



# REQUEST FOR PROPOSALS (RFP)

## ENGAGEMENT OF MANDATED LEAD ARRANGER(S)/ GLOBAL COORDINATOR(S) FOR EUROBOND ISSUANCE

- Pakistan Water and Power Development Authority (WAPDA) intends to issue Euro Bond in international Capital Market. Interested financial institution(s)/bank(s) are invited to submit their proposals covering aspects set out in the detailed RFP to act as Lead Arranger(s)/Global Coordinator(s).
- Proposals (both Technical and Financial) should be furnished to WAPDA in two separate sealed envelopes no later 1430 hours PST on, October 08, 2020 at the address given below.
- Detailed RFP document can be found at [www.wapda.gov.pk](http://www.wapda.gov.pk). This advertisement is simultaneously published in newspapers, WAPDA and PPRA websites.

## MEMBER FINANCE, WAPDA

704 - WAPDA House, Shakra-e-Quaid-e-Azam  
Lahore, Pakistan.

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This notice is also available at PPRA Website: [www.ppra.org.pk](http://www.ppra.org.pk)

PID(L) Website: [www.wapda.gov.pk](http://www.wapda.gov.pk) PRD(L)/WAPDA/091(2020-21)

**DONATE FOR DIAMER BASHA & MOHMAND DAMS**

10cm x 2col.



## **REQUEST FOR PROPOSAL – ENGAEMENT OF MANDATED LEAD ARRANGER(S)/ GLOBAL COORDINATOR(S) FOR EUROBOND ISSUANCE**

### **1. Introduction**

Pakistan Water and Power Development Authority (“WAPDA” or the Authority) was established under the WAPDA Act, 1958 for the integrated development of water & power resources of the Indus Basin.

WAPDA is currently operating under the generation license granted by NEPRA (Regulator). The present installed capacity of our operational hydropower projects is 9,387MW (including 969MW Neelum Jhelum Hydropower Project, developed under an SPV structure). Besides rehabilitating and upgrading of its existing infrastructure, WAPDA is constructing a number of new mega Hydel projects like Dasu HPP (4,320MW), Diamer Basha Dam (4,500MW), Mohmand Dam HPP (800MW) etc.

WAPDA is planning to raise financing from international capital markets through issuance of Euro Bond at fairly regular intervals over the foreseeable future to meet current and future capital expenditures needs. For this purpose, services of Lead Arranger/Global Coordinator are being solicited through an open competitive bidding process. Well-reputed financial institutions having interest to act as Lead Arranger/Global Coordinator are requested to participate in the bidding process. Participating financial institutions are expected to guide, advice, manage, coordinate and execute the whole range of activities associated with such issuances.

### **2. General Requirement**

WAPDA wishes to issue a series of Euro bond initially with the benchmark size of USD 500 Million. Interested financial institutions should have wide experience in spearheading the entire Eurobond issuance process.

Following recommendations in respect of Euro Bond issuance should be provided separately along with the proposals:

- i) Tenor (5, 7, 10 or more years)
- ii) Issuance format
- iii) Timing of issuance

Provide your indicative pricing (re-offer yield and coupon), including spread versus:

- benchmark
- mid-swaps
- and Pakistan Sovereign

Elaborate on the pricing rationale and the choice of comparable.

