

INVESTMENT
OPPORTUNITY
Lahore Transport Company



Request for Proposal on New Air-
Conditioned Coaster Routes

DISCLAIMER

Lahore Transport Company (LTC) has prepared this request for proposal based on data and assumptions provided through various household surveys related to Public Transport that have been conducted in the FY 2010. This RFP does not purport to contain all the information related to the Project. While all efforts have been made to incorporate all information relevant to the proposed transaction, the LTC does not make any representations and warranties, express or implied as to the adequacy, accuracy, completeness or reasonability of the information contained in this RFP. No decision should be based solely on the basis of the information provided by this RFP. LTC has no liability for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or for any omission from, this RFP or in any other written or oral communication transmitted to third parties in relation to this transaction.

Lahore Transport Company

Request for Proposal for Running AC Coaster Service on New Routes, in Lahore

The Government of Punjab has decided to launch air-conditioned express coaster service in Lahore on a number of new routes, in order to improve urban transport and encourage car users to use public transport, which will decrease traffic congestion, and pollution.

LTC, a regulatory body of the Government, based on a detailed survey and professional evaluation, has designed routes for 50 air-conditioned coasters, preferably CNG. Locally manufactured and imported new/reconditioned coasters (28 – 30 seater) will be eligible and the coasters will have e-ticketing systems installed. Market based fare shall be permitted.

National/International interested parties preferably possessing expertise in intracity/intercity transport can get RFP of the project from undersigned or download it from website www.ltc.gop.pk.

EXTENSION OF LAST DATE OF SUBMISSION OF PROPOSAL IS SEPTEMBER 24, 2010.

Further queries and clarifications can be sought from:

General Manager (Operations & Planning)

Lahore Transport Company, 4th Floor IEP Building

Liberty Round About, Gulberg-III

Lahore

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DEFINITIONS

“GoPb”	Government of Punjab
“RFP”	Request for Proposal
“LTC”	Lahore Transport Company
“Route”	Routes notified by Lahore Transport Company
“Exp”	Express Service
“DHA”	Defence Housing Authority

GENERAL

1.1 The Government of Punjab (Gopb) realizes the importance of providing efficient and affordable Public Transport service and therefore, has provided several incentives for operators in the urban transport system. Incentives are as follows:

- Availability of Depots and Terminal
- Enforcement on the routes
- Market based Fare Structure
- Road side transport Infrastructure

1.2 Lahore Transport Company intends to allot urban air-conditioned express routes to private sector operator(s). It is envisaged that operator would bring in and operate locally manufactured and imported new/reconditioned coasters CNG/ DIESEL coasters.

1.3 LTC invites proposals with supporting documents from the interested companies for selection and issuance of advertised routes. Selection shall be based on the information submitted by the applicants as requested in this document.

1.4 Notwithstanding anything contained herein, the competent authority may in its discretion reject any or all applications without assigning any reason whatsoever.

1.5 Fare will be market based but adequate for the investor to make a reasonable profit, without any subsidy.

INTRODUCTION TO THE PROJECT

It is the goal of LTC to provide an efficient multi - modal transport system that will cater to all sectors of Lahore. We aim to provide public transport for the masses and encourage people to minimize car dependency. Car ratio on roads has created havoc for the commuters and the congestion creates time delays and thus economic deficits for the nation. Lahore Transport Company has emerged with a new objective of alleviate traffic problems with solutions that are based on studies that analyze the current trends of commuters and provide demand based services.

The current proposed AC Express routes have been designed based on the results of a household survey that was carried out by LTC professionals to evaluate the need for Public Transport and also identify potential route alignments. The study incorporated all the parameters of analyzing commuting patterns of the residents, highlighting their priorities for using the new service, and their affordability to pay fares. The proposal for the new routes is based on the positive responses of the residents interviewed during the household survey. The study results also highlighted the fact that prospective commuters expect the proposed AC service to be designed on international standards in order to shift current car users to avail public transport.

