

**HEALTH Department  
KHYBER PAKHTUNKHWA**



**EXPRESSIONS OF INTEREST**

**For**

**TRANSACTIONAL ADVISOR FOR ESTABLISHMENT OF TERTIARY CARE  
HOSPITAL IN PESHAWAR THROUGH PUBLIC PRIVATE PARTNERSHIP  
(Ref No DoH12345678)**

**HEALTH Department  
KHYBER PAKHTUNKHWA**



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<i>Name of Project</i>	<b>ESTABLISHMENT OF TERTIARY CARE HOSPITAL IN PESHAWAR THROUGH PUBLIC PRIVATE PARTNERSHIP</b>
<i>Availability of Invitation for EOI document</i>	Document can be download from <a href="http://www.healthkp.gov.pk">www.healthkp.gov.pk</a>
<i>Last Date of Submission of EOI Application</i>	<b>12 Dec 2021</b>
<i>Address of Submission of EOI Application</i>	Section Officer Genera Health Department Khyber Pakhtunkhwa <b>Judicial Complex Gate No 5 Peshawar</b> Phone No 091 9210863

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# HEALTH Department KHYBER PAKHTUNKHWA



## TERM OF REFERENCE

### Introduction:

The Government of Khyber Pakhtunkhwa has prioritized health care service delivery for the citizens of the province, and carried out numerous health sector reforms which includes the transformative sehat card plus program, the first universal health insurance program across Pakistan, revamping of Non-Teaching DHQs, strengthening of BHUs and RHCs, outsourcing of selected secondary care hospitals, etc. Through the sehat card plus program and the outsourcing of secondary care facilities, the government has co-opted the private sector for augmenting public sector health care by enhancing service delivery to the citizens of the province.

In similar vein the Government of KP would like to extend the reform agenda to tertiary care. Currently the entire KP has only 10 tertiary care public sector hospitals which leaves many areas of the province and segments of the population un attended. These Greenfield tertiary care hospitals will not only bring significant investment to the health care sector in KP, but also provide specialized services to the public across all four regions of KP. In order to attract investors to set up such hospitals, the Health Department seeks a transaction advisor that will facilitate the department by carrying out market and sector diagnostics for feasibility, conduct project preparation, devise PPP models, and undertake viability gap assessments, in order to attract experienced and qualified private partners, nationally or internationally, with the financial capacity to establish and operate a greenfield tertiary care hospital.

Philosophically, the key objective of implementing healthcare projects on public private partnership (“PPP”)basis would be to provide access to modern healthcare services to vulnerable and targeted sections of society such as economically weaker section patients/below poverty line patients (“BPL Patients”). In order to achieve the key objective set out hereinafter, the government (“Implementing Agency”) proposes to develop/implement either greenfield hospitals in various parts of the Province which may include development of hospital building and support infrastructure; installation of equipment’s; and may provide clinical services, support clinical services and facility management services (such as housekeeping, maintenance, cafeteria etc.) to inpatients and outpatients.

In this regard the Department intends to establish tertiary care hospitals evenly spread across the province. As of now and for the purpose of this EOI, a 100 kanal site has been identified near Ring Road entrance of Peshawar.

### 1. Objectives:

- i. To appoint a Consulting firm to advice on Public Private Partnership (PPP) Models for operation & management of Greenfield tertiary care hospital.
- ii. To assist in selecting an appropriate PPP Model for operation & management of Greenfield tertiary care hospital.
- iii. To assist in preparation of Request for Proposal (RFP).
- iv. Carry out market and sector diagnostics, determine viability gap, devise suitable PPP model, prepare project documentation, and seek out international and domestic investment partners with the right credentials to establish and run a tertiary care hospital.

