



No. Tfc/DTM/DH/RFQ II dated 23<sup>rd</sup> November 2012.

## **REPLIES TO QUERIES**

**Subject / Work title :** Request for Qualification (RFQ) for Public Private Partnership In development of Container Terminal Facility at Diamond Harbour.

In pursuance of the queries/clarifications raised and suggestions made by different parties in respect of the terms and conditions of the subject RFQ, KoPT hereby issues Appendix-A which may kindly be noted by the intending Applicants for submitting their offer.

**REPLIES TO QUERIES RAISED BY INTENDING APPLICANTS ON REVISED RFQ DOCUMENT FOR DHCTP**

Sl. No.	Queries	Reply of KoPT																								
1.	Please provide us with a copy of Environmental Clearance. If the same has not been yet been obtained then please confirm that KoPT will do so prior to Bid Stage	The matter is already under process. KoPT will obtain Environmental Clearance prior to Bid stage.																								
2.	Can you please advise the names of the Technical and Legal Consultants engaged by KoPT for this project?	i) Technical Consultant- M/s Consulting Engineering Services (I) Pvt. Ltd.  ii) Legal Consultant – M/s Mulla & Mulla & Craige Blunt and Caroe.																								
3.	KoPT has given the volume handled during 2007-08 to 2011-2012. Could you please advice volume – split Haldia Dock and Kolkata Dock. Alternatively could you please confirm volumes given are only for Kolkata Dock System?	<div>(in TEUs)</div> <table><tr><th>Period</th><th>KDS</th><th>HDC</th><th>KoPT</th></tr><tr><td>2007-08</td><td>297287</td><td>128118</td><td>425405</td></tr><tr><td>2008-09</td><td>302169</td><td>127248</td><td>429417</td></tr><tr><td>2009-10</td><td>377510</td><td>124112</td><td>501622</td></tr><tr><td>2010-11</td><td>377135</td><td>149339</td><td>526474</td></tr><tr><td>2011-12</td><td>412406</td><td>139784</td><td>552190</td></tr></table>	Period	KDS	HDC	KoPT	2007-08	297287	128118	425405	2008-09	302169	127248	429417	2009-10	377510	124112	501622	2010-11	377135	149339	526474	2011-12	412406	139784	552190
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4.	Will all container vessels calling at Kolkata Port Trust i.e. HDC and KDS only be handled at Diamond Harbour in future. Kindly confirm?	No.																								
5.	What is the status of New Major Port announced by Government of India.	Not related to this project																								
6.	What is the plan regarding development of container terminal at Sagar. When will KoPT take up this project and what is the status.	Will be intimated during the bid stage.																								

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7.	Dredging – Please advice the draft and vessel size that can be handled at the proposed terminal.	Please refer to Clause- 1.1.3(xi), 1.2.6 & 1.2.7 of the RFQ Document. Port will make all endeavors to maintain a draft of 9 meters. However, being a riverine port, no guarantee of depth can be given
8.	Who will be responsible for development of rail and road connectivity and by when will the connectivity be completed? Further request you to provide the details of existing / future connectivity of Road / Rail for the Project.	Please refer to Clause- 1.1.3(xi), 1.2.6 & 1.2.7 of the RFQ Document. All details will be made available during bid stage.
9.	In the absence of adequate road and rail connectivity at present, how is it envisaged the container be brought into/ evacuated from the terminal.	Rail / road connectivity expected to be in place. However, barge movement may play a significant role.
10.	What documents would be provided by KoPT as bidding documents to enable qualified bidders make a assessment of the project scope.	Please refer to Clause- 1.2.6 & 1.2.7 of the RFQ Document.
11.	<b><u>Clause 1.1</u></b>  Please share the assumptions used by KoPT in arriving at the calculation of Terminal Capacity of 1.2 million TEU's specifically given the constraints of evacuation, draft limitation and vessel sizes.	Please refer to Clause- 1.1.3(xi), 1.2.6 & 1.2.7 of the RFQ Document.
12.	<b><u>Clause 1.1</u></b>  Kindly advice whether the Indicative Project Cost of Rs. 1432.50 crores is based on current cost estimates? Requested to share detailed break-up of the Indicative Project Cost.	Please refer to Clause- 1.1.3(xi), 1.2.6 & 1.2.7 of the RFQ Document. The indicative Project Cost is based on current cost estimates and the model RFQ guidelines on PPP project by Govt. of India.
13.	<b><u>Clause 2.2.1(a)(iii) and 3.2.3(c)</u></b>  These two clauses seem contradictory. Kindly clarify whether the capital cost of EACH project needs to be more that Rs. 214.87 Crs or sum of all projects.	Clause 2.2.1(a)(iii) has been wrongly quoted.  So far Clause 3.2.3(c) is concerned the Capital Cost of each project needs to be more than Rs. 214.87.

