



**Terms of Reference (ToRs) for
Asset valuation and options analysis for the Khyber Pakhtunkhwa's tourism properties
handed over by the Pakistan Tourism Development Corporation (PTDC).**

1 Background

Tourism is a significant source of income for millions of people in Khyber Pakhtunkhwa. According to an estimate, tourism generates more than \$300 million in revenue from Galiyat, Kaghan, Naran and Kumrat alone. The Government of Khyber Pakhtunkhwa (GoKP) is taking initiatives to support tourism across Khyber Pakhtunkhwa through various policy measures and investment financing. The Department of Sports, Tourism, Archaeology, Culture and Youth Affairs (DoT), GoKP has recently taken possession of 17 properties (**Annex 1**) formerly belonging to and operated by Pakistan Tourism Development Corporation (PTDC). The properties hold significant tourism value and could be a potent source of revenue for the Government of Khyber Pakhtunkhwa. The Government of Khyber Pakhtunkhwa intends to utilize these properties as a source of non-tax revenue.

2 Objectives of the assignment:

To refurbish and operate/outsourcing the said properties in a manner which provides maximum monetary return for the GoKP while developing and providing high quality tourist facilities in KP province. To achieve this objective, DoT GoKP is seeking the services of a consultancy firm to aid this effort.

3 Scope of Services:

- a. Evaluation of market value and geo-mapping of each property.
- b. Demand survey for these properties in each location for both peak and off season, and demand for the associated services in these properties (lodging, food and beverage, front desk, housekeeping, security etc.)
- c. Financial evaluation of each property in terms of revenue generation and profits.
- d. Assess the minimum expenditure required for refurbishing, refurnishing, sanitising and equipping each property to bring it to an operational level at par with second tier properties within Pakistan including but not limited to Hotel One chain. The recommendations should



- include considerations for reduced carbon footprint, waste minimization and recycling, eco-tourism and water conservation.
- e. Suggest feasible options for outsourcing each property including but not limited to PPP, long term leasing, short term leasing.
 - f. Devise transaction structure for the contracting: rights to be given to potential private partners to rebuild a new facility or refurbish existing facility, share of government in the annual income, term of concession, responsibility to maintain/ operate the asset, payment mechanism, allocation of various risks such as demand risk, operations risk etc.
 - g. Preparation of documentation package – Request for Qualification, Request for Proposals and draft contract – for each property.
 - a. The content may include but will not be limited to:
 - i. description of scope of project;
 - ii. indication of services to be delivered by partner;
 - iii. summary of key commercial terms of the PPP contract to be entered into (if known already);
 - iv. the process of seeking and providing clarification in relation to the pre-qualification document;
 - v. pre-qualification criteria; and,
 - vi. method to submit pre-qualification documents.
 - b. Draft PPP Contract containing key commercial terms based on the findings of the feasibility study.
 - h. All reports are required to be in line with KITE Environment & Social Safeguard Framework (ESMF).

4 Deliverables

Deliverable 1: Report delineating geotagging, market value and demand survey of 17 PTDC properties

This report will contain detailed geotagged profiles of all 17 properties along with their current market value. The market value shall not be arbitrary, it must be based on current best practices of



real estate valuation or sale deeds. The report will also contain demand survey results for these properties in each location for both peak and off season, and demand for the associated services in these properties (lodging, food and beverage, front desk, housekeeping, security etc.)

Deliverable 2: Report delineating financial potential, renovation expenditure, PPP feasibility and transaction structuring of 17 PTDC properties

This report will also contain the financial potential of the properties including the suitable mode of outsourcing. This report will also contain suitable transactional models for PPP. The consultants, through this report, will indicate the minimum acceptable per annum price for each property in case of outsourcing to the private sector.

Deliverable 3: Documentation package – Request for Qualification, Request for Proposals and draft contract – for each property.

The consultants will prepare documentation package for the said properties as explained in Section 3.7.

5 Project Duration

The assignment will require approximately 60 man-days over a period of two (3) calendar months. The consultants are expected to mobilize immediately after contract signing All experts will make themselves available for the full duration of the project.

Deliverable	Duration
Deliverable 1	4 weeks after contract signing
Deliverable 2	7 weeks after contract signing
Deliverable 3	10 weeks after contract signing
Final Report & Approval	12 weeks after contract signing

6. Qualifications of the successful Consultancy Firm

The Interested consultants will be expected to demonstrate or provide explicit information/ evidence of their qualification to perform this assignment, in their profiles, in the areas covered by the project as indicated above. Firms should have a specific and proven competence and experience in design, supervision, procurement, and contract administration of tasks delineated in TORs. A firm should have experience in same business for at least seven 7 years preferably with a sound knowledge of international and domestic hospitality and tourism sectors. Should have completed



GOVERNMENT
OF KHYBER
PAKHTUNKHWA

KHYBER PAKHTUNKHWA
**INTEGRATED TOURISM
DEVELOPMENT PROJECT (KITE)**
PROJECT MANAGEMENT UNIT (DoT)

Department of Tourism, Culture, Sports, Archaeology, Museums & Youth Affairs

at least two similar assignments as lead firm in past three (3) years indicating the nature and scope of these assignments in areas covered by ToRs.

Selection Method

Selection will be made in accordance with the CQS method set out in the World Bank Procurement Regulations (Procurement in Investment Project Financing, Works, Non- Consulting and Consulting Services. July 2016 Revised November 2017 and August 2018).



Annex 1

List of PTDC Properties:

1. PTDC Motel Torkham
2. PTDC Motel Saidu Sharif
3. PTDC Motel Kalam
4. PTDC Motel Miandam
5. PTDC Motel Birmoghasht
6. PTDC Motel Mankial Jabba
7. PTDC Motel Chakdara
8. PTDC Motel Ayubia
9. PTDC Motel Bamburat
10. PTDC Motel Booni
11. PTDC Motel Chitral
12. PTDC Motel Mastuj
13. PTDC Motel Chattar Plain
14. PTDC Motel Besham
15. PTDC Motel Baran Kalay
16. PTDC Land Garam Chashma
17. PTDC Motel Balakot