



No.QENG/ADB/RFQ/WQ.6/
Dt. 19-09-2007

To
All Applicants

Sir,

Sub: Development of Western Quay (**WQ-6**) berth in the northern arm of inner harbour of Visakhapatnam Port for handling dry bulk cargo on build, operate and transfer (BOT) basis (the project) – Pre-Application Conference - Reg.

Ref: 1) Global Tender Notice No.QENG/ADB/T/CAP/WQ-6/NIL, Dt.04.08.07.
2) Pre-Application Conference held on 11-09.07.

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Please refer to the tender notice cited above.

In this connection it is to inform that the various Quarries received from the prospective Applicants of the subject project have been discussed in the Pre-Application Conference held on 11.09.07 at Visakhapatnam Port Trust. Please find enclosed herewith a statement containing quarries raised by the various Applicants and Visakhapatnam Port Trust's response there on. These form part of RFQ document already issued. Please note that the application due date is extended upto 14.00hrs on 03.10.07. Please acknowledge the receipt of the same.

Yours faithfully,

Sd/xxx
CHIEF ENGINEER i/c

Encl: One statement

**VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT**

STATEMENT SHOWING THE QUERIES/ ADDITIONAL INFORMATION ON THE RFQ DOCUMENT RAISED/REQUESTED BY VARIOUS APPLICANTS FOR THE PROJECT “DEVELOPMENT OF WESTERN QUAY (WQ-6) IN THE NORTHERN ARM OF INNER HARBOUR OF VISAKHAPATNAM PORT TRUST ON BOT BASIS.

Sl. No.	Queries/Additional information requested by the prospective applicants.	VPT's response
1	<p>Clause No.1.1.1. The indicative project cost for the berth is Rs.46.6 million.</p> <ol style="list-style-type: none"> 1. What are the items included in this cost. 2. In which year were the estimates made? 	<p>a) The items included are :</p> <ul style="list-style-type: none"> • Dismantling of existing structures. • Development of backup area. • Construction of berth • Berth fixtures • Dredging • Area illumination and water supply. • Ground improvement of the back up area. • Cost of the existing 40 M. length of berth already constructed and amount spent for infrastructure development. • Contingencies and Engineering Supervision Charges. <p>b) The estimates were prepared in the year 2006.</p>
2	<p>Clause No.1.1.3 : The berth is for dry bulk cargo such as CP Coke, Lam Coke, Steel etc.,</p> <ol style="list-style-type: none"> 1. Is there any restriction on the cargo that can be handled ? 2. Can cargo such as alumina/aluminum handled at this berth ? 	<p>No restriction for handling any dry bulk cargo/break bulk cargo except containers and export Alumina.</p>
3	<p>Dredging :</p> <p>Request that the Port Trust take up dredging as the basin has other berths also.</p>	<p>Capital dredging shall be carried out in front of the berth by the concessionaire. [Refer second bullet of clause no.1.1.3 of RFQ document]</p>

4	<p>Compliance with environmental laws :</p> <p>Request to inform whether the Port has got one time environmental clearance for the master plan.</p>	<p>The Port has not gone for one time environmental clearance of the Master Plan. Prior environmental clearance for the project is being obtained by VPT from MOEF, Government of India. Obtaining Consent for Establishment (CFE) and Consent for Operation (CFO) under the provisions of Water (P&C) Act 1974 and Air (P&C) Act, 1981 from State Pollution Control Board shall be the responsibility of the concessionaire.</p>
5	<p>Clause No.1.2.5 :</p> <p>Successful bidder shall be the highest bidder.</p> <p>How will be the successful tender be selected if two or more bidders quote the same figure ?</p>	<p>The Criteria for selection of the successful bidder in case of tie will be dealt in the RFP documents.</p>
6	<p>Clause No. 1.3 :</p> <p>Schedule of bidding process.</p> <p>The timeline between 17th September 2007 (authority response to queries date) and 21st Sept'2007 is too short to take the clarifications into consideration. Hence, it is requested that the Application Due date be fixed atleast 4 weeks from the date of authority response to queries.</p>	<p>The due date of submission of application is extended up to 1400 Hrs. on 03-10-2007.</p>
7	<p>Clause No. 3.2.3 :</p> <p>To qualify as an eligible project., the project should have been implemented on BOT, BOLT, BOO, BOOT or other similar basis.</p> <p>Clarification is requested as to whether projects implemented on land leased by Ports (such as tankfarms, warehouses etc.) would qualify under Eligible projects.</p>	<p>It is clarified that tankfarms constructed on land leased by Port Trust for Port related activities would qualify as eligible projects but the warehouses constructed on land leased by Port Trust would not qualify as eligible projects. However, classification under Category-1 to 4 can only be decided from the details furnished by the applicants.</p>

