the following address:

INTERNATIONAL FINANCE CORPORATION

Yassar Altaf
International Finance Corporation,
20-A, Shahrah-e-Jamhuriat, G-5/1,
Islamabad, Pakistan.
Tel: +92 51 9090 641 / + 92 302 855 0161

- (ii) bearing the words: "**SINDH GRAIN STORAGE PROJECT. DO NOT OPEN BEFORE 2:00 P.M. PAKISTAN TIME, FEBRUARY 17, 2014**"

Such electronic copy shall be for information purposes only, and shall not be considered for conformity or evaluation purposes.

6. PREQUALIFICATION APPLICATION: OPENING AND EVALUATION

6.1 PRELIMINARY EXAMINATION OF PREQUALIFICATION APPLICATIONS

The Authority in collaboration with PPP Unit and the Transaction Advisor will carry out a preliminary examination of each Prequalification Application to determine whether it is complete, whether the documents have been properly signed, and whether it is generally in order.

Where the Authority deems it convenient or necessary, it may request supplementary information or documentation from a Prospective Bidder (including each member of a Consortium) for determining its eligibility for prequalification. Whenever such request is made, the Prospective Bidder shall provide the same to the Authority with a copy to the IFC Project Team Leader at the addresses specified in **ANNEXURE 1 (DATA SHEET)**, by such date as may be specified by the Authority.

Any Prequalification Application found to be non-responsive will be rejected by the Authority and not included for further consideration of the substance of the application.

6.2 EVALUATION OF THE PREQUALIFICATION APPLICATION

6.2.1 The Authority in collaboration with the PPP Unit and the Transaction Advisor will carry out a detailed evaluation of the Prequalification Applications that have not been rejected after the preliminary examination in order to determine whether they are substantively responsive to the Prequalification Criteria. In order to reach such a determination, the Authority in collaboration with the PPP Unit and the Transaction Advisor will examine the information supplied by the Prospective Bidders, pursuant to this Section 6.2, and other requirements, taking into account the following factor:

Prequalification Criteria specified in Section 4.3 Part I are based on "pass"/"fail" for each such criteria.

6.2.2 A Prospective Bidder whose Prequalification Application is determined by the Authority to be substantively responsive and as meeting the Prequalification Criteria specified in Section 4.3 Part I and the other requirements in Section 4 shall be designated as a “**Prequalified Bidder**”.

6.2.3 A Prospective Bidder whose Prequalification Application is determined by the Authority to be substantively non-responsive or as not meeting the Prequalification Criteria specified in Section 4.3 Part I and the other requirements in Section 4 shall be designated as a “**Non-Prequalified Bidder**”.

7. INVITATION FOR BIDS

At the end of the Prequalification Applications evaluation, the Authority, on the advice and recommendation of PPP Unit and the Transaction Advisor, will either:

- (a) notify a Prospective Bidder that it has been designated as being a Non-Prequalified Bidder as its Prequalification Application has been rejected on the grounds of being substantively non-responsive, or that it does not meet the Prequalification Criteria and other requirements set forth in Section 4; or
- (b) notify a Prospective Bidder that it has been designated as being a Prequalified Bidder and will receive an invitation for bids.

If the Prequalified Bidder is a Consortium, it shall not change the structure of the Consortium without the prior written consent of the Authority.

The specific details of the tendering process, including the deadline and content for submission of bids, will be specified in the tender documents to be issued by the Authority shortly after the announcement of Prequalified Bidders.

7.1 PARTNERING BETWEEN PREQUALIFIED BIDDERS

Any Prequalified Bidder shall be precluded from partnering (directly or indirectly) with another Prequalified Bidder without the express written approval of the Authority, who shall

be free to accept or refuse at its discretion, and in all cases taking into account the likely effects of the proposed partnering on the competitiveness of the tender process. If the Prospective Bidder is a Consortium, the above sentence shall apply to all members of the Consortium.