Sl. No.	Queries	Reply of KoPT
14.	<p><b><u>Clause 2.2.3</u></b></p> <p>Please confirm our understanding that in the case of an individual applicant whose associates have the necessary O&amp;M experience and where category 1 experience certificates have been submitted as per clause 3.2.1 do not have to produce any further documentary evidence supporting that it has such O&amp;M experience nor provide an undertaking to enter into a O&amp;M agreement at a later stage.</p>	<p>If the individual applicant fulfills Clause 2.2.3 for meeting the O&amp;M experience criteria, separate undertaking to enter into an O&amp;M agreement at a later stage need not be required.</p>
15.	<p><b><u>Clause 2.3:</u></b></p> <p>Can applicants who have participated in the RFQ process but have not been short listed can be a consortium partner with another applicant who has been short listed at the Bid Stage.</p>	<p>No.</p>
16.	<p><b><u>Clause 2.3.2</u></b></p> <p>The RFQ lays down the conditions for change in the composition of consortium during the bid stage. Please confirm that individual applicant is also eligible to form consortium at the bid stage such that the conditions laid out in clause 2.3.2 are met.</p>	<p>Clause 2.3.2 is related to consortium and not for individual applicant.</p>
17.	<p><b><u>Clause 2.5</u></b></p> <p>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.</p>	<p>Arrangement for site visit on pre-application conference day was made.</p>
18.	<p><b><u>Clause 2.17.8</u></b></p> <p>It is accepted that any information that is provided by the applicant must be correct and factual. However</p>	<p>The Authority (KoPT) shall evaluate the Applications strictly as per the provisions laid down in the RFQ Document and its Appendices</p>

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	<p>evaluation of the information that is submitted as part of the RFQ for a particular project is undertaken by a consultant appointed by the Authority – the consultant that is evaluating the RFQ information will draw his conclusion based on information placed before him.</p> <p>Hence, in the interest of transparency and accurate evaluation of the RFQ it is recommended that the Authority /their consultant be required to seek written clarifications from the applicant on the information and not to arbitrarily disregard any information provided by the applicant in the RFQ submission.</p>	including amendments thereof.
19.	<p><b><u>Clause 2.19.1</u></b></p> <p>Sub-clause(c)- please confirm that ‘bound together in hard cover’ expressly excludes any spiral binding of the Application.</p> <p>Sub-clause(h)- please advice if the attested copy of the receipt is to be enclosed in the same envelope that contains the ‘COPY’ of the application?</p>	<p>Yes.</p> <p>Yes, also in the same envelope that contains the ‘COPY’ of the application.</p>
20.	<p><b><u>Clause 2.21</u></b></p> <p>Please confirm there is no limit on the number of applicants that will be qualified by KoPT.</p> <p>Could you please advice how the above will be calculated while arriving at the Technical Capacity score of the applicant since clause 3.2.8 does not mention any Estimated Project Cost .</p>	<p>Confirmed</p> <p>Estimated Project Cost and Threshold Technical Capability have been provided in the RFQ.</p>

