

**VISAKHAPATNAM PORT TRUST
MECHANICAL ENGINEERING DEPARTMENT**

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Replies to queries raised by the bidders during the Pre-application Conference held on 16-12-2008 for the project “Installation of Mechanised Fertilizer Handling Facilities at EQ7 in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) Basis”-regarding.

Sl. No	Clause in RFQ	Queries of Applicants	VPT’s reply to the queries
1	General	The title of the project should be changed as “Installation of Mechanised Fertiliser handling facilities at EQ7 in the Inner Harbour of Visakhapatnam Port on BOT basis” as tax benefits are available to Port projects when implemented on BOT basis.	The project title has been finalized as per the Ministry guidelines of the model RFQ document and hence the same cannot be changed.
2	TEFR	Please furnish the names of Companies/ Firms who are importing fertilisers through Visakhapatnam Port (VPT).The quantity imported by these Companies during 2006-2007 may please be furnished.	Traffic analysis and forecast carried out by VPT is available in Sec. 2 of Techno Economic Feasibility Report (TEFR), which can be perused in the CME’s office on any working day. However applicants are advised to do their own traffic analysis and forecast.
3	General	It is expected that the VPT would ensure full availability of power for the facilities. This may please be confirmed.	The firms have to make their own arrangements to get power supply from AP Transco for the subject project without disturbing the operations of VPT.
4	General	What is the existing Port Tariff for unloading of fertilizer at the Inner Harbour of VPT?	The existing port tariff for unloading of fertilizers at Inner Harbour of VPT is available in the official website of VPT, www.vizagport.com . under Scale of Rates. However the tariff to be charged by the Concessionaire will be indicated at the RFP stage after getting approval of TAMP.
5	TEFR	It is presumed that after installation of the mechanized Fertiliser Handling facility,all imports of fertiliser through VPT would be only at EQ7 of Inner Harbour.	The project is for handling Urea, DAP, MOP and Ammonium Nitrate as identified in Sec. 5.3 of TEFR which can be perused in the CME’s office on any working day. However the other types of fertilizers that are being handled by VPT will continue to be handled in other berths of Inner harbour details of which will be further elaborated in the Concession Agreement.
6	TEFR	Kindly specify the product name-DAP,Urea,NPK,MOP,ets.,.We require bulk density of the material,moisture content and flow of the material.	All finished fertilizers as identified in table 2.2 of TEFR are handled in VPT which can be perused in the CME’s office on any working day. The characteristics of the fertilizers are to be obtained from the Manufacturers / Importer only.

7	Cl.1.1.3	We intend to offer our bid partially for supply of conveying equipments, fertiliser bagging, stitching and take away conveyors for wagon loading system.	The project is to be executed as per the Scope of work in RFQ Cl. 1.1.3 and bidding is to be done for the complete project. The applicant if needed can go for Consortium as per Cl.2.2 of RFQ document.
8	Cl.3.3.1 & Cl.3.4.1	The clause 3.3.1 (page 27) reads that experience during the past 5 years preceding the application due date would be eligible i.e. 20.01.2004 to 19.01.2009. However, as per clause 3.4.1 the financial information for last five financial years (01.04.2003 to 31.03.2008) is required for evaluation purpose. We wish to have confirmation of the above periods.	<u>It is confirmed</u> that the past five years experience would be from 1-4-2003 to 31-3-2008 that is similar to the financial information for the last five financial years.
9.	Cl.3.2.1 (ii)	The 'core sector' mentioned in clause 3.2.1 (ii) (page 25) includes petroleum and natural gas. Our consortium partners with more than 26% share are using natural gas for production of urea and argon gas. Do these plants come in core sector?	<u>No.</u> Petroleum and Natural Gas refers to their production and not their use.
10.	Cl.3.2.4	Do the investments in construction and operation of our own Container Freight Station, Port Warehouses, qualify as eligible projects? We are providing non-discriminatory access to general public for these facilities.	<u>Yes.</u> The Category of the projects can be decided only on the details provided and the auditor's certificate.
11.	Cl.3.2.1 (ii)	Our consortium partner with more than 26% share is operating a fertilizer plant that they have purchased within the past five years. They produce urea in this plant and market it as per the directives of Government of India. The capital cost is more than Rs.153.47 million and they have over 26% stake in the project. The revenue from this project is not by sale of services or assets. Will be revenue generated from this project be eligible for consideration?	<u>Yes.</u> Revenue from Fertiliser Industry is eligible.
12.	Cl.3.2.1	Our consortium partner with more than 26% share has more than 26% stake in a joint venture power plant and the same is under expansion. Will the investment made be considered or not.	The investment, if it is for construction, can be considered under Category 4 only. However, this will depend on the details provided under description of the Project.
13.	Cl.3.2.3 (d)	Our consortium partner with more than 26% share has obtained a license for running container train on railways on eastern and western sector for Rs.50.00 crore. Will the investment in obtaining the license be considered as expenditure in core sector?	<u>No.</u> As this is a provision of service, it does not qualify under Cl.3.2.3 (d).