7.2 PARTNERING BETWEEN PREQUALIFIED BIDDERS AND NON-PREQUALIFIED BIDDERS

A Non-Prequalified Bidder shall be entitled to partner with a Prequalified Bidder, provided that:

- (a) the said Non-Prequalified Bidder shall not be the Lead Member of the Consortium;
- (b) the Consortium, including the Non-Prequalified Bidder, continues to fulfill all Prequalification Criteria under Section 4.3; and
- (c) there is an express written approval of the Authority who shall be free to accept or refuse at its discretion, and in all cases taking into account the likely effects of the proposed partnering on the competitiveness of the tender process.

ANNEXURE 1 - DATA SHEET

The following specific data shall supplement the provisions in the Prequalification Document.

1	Project Name	Sindh Grain Storage Project
2	Address and Contact Person of Contracting Authority	Sindh Food Department, M. Khalid Kaimkhani Additional Director Food Sindh Secretariat Building # 1, 4th Floor, Government of Sindh, Karachi, Pakistan. Tel: +92 21 9922 533 / +92 300 924 7222 Fax: +92 21 9211 986 Email: khalidkk68@gmail.com
3	Address and Contact Person of PPP Unit	Fahad Ansari Director, PPP Unit Sindh Secretariat 7th Floor, Building No.6, Finance Department, Kamal Attaturk Road, Barrack No. 17, Government of Sindh, Karachi, Pakistan. Tel: +92 21 9922 2192 / +92 333 2724 298 Email: fahadkansari@hotmail.com
4	IFC Project Team Leader	Yassar Altaf International Finance Corporation 20-A, Shahrah-e-Jamhuriat, G-5/1 Islamabad, Pakistan. Tel: +92 51 9090 641 / + 92 302 855 0161 E-mail: yaltaf@ifc.org
5	Address for Submission of Prequalification Applications	M. Khalid Kaimkhani Additional Director Food, Food Department, Sindh Secretariat Building # 1, 4 th Floor, Government of Sindh, Karachi, Pakistan.
6	Prequalification Application Submission Deadline	2:00 P.M. Pakistan time on February 17, 2014
7	Language of Prequalification Application	English
8	Number of Copies of Prequalification Application	<u>For the Authority:</u> - one (1) printed original together with one (1)

		<p>electronic copy (DVD or USB drive); and</p> <ul style="list-style-type: none">- two (2) printed copies. <p><u>For IFC:</u></p> <ul style="list-style-type: none">- one (1) electronic copy (DVD or USB drive).
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ANNEXURE 2 - PREQUALIFICATION APPLICATION FORM

To: Sindh Food Department
Sindh Secretariat Building # 1, 4th Floor,
Government of Sindh, Karachi, Pakistan.

Re: Design, financing, construction, operation and maintenance of grain storage facilities in the province of Sindh (the “**Project**”)

[Date]

Dear [Sir/Madam],

Pursuant to the Invitation for Prequalification dated [*Please insert the relevant date*] , [*Name of Prospective Bidder*] hereby submits its Prequalification Application in conformity with the Prequalification Document, Instruction to Prospective Bidders dated [●] (as amended and/or supplemented from time to time) (the **Prequalification Document**) and requests to be considered for prequalification for the Project.

All capitalized terms unless defined herein shall bear the meaning as ascribed thereto in the Prequalification Document.

[*Name of Prospective Bidder*] hereby applies to become a Prequalified Bidder in the invitation for bids for the Project.

[*Name of Prospective Bidder*] hereby confirms that it:

- (a) agrees to comply with all the tender rules, laws and regulations governing the tender as issued by the relevant authorities from time to time.
- (b) accepts the right of the Sindh Food Department to (i) request additional information reasonably required to assess the application, (ii) amend the procedures and rules or make clarifications thereof, and (iii) extend or amend the schedule of the prequalification and the tender;
- (c) accepts the exclusive application of the federal laws of Pakistan and provincial laws of Sindh with respect to these prequalification procedures; and
- (d) fully and completely understands and accepts the terms of the Prequalification Document and hereby undertakes to comply with the same.

[*Name of Prospective Bidder*] hereby represents and warrants that as of the date of this letter:

- (a) all of the information submitted in this Prequalification Application, including the enclosed forms and documents, is accurate in all respects;
- (b) [*Name of Prospective Bidder*], [including any of our Consortium members], has(ve) not been subject to any voluntary or involuntary bankruptcy or insolvency or similar proceeding during the last five (5) years; and

- (c) *[Name of Prospective Bidder]*, [including any of our Consortium members], has(ve) paid all taxes due, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established.