### 3. Specific Requirements

- a) Information required for evaluation of submitted proposals.
- b) Description of how Euro Bonds are issued and list of all necessary steps, consents, approvals, registrations, rating requirements that are typically required.
- c) Provide list of relevant parties involved in the transaction i.e. trustees, registrars, paying agents, issuing brokers, book runners etc. Also provide recommendation for syndicate structure, indicating the number of banks and roles, supporting your rationale for the number of bookrunners with relevant examples.
- d) Provide list of all expected expenses tied to the transaction, item wise and including expenses to be borne on behalf of WAPDA.
- e) Facilitating WAPDA in finalizing the terms of engagement of external legal counsel and recommend at least three potential well reputed external legal counsels having prior experience of such transactions
- f) Breakdown of anticipated investor interest (geographic and type of institution), proposed marketing strategy with advice on non-deal and/or deal roadshow(s).
- g) Proposed strategy to position WAPDA's credit in order to achieve the best possible all-in pricing (including fee).
- h) Current market analysis including optimal and detailed time line for issuance.
- i) Provide a summary of the expected documentation and disclosure requirements depending on your recommended structure, including offering memorandum, transaction documents or other disclosure document requirements and recommended listing(s) for the bond
- j) Interested financial institutions will submit the proposal on **sole basis**. WAPDA will have the right but not an obligation to offer other participating bank(s) to match the most competitive offer on the basis of proposal scoring order (the scope of work and respective fee of the most competitive proposal will be distributed among the parties in a manner proposed by WAPDA and accepted by the shortlisted bank(s). Moreover, the selected bidder(s) may appoint junior bank(s)/ additional book runners with the prior consent of WAPDA. For abundant clarity, the cost of such appointments will be capped at quoted fee refer in section 4.2 sub section (i)

### 4. Evaluation Criteria

#### 4.1 Technical Proposals (65 marks)

- i) Experience in issuance of Euro Bond in the international capital markets as Lead Arranger and / or Joint-Lead Arranger. Provide league table ranking as per Bloomberg and/or Bond radar for Emerging Market Non-Investment Grade issuances covering the period of 01-Jan-2019 to 15-Sep-2020 **(20 Marks)**
  - a) Total amount in USD of Euro bond deals completed (10 Marks)
  - b) Number of Euro bond deals completed (10 Marks)

Proposals will be ranked in competitiveness order with the most competitive (i.e. highest no of deals and amounts) proposal(s) ranked as L1 and thereafter L2, L3, L4 and so on, as applicable on pro-rata basis

ii) Sales and Marketing **(20 Marks)**

- a) Sales and distribution strategy, ability to attract both conventional EM investors and other types of accounts (10 Marks) – Data should be provided in quantifiable manner
- b) Sales and distribution capability and credentials. Secondary market support (10 Marks) – Data should be provided in quantifiable manner

Describe global fixed income platform (Syndicate, Sales, Trading, Research) indicating how your bank's distribution network will add value to this transaction.

Also provide a description of your proposed investor marketing strategy, including:

- Key target markets/regions and capacity, supported by your experience on other comparable deals
- Anticipated distribution by geography and investor type
- A list of core target investors expected to show interest
- What will be your strategy around maximizing investor reach beyond core investors? Give examples where such a strategy was successful for other debut issuers and explain how WAPDA can benefit from adopting a similar approach
- Please include key credit strengths that WAPDA should leverage during the marketing process
- How would you highlight WAPDA's contribution to the economy and development of the country? How would you highlight this to investors and use it to attract additional accounts?
- What will be your strategy for minimizing execution risk before publicly announcing the transaction?

iii) Specify the amount of underwriting commitment **(10 Marks)**

Out of the total score of 10 marks, the percentage of underwriting will define the score to be assigned (proposed % of underwriting x 10)

iv) Qualification and experience of key personnel that would be engaged in issuance **(10 Marks)**

The bidder shall submit description (CVs) of available resources in terms of a dedicated experienced team along with the number of successful deals completed by each individual during last five years as well as the overall years of experience in relevant field (together with an identified team leader to act as point person)

v) Experience of working with/for the Government of Pakistan in the last three years. The bidder shall submit details of successful foreign financing transaction executed with Government of Pakistan (on sole or joint basis) **(2.5 Marks)**

Proposals will be ranked as per following details:

- Less than US\$ 500 Million – Zero Marks
- Between US\$ 501 Million to US\$ 1,500 Million – 1.5 Marks
- Above US\$ 1,500 Million – 2.5 Marks

- vi) Nature of post-issue services offered **(2.5 marks)** - Please provide the list of post issue services.

