

Request for proposals for the provision of consultant services for pre-privatization preparation and privatization of 2 hotel complexes

Introduction

In accordance with the Presidential Decrees of the Republic of Uzbekistan PD-6167 dated February 11, 2021 and PD-6273 dated July 30, 2021, the sale of the hotels "Tashkent" and "Hyatt Regency Tashkent" (hereinafter - "Assets") is envisaged.

The State Assets Management Agency of the Republic of Uzbekistan (hereinafter - the "Seller") announces the selection of one consultant for pre-privatization preparation and privatization, as well as legal / financial analysis together with the organization of the sale of these Assets (hereinafter - the "Sale"), and the Seller has the right to decide on the Sales process.

The Sales process should be organized on the principles of openness and transparency, in accordance with the requirements of the legislation of the Republic of Uzbekistan, taking into account the industry and individual specifics of the Assets. To make an internal decision, the Seller evaluates the Assets in accordance with the legislation of the Republic of Uzbekistan.

This Request for Proposals (hereinafter - the "RfP") defines the requirements for the Consultant and the structure of his proposal. The annex to this Request also describes the required scope of work to carry out the Sale process. To provide the full range of services, Consultants can join a consortium or submit joint proposals.

Briefly about Assets

1) Hotel «Tashkent»

Address of the asset: Tashkent city, Yunusabad district;

Balance holder: The State Assets Management Agency;

Total land area: 1,1 ha;

Total area of buildings: 24 206,0 sq.m.;

The object is connected to water, electricity and heat communication networks.

2) Hotel «Hyatt Regency Tashkent»

Address of the asset: Tashkent city, Yunusabad district;

Balance holder: Khokimiyat of Tashkent city;

Total land area: 3,1 ha;

Total area of buildings: 60 113 sq.m.;

The object is connected to water, electricity and heat communication networks.

Expected structure of the proposal and requirements for consultant

The Consultant's proposal (individual applicant or Consortium) must be prepared in Russian / English and contain the following information:

a) The Consultant's vision for the organization of work with a detailed description of the proposed actions for the privatization of the Assets. Opinion on

the duration of the process in case the Consultant's recommendations and suggestions will be adequately responded to within a reasonably required time (up to 10 points);

b) Proposal fee. Taking into account that the amount of remuneration depends on the proposed sale strategy and the Seller gives preference to the proposals providing proportional remuneration for the success (success fee) of the transaction. The fixed part of the remuneration must be in the form of a single figure, regardless of the recommended method of Sale. In the case of submission of an offer at a price in a range, then the upper limit is taken to evaluate the offer. Possible additional operating expenses (for a business trip, translation, etc.) must be included in the fixed part of the cost (up to 40 points);

c) Information on the Consultant's experience in transactions with similar assets (up to 25 points);

d) Proposal for the organization of work on the implementation of the Sale from the point of view of project management. Details about the team to be involved in the proposed Transaction, with names of individuals and information on their: work experience, years of service, general transactional experience and specific transactional experience. The knowledge of Uzbek language by the team members is welcomed (up to 25 points);

e) Written statement on the availability of sufficient competence, as well as human, time, material resources to perform the assigned tasks;

f) Information on the existence of a conflict of interest. Indicate, whether the Consultant currently has a mandate for a potential transaction that could pose a conflict if involved in this Sales.

Application deadline and other information

If the Consultants are interested in providing a commercial proposal, please submit the proposal by 18-00, October 29 (Tashkent time) at the contact addresses listed below:

Shokhrukh Okhunov, Head of the Department for Coordinated Operations of the State Assets Management Agency of the Republic of Uzbekistan;

Tel.: + 998-71-259-21-87; *e-mail:* cooperation@davaktiv.uz;

Jamshid Juraev, Head of the Department for Privatization of State Assets of the State Assets Management Agency of the Republic of Uzbekistan;

Tel.: + 998-71-259-22-93; *e-mail:* privitization@davaktiv.uz.

It is expected that the work on the projects will be carried out in close cooperation with the representatives of the Consultant, if necessary, with a visit to the Assets and providing practical assistance to the teams of the Assets.

The deadline of the project and the timing of each of its stages are set by agreement with the Seller.

Disclaimer

This request is not an offer, the Seller makes no commitment to accept any offer or to enter into any contract in accordance with this RfP. Accordingly, this RfP does not imply the conclusion of an agreement by virtue of the publication of this RfP and / or receipt of applications in connection with it, or through negotiations or discussions with one or more selection participants in relation to the Project.

The materials and information contained in this document are intended to serve as a preliminary summary of only the most important aspects of the Project and as a general indication of the scope of work that can be expected from the Privatization Consultant.

Scope of work expected from the Privatization Consultant

I. Analysis of assets and the market for project services:

legal due diligence, including, but not limited to the study of issues on:

determining the ownership of trademarks, market brands and other aspects of intellectual property;

ownership of assets, limited property rights established in favor of the Asset or property of third parties, limited property rights established for the property of the Asset in favor of third parties;

claims and debts, the state of claims, as well as the measures taken to collect debts and enforce them;

situations with observance of labor and antitrust laws, regulations on environmental protection;

presentation, on the basis of a general analysis of the specification of each asset, an offer to the Seller to sell the Assets as a property complex or an operating business;

analysis of the hotel services market and prerequisites for the future vector of development of the industry in Uzbekistan and in region, the necessary conditions for the development of an organization providing hotel services;

analysis of the main reasons for failures in the privatization of these assets, factors that ensure the success of privatization and further development of the industry;

description of Assets, their market and competitive positioning;

risk analysis: identifying potential areas of concern about the asset from the investor's point of view and the most common reasons for the failure of such a Sale; providing recommendations on measures to reduce the identified risks;

recommendation on the mechanism for the privatization of Assets with a description of the sequence of actions and proposals for the text of the advertisement for the sale.

II. Consultations on the pre-sale preparation of the Assets:

proposals for increasing the investment attractiveness of the Asset, improving the corporate structure and corporate governance based on best practices and a review of comparable companies-peers during the pre-sale preparation period;

conducting a comprehensive (tax, legal, financial and environmental) analysis (due diligence) of the Asset;

recommendations on the optimal marketing strategy, preparation of marketing materials (teaser, informational memorandum, procedural letter, etc.);

providing recommendations on building public relations, answering their questions, PR strategies;

review of suitable valuation methodologies and their relevance to investors, providing advice on the value range;

attraction of other consultants within the project (if necessary) and coordination of their work.

III. Supporting the Transaction:

taking all measures aimed at the privatization of the Asset, the organization of a virtual data room (DVR);

coordination of communication with potential applicants, including answers to questions from potential buyers;

support of the Sales process with the preparation of all necessary documentation, including the draft sales contract (with preparation in Uzbek);

organization of closing and announcement of the Sale.