

VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

Name of work : Development of EQ-1 Berth by replacing the existing EQ-1 berth and part of EQ-2 berth in Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis

S.No	Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
1.	1.1.1	Indicative Project Cost for the project is Rs. 265.52 crore. Kindly advice how updated it is and provide us detailed break up of Indicative Project Cost ?	The indicative project cost is as per current rates as on Dec' 2009. Break up details will be furnished along with RFP.
2.	1.1.1	What are the assumptions for calculating the terminal capacity to 5.95 MTPA? Kindly share them.	The capacity has been reassessed to 6.4MTPA. As per the upfront tariff guidelines the Quay capacity is assessed as 6.4 MTPA and yard capacity was assessed as 5.95MTPA. The lower of above two ie., 5.95MTPA has been considered.
3.	1.1.3	Proposed berth is envisaged for Steam coal. Will private developer be allowed to handle other cargo?	The private developer will not be allowed to handle other cargoes other than steam coal
4.	1.1.3	How much existing draught is available at the proposed berth EQ-1?	To be dredged from the existing GL of about + 3.50 m CD
5.	1.1.3	Who shall be responsible for providing utilities such as water supply, electricity etc., for the project?	As per the provisions of RFP
6.	1.1.3	What is the scope of work for railway and road facilities in the hand of private developer	Railways and road facilities as required within the area earmarked for the project shall be developed by the concessionaire.
7.	1.1.3	How much total area has been earmarked by the Authority for the project? And how much is to be reclaimed?	a) 25 Acres b) None

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8.	1.1.3	<p>What will be the scope of the capital and maintenance dredging for the private Authority. We request you to please arrange to provide following report / studies so as to enable us to take informed decision :</p> <ol style="list-style-type: none"> 1. Bathymetry Survey 2. Soil Investigation Report 3. Site Plan 4. Techno-Economic Feasibility Report 5. Any other relevant maps / plans 	To be provided along with the RFP documents
9.		Has the project got Environmental Clearance & CCEA Clearance? It not then, it is whose responsibility?	As regards the Environmental clearance, Prior Environmental clearance from MoEF, New Delhi is being obtained by the Concessioning Authority and the same will be made available to the concessionaire. With respect to the CCEA (Cabinet Committee for Economic Affairs) clearance obtaining the same shall be the responsibility of the Concessioning Authority.
10.	3.2.3(d)	We are collecting the revenues from the sale of electricity under long term Power Purchase Agreement from one of our Power Project. Please confirm if such revenues can be considered under this clause.	Provisions vide cl. 3.2.3(d) of RFQ shall hold good, and accordingly it is to clarify that the sale of power will not be considered as part of revenue.
11	Section1: 1.1.1 page2 Indicative Project Cost	It has been mentioned that indicative Project Cost for the project is Rs. 2655.2 million. It is requested that a detailed break up of the indicative project cost may kindly be provided	Please refer to query at item No. 1 above.

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12	Section1: 1.1.3 page2 Cargo Projection	Request you to kindly provide the details of the cargo projections of the proposed project Further it is requested that kindly provide the details of the cargo currently being handled at existing berth.	As per Chapter – 3 of TEFRR, w.r.t the details of cargo projections, the details of steam coal handled during the year 2008-09 at existing berths is furnished below: (in lakh tonnes) <table border="1" data-bbox="1360 472 1822 824"> <thead> <tr> <th>Berth</th> <th>Steam coal (imports)</th> </tr> </thead> <tbody> <tr> <td>EQ-8</td> <td>1.14*</td> </tr> <tr> <td>EQ-9</td> <td>3.27</td> </tr> <tr> <td>WQ-1</td> <td>2.45</td> </tr> <tr> <td>WQ-2</td> <td>2.01</td> </tr> <tr> <td>WQ-3</td> <td>2.94</td> </tr> <tr> <td>WQ-4</td> <td>1.78</td> </tr> <tr> <td>WQ-5</td> <td>0.64</td> </tr> <tr> <td>GCB</td> <td>4.79</td> </tr> </tbody> </table>	Berth	Steam coal (imports)	EQ-8	1.14*	EQ-9	3.27	WQ-1	2.45	WQ-2	2.01	WQ-3	2.94	WQ-4	1.78	WQ-5	0.64	GCB	4.79
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13	Section1: 1.1.3 page2 Cargo to be handled at the Project	Request you to kindly clarify if the terminal will be designated for the export of thermal coal only at the concessionaire will be permitted to import/export of similar commodities also	Please refer to query at Item No.3 above.																		
14	Section1: 1.1.3 page2 Environmental Clearance	Request you to kindly provide the status of the environmental clearance for the project	Please refer to query at item No. 8 above.																		
15	Section1: 1.1.3 page2 TAMP Notification	Request you to kindly provide the status of notification of tariff by TAMP for the project	Upfront tariff proposal has been submitted to TAMP and is under examination by TAMP.																		