2. SELECTION OF OPERATORS

2.1 ELIGIBILITY REQUIREMENTS

Interested Party must fulfill the following eligibility requirements for selection:

- It is willing to bring in and operate a minimum of 19 new DIESEL/CNG/LPG air-conditioned coasters. The detail of the routes with required number of coasters are specified in Annexure E.
- The coasters should meet the approved specifications as given in **(Annexure-A)**.
- It must demonstrate a track record of sound performance and adherence to good principles of business.

2.2 EVALUATION CRITERIA

The following evaluation criteria shall be applied for selecting the preferred bidder(s):

EVALUATION CRITERIA

		Total Marks	100
1	Intra/Inter City Bus Service Experience		10
	a. Experience Less than five years	5	
	c. Experience above Five years	10	

2	Availability of Funds for Equity		30
	a. Between Rs. 20 million to Rs. 40 million	5	
	b. Between Rs. 40 million to Rs.60 million	10	
	c. Between Rs. 60 million to Rs. 80 million	20	
	d.Above Rs. 80 million	30	

3	Time Line for Induction of Buses		30
	a. Coasters to be inducted within 4 months of the selection	15	
	b. Coasters to be inducted within 3 months of the selection	20	
	c. Coasters to be inducted within 2 months of the selection	30	

4	Installation of surveillance cameras and e-ticketing system		15
	a. Coasters with installed e-ticketing system	10	
	b. Coasters with installation of e-ticketing and surveillance cameras.	15	

5	Number of Routes Applied		15
	a. DHA Loop Route and One Connecting Route	5	
	b. DHA Loop Route and Two Connecting Routes	10	
	c. All Express Routes	15	

2.3 GROUNDS FOR DISQUALIFICATION

The Competent Authority at any time may disqualify the Interested Party on the following reasons, if it:

(a) Fails to submit along with the supporting documentations required in pursuant to this application, by the Due Date; or fails to demonstrate its capabilities to acquire the business on the route.

(b) Provides any false or misleading information or misrepresents, withholds, conceals any information in the application;

(c) Fails to disclose or provide any additional information as may be required from time to time;

(d) Has been blacklisted in the past by any Federal, Provincial or Local Government Department or Authority; (including any regulatory authority) or agency in Pakistan, in whatever capacity including as an individual contractor, partner or a joint venture partner;

(h) Is directly or indirectly associated or affiliated in any manner with the LTC /GoPb / GoP, and/or their consultants or advisors in respect of the project;

(l) Fails to inform the competent authority of any significant change in its ownership or control or to obtain the consent of competent authority to such change;

(m) fails to report any material change in the information provided by it, in due course of time, (prior to the date on which bidding is held);

(n) Is deemed by the competent authority, that it failed to satisfy any requirements under this document.

3. CONTENTS

Each application shall include the following sections:

- Application
- Technical Capability
- Financial Capability
- Legal Capability
- Timeline for Induction of Coasters
- Use of Modern Technology
- List of Documents attached

3.1 APPLICATION

The bid documents have to be accompanied by an application signed by the Chief Executive of the organization or the competent person on his behalf.

3.2 TECHNICAL CAPABILITY

The Technical Capability section of the document has to include the information listed below with respect to the experience of the Interested Party and its associated partner to manage inter/intra-city Transport;

- Experience in number of years of operating and maintaining Coasters/Buses/Mini Buses (CNG/DIESEL or otherwise, local or international). For all relevant operations, information on current transport operation, route alignment, depots/terminals, maintaining of workshop, cleaning/fuelling facilities and the length of time that the Interested Party and its associated partner has been responsible for managing such operations.
- Date of establishment of the company/organization along with proof of the same.
- Detailed operational plan of the said project.

- The organizational structure has to provide information regarding the proposed managerial staff and operational staff reasonably required to run the operations.

