

VISAKHAPATNAM PORT TRUST
MECHANICAL & ELECTRICAL ENGINEERING DEPARTMENT.

Replies to queries raised by the bidders during the pre-application conference held on 14.6.2010 for the project Installation of Mechanised Fertiliser handling Facilities to EQ-7 in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis “ – Regarding.

M/s. ABG-LDA Bulk Handling Pvt. Ltd

Sl. No.	Clause in RFQ	Queries of Applicants	VPT's reply to the queries		
			Sl. No.	Item	Capital cost estimate (Rs.lakhs)
1	Clause 1.1.1	Kindly provide a detailed break-up of the estimated project cost	1	Civil Works	70.34
			2	Mechanical works	106.80
			3	Electrical works	9.25
			4	Total (1+2+3)	186.39
			5	Contingency @ 3%	5.59
			6	Total (4+5)	191.98
			7	Detailed Engineering and Supervision @ 5%	9.60
			8	Total (6+7)	20158
			9	Works Contract Tax/VAT @ 2.8%	5.64
			10	Total (8+9)	207.22
			11	Add-Miscellaneous cost @ 5% (*)	10.36
	Grand total (10+11)	217.58			

(*) Based on norms given in TAMP Guidelines dated 26.2.2008 , this includes the cost of ll other facilities required such as pollution control, fire-fighting equipment, interest during construction (IDC), up-front payment, working capital margin, miscellaneous equipment , power supply, lighting etc.

Sl. No.	Clause in RFQ	Queries of Applicants	VPT's reply to the queries
2	Clause 1.1.3	The Section states that the scope of work includes delivering part of the stored fertiliser for bagging and dispatch by the agencies engaged in the trade at their existing storage warehouses and bagging the balance part of the fertiliser using bagging plants and loading the bags into the wagons at the project facility. Kindly clarify what is the proportion which is to be sent for bagging by existing agencies and which is to be bagged by the Concessionaire.	This is at the discretion of the cargo agency and shall be decided basing on the quantity to be dispatched
3	Clause 1.1.3 (iii)	Kindly provide details of the existing agencies involved in bagging of the fertilisers and their capacity.	M/s. Indian Potash Ltd., M/s. Nagarjuna Fertilisers & Chemicals Ltd., M/s. Rashtriya Chemicals & Fertilisers , M/s. KRIBBCO, M/s. IFFCO, M/s. PPL are the major agencies involved in handling Fertilisers and their bagging capacity is about 7 rakes per day which comes to approximately 18,000 T per day.
4	Clause 1.1.3 (v)	Kindly clarify if Visakhapatnam Port will provide the power required for the facilities	At the time of project installation, power can be supplied by VPT on payment basis subject to availability. For regular operation of the project, it is the responsibilities of the bidder to get from A.P. Transco.

C.E. Department

5	Clause 1.1.3 (vii)	Kindly explain what is meant by installation of environmental protection works	All those works required to be in place of to ensure the Environmental Protections in compliance with the environmental laws in force/ statutory requirements.
6		Please provide a detailed map of the proposed location.	The proposed location details sketch enclosed herewith in Annexure-1A & Annexure-1B

7		Kindly clarify if all the fertilisers at Visakhapatnam Port will be handled exclusively at the berth EQ-7 when the project becomes operational	At VPT the berths on the EQ are multi purpose in nature and fertilisers can be handled at any of the berths.
8		Please provide a list of companies who are currently importing fertilisers through Visakhapatnam Port and their volumes	M/s. Indian Potash Ltd., M/s. Nagarjuna Fertilisers & Chemicals Ltd., M/s. Rashtriya Chemicals & Fertilisers , M/s. KRIBBCO, M/s. IFFCO, M/s. PPL are the major agencies involved in handling Fertilisers and their bagging capacity is about 7 rakes per day which comes to approximately 18,000 T per day.