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## 2. Scope of Project:

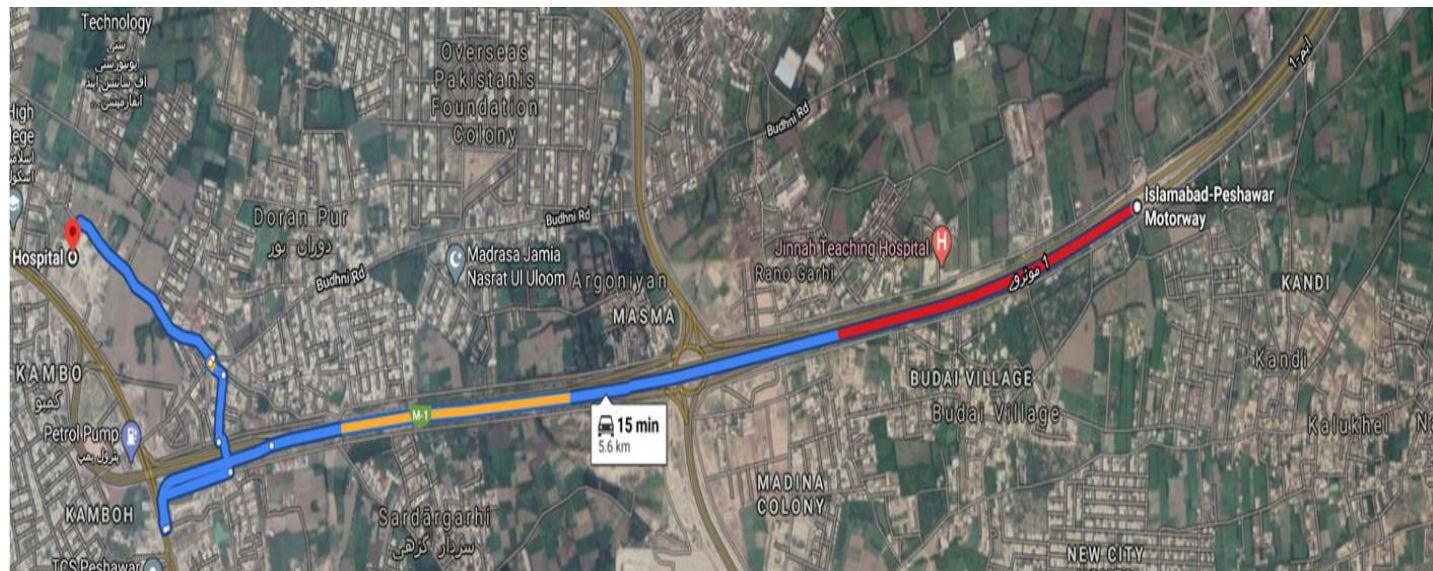
The scope of work is divided into two phases. The phases are as follows:

Phase 1: Undertake a comprehensive feasibility study for the Project.

Phase 2: Provide advisory services for the procurement of the project.

The transaction advisor needs to submit a single bid, in the formats prescribed in these terms of reference. (Reference to 'the transaction advisor' includes the entire advisory team, or relevant members, under the management of a single lead advisor who shall contract with the Department)

The output of the assignment will be a first of its kind PPP model for tertiary care hospitals. It is intended to be used as a model for future project development. Therefore, when performing the following scope of work, the transaction advisor shall provide its services in a manner propitious to replication by the Department for other projects. For the purpose of this RFP, potential tertiary care hospital on a land measuring 100 kanal 5 kms from Peshawar Motorway Toll Plaza on Ring Road Peshawar may be considered. Location of the proposed site is as follows:



- i. The firm is required to study the existing Project components and its requirements, by visiting the site.
- ii. Based on this study and analysis thereof, the firm would work out different models for operation & management of a Greenfield tertiary care Hospital/s in Public-Private Partnership Mode duly evaluating their relative merits, based on national and international best practices and thereafter suggest appropriate models and recommend the most suitable one for consideration.
- iii. The firm may conduct such study and analysis as may be necessary for meeting the objective of the proposal thereby assisting the client in taking an informed decision in selection of the most appropriate model.
- iv. The firm may also be required to organize suitable exposure to the client through field visits and organizing interactions with concerned entities.
- v. The firm will also work out financial implications based on appropriate financial modeling for each model proposed indicating clearly the contribution required from the Government with details of expenditure and revenue components.
- vi. The firm consequent upon acceptance of appropriate model, will continue to assist in further