Sl. No.	Queries	Reply of KoPT
21.	<p><b><u>Page 41, Appendix 1 Annex III</u></b></p> <p>Instruction 2 – Please confirm that the definition of depreciation includes depreciation, amortization and impairment (all non-cash items).</p> <p>Instruction 7 – Requires an Auditors Certificate specifying the net worth of the applicant. Kindly confirm whether Auditor certificate will be required for Net cash Accruals also.</p>	<p>Net Cash Accrual is not required for evaluation. Instruction 2 stands deleted. Amendment notified in the Kolkata Port Trust website.</p> <p>Not required as clarified above.</p>
22	<p><b><u>Section 1 Para 1.1.1</u></b></p> <p><b><u>Indicative Project Cost</u></b></p> <p>It has been mentioned that the Indicative Project Cost is Rs. 14,325.00 million. It is requested that a detailed break-up of the indicative project cost may kindly be provided.</p> <p>Please clarify the volume of dredging required and cost considered for the same.</p>	<p>It will be provided during the bid stage.</p>
23	<p><b><u>Section 1 Para 1.1.1</u></b></p> <p><b><u>Land</u></b></p> <p>Request you to provide the status of the land earmarked for the Diamond Harbour and to please confirm if the land earmarked for the container terminals as well as its access shall be provided to the Concessionaire, free from all encumbrances.</p>	<p>Land will be provided free from all encumbrances.</p>

Sl. No.	Queries	Reply of KoPT
24	<p><b><u>Section 1 Para 1.1.1</u></b></p> <p><b><u>Project layout</u></b></p> <p>Request you to please provide a detailed layout of the project and its facilities indicating the structure to be constructed, channel alignment and connectivity to road and rail network as the layout provided in the RFQ is not readable.</p>	<p>It will be provided during the bid stage.</p>
25	<p><b><u>Section 1 Para 1.1.1</u></b></p> <p><b><u>Berth details and Traffic Projection</u></b></p> <p>It is requested that the details of present container berths available at Kolkata Port with their respective capacity and traffic volumes handled in the last 10 years be provided.</p> <p>Also request you to provide the cargo projections of the proposed Project</p>	<p>Details will be available in the Feasibility Report and the same will be provided during the bid stage.</p>
26	<p><b><u>Section 1 Para 1.1.3</u></b></p> <p><b><u>Clearance</u></b></p> <p>Request you to provide the list of various Clearances required to be obtained by the Concessionaire for the Project.</p>	<p>Details will be provided to the shortlisted bidders.</p>

Sl. No.	Queries	Reply of KoPT
27	<p><b><u>Section 1 Para 1.1.3</u></b></p> <p><b><u>Environmental Clearance</u></b></p> <p>Request you to clarify whether the Concessionaire will be responsible for the obtaining of Environmental Clearance for the Project.</p> <p>However, if the clearance is to be obtained by the Port Authority, then request you to provide the status of the same.</p>	<p>Please refer to reply under SI No. 1 above</p>
28	<p><b><u>Section 1 Para 1.1.3</u></b></p> <p><b><u>TAMP Notification</u></b></p> <p>Request you to kindly provide the status TAMP notification</p>	<p>The matter is under process.</p>
29	<p><b><u>Section 1 Para 1.1.3</u></b></p> <p><b><u>Draft</u></b></p> <p>It is requested to confirm the assured draft at Diamond Harbour, the navigational channel and plans for further deepening may kindly be provided.</p>	<p>Please refer to the reply under SI No. 7 above.</p>