8	<p>Since the prospective applicant is expected to handle about one million tons at the proposed Berth, it is essential for the Bidder to have the technical capacity, experience and expertise to handle a minimum of one million tons handling experience at any Port to qualify technically for bidding under 3.2.1 Category-I. For the purpose of RFQ 'Port Sector' would be deemed to include Port Handling Experience of minimum one million tone handling of dry bulk cargoes in any Indian Ports as "Eligible Experience"</p>	<p>No change to the Clauses can be made. Evaluation of the applicant will be done strictly as per the Criteria laid down the RFQ document.</p>
9	<p>As per Clause 2.2.2, technical capacity: for demonstrating technical capacity and experience of the applicant over the past five financial years preceding the application due date have "handled a minimum of one million tones per annum handling of dry bulk cargoes over a period of five years. You may amend the eligibility criteria as above for evolution under Section 3- as mentioned at item.8 above.</p>	
10	<p>As per the scope of work given under Clause 1.1.3, VPT is providing a backup area of 5 hectors of land for stacking various bulk cargoes at a distance of 2 kilometers from the proposed Berth to be made available to the BOT Operator on long term lease basis. However, the backup area may please be increased to 10 hectors to enable the BOT operator to develop stacking area for handling about one million tones of bulk cargoes by deploying suitable stackers and other mechanical equipment.</p>	<p>A total back up area of 10 ha can be considered for allotment but, the location will be at Exim Park area on as is where is basis. The exact location and the extent of the land that will be made available will be indicated in the Bid Documents.</p>
11	<p>You may also identify the land proposed to be allotted to the BOT Operator prior to the bidding process to enable the Operator to work out the cost factors depending on the distance, condition of plot, transportation cost etc.,</p>	<p>Refer reply at S.No. 10</p>
12	<p>The BOT Operator must have the flexibility in deployment of suitable Equipment at the proposed Berth and their own labour for handling of various operations within the premises of BOT Operator both at the stacking area and the berth area which may kindly be confirmed by VPT.</p>	<p>The Concessionaire shall have the choice to select and deploy suitable equipment and their own labour for handling various operations within the premises of Concessionaire both at the stacking area and the berth area, as per provisions of the Concession Agreement.</p>

13	<p>Page-3, Clause 1.1.3 – 3rd Bullet point:</p> <p>Stacking Area of about 5 ha of land is not sufficient to handle multiple cargoes of multi-users. VPT may consider allotting more than 10 ha of land for the stack yard.</p>	Refer reply at S.No. 10.
14	<p>Page 9, Clause 2.2.2(A)(iii) “Collected and appropriated revenues of BOT/BOLT/BOO/BOOT of other similar projects such that the sum total of the above is to be more than Rs.466 million”</p> <p>(i) Please clarify whether the sum total of 2.2.2. (A) sub clauses (i), (ii) and (iii) is to be more than Rs.466 million or for sub clause (iii) only</p> <p>(ii) Other similar projects – whether projects of OMST (Operate, maintain, share, transfer) port projects shall also be considered in other similar projects. For example – NSICT, CCTL wherein the existing berths of Port Trusts with infrastructure facilities were given to Private Sector to manage independently.</p>	<p>It is clarified that the sum total of Clause 2.2.2(A)(i), (ii), (iii) shall be more than Rs.466 million.</p> <p>It would depend upon the facts and circumstances of the case. For example, if the operator has made capital investment towards infrastructure and/or installation of equipment in the Port terminal meeting the criteria at Clause 3.2.3 it shall be considered as eligible project.</p>
15	<p>Page 9, clause 2.2.3.</p> <p>The O&M experience of Category I projects specified in Clause 3.2.1 with an aggregate capital cost of not less than Rs.466 million is given.</p> <p>Whereas under clause 3.2.1 for category I projects, the eligible Port projects for Category I is specified under clause 3.2.3. As per sub-clause (c), the capital cost of the project should be more than Rs.46.6 million.</p> <p>In that case, an applicant who has been doing O&M of the eligible Port Project under Category I having more than Rs.46.6 million can offer its experience but for meeting O&M experience as per Clause 2.2.3 the aggregate capital cost has to be more than Rs.466 million. In case of the capital cost of the project is lower than Rs.466 million, its experience is not good enough to meet this requirement.</p>	<p>No change in the eligible criteria specified under the Clause 2.2.3.</p> <p>It is clarified that the Capital cost of the project as mentioned in Clause 3.2.3(c) is for individual projects implemented on BOT, BOLT, BOO, BOOT or similar basis to qualify as eligible project whereas Clause 2.2.3 relates to O&M experience in Category-1 projects.</p>