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- processes of execution including documentations viz. preparation of RFP, conduct evaluations and required analytics for arriving at a decision in selection of operator.
- vii. While proposing the various models, will ensure that the models are compliant to various statutory requirements/norms, besides conforming to standards prescribed by the Provincial Govt. &/or Federal Govt.
  - viii. The role of the firm would be inclusive of all requirements mentioned hereinabove but is not limited to them and the firm would be expected to assist the client throughout the process till finalization of appropriate model and selection of an operator following the due process of tendering.
  - ix. The firm would continue to assist in monitoring of implementation for a period of one year after its successful commissioning and render such reports as may be required by the client.

## 2.1 PART 1: FEASIBILITY STUDY

The transaction advisor will be required to produce a comprehensive feasibility study for the Project using a public sector comparator and PPP reference models. This must enable the Department to determine:

- full project cycle costs
- affordability limits
- risks and their costs
- optimal value-for-money methods of delivery.

## PART 2: PPP PROCUREMENT

The transaction advisor will provide the necessary technical, legal and financial advisory support for the procurement of a private partner. This must be in compliance with all elements of KPPRA Act 2021 and all implementing regulations. The procurement deliverables are set out in Section 5.

### 3.1 PPP feasibility study deliverables

The transaction advisor is required to produce, in close liaison with the Department, a comprehensive feasibility study for Project. The feasibility study needs to clearly demonstrate affordability for the full project cycle and propose the optimal value-for money solution for the Department to achieve its desired outcomes.

**3.1a COMPONENTS OF THE FEASIBILITY STUDY:** The feasibility study must include the following:

Introduction including Project background and Approach and methodology to the feasibility study

Section 1 - Needs analysis, including Institution's strategic objectives, Budget, Institutional analysis, Output specifications and Scope of the project

Section 2 - Solution options analysis, including Evaluation and assessment of each option, Assessing Government role in the proposed PPP project, Developing and providing detail to the legal architecture and design of the transaction, identifying e.g. the

- (i) type of PPP contract to be used (e.g. concession, BOT or management contract)
- (ii) investment commitments to be required, their nature and management
- (iii) investment plan, how, where and when investments will be made
- (iv) type of public sector support required, including terms and conditions and
- (v) corporate structure for the investment and commercial management including nature of the SPV holding the concession, etc.

Review of risk allocation assumptions, Review of project assumptions and whether they are practically and legally viable, Assess the financial management and accounting structures proposed to identify efficiency gains available through other structural mechanisms, Assess risk management structures, Assess the financial feasibility and provide valuation of revenues according to the different options, Advise on a financial (capital)

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structure for mobilizing Finances, Assessing chosen approach to PPP and whether any aspect of that approach will conflict with available or required procurement, contracting and financing structures and finally Recommendation of a preferred option

Section 3 - Project due diligence, including Legal aspects, Land access/rights, Use rights, Regulatory matters, Approvals required, Ensuring all necessary approvals and permissions are obtained for PPP processes before commencement of tender process, in particular to allow the relevant Government entity to sign the tender documents and the PPP contract, Site enablement, Socio-economic and environmental, Initial market testing

Section 4 - Value assessment, including Technical definition of project, Discussion on costs (direct and indirect) and assumptions made on cost estimates, Discussion on revenue (if relevant) and assumptions made on revenue estimates, Proposed PPP project structure and sources of funding, Payment mechanism, Comprehensive risk matrix for all project, Recommendations on the mitigation mechanisms for each of the identified risks to be implemented by the party identified to bear that risk .