BASIC INFORMATION:

- Name
- Nationality
- Address of Principal Office
- Telephone Numbers
- Fax Numbers
- Mobile Phone Numbers
- E-mail Addresses
- Primary Areas of Business
- Names and Brief Background of Directors/Partners

3.3 FINANCIAL CAPABILITY

For the Financial Capability section of the document, the Interested Party(s) (and its associated partner to the extent applicable) shall submit:

- a) Details of financial background for the last (three) **03**years demonstrating financial strength along with the tax returns filed for the most recent (three) **03**years.
- b) Audited Financial Statements in support of net worth statement.
- c) Proof of availability of funds in the form of bank letter or bank statement.
- d) Any other relevant information regarding financial track record and capabilities of the Interested Parties and its associated partner that it believes will be helpful.

3.4 LEGAL CAPABILITY

Each Interested Party's authorized representative must submit the following documents / information (including, associated partner(s):

- (a) List of majority shareholders, Directors / partners/ owner.
- (b) A copy of the constitutive documents (for example, memorandum and articles of association for a company, certificate of incorporation, partnership deed for a partnership) and in case of individuals, an NTN certificate will be required.
- (c) The Power(s) of Attorney / Board resolution duly executed in this behalf.

3.5 TIMELINE FOR INDUCTION OF COASTERS

Each interested party will submit a detailed coaster induction plan giving the exact number of coasters and timeline for induction and start of operations.

3.6 USE OF MODERN TECHNOLOGY

In an effort to introduce modern technology for the proposed A/C coaster operations each interested party will submit a detailed working/plan on the following:

- Installation of Fleet Management System
- Installation of Electronic Ticketing System
- Installation of Surveillance Cameras

3.6.1 ELECTRONIC TICKETING SYSTEM

LTC intends to introduce the use of modern technologies by mandatory installation of e-ticketing system devices on AC coasters to encourage a transparent fare collection system.

3.6.2 CAMERAS IN THE COASTERS

Security cameras shall be installed in the coasters to ascertain safety for passengers plus monitoring the fare collection.

4. SUBMISSION OF APPLICATIONS

4.1 TIMING, NUMBER OF COPIES AND PROPOSAL PROCESSING FEE

Interested Parties must submit an **original** and **two** copies of their proposals at **11:00 a.m. Pakistan Standard Time on Friday, 24 September, 2010.**

General Manager (Ops & Planning)

Lahore Transport Company, 4th Floor IEP Building

Liberty Round About, Gulberg-III

Lahore

Bidders have to submit proposal(s) accompanied with a Bank Draft in favor of “Lahore Transport Company” amounting to **Rs.10,000/- (non-refundable processing fee) by 11:00 a.m. Pakistan Standard Time on August 24 , 2010.**

4.2 MATERIAL CHANGE

(a) Each Interested Party must immediately report to the competent authority in writing any material change in the information provided by it in its proposal up to the date on which bidding is held. Any failure to report such material change shall constitute grounds for disqualification under Section 2.3 of the said RFP.

The material change itself could also lead to a disqualification of the Interested Party.

(b) No significant changes in the ownership will be allowed at any time without the prior written consent of the competent authority. In giving such consent the competent authority may require, the Interested Party(s) (as modified) to re-qualify under the terms and conditions of this document in order to be eligible to submit the proposal.

4.3 CERTIFICATION

The Interested Parties submitting the application have to certify each information in the following form:

“I, the undersigned as the duly authorized attorney and representative of [name of the Interested Party]/associated partner] certify that to the best of my knowledge and belief, and upon diligent inquiry, all the information submitted is true and accurate.

The competent authority may investigate the truth and accuracy of the supplied information by any means. I understand that amongst other reasons any misrepresentation or concealment of facts may render [name of the Interested Party and/its associated partners] disqualified for consideration.

In certification of the statements above, I hereby signed this document on the 27 day of August 2010.

[Typewritten name, signature and position of person legally empowered to bind the Interested Party.]”

