# Reply to the queries raised by the Applicants for Setting of a Jetty at Shalukkhali, Haldia Dock-II for handling of Liquid <u>Cargo for Haldia Dock Complex, Kolkata Port Trust</u>

SI.	Clause	Queries	Reply
<b>No.</b> 1.	Reference 1.1.2	We request you to provide the technical specifications of the jetty such as capacity, length, and type of jetty, draught and vessel DWT.  What are the facilities that are included in the Estimated Project Cost? In which year were the project cost estimates made?	The technical details of the project will be provided to the pre qualified applicants (bidders) through the Feasibility Report as per Clause-1.2.7 of the RFQ Document. The basic details are provided as follows which may vary when the bidding documents will be provided.  The facility is proposed to have 4 Breasting Dolphins, 4 Mooring Dolphins for berthing and Mooring of Tankers. A Service Platform of about 30m x 20 m to accommodate Marine Unloading Arms and other utilities will be provided centrally between the 2 inner dolphins.  The Breasting Dolphins, the service platform and the Mooring Dolphins will be interconnected by walkways. An approach Trestle (about 1.6 km long) accommodating the pipelines, power and control cables and carriageway will connect the service platform with the shore.  The project cost includes the cost of all civil works (comprising the facility including fenders, quick release hooks, walkway etc), Mechanical Works (comprising Marine Arms, Fire fighting system, Oil Pollution containment system etc) and all required electrical works.

			The intending applicants may contact the officers concerned as per clause-1.1.3(viii) of the RFQ Document for obtaining further details.
2.	1.1.3	<ul> <li>What is the estimated traffic and mix of liquid cargoes that the proposed jetty is expected to handle?</li> </ul>	As per the Feasibility Study, the jetty is proposed to handle POL tankers as being handled at the existing oil jetties of HDC at present. It can handle all kinds of liquid cargo including POL products, Chemicals, LPG, and LNG etc.
		Has a market assessment study been carried out for the project? We request that the study report is shared with the bidders.	The relevant details in this regard will be provided to the pre qualified applicants (bidders) through the Feasibility Report as per Clause-1.2.7 of the RFQ Document. The intending applicants may contact the officers concerned as per clause-1.1.3(viii) of the RFQ Document for obtaining further details.
		We presume that the jetty will be permitted to handle all kinds of liquid bulk cargo – petroleum products, liquefied gases, hazardous and non-hazardous chemicals and vegetable oils. Kindly confirm our understanding.	Confirmed.

		<ul> <li>Please clarify that the existing and upcoming liquid storage terminals and the various industries in and around the Haldia Dock Complex will be granted pipeline access to the proposed jetty.</li> </ul>	Yes. The proposed jetty is to be used on a common user basis by the Concessionaire.
3.	2.2 (b)	Please clarify the qualification requirements for O&M Experience.	"The Applicant shall, [In the case of a Consortium, include a Member who shall subscribe and continue to hold at least 10% (ten per cent) of the subscribed and paid up equity of the SPV for a period of 5 (five) years from the date of commercial operation of the Project, and has either by itself or through its Associate, experience of 5 (five) years or more in operation and maintenance (O&M) of Category 1 Projects specified in Clause 3.2.1, which have an aggregate capital cost equal to the Estimated Project Cost. In case the Applicant is not a Consortium, it shall be eligible only if it has equivalent experience of its own or through its Associates. In the event that the Applicant does not have such experience, it should furnish an undertaking that if selected to undertake the Project, it shall for a period of at least 5 (five) years from the date of commercial operation of the project, enter into an agreement for entrusting its operation & maintenance (O&M) obligations to an entity having the aforesaid experience, failing which the Concession Agreement shall be liable to termination]".