M/s IL&FS Maritime C.M.E. DEPARTMENT

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries
9	Section 1 Introduction Para 1.1.1	Indicative Project cost	It has been mentioned that the Indicative Project cost is Rs.2175.80 million. It is requested that a detailed break-up of the indicative project cost may kindly be provided	Please see in the Sl.No.1
10	Section 1 Introduction Para 1.1.1	Environmental Clearance	Request you to kindly provide the status of the various statutory clearances required for the Project such as Environmental Clearance, TAMP notification	1) TAMP notification is obtained. 2) Ministry's clearance is obtained. 3) Environmental clearance exists.
11	Section 1 Introduction Para 1.3	Schedule of Bidding Process	It is requested that the Application Due date be extended by adequate time (at least 4 weeks) from the date of issuance of reply to queries/ amendments by the Visakhapatnam Port Trust to enable the application to arrange the various data/information and certificates in the desired formats.	May not be considered. However, if any charge in due date shall be placed in VPT's web site.
12	Section 2: Instructions to Applicants Para 2./2.1(d)	Advisors of applicant	It may be noted that the Applicant shall be liable for disqualification if the Authority's Legal, Financial and Technical Advisors in relation to the Project are engaged by the Applicant. Therefore, it is requested that the names of the advisors engaged by the Authority for the Project may kindly be provided.	As per the guidelines given in RFQ.

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries
13	Section 2: Instructions to Applicants Para 2.2.9 and Annexure IV	Associate	<p>Refer Para 2.2.9 of the RFQ documents issued for the project. As per this para, the definition means "in relation to the Applicant/ Consortium Member, <u>a Person who controls, is controlled by or is under the common control with such Applicant/Consortium Member (the Associate).</u> As used in this a company or corporation, the ownership, directly or indirectly, of more than 50% of the voting shares of such person....."</p> <p>As per this definition, the Associate of the Applicant/ Consortium Member can "control" the applicant/Consortium Member in the event it has the ownership, directly or indirectly, of more than 50%ofthe voting shares the Applicant/ Consortium Member</p> <p>However, as per the format of the Certificate from Statutory Auditor / Company Secretery regarding Associate in annex IV of Appendix I, there is no provision for certifying in the event the Associate "controls by" by the Applicant/ Consortiums Member by seeking details of the equity holding of the Associate held by the Applicant/ Consortiums Member</p> <p>It is requested that flexibility be provided in the formal to considers all there provisions of the definition of the terms "Associate".</p>	<p>Guidelines given in the document prevails. No changes / revision are entertained.</p>

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries
14	Section 2: Instruction to applicants, Par 2.2.10(d)	Pre-qualification requirements for a consortium	<p>It has been mentioned that “each member of the Consortium should substantially satisfy the pre-qualification requirements to the extent specified herein”</p> <p>It is our understanding that the pre-qualification requirement referred in this para pertains to the conditions specified in Para 2.2.1 and not the technical and financial capabilities. Please confirm.</p>	It is clarified that evaluation of applicants in terms of technical capacity and financial capacity shall be done as per clause 2.2.2. of RFQ document . As regards Clause 2.2.10(d) the requirements need to be satisfied only to the extent they are specified in the RFQ
15	Section 2: Instructions to Applicants Para 2.12.2 and para 2.12.3.	Format and signing of Application	<p>It is our understanding that the Soft copy of the Application shall include the Appendix I to IV and Annex I to V. The Annual Reports and Memorandum and Articles of Association of the applicants are not required in the Soft Copy.</p> <p>And we also understand that in case of any printed and published documents, only the cover page shall be initialled in blue ink. Please confirm.</p>	The requirements need to be satisfied only to the extent that are specified in RFQ.
16	Section 2: Instructions to Applicants Para 2.17.8	Aggregate Experience Score	<p>It has been mentioned that in the event, that the Authority rejects the Applicant's claim for an Eligible Project as incorrect and erroneous the same shall be excluded from computation of Eligible Score.</p> <p>However, it has been mentioned that the Authority while computing the aggregate Experience Score of the Applicant, “make other deduction equivalent to the claim rejected”</p> <p>Please clarify if double deduction of the claim considered as incorrect/erroneous to be undertaken by the Authority. It may be noted that the understanding of the provisions of the eligible projects and the RFQ conditions may to some occasion by the Applicant and the Authority may differ. In such a case, if an error is received by the Authority, double deduction of the same should not be undertaken</p>	At the time of evaluation of the bids such case will be taken and shall be evaluated as per the norms /guidelines. However, provision of clause 2.7.2 and 2.7.3 shall be exercised only when the information is found to be patent/false or amounting to a material representation.