5. REVIEW, EVALUATION AND AWARD

5.1 REVIEW AND EVALUATION

The financial, management, technical, organizational and other capabilities of the Interested Party will be evaluated by LTC according to given criteria. First preference will be given to the bidder scoring highest marks in evaluation.

Successful party shall have to start operations within timeline, agreed as per Framework & Concession Agreement (**Annexure-B**). In case of default, the Performance Guarantee will be forfeited and contract will be awarded to the next highest party on the merit list.

Prospective Bidders will be required to submit an amount of Rs.600,000 of the cost of coasters as mentioned in the proposal as Bid Security along with their proposal in the shape of a bank draft / pay order or Bid bond (Performa Annexed as **Annexure-C**) in favor of LTC. The bid security shall be refundable to all unsuccessful bidders at the time of declaration of the name of the successful bidder(s), and to the successful bidder(s) upon signing of the Framework and Concession Agreement and furnishing of a Performance Guarantee in the shape of Bank Guarantee (Performa Annexed **Annexure-D**), which shall be 1% of the total cost of coasters.

5.2 CLARIFICATION MEETING WITH INTERESTED PARTIES

An open meeting with Interested Parties will be held at 11:00 a.m. on 17th August, 2010 at LTC Office to discuss issues if any and to provide clarifications thereto. However, written clarification may be sought by the interested parties at any time at least one week prior to the Due Date. LTC have the right to incorporate any change or attach conditions to any section of this RFP document.

5.3 SUPPLEMENTARY INFORMATION

Where it is deemed convenient or necessary, supplementary information or documentation may be requested from an Interested Party for determining eligibility for selection of such Interested Party(s) and whenever such request is made, the Interested Party shall provide the same to the LTC by such date as may be specified.

5.4 INDICATION OF SELECTION

Indication of selection will be given in writing and delivered to selected interested parties by facsimile, mail and/or courier at their specified address.

5.5 RETURN OF APPLICATION

The LTC shall be under no obligation to return any application or supporting materials submitted by the Interested Party (or its associated partners).

6. GOVERNING LAW

This document shall be governed and construed in accordance with the prevailing laws of Pakistan.

6.1 ARBITRATION

Any dispute, controversy or claim arising out of or relating to route allocation or the breach, termination, invalidity or interpretation of this document or difference whatsoever arise between the Parties out of or in relation to or in connection with this or any route agreement which cannot be amicably settled between the parties such matter shall finally be referred to the Chairman of Lahore Transport Company, who will either himself or by appointing an “Arbitrator” pass the award. The said award of the “Arbitrator” shall be final and binding upon both parties. Furthermore, the arbitration proceedings shall be conducted at the office of the company.

7.0 INCENTIVES FOR THE OPERATOR

7.1 ROUTE ENFORCEMENT

Route Enforcement is one of the most important considerations in a Public Transport Project. LTC has developed an enforcement team which will provide effective enforcement on the notified routes. This will result in increase in passenger volume thus it also ensures the viability of the Project.

7.2 PROVISION OF DEPOT AND TERMINAL

Depot space shall be provided by DHA on reasonable rental charges and payment of all utility bills. The depots will facilitate the following utilities:

- Overnight Parking Space
- Workshop for the maintenance of vehicles
- Service Area (Washing, etc)
- Administrative Block

7.3 NON-SUBSIDIZED MARKET BASED FARE

Government shall not be providing any subsidy for these new air-conditioned coaster routes. The operator may design its fare structure while considering the prevalent market conditions.

7.4 ROAD SIDE TRANSPORT INFRASTRUCTURE

The requisite Road Side Infrastructure to facilitate the commuters shall be provided by the concerned authority.