4.	3.2.3 (c) & 3.2.4	•	The minimum capital cost/payments requirement of Rs.93 Crores for qualification as Eligible Project appears to be on the higher side.	The clauses-3.2.3(c) and clause-3.2.4 stand amended as follows:-  Clause-3.2.3(c)
		•	We request that the minimum capital cost/payments requirement is suitably lowered in line with the Estimated Project Cost.	"The capital cost of the project should be more than Rs.27.17 crore (Rs. Twenty Seven crores and Seventeen Lakhs)"
				Clause-3.2.4
				"For a project to qualify as an Eligible Project under Categories 3 and 4, the Applicant should have paid for execution of its construction works (and / or operation works in case of Port Sector) or received payments from its client(s) for construction works (and / or operation works in case of Port Sector) executed, fully or partially, during the 5 (five) financial years immediately preceding the Application Due Date, and only the payments (gross) actually made or received, as the case may be, during such 5 (five) financial years shall qualify for purposes of computing the Experience Score. However, payments/receipts of less than Rs.27.17 crore (Rs. Twenty Seven crores and Seventeen Lakhs) shall not be reckoned as payments/receipts for Eligible Projects. For the avoidance of doubt, construction works shall not include supply of goods or equipment except when such goods or equipment form part of a turn-key

			construction contract/EPC contract for the project. Further, the cost of land shall not be included hereunder."
5.	General	Please provide us a layout drawing showing the location of the jetty and the technical details.	The relevant details in this regard will be provided to the pre qualified applicants (bidders) through the Feasibility Report as per Clause-1.2.7 of the RFQ Document. The intending applicants may contact the officers concerned as per clause-1.1.3(viii) of the RFQ Document for obtaining further details
		We presume that the Environmental Clearance for the project will be obtained by the Port Authority. Kindly clarify the status of the same.	KoPT is in the process of obtaining the Environmental Clearance.
6.	1.1	We request you to clarify the Project Capacity. Also, kindly let us know the brief information on size/dimensions of POL Jetty, approach trestle, arrangement for storage tank farm and area to be allotted for the project.	The technical details of the project will be provided to the pre qualified applicants (bidders) through the Feasibility Report as per Clause-1.2.7 of the RFQ Document. However, the intending applicants may contact the officers concerned as per clause-1.1.3(viii) of the RFQ Document when the basic details may be noted from them.
7.	1.1	We request you to provide the breakup of the indicative Project Cost.	<ul> <li>Civil Works- Rs 110.00 crores.</li> <li>Mechanical, Electrical works and Other Costs: -25.87 crores</li> </ul>
8.	2.2.2	As per Model RFQ issued by Planning Commission, Government of India, one fourth of the Total Threshold Technical Capacity should be	1

contributed by Eligible Projects under the Category 1 and / or 3. However, the issued RFQ does not have any such provision.

Basic spirit behind the said provision is to ensure that Applicant to be prequalified should have certain level of Port Sector Experience through Development either Project or Project Construction. We are of the strong view that aforesaid provision is required for the selection of capable and reliable port project developer and successful implementation of the project. absence of aforesaid requirement. Applicants who do not have any experience in port sector may also get pre-qualified based on experience in Core Sector. Port sector project development and operations are quite complex and specialized as compared to other Core Sector Projects.

Hence, developer with only core sector experience (in technical terms), will not be in position to construct, develop and operate such a large size port sector project successfully. In view of the above, we request you to kindly insert the provision of having one fourth of Total Threshold Technical Capacity from Eligible Projects under Category 1 and / or 3.

**Technical Capacity**: For demonstrating technical capacity and experience (the "**Technical Capacity**"), the Applicant shall, over the past 5 (five) financial years preceding the Application Due Date, have:

- (i) paid for, or received payments for construction of Eligible Project(s); and / or
- (ii) paid for development of Eligible Project(s) in Category 1 and / or Category 2 specified in Clause 3.2.1; and / or
- (iii) collected and appropriated revenues from Eligible Project(s) in Category 1 and / or Category 2 specified in Clause 3.2.1.

Such that the sum total of the above is more than Rs. 272 crores (Rs. Two hundred and seventy two crores) (the "Threshold Technical Capacity").