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries
17	Section 2: Instructions to Applicants Para 2.19.1	Test of responsiveness	It is our understanding that the Applicants who have downloaded RFQ form Visakhapatnam Port Trust Website, should submit a attested copy of the Demand Draft along with its Application at the time of submission. Please confirm.	Yes
18	Section 3: Criteria for evaluation, Para 3.2.1	Technical Capacity for the purpose of evaluation	Please clarify if off-shore Transshipment Terminals shippers and Lighter age Operations are considered eligible under Port Section since these directly involve cargo handling that is more relevant for the Project that CD/CFS	As per the Clause No.3.2.1 your option is not to be considered.
19		Site Visit	It is requested that a site visit may kindly be arranged along with the pre-application conference to enable the Applicants to familiarise themselves with the Project site.	Yes
20			Request you to please clarify if any entity currently involved in any Projects at Visakhapatnam Port (Either directly or indirectly, including as a Management Contractor, through any of its associate company, (ies), registered in India or abroad, through any company in which that entity is a shareholder or any Parent/Holding/Associate/Subsidiary companies/acquired/amalgamated/merged/Inter connect undertakings or any other undertaking directly or indirectly connected with it), is restricted by Visakhapatnam Port Trust to bid for this Project.	So far not finalised

T.M. Department

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries
21	Section 1 Introduction Para 1.1.3	Existing facilities and Traffic Projection	It is requested that the details of present fertiliser handling facilities at Visakhapatnam Port with their respective capacities be provided. Also request you to provide the cargo projections of the proposed project	At VPT the berths on the EQ are multi purpose in nature and fertilisers can be handled at any of the berths The Cranes capacity at the berths are ranging from 10 T to 20T. the available draft at present is ranging from 10.06 to 11.0 mtrs, and the cargo projection is about 3MT per annum,

F.A. & C.A.O. DEPARTMENT

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries
22	Section 2: Instructions to Applicants Para 2.2.3	O&M Experience	<p>It may be noted that most of the major Ports/Terminals across the globe have been commissioned decades ago. Subsequently, the Concessionaire/ Port Company made significant capital investments in the Port/Terminal for the augmentation/ Modernization of the facility. Therefore, it is requested that</p> <p>(i) As per clause no 3.2.3(c) the capacity cost of the Project to be considered for the evaluation should be the cost as on commissioning plus the capital investment made subsequent to commissioning of the Project</p> <p>(ii) Similarly, as per clause no 2.2.3 the aggregate capital cost to the Eligible Project should to the Capital Cost of the Project plus the aggregate capital investment made in the Project subsequent to commissioning of the Project</p>	The firm has to follow strictly guidelines given in the 2.2.3 without any deviation. Since this is a common clause for all bidders.

			(iii) Further, since the Projects may have been commissioned decades ago, the current Statutory Auditors are not willing to certify the project Cost as on date of commissioning. Therefore, it is requested that the Project Cost duly certified by the management/ CFO or accepted or an alternate acceptable certification suggested.	
23	Section 2: Instructions to Applicants Para 2.2.3	O&M Experience	<p>It is our understanding that the O&M Member/Entity/Party is not required to have a shareholding of 26% equity in company owning the project for the purpose of claiming O&M experience. Request your confirmation</p> <p>It may be noted that many O&M entities may have the requisite experience in terms of total number of years and aggregate Project Cost. However, such entities need not necessarily hold equity share of 26% in the Company owning the project.</p> <p>For example, an O&M operator has been providing O&M services to various Port/Terminals with an aggregate Project Cost of more than Rs 2175.80 million for more than 5 years. However, does not have 26% equity in the Project Company. Since the operator evidently has the requisite experience in operations and maintenance of a Port/Terminal, ownership of equity does not contribute towards any operational experience.</p>	<p>O&M experience of associate company of the applicant can be considered only if an undertaking as Stated in the Clause No. 2.2.3. is given.</p> <p>It is clarified that the undertaking shall be submitted by the Applicants along with the RFQ. However, it is not mandatory to disclose the name of the entity at this stage. There is no prescribed format for this undertaking. The Applicants may adopt a suitable format.</p>