Attached herewith to this Prequalification Application are the following documents, as appropriate:

- (a) Basic Information Form (Annexure 3)
- (b) Power of Attorney (Annexure 4);
- (c) Experience Form (Annexure 5);
- (d) Financial Data Form (Annexure 6); and
- (e) Parent Company Letter of Comfort (if relevant) (Annexure 7), and
- (f) Affidavit (Annexure 8);
- (g) Other documents required in Section 4 of the Prequalification Document.

[Name of Prospective Bidder] hereby designates [●] as its representative to receive notices in respect of the prequalification and the tender at the following address, telephone and facsimile numbers:

[Representative's address, telephone and facsimile numbers.]

[signature]

In the capacity of *[position]*

Authorized to sign this Prequalification Application for *[Name of Prospective Bidder]*

ANNEXURE 3 - BASIC INFORMATION FORM

PROSPECTIVE BIDDER INFORMATION:

Name:

Type: (Corporation, Partnership, etc.)

Company incorporation n°:

Domicile:

Address of principal office:

Telephone number:

Fax number:

E-mail address:

Primary areas of business:

Shareholder certificate (attach separately)

Consortium members information: (if applicable, fill in details for all members, identifying the Lead Member and/or the member(s) to be evaluated for each of the Prequalification Criteria set forth in Section 4.3 Part I)

Name:

Type: (Corporation, Partnership, etc.)

Company incorporation n°:

Domicile:

Address of principal office:

Telephone number:

Fax number:

E-mail address:

Primary areas of business:

Shareholder certificate (attach separately)

ANNEXURE 4 - POWER OF ATTORNEY

On this day of

Before me

The Notary in this office

The undersigned

Mr./Ms. _____

In his capacity as _____

Nationality

Holder of Passport or ID no. _____

Issued from _____

Dated _____

Residing at _____

Hereby appoints Mr./Ms. _____ in his capacity as _____, to:

- (a) Execute under hand, or under seal, and deliver to the competent authorities all the documents listed in Schedule 1 attached hereto;
- (b) Deliver and receive any document or instrument in relation to the documents listed in Schedule 1 attached hereto; and
- (c) Do all things necessary and incidental in respect of the matters set out herein including to do, execute and perform any other deed or act ought to be done executed or performed to perfect or otherwise give effect to the documents listed in Schedule 1.

And is hereby authorized to appoint others for all or part of the powers delegated by the present Power of Attorney.

SCHEDULE 1

- A. DATED: [INSERT DATE OF EXECUTION]
- B. THE GRANTOR: [INSERT NAME OF PROSPECTIVE BIDDER/CONSORTIUM MEMBER]
- C. THE ATTORNEY: [INSERT NAME OF REPRESENTATIVE LEAD MEMBER]
- D. PLACE IN WHICH DOCUMENTS ARE TO BE EXECUTED AND DELIVERED: SINDH FOOD DEPARTMENT
M. KHALID KAIMKHANI
Sindh Secretariat Building # 1,
4th Floor, Government of Sindh, Karachi, Pakistan
- E. DOCUMENTS: ALL DOCUMENTS IN RESPECT OF THE AUTHORITY'S PREQUALIFICATION APPLICATION IN RELATION TO THE PROJECT.

IN WITNESS WHEREOF the Grantor has executed this Power of Attorney [**under seal**] on the date set out above.

[SEAL])
)
)
)

[Name / Title of Grantor representative]

ANNEXURE 5 – EXPERIENCE FORM (DQC1)

The Prospective Bidder, or if the Prospective Bidder is a Consortium, at least one of the Consortium members, should provide sufficient detail of its experience in the development of, or operations in, agriculture or infrastructure projects in 2 of the full calendar years over the last five (5) years, to enable the Authority to evaluate fulfilment of Technical Criterion as described in Section 4.3 of this Prequalification Document.