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16	Section 1: 1.3 page 8 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 desired formats.	Already extended up to 25.01.10 vide corrigendum No. 1 dt. 29.12.09 and the same is hosted in web site.
17	Section 2 : 2.2.1(d),page 11 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 any advisors engaged by the Authority may kindly be provided Further it is requested that the copy of the technical report, if any prepared by the advisors /consultants may kindly be provided	It is to inform that VPT entrusted the Transaction Advisory services / Techno Economic Feasibility to M/s RITES. Please refer to reply at query No.1
18	Section 2 : 2.2.3,page 13 Instructions to Applicants	It may be noted that most of the major ports/Terminals across the globe have been commissioned decade 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 As per clause no 3.2.3(c) the capital 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 or an escalation on the project cost post commissioning may kindly be permitted	A reference is invited to Cl. 3.2.3(c), wherein it was stated that the capital cost of the project should be more than Rs. 56.86 crores and the same is relevant for Cl.2.2.3. In this connection, no escalation will be considered to the cost of the project.

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19	Section 2 : 2.2.3,page 13 O & M Experience	<p>It is our understanding that for the purpose of eligible experience of O&M member/Entity//party. The entity is not required to hold ashare holding of 26% equity in company owing the eligible project for the purpose of claiming O&M Experience. Request your confirmation.</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 Rs2843 million for more than 5 years. How ever, does not have 26% equity in the project company.</p> <p>We under stand that such an O&M operator is eligible for an O&M Experience</p>	Provisions made vide cl. 2.2.3 shall hold good.
20	Section 2 : 2.2.3,page 13 O & M Experience	<p>In the event the O&M entity has acquired a port/terminal much latter than the actual date of commissioning of the project. Please clarify what is the "Capital cost" of the project to be considered For example, the terminal was constructed by the Government in 1965 and the O&M operator/ Entity acquired the project in 2000 on ppp basis and subsequently invested significantly in the projects for its capacity augmentation</p>	With reference to the clarification it is to state that if the PPP Operator has invested any amount in acquisition of an existing project and subsequently invested significantly for its capacity augmentation, is to be considered as capital cost for the PPP Operator. However, if no cost of acquisition is involved, only the investment made for its capacity augmentation will be considered as capital cost.
21	Section 2 : 2.2.3,page 13 O & M Experience	<p>It may kindly be clarified if the O&M Experience is required for continuous period of 5 years experience from a single project or an aggregate Experience in number of years from multiple projects shall also be considered eligible</p>	Provisions made vide cl. 2.2.3 hold good

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22	<p>Section 2 : 2.2.3 page13 O & M Experience</p>	<p>It has been mentioned that "The applicant shall in the case of consortium include a member, having at least 10% equity participation in the project company/SPV, who has experience of five years or more in operator" and maintenance(O&M) of category I projects specified in clause 3.2.1, with an aggregate capital cost not less than Rs.2655.2 million"</p> <p>It is our understanding that in the absence of the consortium having a member with the above mentioned experience. Consortium can submit an undertaking that consortium shall enter in to an operation & maintenance(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>	<p>Yes, as mentioned vide Cl. 2.2.3 of RFQ</p>
23	<p>Section 2: 2.2.4 Page 13 Certificates from Statutory</p>	<p>Please confirm if the certified true copy of the original certificate from statutory auditor client as required by the conditions of the RFQ will be acceptable.</p>	<p>A reference is invited to the footnote at page 13 under \$ mark which is self-explanatory and according to which if the certified audited annual financial statement containing explicitly the requisite details are provided, a separate certification by statutory auditors would not be necessary.</p>
24	<p>Section 2 : 2.2.10(d),page18 Pre-qualification requirements for a Consortium</p>	<p>It has been mentioned that "each member of the Consortium should substantially satisfy the pre-qualifications 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>	<p>The pre-qualifications criteria indicated under 2.2.1 and 2.2.2 is equally applicable to the consortium member also.</p>

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25	Section 2: 2.12.2 Page 25 Format and Signing of Application	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. Please confirm.	The instructions as mentioned at para 2.12.2 shall be followed which are as per the guidelines of the Ministry, including furnishing soft copies of whatever documents are furnished in hard copy.
26	Section 2: 2.17.8 Page 28 Aggregate Experience Score	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 the computations of Eligible Score. However, it has also been mentioned that the Authority while computing the aggregate Experience Score of the Applicant, "make further deduction equivalent to the claim rejected". Please clarify, if double deduction of the claim considered as incorrect / erroneous be undertaken by the Authority. It may be noted that the understanding of the provisions of the eligible projects and the RFQ conditions may at some occasion by the Applicant and the Authority may differ. In such a case, if an error is perceived by the Authority, double deduction of the score should not be undertaken.	Provisions made vide cl. 2.17.8 hold good.
27	Section 2: 2.19.1 Page 29 Tests of Responsiveness	It is our understanding that the Applicant who have downloaded RFQ from Visakhapatnam Port Trust Website, can submit the Demand Draft along with its Application at the time of submission. Please confirm.	Yes, as mentioned vide Cl. 2.19.1 of RFQ
28	Section 3: 3.2.1 Page 33 Technical Capacity for the purpose of evaluation	Please clarify if off-shore Transshipment Terminals / Transshippers and Lighterage Operations are considered eligible under Port Sector since these directly involved cargo handling	Provisions made vide cl. 3.2.1 hold good.