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries								
24	Section 2: Instructions to Applicants Para 2.2.3	O&M Experience	<p>It has been mentioned that "The Applicant shall, in the case of a Consortium, include a member, having at least 10% equity participation in the SPV, who has experience of five years or more in operation and maintenance (O&M) of Category I Projects specified in Clause 3.2.1, with an aggregate capital cost equal to the Estimate Project cost."</p> <p>It is our understanding that the O&M membr should have 5 years of experience as at the time of submission of the RFQ and if in the absence of the Consortium having a membr with the above mentioned experience, the Consortium can submit (O&M) agreement with an entity having equivalent experience for a period of at least 5 (five) years from the date of commercial operation of the project</p> <p>Please clarify</p>	Same as in above.								
25	Section 2: Instructions to Applicants Para 2.2.4	Certificates form Statutory Auditors	Please confirm if the certified true copy of the original certificate from statutory auditor or client as required by the conditions of the RFQ will be acceptable.	Yes								
26	Section 3: Criteria for Evaluation, Para 3.2.3.(b)	Technical capacity for the purpose of evaluation	<p>It is our understanding that entity claiming experience should have held, in the company owning the Eligible Project, minimum 26% equity during any of the last five years. The experience of only those years during which then equity holding was more than 26% shall be considered for evaluation</p> <p>e.g: Applicant held the following equity for in the company owing the Eligible Project</p> <table border="1" data-bbox="674 1219 1507 1359"> <thead> <tr> <th>Year</th> <th>Equity in Project Company</th> </tr> </thead> <tbody> <tr> <td>2008-09</td> <td>10%</td> </tr> <tr> <td>2007-08</td> <td>25%</td> </tr> <tr> <td>2006-07</td> <td>49%</td> </tr> </tbody> </table>	Year	Equity in Project Company	2008-09	10%	2007-08	25%	2006-07	49%	As per the clause No.3.2.3.(b) a minimum of 26% equity during the entire year for which eligible . experience being claimed, during last 5 financial years proceeding the application due date.
Year	Equity in Project Company											
2008-09	10%											
2007-08	25%											
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			<table border="1"> <tr> <td>2005-06</td> <td>49%</td> </tr> <tr> <td>2004-05</td> <td>49%</td> </tr> </table> <p>It is our understanding that the Applicant can claim the experience of the financial years 2004-05, 2005-06 and 2006-07 (only those years in which it should have at least 26% equity in the Project Company owning the Eligible Project)</p> <p>Please Confirm</p>	2005-06	49%	2004-05	49%	
2005-06	49%							
2004-05	49%							
27		Conversion rate	For exchange rate of currencies that re not mentioned in the International Monetary Fund Website, can the exchange rate for the same be referred from the Bloomberg website. Please confirm.	The NIT condition stands valid.				
28	Appendix-I Annex-II. Explanatory clause \$\$	Date for Conversion rate	<p>In the event change in last date for submission of application, the date for conversion rate will also change.</p> <p>It is requested that the Authority provide a single firm date for considering conversion rate, so that it does not alter with extension of the Application Date.</p>	<p>Yes</p> <p>It is not possible to provide single firm date.</p>				
29	Appendix-II and Appendix-III	Common Seal	<p>In the “Notes” to the Appendices it has been mentioned that mode of execution of the Power Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and <u>when it so required</u> that same should be under the common seal affixed in accordance with the required procedure”</p> <p>Please clarify, that affixing of common seal is not compulsory and needs to be affixed only if it ism necessary as per the charter documents of the executant(s)</p>	Should be under the common seal affixed in accordance with the required procedure.				
30	Annex-II Financial Capacity of the Applicant	Net cash accruals	Please confirm if statutory Auditors Certificates for Net Cash Account for the past five years are also required to be submitted.	Yes				

Sl. No.	Clause in RFQ	Contents of the Clause	Queries of Applicants	VPT's reply to the queries
31	Appendix IV Joint Bidding Agreement, para 6.6 and instructions to Applicant, Paras 2.2.2. and 2.2.3.	Equity share of O&M Member	<p>As per para 6.6. of the Joint Bidding Agreement and para 2.2.3. of Instructions to Applicant, it has been mentioned that the O&M Member shall subscribe and hold at least 10% of the subscribed and paid-up equity shares in the SPV.</p> <p>(i) As per Para 2.2.2. the technical capacity of only these Members who have at least 26% equity in the SPV shall be considered for evaluation. Please clarify if for an O&M Member, 10% equity rather than 26% shall be enough for considering its technical capability.</p> <p>(ii) As per Para 2.2.3, in the event an Applicant does not have the requisite O&M, experience, the Applicant can furnish an undertaking to enter into an agreement for a period of 5 years, entrusting its O&M obligations to an entity having the requisite experience. In such a case, para 6.6. of the Joint Bidding Agreement becomes invalid.</p> <p>(iii) Therefore, it is requested that the condition as per para 6.6 may be allowed to omitted in case the Applicant is submitting and undertaking.</p>	<p>There is no provision in the document to consider. This kind of adjustment, However, bidder has to satisfy in the Clause No. 2.2.2. & 2.2.3. independently.</p> <p>6.6. of Appendix –IV cannot be omitted.</p>