## 3.2 PRESENTATION OF THE FEASIBILITY STUDY

The feasibility study, comprising all the above deliverables, must be compiled in a single report in Word format (with relevant annexures), and delivered as both electronic and hard copy documents. All financial models must be in Excel format, and must clearly set out all assumptions made, sensitivity analyses carried out, and model outputs. The financial models must be sufficiently adaptable for use by others at later stages. The feasibility study must be presented with a thorough executive summary and must be accompanied by a PowerPoint presentation that encapsulates all the key features of the study. The executive summary and PowerPoint presentation must be compiled in such a manner that they can be used by the Department's management for decision-making purposes.

**3.3 SUBMISSION REQUIREMENTS FOR THE FEASIBILITY STUDY REPORT** If the Department decides to pursue a PPP solution for the Project, the feasibility study must be of a standard that will be accepted by relevant authorities for the purposes of the Department obtaining approval. The transaction advisor is therefore advised to be fully familiar with the requirements of the relevant authorities

## 4. PPP procurement deliverables

The transaction advisor is required to work with the Department to manage the procurement process for securing contracts with a private party. All this needs to be in accordance with the systems and standards set out for PPPs in relevant laws and regulations. The transaction advisor will then have to deliver the following:

**4.1 APPROVAL AND ADMINISTRATION OF THE BIDDING PROCESS** The transaction advisor must prepare a complete set of procurement documents, complying with public sector procurement law, policies and guidelines, and in accordance with the tendering systems of the Department..

- a) Detailed procurement plan The transaction adviser will design a complete procurement plan and process, Based on applicable procurement requirements, including
  - Advice on mechanisms to maximize competition while avoiding unrealistic bids and project vulnerability from overly aggressive bidding.
  - Reviewing information to be provided by the Government to bidders to manage liabilities.
  - Technical review, including o review of general functional/technical solutions,
  - assessment of the estimated capital and operating costs
  - review the proposals and compare them with current best practice, highlighting areas where the proposed solutions will increase risk (and therefore price) and making suggestions for changes in current proposals.
  - Designing pre-qualification and bidding procedures

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- Outlining the PPP contract (including all annexes) that implements the chosen PPP approach;
- developing and implementing a detailed financial model and developing the contract to fit the requirements of the model,

(b) Pre-qualification The transaction advisor must design and administer a pre-qualification (request for qualification (RFQ)) process with the intention of:

- ensuring that the Department's exact interest is communicated clearly to the market
- determining the extent and nature of interest in the private sector
- pre-qualifying a competitive number of competent consortia in an equitable and transparent way.

The desired result is that every pre-qualified bidder is capable of providing the facilities and services required by the Department. The transaction advisor must:

- prepare all the necessary RFQ documentation, including advertising material;
- set up and administer the process by which the Department can pre-qualify the parties, including responding to questions and interfacing with bidders; and
- help the Department evaluate and pre-qualify bidders.

As part of this process, the transaction advisor shall develop a tightly focused promotional campaign for the Project, including short press briefings, advertisement inserts to be published in international trade publications and business newspapers, followed up by the targeted marketing of the selected generation and distribution companies through organizing Road Shows and Seminars for potential investors as well as initiating direct communications with them.

- (c) Bid evaluation criteria and bid process design
- (d) A draft PPP agreement

## 5. Roles and Responsibilities of Health Department (DoH)

1. Department of Health will provide or facilitate provision of necessary data for the assessment
2. Identify sites for establishment of hospital
3. Payment for service to the transaction advisor

## 6. Roles and Responsibilities of the Transaction Advisor

1. Will be responsible for carrying out market and sector analysis
2. Will be responsible for preparing project documentation including bidding documents
3. Will be responsible for PPP model
4. Will be responsible for determining viability gap
5. Will be responsible for developing M&E tools
6. Will be responsible for attracting investors

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**7. INSTRUCTION FOR SUBMISSION OF EOI**

**APPLICATION AVAILABILITY OF INVITATION FOR  
EXPRESSION OF INTEREST**

Invitation for Expression of Interest (EOI) document can be downloaded from DGHS website (enter link [www.dghs.gov.pk](http://www.dghs.gov.pk))

**Language of EOI Application**

The EOI Application and related documents shall be submitted by Applicant in English language only.