	<p>This limit of Rs.466 million is very high and this is to be revised to lower value.</p>	
16	<p>“Invitation for Qualification” and</p> <p>The submission time mentioned in the “Invitation For Qualification” is 1400 hours while in Section 2: Instruction to Applicants it has been mentioned as 1600 hours. Please clarify.</p>	<p>The time for submission of application as mentioned in Clause 2.14.1 may be read as 1400 hours instead of 1600 hours.</p>
17	<p>Section 2: Instruction to Applicants, Para 2.14.1 Page 18.</p> <p>It is requested that the date of submission of the Application for RFQ be extended by two weeks since the documents required from the Consortium members and other statutory certificates are required to be arranged.</p>	<p>Refer reply at S.No.6</p>
18	<p>Section 1: Introduction, Para 1.1.1., Page 2 and Para 1.1.3 Page 3</p> <p>We request you to kindly confirm if the cost of dredging works has been included in the “Indicative Project Cost”.</p> <p>Kindly provide the existing ground level or the quantity of dredging required to be undertaken.</p> <p>Please clarify the agency that shall be responsible for undertaking the dredging works.</p>	<p>The indicative project cost includes the cost of dredging work also. The average ground level at the immediate backup area of WQ-6 berth is (+)3.6 M. and the quantity of dredging required to be undertaken is estimated as 1,00,000 Cu.M. (approx.). Details are given in the Techno-economic Feasibility Report, which will be circulated with the RFP document. The bidders are, however, required to make their own assessment.</p> <p>The Concessionaire shall be responsible for undertaking the dredging works. (Refer reply at S.No. 3 also)</p>
19	<p>Section 2:Instruction to Applicants, Para 2.2.2.(A), Page 9 and Para 2.2.3, Page 9.</p> <p>It has been mentioned that “At least one fourth of the Threshold Technical Capability shall be from the Eligible Projects in Category I and /or Category 3”.</p> <p>We request you to kindly consider relaxation of this condition since the experience in Category I (operation and maintenance) has already been included in Para 2.2.3, Page 9.</p>	<p>No change is possible. The Clauses of RFQ hold good.</p>

20	<p>Section 2: Instruction to Applicants, Para 2.2.2 (B), Page 9.</p> <p>We request you to provide the financial year for which the “Net Worth” is required to be mentioned by the Applicants.</p>	As indicated in Clause No. 2.2.4(ii).
21	<p>Section 2: Instruction to Applicants, Para 2.2.3, Page 9.</p> <p>We request you to kindly clarify the activities / operations that would qualify as “O&M” experience.</p>	<p>O & M Experience shall be in Category –1 projects indicated at Clause 3.2.1 (i) wherein the Port Sector projects have been defined. In this connection, it may be pointed out that the word ‘Pipelines’, ‘etc’., which was inadvertently included in item(i) of clause 3.2.1. may be taken as deleted.</p>
22	<p>Section 1: Introduction, Para 1.1.3, Page 3</p> <p>It has been mentioned that there exists a 40m berth length as part of WQ.7.</p> <p>We request you to clarify if there shall be any sharing of facilities between WQ.7 and WQ.6 berth during commercial operations.</p>	<p>The existing 40 M. berth length constructed as a part of WQ-7 would form part of the proposed WQ-6 berth for which necessary upfront fee will be charged. As such, the question of sharing facilities between WQ-7 and WQ-6 berths does not arise.</p>
23	<p>Section 1: Introduction, Para 1.1.3, Page 3</p> <p>We request you to provide the techno economic feasibility study for detailed understanding of the scope of the work.</p>	<p>The Techno Economic Feasibility report is available in the Office of Chief Engineer of Visakhapatnam Port Trust which can be perused. Copy of Techno Economic Feasibility Report will be supplied to the short listed applicants at Bidding Stage.</p>
24	<p>Section 1: Introduction, Para 1.2.4, Page 4</p> <p>It has been mentioned that the bidder will be required to deposit a bid security of amount of Rs.4.66 million. It is our understanding that bid security is required only during the bidding stage and not at the current</p>	<p>Yes. It is confirmed that bid security is required only at the bidding stage.</p>