#### **4.2 Financial Proposals (35 marks)**

- i) Bond Issuance fee (in bps) - **(30 marks)**  
ii) All-in expenses (in USD), both initial and ongoing, including legal (local and external counsels of both the WAPDA and the Lead Arranger(s)/Global Coordinator), documentation, printing, distribution, listing agent fee, fiscal agent fee, rating fee, custodian fee, book building fee, roadshow expenses of the WAPDA and the Lead Arranger/Global Coordinator, out of pocket expenses and any other expenses associated with issuance. **(5 marks)**

#### **5. Evaluation of Proposals**

An Evaluation Committee comprising of representatives of the WAPDA will evaluate the Technical and Financial Proposals.

#### **6. Validity of Proposals**

Proposals must remain valid for ninety (90) days after submission and must be in English language.

#### **7. For Clarifications**

Clarifications may be requested no later than five (05) working days prior to the submission deadline. No query shall be entertained thereafter. Contact details for clarifications are:

1. Member Finance, WAPDA  
704 - WAPDA House, Shakra-e-Quaid-e-Azam  
Lahore, Pakistan.  
Telephone: +99 42 99202227/ +92 42 99202990  
Fax: +99 42 99202484  
Email: [memberfinance@wapda.gov.pk](mailto:memberfinance@wapda.gov.pk) / [gmp@wapda.gov.pk](mailto:gmp@wapda.gov.pk)
2. Team Leader, Structured Finance Cell, WAPDA  
730- WAPDA House, Shakra-e-Quaid-e-Azam  
Lahore, Pakistan.  
Telephone: +924299200442 / +924299205148

#### **8. Procedure for Submission of Proposals**

##### **8.1 Technical Proposals**

One (01) original and seven (07) copies must be submitted along with power of attorney for the authorised person(s). Every page of the original proposal must be signed and stamped and copies must be made from the signed and stamped original proposal. Technical Proposals must contain no reference to the Financial Proposal. Failure of any of these will lead to disqualification from the selection process.

## **8.2 Financial Proposals**

One (01) original and seven (07) copies must be submitted. Every page of the original proposal must be signed and stamped and copies must be made from the signed and stamped original proposal.

## **8.3 Mode of Submission**

Technical and Financial proposals should be submitted separately in two sealed envelopes clearly mentioning each with the name of the bank. Proposals submitted otherwise will not be considered for evaluation and will lead to disqualification.

## **8.4 Submission Date and Time**

You are requested to provide your detailed proposal by courier or in person in accordance with the above criteria and conditions in two sealed envelopes clearly mentioning each with the name of the bank no later than 1430 hours Pakistan Standard Time on Thursday, October 08, 2020 on the following address:

Member Finance, WAPDA  
704 - WAPDA House, Shakra-e-Quaid-e-Azam  
Lahore, Pakistan.  
Telephone: +99 42 99202227/ +92 42 99202990  
Fax: +99 42 99202484  
Email: [memberfinance@wapda.gov.pk](mailto:memberfinance@wapda.gov.pk) / [gmfp@wapda.gov.pk](mailto:gmfp@wapda.gov.pk)

## **8.5 Proposals Opening Date and Time**

Technical Proposals shall be opened on the same day at 1500 hrs in the Committee Room, 7<sup>th</sup> Floor, WAPDA House, Shakra-e-Quaid-e-Azam, Lahore. You may wish to send maximum two representatives of your institution to attend and witness the opening of proposals. Financial Proposals of only technically qualified bidders shall be opened on later stages with prior intimation of date and time.

The proposal shall be submitted keeping in view the following:

- Financial institutions who do not have a proven track record as Mandated Lead Arranger for issuance of Euro Bond on sole or joint basis will not be considered for evaluation.
- WAPDA reserves the right, at any stage, whether before or after the receipt of proposals, to modify, extend or withdraw this invitation for proposal, structure, and timeline, whether in full or in part.
- Any cost incurred in connection with the preparation and submission of proposals with any discussions and presentations in relation thereto will not be borne by WAPDA.