



AUCTION FOR
LEASE RIGHTS TO ESTABLISH AND OPERATE COLD
STORAGE FACILITY AT ISLAMABAD INTERNATIONAL
AIRPORT

TERMS & CONDITIONS



1. PLACE OF BUSINESS

The successful bidder will be required to use the space provided for no purpose other than establishment and operation of Cold Storage Facility. COO/ Airport Manager IIAP Islamabad will specify the exact location of the plot to the successful bidder for said business.

2. BUSINESS OPERATIONS

The place of business is to remain open as per operational requirement of IIAP Islamabad.

3. ELIGIBILITY OF BIDDERS

Only duly registered and licensed companies with relevant approvals from competent authorities for cold storage or temperature-controlled warehousing operations are eligible to participate in the bidding process. The site shall be **Company-Operated**. Defaulters of PAA and Blacklisted Companies are not eligible to participate in the Auction proceedings.

4. ADVANCE TAX

The successful bidder/ lessee shall pay all the required taxes to Income Tax Department and other departments of the Federal and Provincial Government. The Lessee shall pay all the applicable taxes on the lease amount. The Lessee shall also pay stamp duty, registration charges and all applicable dues on the registration of lease deed, if any. Income Tax will be recovered from the successful bidder / lessee under section 236-A of Income Tax Ordinance 2001. However, no such income tax under section 236-A will be recovered from the successful bidder provided the successful bidder/ lessee produces exemption certificate from the Commissioner Income Tax where his tax liability is assessable.

5. REBATE AND EXTENSION OF LEASE

The lease shall be awarded for **Thirty (30) years**. After completion of 30 years, the period of lease may be extended to another term of 20 years on mutual consent basis subject to a pre-determination that the project land is not required for airport infrastructural development. The Annual Ground Rent shall be charged as described in **Clause-7** of this document. However, upon extension, Premium shall not be charged.

6. INSURANCE

The lessee shall provide appropriate insurance cover by a reputed Company whose PACRA/ JCR-VIS rating is acceptable to PAA to cater for any damage to life and / or property, which may arise due to any incident, related to the construction / maintenance/ operation / running of business at the leased land.

7. NON-EXCLUSIVE RIGHTS

The successful bidder/lessee shall have no exclusive right for running the business and PAA may allow other such activity on its land at IIAP Islamabad.

8. EARNEST MONEY

Every participant of the auction shall bring 02 copies of his / her CNIC and submit it along with earnest money in the form of Pay Order in favor of **Pakistan Airports Authority**, to the Auction Committee at the venue before the start of Auction proceedings. The earnest money deposited by the unsuccessful bidders shall be refunded within a period of **Fifteen (15) days** of confirmation of the bid.

8. ACCEPTANCE / REJECTION OF BIDS

The highest bid shall be placed before the PAA Executive Committee for approval. The same shall be accepted or rejected by the PAA Executive Committee. In case of rejection, the leasehold rights shall be put to fresh auction within 30 days or such further time as may be decided by the PAA.

9. PAYMENT SCHEDULE

9.1. PREMIUM

Premium shall be fixed with reference to land value and shall be charged at the rate of 1/3 [one third] of the land value.

Premium will be calculated as follows:

$$P = (R \times A) / 3$$

Where:

P = Premium

R = Rate of land quoted by the bidder

A = Area for Cold Storage Facility

Premium shall be paid in lump sum or in three installments as follows:

Upon Payment of Premium in Lump sum, rebate of 1% in Premium amount shall be admissible. However, annual ground rent shall be charged on the basis of original amount of Premium.

OR

1st installment at the time of award of lease.

2nd installment after six (6) months of 1st installment.

3rd installment within twelve (12) months of the 2nd installment.

9.2. ANNUAL GROUND RENT (AGR)

AGR shall be charged in advance for the period that shall commence from the date of handing over the possession of the leased land and approval of the building plan whichever is later.

AGR will be calculated as follows:

10% of the assessed premium for the 1st period of 10 years.

100% increase for the 2nd period of 10 years.

100% increase for the 3rd period of 10 years.

In case of extension of lease for another term of 20 years, AGR shall be calculated as follows:

150% increase for the 4th period of 10 years.

100% increase for the 5th period of 10 years.

10. TIMELINE FOR LEASE EXECUTION

The successful bidder shall sign the Lease with PAA within a period of **Thirty (30) days** of the confirmation of the bid.

11. TIMELINES FOR COMPLETION OF PROJECT

- a. The lessee shall submit detailed drawings (as per the requirements of the lessor) for approval to the office of the COO/ Airport Manager, IIAP Islamabad within a period of **Thirty (30) days** of physical possession of the premises.
- b. The Lessee shall start construction work at the land specified for the purpose on their own cost within the specified period of **Three Months** from the date of physical possession of land and approval of building plan (whichever is later).
- c. The Lessee shall complete the construction work and start operation within **Two years** of physical possession and approval of building plan (whichever is later) provided that upon written request the period maybe extended on reasonable justification for a term not exceeding **One year**.