1. The requirements for prequalification of consulting firms shall be as under:
  - I. Certificate of registration with concerned professional body from their country of origin.
  - II. Copy of registration with Security Exchange Commission of Pakistan (SECP) or Registrar of firms/relevant authority/institution.
  - III. Copy of Registration with Income Tax Department / NTN / GST .
  - IV. Audited statements of accounts for the last three (03) years
  - V. List of similar projects ( atleast 2) completed by firm or core experts/team employed by the firm during the last 10 years indicating total cost of such works and cost of consultancy services received against those works along with date of start & completion.
  - VI. List of permanent professional staff along with CVs or relevant core staff showing project wise experience with exact time duration for each project. CVs of maximum 4 core staff members who will be made responsible to plan and implement the project. Maximum size of each CV should be 4 pages.
  - VII. A certificate / affidavit that the firm is not blacklisted by any public sector organization in & outside Pakistan.
  - VIII. A certificate / affidavit that the firm has not been or involved in litigation during the last ten (10) years with any public sector organization in & outside Pakistan.



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**8. EVALUATION CRITERIA**

**Total Marks = 100**

**Qualifying Marks = 60**

S #	PARAMETERS	SUB-PARAMETERS	MARKS
<b>1</b>	<b>Legal Requirement</b>		<b>5</b>
		Most Recent Audit Report duly signed by external Auditor (from chartered accountant)	Mandatory
		Firm Must have Registration with (GST, NTN, KPRA)	Mandatory
		Sales Tax (Last 1 Year)	2
		Income tax (Last 3 years)	3
<b>2</b>	<b>Global experience of Designing PPP based tertiary care projects</b>		<b>40</b>
		1 project	5
		2 projects	5
		3 projects	10
		More than 3 projects	10
<b>3.</b>	<b>Methodology and Approach</b> (Based on TORs a maximum 5-page methodology is to be submitted by each applicant. These will be ranked on the basis of comparison amongst the technically qualified bidders)		<b>15</b>
<b>3</b>	<b>Scope of PPP healthcare projects done</b>		<b>10</b>
		Designing PPP for 200 bedded hospitals	5
		Designing PPP for larger than 200 bedded hospitals	5
<b>4</b>	<b>Relevant Experience</b>		<b>10</b>
		03 Marks per each Project/performance certificate of designing healthcare-based PPPs	
<b>5</b>	<b>Financial</b>		<b>10</b>

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Capabilities			
Turnover in Millions of Last one year (Attached Audit Report)	Rs. 500 million onwards =15 marks		
	Rs. 400 million to less than Rs. 200 million = 10 marks		
	Rs. 300 million to less than Rs. 200 million = 5 marks		
<b>6</b>	<b>Technical Staff</b>		<b>10</b>
	Corporate Financial Expert (team lead)		4
	Health sector expert		2
	Legal Expert		2
	Procurement expert		2

**9. Format and Signing of EOI Application**

- A. Applicant shall submit their EOI Application in the Forms provided in Appendix-1 and in line with the other instructions mentioned in this EOI document.
- B. EOI Application shall consist of the following document:
- I. Details of Applicant as per Form-1
  - II. Net Worth & Turnover as per Form-2
  - III. Details of Relevant Experience as per Form-3
  - IV. Project Specific Interest Form-4
  - V. JV agreement as per Form-5
  - VI. Conflict of Interest as per Form 6
- C. EOI Application shall be signed and stamped on each page initialed by a person duly authorized to sign on behalf of Applicant. The EOI Application shall be in hardbound/ spiral binding form with all pages numbered serially. In case of JV partner, the power of attorney shall be attached as per the Form-5. The JV partners will not change at the time of bidding. The allowed number of JV partner for the services will be one.