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29	<p>Section 3: 3.2.3 (b) Page 34 Technical Capacity for the purpose of evaluation</p>	<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 the equity holding was more than 26% shall be considered for evaluation.</p> <p>e.g. Applicant held the following equity for in the company owning the Eligible Project</p> <table border="1" data-bbox="541 472 1249 721"> <thead> <tr> <th data-bbox="541 472 898 542">Year</th> <th data-bbox="898 472 1249 542">Equity in Project Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="541 542 898 574">2008-09</td> <td data-bbox="898 542 1249 574">10%</td> </tr> <tr> <td data-bbox="541 574 898 607">2007-08</td> <td data-bbox="898 574 1249 607">25%</td> </tr> <tr> <td data-bbox="541 607 898 639">2006-07</td> <td data-bbox="898 607 1249 639">49%</td> </tr> <tr> <td data-bbox="541 639 898 672">2005-06</td> <td data-bbox="898 639 1249 672">49%</td> </tr> <tr> <td data-bbox="541 672 898 704">2004-05</td> <td data-bbox="898 672 1249 704">49%</td> </tr> </tbody> </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 atleast 26% equity in the Project Company owning the Eligible Project Please confirm.</p>	Year	Equity in Project Company	2008-09	10%	2007-08	25%	2006-07	49%	2005-06	49%	2004-05	49%	<p>Yes, as per the Cl. 3.2.3 (b) of RFQ</p>
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30	Conversion Rate	For exchange rate of currencies that are not mentioned in the International Monetary Fund website, can the exchange rate for the same be referred from the Bloomberg website. Please confirm.	The exchange rate of currencies if not mentioned in the IMF, the same may be referred to the exchange rate being published by the State Bank of India.
31	Appendix I, Annex II, Explanatory Clause \$\$ Date for conversion Rate	In the event change in last date for submission of Application, the date for conversion rate will also change 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.	Appendix 1, Annexure 2, Explanatory clause: In the event of change in the last date for submission of application, the date for conversion rate will also change to the extent of period that is considered for submission of application.
32	Appendix II and Appendix III Common Seal	In the "Notes" to the Appendices it has been mentioned that mode of execution of the Power of 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". Please clarify, that affixing of common seal is not compulsory and needs to be affixed only if it is necessary as per the charter documents of the executant(s).	Yes, as mentioned vide Appendix II and III of RFQ.
33	Annex III: Financial Capacity of the Applicant Net Cash Accruals	Please confirm if Statutory Auditors Certificates for Net Cash Accruals for the past five years are also required to be submitted.	Annexure 3: The certification from statutory auditor is required to be submitted.

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34	Appendix IV: Joint Bidding Agreement Para 6.6, Page 68 and Instructions to Applicant, para 2.2.2 and 2.2.3, page 12 and 13 Equity share of O&M Memeber	<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>a. As per para 2.2.2, the technical capacity of only those 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>b. 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>c. Therefore, it is requested that the condition as per para 6.6 may be allowed to omitted in case the Applicant is submitting an undertaking</p>	Please refer to reply at query No. 22 above.
35	Site Visit	It is requested that a site visit may kindly be arranged along with the Pre-application conference to enable the Applicants to familiarize themselves with the Project Site.	Yes, the bidder is permitted to have a site visit based on his prior request.
36		Keeping in view of the viability of the project we intend to handle both Import and Export cargoes and use it as a multipurpose Berth.	Please refer to reply to query no.3 above.

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37		Equipment, as required and to suit the cargoes to be handled by us, shall be installed.	The equipment proposed in TEFR is indicative only. However, the concessionaire may install suitable equipment duly keeping in view the performance standards as envisaged with the approval of Concessioneing Authority.
38		Kindly furnish the detailed drawing of the proposed berth and the back up area of 25 Acres	Please refer to the reply at query No. 1 above.
39		Please confirm that one full rake can be placed in the proposed back up area	Yes.
40		Kindly advice on the location / area, to where the debris has to be shifted.	At a distance of about 23 km. in the outskirts of the city, at Kapuluppada, as earmarked by GVMC.