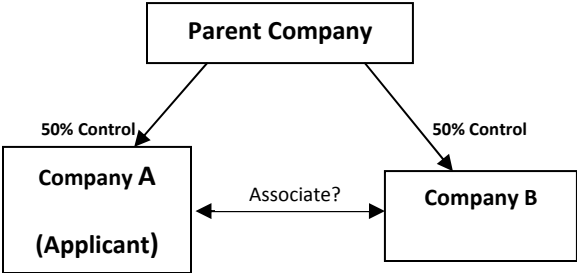


Sl. No.	Queries	Reply of KoPT
30	<p><b><u>Section 1 Para 1.2.4</u></b></p> <p><b><u>Bid Security</u></b></p> <p>It is requested that an amount of approximately 1% of the estimated Project Cost may kindly be considered as the Bid Security amount. This also in accordance with the “Guidelines for Invitation for Financial Bids for PPP Projects” as issued by the Ministry of Finance.</p>	<p>Done as per PPP Guideline. Request not acceded to.</p>
31	<p><b><u>Section 1 Para 1.2.8</u></b></p> <p><b><u>Concession Agreement</u></b></p> <p>We understand that the concession period of the Project would be 30 years. Please Confirm.</p>	<p>Confirmed.</p>
32	<p><b><u>Section 1 Para 1.3</u></b></p> <p><b><u>Schedule of Bidding Process</u></b></p> <p>It is requested that the Application Due Date be extended by adequate time (atleast 3 weeks) from the date of issuance of reply to queries/ amendments by the Kolkata Port Trust to enable the application to arrange the various data/ information and certificates in the desired formats.</p>	<p>Revised Application Due Date 07.01.2013</p>
33	<p><b><u>Section 1 Para 1.3</u></b></p> <p><b><u>Schedule of Bidding Process</u></b></p> <p>Request you to provide the time of Pre-Application Conference.</p>	<p>Time &amp; Venue had been notified and uploaded on KoPT website on 02.11.12.</p>

Sl. No.	Queries	Reply of KoPT
34	<p><b><u>Section 2 Para 2.2.1(d)</u></b></p> <p><b><u>Advisors of Applicant</u></b></p> <p>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.</p>	<p>Please refer to the reply under SI No. no 2. Selection of Financial Consultant cum Transaction Adviser is under process.</p>
35	<p><b><u>Section 2 Para 2.2.3</u></b></p> <p><b><u>O&amp;M Experience</u></b></p> <p>It may be noted that most of the major Ports/Terminals globally, have been commissioned decades ago. Subsequently, the Concessionaire/ Port Company made significant capital investments in the Port/ Terminal for augmentation/ modernization of the facility. Therefore, it is requested that</p> <p>(i) 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.</p> <p>(ii) Similarly, as per clause no. 2.2.3 the aggregate capital cost of the Eligible Project should be the Capital Cost of the Project plus the aggregate Capital Investment made in the Project subsequent to commissioning of the Project.</p> <p>(iii) Further, since the Projects may have been commissioned decade ago, the current Statutory Auditors are not willing to certify the Project Cost as on date of commissioning.</p>	<p>The capital cost incurred for the project and/or project facilities and services as per concession agreement for that project or financing documents for that project, whichever is higher.</p> <p>Same as above.</p> <p>Port Authority will go strictly by the clauses of RFQ.</p>

Sl. No.	Queries	Reply of KoPT
	<p>Therefore, it is requested that the Project Cost duly certified by the management/CFO or a similar Authority be accepted or an alternate acceptable certification suggested.</p>	
36	<p><b><u>Section 2 Para2.2.3</u></b></p> <p><b><u>O&amp;M Experience</u></b></p> <p>It is our understanding that O&amp;M Member/Entity/Party should have the requisite experience in terms of total number of years and aggregate Project Cost and such an entity need not necessarily hold equity share of 26% in the Company owning the Eligible Project i.e. category 1 and 3. Please confirm.</p> <p>For example, an O&amp;M operator has been providing O&amp;M services to various Port/Terminals with an aggregate Project Cost of more than Rs. 14,325.00 million for more than 5 years. However, the O&amp;M operator does not have 26% equity in such Port Terminal Company (ies). 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>Yes, subject to fulfillment of other conditions provided in Clause 2.2.3 of the RFQ</p>
37	<p><b><u>Section 2 Para2.2.3</u></b></p> <p><b><u>O&amp;M Experience</u></b></p> <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&amp;M) of Category I</p>	