- Flag Posts
- Bus Shelters

Annexure “E”

ROUTE ALIGNMENTS FOR NEW AIR-CONDITIONED COASTER SERVICE

Sr.	Route Number	Route Alignment	Total Route Length	Time Taken	Headway		Fleet Size
					Peak Hour	Off Peak Hour	
1	Exp1	Y Block Beaconhouse back to Sheeba Park via W Block, Ghazi Chawk, D Block (Phase 1), F Block (Phase 1), National Hospital, N/P Block (Phase 1), M/P Block & Defence Rd., Lalak Jan Chawk, CCA (Phase 2), U Block (Phase 2), LUMS, Wateen Chawk, Degree College (Phase 5), FF Commercial (Phase 4), CC & DD Market (Phase 4), Shell Pump, Y Block Market	10.1	27 Min	10	30	5
2	Exp2	Khayaban-E-Iqbal to Sectariat via XX Market (Phase 3), XX/X Block (Phase 3), Xblock & Defence Rd., Y Block & Defence Rd., Terminal (EE), K Block (Phase 1), Masjid Chawk (H Block), C Block (Phase 1), PSO Pump, Defence Chawk, Ghora Chawk, Garrison School, Services, Garrison, Mall of Lahore, Rahat Bakery, Fortress Stadium, Lahore Gymkhana, State Guest House, Aitchison, Pearl Continental Hotel, Bagh-e-Jinnah, Chering Cross/Lahore Zoo/WAPDA/Alhamra, Hall Road, High Court/GPO, Anarkali/NCA/PU, Nasir Bagh/GCU, Sectariat	21.5	58.5 Min	10	30	12
3.1	Exp3.a (Loop Route - Anti Clockwise)	Y/X Block (DHA) to Jail Road, Ferozepur Road, and Liberty via Flora Park X Block (Phase3), Y Block Market, X/Y Block and Defence Rd., Y Block and Defence Rd., Terminal (EE Block), K Block (Phase 1), Masjid Chawk (H Block), C Block (Phase 1), PSO Pump, Defence Chawk, Ghora Chawk, Khurshid Alam Rd., Sarwar Rd., Abid Majeed Rd., Sherpao Bridge, Saddiq Trace Center, EFU, Kinnaird, Services Hospital, Shadman Chawk, Shadman Market, Fawara Chawk/Fatima Memorial Hospital, Shama Stop, Ichra, Rehman Pura, Wahdat Rd., FC College, Qadafi Stadium, Daewoo Terminal, kalma Chawk, Center Point, Liberty Roundabout, Lahore Grammar School (Boys), Ferdos Market, Cavalry Grounds Main, Ghora Chawk, Defence Chawk, Adil Hospital, A block, W Block, Beaconhouse School, Y/X Block, Flora Park	31	88 Min	10	30	9
3.2	Exp3.b (Loop Route - Clockwise)	Y/X Block (DHA)/Terminal (EE) to Liberty, Ferozpur Rd., and Jail Road via Y block & Defence Rd., X/Y Block, W Block, Beaconhouse School, B Block (Phase 1), Defence Chawk, Ghora Chawk, Cavalry Main, Ferdos Market, Center Point, Liberty Market, LGS (Boys), Kalma Chawk, Daewoo, Hameed Latif, Canal, Wahdat Rd., Rehman Pura, Ichra, Shama Stop, Fatima Memorial/Fawara Chawk, Shadman Market, Shadman Chawk/ Lahore College, APWA, Service Hospital, Race Course, Kinnaird, Land Mark/EFU, Saddiq Trade Center, Sherpao Bridge, Abid Majeed Rd., Sarwar Rd., Khursheed Alam Rd., Ghora Chawk, Defence Chawk, Adil Hospital, A Block (DHA), D Block, Masjid Chawk, Lalak Jan Chawk, S Block, Terminal (EE)	31	78 Min	10	30	9
4	Exp45	Shahdara Town to Shadman Market via Shadman Mor, Batti Chawk, Azadi Chawk, Bhati, District Courts, Anarkali, High Courts/GPO, Faisal Chawk, Queens Road, Mozang Chungi, Shama, Shadman Market	15.5	60 Min	10	30	12
Total Backup fleet							3
Total Coasters Required							50