14	Cl.3.2.1	We have taken a jetty facility constructed by Gujarat Maritime Board, on BOT basis, in Gujarat and developed it with an investment of more than 153.74 (stipulated by you as eligible projects). Will the investment made qualify as eligible projects?	<u>Yes</u> , but the Category (1 or 3) can be decided based on the details to be provided under description of the Project.
15	Cl.2.2.2, Cl.3.2.3 (c) & Cl.3.2.4	As per clause 2.2.2 (iii) (page 9), the collected and appropriated revenues from eligible projects in category 1 and / or category 2 should be at least Rs.1534.70 million, provided that at least ¼ of the threshold technical capability should be in eligible projects of category-1 and/or category-3. In case a consortium of companies has spent Rs.100.00 crore in category-1 (125 points experience score) and 5000.00 crore in category 4 (2500 points experience score). What will be the total experience score that would be considered? The total of the two i.e. 2625 points or 500 points considering that ¼ of the experience should have been in category 1 or 3.	<p>1. The percentage specified is for qualification of the Applicant. The applicant (Consortium) will qualify only if he has executed Cat.1 or Cat.3 or both Projects and the total value of the Projects executed by the Applicant (Consortium) in Cat.1 or Cat.3 or Cat.1 & 3 is not less than Rs.383.68 Million (Rs.38.37 Crores). The application will not be considered if this requirement is not satisfied.</p> <p>2. Once, the applicant (Consortium) qualifies, based on 1 above, Cl.2.2.2 applies i.e., the total of all the eligible projects shall not be less than Rs.1534.70 Million (Rs.153.47 Crores), subject to the condition that only individual Projects satisfying Clause 3.2.3 (c) & 3.2.4 will be added for arriving at the above.</p> <p>3. Once, the Applicant (Consortium) satisfies the above two conditions, the eligible Projects under all categories will be taken for scoring.</p>
16	General	Will the VPT allow handling of general cargo on this berth along with Urea, DAP, NPK, MOP and ammonium Nitrate?	Whenever the berth is free from Fertilizer vessel, VPT will handle other cargoes including General cargo.
17	General	What will be the criteria for berth allocation for fertilizer vessels reaching Vizag Port?	Generally Fertilizer vessels are berthed in the order of their arrival subject to complying with the Govt's orders in according priority to a particular type of Fertilizer. Fertilizer vessels will enjoy ousting priority over other vessels while berthing at EQ-7 and even a working vessel will be shifted to accommodate a Fertilizer Vessel.
18	Cl.3.2	Can a company owning port or a Port Authority (Indian or foreign) be a part of the consortium and if so will the investment and revenues earned by them be eligible for evaluation of experience?	A company owning Port or a Port Authority (Indian or Foreign) can be a part of the Consortium and the investments and revenue earned by it will be eligible for evaluation of experience.
19	Cl.3.2.1 (ii)	Our consortium partners with more than 26% share hold 25% equity in a mega fertilizer project in a foreign country with a project cost of around 1000 Million US\$. The project has integrated Silo, conveyor system and two berths for loading of bulk urea and ammonia. Though their equity in this project is 25%, they handle 50% of the urea produced i.e. about 9.00-lakh MT per annum. In view of the quantity handled by them and the similarity of the project with the proposed project at EQ-7, we request you to consider it as an eligible project.	This cannot be considered as an eligible project, as the same does not qualify vide Cl.3.2.3 (b) of RFQ document.