Sl. No.	Queries	Reply of KoPT
	<p>projects specified in Clause 3.2.1, with an aggregate capital cost equal to the Estimated Project cost.”</p> <p>It is our understanding that a Consortium, that does not have a O&amp;M Member with the above mentioned experience, can submit an Undertaking that the Consortium shall enter into an operation &amp; maintenance (O&amp;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 confirm.</p>	Confirmed
38	<p><b><u>Section 2 Para 2.12.2 and Para 2.12.3</u></b></p> <p><b><u>Format and signing of Application</u></b></p> <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 the 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 initiated in blue ink. Please confirm.</p>	<p>Yes</p> <p>Yes</p>
39.	<p><b><u>Section 2 Para 2.2.4</u></b></p> <p><b><u>Certificates from Statutory Auditors</u></b></p> <p>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</p>	Not confirmed

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40	<p><b><u>Section 2 Para 2.2.4</u></b></p> <p><b><u>Associate</u></b></p> <p>Please clarify if the two companies controlled by the same parent company can be each others “Associate” company. For Example:</p>  <pre> graph TD     PC[Parent Company] -- "50% Control" --&gt; CA[Company A (Applicant)]     PC -- "50% Control" --&gt; CB[Company B]     CA &lt;--&gt;  "Associate?"  CB </pre>	<p>So far the given example is concerned, Company A and Company B are not Associate in terms of the relevant provisions of the RFQ.</p>
41	<p><b><u>Section 2 Para 2.17.8</u></b></p> <p><b><u>Aggregate Experience Score</u></b></p> <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 also been mentioned that the Authority while computing the aggregate Experience Score of the Applicant, “make further deduction equivalent to the claim rejected.”</p>	<p>The Authority (KoPT) shall evaluate the Applications strictly as per the provisions laid down in the RFQ Document and its Appendices including amendments thereof.</p>

Sl. No.	Queries	Reply of KoPT
	<p>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, it is requested that without providing the Applicant an opportunity for clarification, double deduction of the score should not be undertaken.</p>	
42	<p><b><u>Section 3 Para 3.4.2</u></b></p> <p><b><u>Annual Reports</u></b></p> <p>It is requested that in case the annual accounts for the latest financial years are not audited and therefore the Applicant could not make it available, the Applicant's financials for the 5 years preceding the years for which the audited annual reports is provided may kindly be considered for evaluation.</p>	<p>Evaluation will be done as provided in Clause 3.4.2 of the RFQ</p>
43	<p><b><u>Appendix I, Annex II, Explanatory Clause <sup>\$\$</sup></u></b></p> <p><b><u>Conversion Rate</u></b></p> <p>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.</p>	<p>Action to be taken as per paragraph marked \$\$ of page 39 of the RFQ.</p>
44.	<p><b><u>Appendix I, Annex II, Explanatory Clause <sup>\$\$</sup></u></b></p> <p><b><u>Date for Conversion Rate</u></b></p> <p>In the event change in the 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</p>	<p>The date for conversion rate will be in relation to the changed Application Due Date.</p>

Sl. No.	Queries	Reply of KoPT
	extension of the Application Date.	
45	<p><b><u>Annex III: Financial Capacity of the Applicant</u></b></p> <p><b><u>Net Cash Accruals</u></b></p> <p>Please confirm if Statutory Auditors Certificates for Net Cash Accrual for the past five years are also required to be submitted.</p>	Please refer to the reply under Sl. No. 21
46.	<p><b><u>Appendix IV: Joint Bidding Agreement, para 6.6 and Instructions to Applicant para 2.2.2 and 2.2.3</u></b></p> <p><b><u>Equity share of O&amp;M Member</u></b></p> <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&amp;M Member shall subscribe and hold at least 10% of the subscribed and paid-up equity shares in the SPV.</p> <p>As per para 2.2.2, the technical capacity of only those Members who have atleast 26% equity in the SPV shall be considered for evaluation. Please clarify if for an O&amp;M Member, 10% equity rather than 26% shall be enough for considering its technical capability.</p> <p>As per para 2.2.3, in the event an Applicant does not have the requisite O&amp;M experience, the Applicant can furnish an undertaking to enter into an agreement for a period of 5 years, entrusting its O&amp;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>For an O&amp;M member for consideration of Technical capacity, 26% equity is required.</p> <p>Yes, in case of undertaking, para 6.6 of the Joint Bidding Agreement becomes invalid.</p>