**SEALING AND MARKING OF EOI APPLICATION**

- A. EOI Application shall be submitted in a sealed envelope containing the EOI Application and the following written on the top:

**TRANSACTIONAL ADVISOR FOR ESTABLISHMENT OF TERTIARY CARE  
HOSPITAL IN PESHAWAR THROUGH PUBLIC PRIVATE PARTNERSHIP  
(Ref No DoH12345678)**

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- B. Sealed envelopes containing the EOI Application shall be addressed to:

**Section Officer General**  
**Health Department**  
**Judicial Complex Gate No**  
**5**  
**Peshawar**

- C. Envelope containing the EOI Application shall indicate the name, address and contact number of the applicant.

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**Appendix-1: Format for Submitting EOI  
Application**

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**Form – 1: Details of the Applicant**

Sr. No.	Name and Legal status of applicant	Particulars Required	Document Required
1.	Name of Applicant		
2.	Legal status of applicant (Sole Proprietorship, Private Limited or AOP)		
3.	Date of incorporation/ registration		Enclose certified copy of certificate of incorporation/ registration
4.	In case of Joint Venture, only one firm shall join as partner. Moreover, a partner firm can form JV with only one Lead Bidder in this project		Relevant Documents must be attached.
5.	The firm / partner firm (in case of JV) should be a legal entity having registered <ul style="list-style-type: none"> <li>• NTN, GST Certificate of FBR.</li> <li>• KP Revenue Authority registration for services Tax Number.</li> </ul>		Proof to be submitted in the form of valid certificates.
6.	Income Tax Returns of Lead Bidder/JV Partner (For JV, each partner should submit its Income Tax Returns Separately).		Proof to be submitted in the form of FBR generated tax returns.
<b>B</b>	<b>Contact Details of Applicant -</b>		
1.	Name and Designation of Authorized Contact Person		
2.	Postal Address		
3.	Telephone Number		
4.	Mobile No.		
5.	E-Mail		
6.	Website		
<b>C</b>	<b>Brief Description of Applicant</b>		

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<b>1.</b>	<b>Organization profile</b>	Enclose Details	Company profile must be attached.
<b>2.</b>	<b>Management Structure</b>	Enclose Details	Organogram of firm must be attached in addition to brief bios of the project staff.
<b>3.</b>	<b>Main Line of Business</b>	Enclose Details	Purchase Orders must be attached.
	<b>Status</b>	<b>Eligible/Not Eligible</b>	

**Signature of the Bidder:**

**Stamp of Bidder:**

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**From-2: Criteria of Net Worth & Turnover**

A	Turnover PKR	Required Documents
1	Annual Turn Over of lead bidder/JV Partner for any of the last two Financial Years accumulatively i.e.	To be verified from the submitted Income Tax Returns from FBR/Audit Reports
	Status	Eligible/Not Eligible

**Note:** Values should be duly certified by statutory body like Chartered Accountant or Independent Auditors who are competent to do so as recognized by the Govt.

**Signature of the Bidder:**

**Stamp of Bidder:**



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**Form-3: Relevant Experience**

(Separate sheet to be filled for each Project)

S.N	Particulars	
1	Name of Project/ Facility	
2	Date of Establishment	
3	Project Cost (In Millions)	
4	Role of Applicant Developer Owner Operator Service Provider	<i>Explain the Role of Applicant</i>
5	Years of Experience as Developer/ Owner/Operator/ Service Provider	

**Note:** - Applicant shall submit supporting documents/ evidence e.g. work order/ completion certificate/ copy of contract agreement/certifications etc. for size of the project / services offered in support of relevant experience claimed in the above Form-3.

a) Only those assignments shall be considered for which consultant has provided services as lead member (in case that work has been done by a Joint Venture).

b) Each assignment shall be supported by following details:

i) Name of Overall assignment: \_\_\_\_\_

ii) Location of Overall assignment: \_\_\_\_\_

iii) Owner's Name and Address: \_\_\_\_\_

iv) Completion (Actual/Estimated vis-a-vis Stipulated): \_\_\_\_\_

v) Description of assignment: \_\_\_\_\_

vi) Description of Services provided by the firm: \_\_\_\_\_

c) Decision of Evaluation committee in ascertaining "similar nature" and "similar assignment" will be final.