Company Name ²	Location / Site	Project Description & Capacity	Your Company's Role	Date of Commencement of Operations	Auditor's confirmation letter reference ³
[add rows if necessary]					

² If Company Name is different from your name, please indicate relationship with your company.

³ The Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium members, shall provide a letter from an independent auditor as confirmation of each of the experiences that they list in the table of this Annexure 5.

ANNEXURE 6 - FINANCIAL DATA FORM (DQC 2)

(I) NET WORTH

(i) Financial Year End [*insert the date and year*]

Prospective Bidder (or if the Prospective Bidder is a Consortium, the Lead Member)		
Value of Total Assets	Total Liabilities	Net Worth
<i>[insert the amount in PKR]</i>	<i>[insert the amount in PKR]</i>	<i>[insert the amount in PKR]</i>

(ii) Financial Year End [*insert the date and year*]

Prospective Bidder (or if the Prospective Bidder is a Consortium, the Lead Member)		
Value of Total Assets	Total Liabilities	Net Worth
<i>[insert the amount in PKR]</i>	<i>[insert the amount in PKR]</i>	<i>[insert the amount in PKR]</i>

ANNEXURE 7 - PARENT COMPANY LETTER OF COMFORT

To: Sindh Food Department
Sindh Secretariat Building # 1, 4th Floor,
Government of Sindh, Karachi, Pakistan.

Re: Design, financing, construction, operation and maintenance of grain storage facilities in the province of Sindh (the “**Project**”)

[Date]

Dear [Sir/Madam],

We refer to the prequalification document issued by the Sindh Food Department, dated [●] (“**Prequalification Document**”), inviting prequalification applications from Prospective Bidders for the execution and completion of a Concession Agreement involving the design, financing, construction, operation and maintenance of grain storage facilities across Sindh (the “**Project**”).

According to the Section 4.3.2 of the Prequalification Document (*Financial Criteria - Submission of Evidence from Parent Company*), the Prospective Bidder, or if the Prospective Bidder is a Consortium, at least one of the Consortium members, may choose to present financial statements from a Parent Company to satisfy Financial Criteria in QC2. For this purpose, the "the Parent Company" means any corporate entity Controlling the Prospective Bidder, or if the Prospective Bidder is a Consortium, the relevant Consortium member, and "Control" means having, directly or indirectly, a majority of the voting securities and a majority representation in the Board of Directors (or other similar constituent body) of the given corporate entity.

In consideration of the above, we hereby confirm and undertake that:

- (i) we are the Parent Company of [*name of subsidiary*], which is seeking to prequalify for the Project as [Prospective Bidder/Consortium Member]; and
- (ii) we will make available sufficient funds to [*name of subsidiary*] to enable it to meet its obligations as the shareholder of the Operator and otherwise act as a prudent and careful Project sponsor.

Except where the context requires otherwise, capitalized terms used in this letter shall have the meaning ascribed in the Prequalification Document.

Yours faithfully,

[Name of Parent Company]

By: _____

Name: _____

Title: _____

(Authorized signatory)

ANNEXURE 8 - AFFIDAVIT

To: Sindh Food Department
Sindh Secretariat Building # 1, 4th Floor,
Government of Sindh, Karachi, Pakistan

Re: Design, financing, construction, operation and maintenance of grain storage facilities in the province of Sindh (the "**Project**")

[Date]

Pursuant to the Prequalification Document dated [*Please insert the Date*] in respect of the Sindh Grain Storage Project,

[*Name of Prospective Bidder/Lead Member of Consortium*] hereby represents and warrants that, as of the date of this letter [*Name of Prospective Bidder/Lead Member of Consortium*], and each member of our Consortium (if applicable):

- (a) is not in bankruptcy or liquidation proceedings;
- (b) has not been convicted of, fraud, corruption, collusion or money laundering;
- (c) is not aware of any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect its capability to comply with the obligations under the Concession Agreement; and
- (d) does not fall within any of the circumstances for ineligibility listed in Section 3.4 (Ineligibility of a Prospective Bidder) of the Invitation for Prequalification.

Yours Sincerely,

Authorized Signature
Name and Title Signatory
Name of Firm
Address