Sl. No.	Queries	Reply of KoPT
	Therefore, it is requested that the condition as per para 6.6 may be allowed to be omitted in case the Applicant is submitting an undertaking for O&M contractor.	Request acceded to.
47.	<b><u>Site Visit</u></b>  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.	Arrangement for site visit on pre-application conference day was made.
48.	It is our understanding that the Applicants, who have downloaded RFQ from Kolkata Port Trust Website, can submit the cost of the RFQ as Demand Draft along with its Application at the time of submission. Please confirm.	Yes, if they have not attended the Pre-application Conference.
49.	Request you to provide copy of report of any feasibility studies / project report undertaken for the Project.	Please refer to Clause 1.2.7 of the RFQ document.
50.	Request you to please clarify if any entity currently involved in any Projects at Kolkata 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 Kolkata Port Trust to bid this Project.	No
51.	It is requested to kindly clarify the agency that shall be responsible for capital and maintenance dredging at the berth and in the navigational channel for the container terminals at Diamond Harbour.	Detail will be in the draft MCA, which will be provided to the shortlisted bidder.



Sl. No.	Queries	Reply of KoPT
52.	Request you to please provide the timeliness for commissioning of the road and rail connectivity by KoPT for the Project.	Please refer to Clause 1.1.3(xi) & 1.2.6 of the RFQ document.
53.	We understand that the development undertaken by the Concessionaire for container terminal at Diamond Harbour shall be exclusively for the Concessionaire and currently no further development at Diamond Harbour is envisaged. It may be noted that since the Concessionaire shall be investing significant capital in the development of an almost Greenfield facility, the Concessionaire should have the exclusivity on handling the container cargo destined for KoPT and for any future development at Diamond Harbour.	Presently there is no further plan for development of Container Terminal at Diamond Harbor other than this Project. However, there will not be any exclusivity on handling of container.
54	We request you to please clarify the number of approach trestles envisaged for the Project and its details as the layout of the Project in the RFQ is not legible. Also request you to provide soft copy of the layout.	Please refer to Clause 1.1.3(xi), 126 & 1.2.7 of the RFQ. Details will be provided at Bid stage
55.	<p>We understand that the proposed terminal location experiences a lot of siltation because of river Hooghly and its tributaries. Request you to provide hydrgraphic survey profiles along the channel for the last 10 years.</p> <p>Also clarify the level of river training required for the Project and its financial implication on the Project.</p>	Please refer to Clause 1.1.3(xi), 126 & 1.2.7 of the RFQ.
56.	<p>While studying the RFQ document, we came across the qualifications norm as set in Clause 3.2.1(i) wherein Port Sector would include "Construction of Port, berths, quays, wharfs, breakwater &amp; other marine structures".</p> <p>We would like to bring to your kind notice to modify this qualification requirement as per the planning commission</p>	Request acceded to. Amendment notified in the website of Kolkata Port Trust.

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	<p>standard guidelines which has been widely followed by other Major port trusts in the past for similar projects to “Port Sector would be deemed to include marine structures, on-shore and off-shore terminals, berths, jetties, quays, cargo handling system, bulk/liquid material handling system, port based terminal facilities, CFS/ICDs, storage tanks/tank farms, conveyors, pipelines, warehousing;”</p> <p>In view of the above, we request you to amend the qualification norm in the Port Sector</p>	
57.	<p>We wish to request if the proposed format by our statutory auditor may be permitted to be submitted for the Application for the Development of Container Terminal Facility at Diamond Harbour Container Terminal.</p> <p>Quoting our statutory auditor, this is their disposition and resolve:</p> <p>Start of Quote</p> <p>"As a firm, we are committed to providing quality in everything we do, and part of that commitment entails providing the highest standards of world-class service to our clients. As such, we perform our services in accordance with the applicable standards issued by the Auditing and Assurance Standards Council (AASC). AASC is the standard setting body that issue and promulgate standards on audit, review, other assurance and related services engagements in the Philippines. The engagement standards issued by the AASC are in the form of the following:</p>	<p>To be submitted as per RFQ format only. Explanatory Notes to the Certificate may be attached, if necessary.</p>