12. NON UTILIZATION CHARGES

- a. If the lessee fails to start the project within the stipulated period, the lessee shall be liable to pay non utilization charges of **Rs.100/- per square yard per month** till the time of default is continued.
- b. If the lessee fails to complete the project for operation within the period provided and in the lease deed or within the extended period allowed by the Authority, the lessee shall be liable to pay non utilization charges of **Rs.300/- per square yard per month** as delay penalty for a grace period of 60 days before the notice for cancellation/ termination of lease deed and resumption of land as stipulated in the lease deed.

13. SPECIAL CONDITIONS

- a. Operation of business is subject to the necessary clearance/ certification from PAA, PCAA & other Govt. organizations (if and where applicable).
- b. The successful bidder/lessee shall start construction only after clearance and approval of the building plans/design drawings (as per the requirement of the lessor) from the office of COO/Airport Manager, IIAP Islamabad.
- c. Surcharge @ 5% shall be levied by PAA against the lessee on the amount payable to PAA, if the lessee fails to pay the Premium / AGR / utility charges or any other charges as applicable within the due date. For the outstanding dues longer than 30 days, additional surcharge @ six (06) months KIBOR + 2% of the outstanding dues per annum shall also be levied.
- d. The successful bidder/ lessee shall not mortgage, charge, or pledge the Leased Property as security for any loan, credit facility, or other financial accommodation from any financial institution during currency of the Lease Agreement.
- e. In case, it is established at any stage that any credentials, documents, No Objection Certificates (NOCs), affidavit(s), or any other information submitted by the bidder are found to be false, forged, fabricated, or misleading, the lease shall stand cancelled forthwith without any prior notice. The earnest money deposit shall be forfeited, and the bidder shall be liable to such further action as may be initiated in accordance with the applicable rules, regulations, and policies of PAA.
- f. The actual area at the time of handing over possession to the lessee shall be considered as the final area of leased premises for execution of the lease agreement.

14. GENERAL

- a. The Cold Storage Facility site shall be leased out on "as it is, where it is" basis.
- b. The lessee will not mortgage / pledge / alienate / sublease any part or portion of the leased land. However only rentals will be allowed in accordance with the purpose of the lease after approval of COO/Airport Manager IIAP Islamabad in writing.
- c. The Lessee shall use the leased premises only for the purpose of Cold Storage Facility subject to the terms and conditions, the guidelines and policies framed by PAA from time to time, and for no other purpose.
- d. The safety and security of electric poles, fittings and fixtures including cables etc., shall be ensured by the Lessee and recovery shall be made from the Lessee in case of damage or loss of property.
- e. The Lessee shall arrange at its own cost the security of the premises and inventory thereof and PAA shall not be responsible in any manner whatsoever for the security of the leased premises and the goods stored therein.
- f. The Lessee shall run the business to the complete satisfaction of PAA or any other officer authorized throughout the term of the lease.
- g. Officials or representatives of PAA may at any time monitor the quality of services offered by the lessee.

- h. The Lessee has to make his own arrangements for installation of CCTV cameras and lighting for smooth operation of the facility.
- i. Under no circumstances, the Lessee will deface or disfigure the building/ structures provided to him failing which monetary penalty will be imposed as per the terms and conditions of the tender. (No alteration or improvement in the building without prior approval of PAA).
- j. PAA reserves the right to invite other similar businesses / services at the location or its vicinity, which shall not be subject to any objection on part of the bidder / lessee in any manner.
- k. The lessee shall pay all utility charges to the Airport Manager, IIAP Islamabad including supply of electricity consumed in connection with the lessee at the prevailing rates of electricity where meters are installed or at a flat rate on load basis as decided by Airport Manager, IIAP Islamabad, where no meter is provided. These charges shall be paid monthly by the date indicated on the bill. Delayed payments shall be subject to surcharge as indicated on the bill as per Para-10(c) above in accordance with PAA Rules & Regulations.
- l. The lessee shall be entirely responsible for all electrical wiring and connections of the display equipment and shall pay for any damage caused to any person or PAA building or property as a result of their installation or for any electrical fire caused thereby.
- m. The lessee shall not make any structural addition to or alternation in the premises without prior written permission of the Airport Manager, IIAP Islamabad. If the lessee makes any addition or alteration, with prior permission of APM concerned he shall restore, at his own risk and cost, the premises to the original condition at the expiry of the lease deed, if so required by PAA.
- n. The lessee shall abide by the Civil Aviation Rules 1994 and all other applicable laws/regulations/instructions and shall also comply with all lawful orders of PAA, PCAA and the Government of Pakistan issued from time to time.
- o. All temporary/permanent structures/ fittings & fixtures required for running the lessee business shall be erected/ placed after the approval of Airport Manager, IIAP Islamabad and shall vest in PAA after expiry or termination of lease deed.
- p. If lessee defaults in the performance of his obligations described herein, deposited amount whatsoever shall be forfeited. The decision of the Airport Manager IIAP Islamabad, as to whether any breach of contract has been committed by the contractor and amount to be forfeited for such breach shall be final and binding on the lessee.

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