	<p>qualification stage. Please confirm. It is our understanding that the highest bidder shall be the pre-qualified applicant scoring the highest score. Please confirm.</p>	<p>The pre-qualified applicant securing the highest score may not necessarily be the highest Bidder. The criteria for selection of the successful Bidder will be indicated in the RFP document.</p>
25	<p>Section 2: Instruction to Applicants, Para 2.2.3, Page 9.</p> <p>It has been mentioned that the “Applicant shall, in the case of a Consortium, include a member having at least 26% equity participation in the Project Company / 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 not less than 466 million.</p> <p>It is our understanding that in the absence of the Consortium having a member with the above mentioned experience, the Consortium can submit an Undertaking that the Consortium shall enter into 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. Please clarify.</p>	<p>Yes. The term ‘Applicant’ includes a Consortium.</p>
26.	<p>1.1.1 Page. 2. Para 6. The indicative project cost of Rs.46.60 crores Does it include civil works and equipment ?</p>	<p>The indicative project cost of Rs.46.60 Crores as mentioned in Clause No. 1.1.1 does not include the cost of equipment.</p>
27.	<p>1.1.3 Page No. 3 Bullet point 1. Does it mean that 215 M. + 40 M. = 255 M. berth length will be available exclusively to the successful bidder. If yes, will VPT allow larger than 195 M. LOA vessels to be berthed ?</p>	<p>The berth length of WQ-6 is 255 M.. For this berth length, normally vessels upto 195 M. LOA only can be berthed as 30 M. on either side of the berth is required for mooring. However, in a situation where there is no vessel or a small vessel at WQ-7 , vessels upto 205 M. LOA can be berthed but no commitment can be given in this regard.</p>
28.	<p>1.1.3 Page No. 3 Bullet point 3. Will the successful bidder have exclusive right of way between the berth and the 5 ha backup area ?</p>	<p>No exclusive right of way is envisaged between the berth and backup area.</p>

29.	1.2.5 Page No.5 What happens to the highest bidders. Will he be blacklisted for all projects in major ports are simply his bid security is encashed and he is allowed to go Scot free. What happens if the second highest bidder does not agree to match the bid of the highest bidder.	The consequences of default by the Bidders will be indicated in the RFP Document.
30.	1.2.9 Page No.5 Para 2 What happens if the performance and revenue of the successful bidder takes a beating due to inadequate pilotage and/or towage and other services of the Port.	The details on this aspect will be dealt at RFP stage.
31.	2.2.2(A) Page No.9 The experience /qualifications of the applicants subsidiary company/s should also suffice to enable applicant to qualify even though such subsidiary company/s are not in consortium with the applicant since many BOLT, BOT, BOOT,BOO or other similar projects are being implemented through subsidiary company/s	No change. The requirement under Clause No. 2.2.2 (A) shall be adhered to.
32.	Are there any restriction on the cargo that can be handled in this berth ? Is there a Restriction on cargos that cannot be handled in this berth for a specific period of time or otherwise ?	Please refer to the reply at S.No.2
33.	Can Project cargo, Cars CKD sot the likes etc., be handled at the berth	Yes.
34.	In the event of high level of mechanization / Automation of the handling will VPT insist the successful bidder compensate the DLB / by way of compulsory minimum employment / compensatory levies or any other such imposts.	No such imposts are envisaged. Successful bidder will be bound by the terms & conditions of the Concession Agreement.
35.	Is there restriction for qualified bidder participate in both EQ-10 & WQ-6 bid.	There is no such restriction.
36.	Will the bidder be allowed to avail water allocation from one of the VPT's water treatment plants	No. The Concessionaire shall make his own arrangements.
37.	Similarly is there a provision in VPTs sub station to draw power supply for the proposed berths WQ-6	No. The Concessionaire shall make his own arrangements for power supply.

38.	Please clarify if VPT has conducted the Environment Impact and Risk Assessment study for the proposed berths (WQ-6) and applied for the clearance along with other berths VPT proposes to develop ?	Please refer to the reply at S.No.4.
39.	The back up area behind the proposed berth is not mentioned in the RFQ document, whereas the stacking area mentioned. We seek this may please be clarified what is the extent available behind the berth.	The extent of backup area available immediately behind the berth is 10,000 M ² (Approx).
40.	It is to be clarified how tariff fixed/enhanced exercised be undertaken ? will the successful bidder approach TAMP or will they route their application through VPT (1.2.9)	The applicable tariff guidelines indicating procedure for tariff fixation/enhancement will be indicated in the RFP document.
41.	Please clarify if the applicable guidelines referred to TAMP or the Tariff published by VPT ?	