**Signature of the Bidder:**

**Stamp of Bidder:**



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**Form-4**

**Comments & Suggestion from Bidders on Terms of Reference**



# HEALTH Department KHYBER PAKHTUNKHWA

## Form-5: JV Agreement

### Power of Attorney

(To be submitted on stamp paper of worth Rs. 100 duly notarized by oath commissioner)

KNOW ALL MEN BY THESE PRESENTS that by this Power of Attorney ("Power of Attorney"), [Insert Name of JV Partner] having its registered office [address of JV Partner], does hereby nominate, appoint and authorize [Lead bidder Authorize Name] of [Lead Bidder Name] having its registered Head Office [Address of Led Bidder] hereinafter referred to as the "Attorney", to do in our name and on our behalf the following:

- I. Sign and submit to Health Foundation, of the Government of Khyber Pakhtunkhwa, or its authorized nominee the for Expression of Interest in response to the Expression of interest documents dated [Insert Last date of submission] issued by Health Foundation and all other documents and instruments required to submit the Application for expression of interest.
- II. Execute all such deeds, documents and instruments as may be considered necessary and expedient in relation to the foregoing; and
- III. Do and carry out all other actions as may be required by Health Foundation, of the Government of Khyber Pakhtunkhwa in connection with the Expression of interest process as a whole;
- IV. To immediately notify Health Foundation, of the Government of Khyber Pakhtunkhwa in writing of any impending or actual revocation as well as any change in the terms of this Power of Attorney.

We, [Insert Name of JV Partner] do hereby ratify and confirm whatsoever the Attorney shall do by virtue of these presents and further agree that whatever the Attorney shall do or cause to be done pursuant to this Power of Attorney shall be binding on [Insert Name of JV Partner]

Furthermore, each provision of this Power of Attorney is severable and distinct from the others. The invalidity, illegality or unenforceability of any one or more provisions of this Power of Attorney at any time shall not in any way affect or impair the validity, legality and enforceability of the remaining provisions hereof.

IN WITNESS WHEREOF, we have executed this POWER OF ATTORNEY as of [Insert Date]

[Insert Name of JV Partner]

By:

Designation:

NIC No.

WITNESSES:

Witness 1:

Name:

Address:

NIC No.:

Witness 2:

Name:

Address:

NIC No.:

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### Form-6: Conflict of Interest

- a. The consultant is required to provide professional, objective and impartial advice, at all times holding the Procuring Entity's interests paramount, strictly avoiding conflicts with other assignments or his/its own corporate in without any consideration for future work.
- b. The consultant shall be under obligation to disclose to the Procuring Entity any situation of actual or potential conflict that impacts its/his capacity to serve the best interest of its client/ Procuring Entity. Failure to disclose such situations may lead to the disqualification of the consultant or termination of its/his contract during execution of the assignment.
- c. Where there is any indication of conflict of interest exists or may arise, it shall be the responsibility of the Bidder to inform the PE, detailing the conflict in writing as an attachment to this Bid.
- d. A Conflict of Interest is where a firm involved in the proposal has or may be perceived to have a personal interest in ensuring that a particular Bidder is successful, Actual and potential conflicts of interest must be declared by a firm involved in a Bid process.
- e. PE shall be the final arbiter in case of potential conflict of interest, Failure to notify PE of any potential conflict of interest will invalidate any verbal or written agreement.