Sl. No.	Queries	Reply of KoPT
	<ul style="list-style-type: none"> <li>* Philippine Standards on Auditing (PSAs) are to be applied in the audit of historical financial information.</li> <li>* Philippine Standards on Review Engagements (PSREs) are to be applied in the review of historical financial information.</li> <li>* Philippine Standards on Assurance Engagements (PSAEs) are to be applied in assurance engagements other than audits or reviews of historical financial information.</li> <li>* Philippine Standards on Related Services (PSRSs) are to be applied to compilation engagements, engagements to apply agreed upon procedures to information and other related services engagements as specified by the AASC.</li> </ul> <p>In connection with the certification contemplated by Annex IV, Appendix I of Request for Qualification, we have no basis to issue the certification based on the above engagement standards issued by the AASC. As such, we are proposing another format to comply with the requirements of the KPT RFQ. Please refer to the attached file for the format we are proposing to issue. Another proposed format would be an agreed upon procedure type, wherein we will be performing agreed upon procedures and report based on factual findings, which we have previously issued for the same bid and other bids made by the Group. Please see attached report on factual findings issued September 2, 2011. "</p> <p>End of quote.</p> <p>Our statutory auditor is internationally known as Ernst &amp; Young (EY).</p>	

Sl. No.	Queries	Reply of KoPT
	<p>ICTSI, the Applicant and its Associates, where we may draw experience eligible for Categories 1, 2, 3, 4 engages the services of EY.</p> <p>Our Associates are located in 5 continents in more than 20 countries.</p> <p>In this regard, we hope that the request of our statutory auditor will merit your favourable response and approval.</p>	

**Replies to queries/suggestions made during Pre-Application Conference held on 9.11.2012 in connection RFQ for DHCTP**

Sl. No.	Queries/suggestions	Reply of KoPT
1.	It was emphasised that proper road and rail connectivity should be in place at the time of commissioning of the project as these two were very important for proper evacuation of containers.	Rail/ connectivity expected to be in place. Port is taking necessary action with the appropriate authorities. However, barge movement may play a significant role.
2.	As the size of the vessels as also the parcel loads would be larger, a higher calling priority for vessels calling at Diamond Harbour Container Terminal (compared to the one presently being accorded for container vessels calling KDS/HDC) should be considered to eliminate any possibility of delay in arriving/sailing due to shortage of pilots.	Taken note of. Port will take all these into consideration at the time of drafting of MCA.
3.	For the first 5(five) years after commissioning, port should issue a directive that container vessel above 130 meters would go to Diamond Harbour Container Terminal only.	Request not acceded to.

Sl. No.	Queries/suggestions	Reply of KoPT
4.	<p>The project might be divided into 3(three) phases, i.e. development of 300 meters of quay length in the 1<sup>st</sup> phase, then 300 meters in the 2<sup>nd</sup> phase and the final 300 meters in 3<sup>rd</sup> and final phase depending on the volume achieved at the Terminal.</p> <p>Another suggestion was to split the project into 2(two) phases with quay length of 450 meters in each of two phases depending on the container volume achieved at the Terminal.</p>	Taken note of. Port will take appropriate decision during Bid stage
5.	T he Terminal operator at Diamond Harbour Container Terminal might be allowed to operate the container berth envisaged at Saugor Port to avoid any competition with the same port system.	Taken note of. Appropriate decision will be taken while finalizing the Saugor Port project.
6.	Port might consider deferment of the project till finalization of TAMP's Guidelines 2012 for fixation of tariff	Request not acceded to.
7.	In view of huge documentation formalities involved in the process, Application Due Date might be extended by another 2 weeks.	Request acceded to. Application Due Date extended to 07.01.2013