Provided that at least one fourth of the Threshold Technical Capability shall be from the Eligible Projects in Category 1 and / or Category 3 specified in Clause 3.2.1."

2.2.3 9. Clause specifying the O&M Experience Criteria in Model RFQ issued by Planning Commission seems to have been modified leading to ambiguity about the O&M experience requirements. It starts with the phrase "in the event, Applicant does not have the requisite O&M experience....". However, it does not specify the requirements of O&M experience. If the present language of clause is not modified in line with Model RFQ language, it leads to ambiguity and possible interpretation that no specific O&M Experience is required for the Project. We are of the view that O&M experience should be one of the key requirements for selection of the Applicant. It may be noted that benefits of a successfully constructed port can only accrue (to the Port Authority and Nation) if the Port is operated successfully. In this case, as the O&M Experience has not been spelled out as prequalification requirement, there stands a risk of

failure by the Concessionaire when it comes to

Hence, the Clause 2.2.3 should be retained as

given in Model RFQ for Port Sector which is

"The Applicant shall [in the case of a Consortium, include a Member who shall subscribe and continue to hold at least 10% (ten per cent) of the subscribed and paid up equity of the SPV for a

Operation and Maintenance of the Port.

reproduced for the reference.

## The Clause-2.2(b) stands amended as follows:-

"The Applicant shall, [In the case of a Consortium, include a Member who shall subscribe and continue to hold at least 10% (ten per cent) of the subscribed and paid up equity of the SPV for a period of 5 (five) years from the date of commercial operation of the Project, and has either by itself or through its Associate, experience of 5 (five) years or more in operation and maintenance (O&M) of Category 1 Projects specified in Clause 3.2.1, which have an aggregate capital cost equal to the Estimated Project Cost. In case the Applicant is not a Consortium, it shall be eligible only if it has equivalent experience of its own or through its Associates. In the event that the Applicant does not have such experience, it should furnish an undertaking that if selected to undertake the Project, it shall for a period of at least 5 (five) years from the date of commercial operation of the project, enter into an agreement for entrusting its operation & maintenance (O&M) obligations to an entity having the aforesaid experience, failing which the Concession Agreement shall be liable to termination]".

		period of 5(five) years from the date of commercial operation of the Project and has either by itself or through its Associate, experience of 5(five) years or more in operation and maintenance (O&M) of Category 1 projects specified in Clause 3.2.1, which have an aggregate capital cost equal to the Estimated Project Cost. In case the Applicant is not a Consortium, it shall be eligible only if it has equivalent experience of its own or through its Associates. In the event that the Applicant does not have such experience, it should furnish an undertaking that if selected to undertake the Project, it shall for a period of at least 5(five) years from the date of commercial operation of the Project, enter into an agreement for entrusting its operation & maintenance (O&M) obligations to an entity having the aforesaid experience, failing which the Concession Agreement shall be liable to termination!".	
10.	3.5	Issued RFQ provides for short listing of maximum 6 nos. of Applicants based on the Experience Score for Eligible Projects under Categories 1, 2, 3 and 4. However, as per the presently prevailing PPP Guidelines, there is no such requirement is prescribed at Centre / State level. Short listing of maximum 6 nos. of Applicants has been discontinued for Port Sector PPP Projects since the year 2010.  In this regard, we should also like to state that the	The clauses 3.2.6 and 3.2.7 of the RFQ stand deleted. The clause 3.5.1 stands amended as follows: "The Applicants who fulfil the criteria as mentioned in Clause 2.2.2, 2.2.3 and 2.25 (Security Clearance) shall be pre-qualified for the Bid stage. In case of a Consortium, the Aggregate Technical Capacity of each of its Members, who have an equity share of at least 26% in such Consortium, shall be summed up for arriving at the combined Aggregate Technical Capacity of the Consortium. However, the pre-

		said provision restricts the competition by limiting	qualification of Bidders shall be subject to clearance
		the number of prospective bidders. Hence, we	from National Security perspective as per clause
		request to remove the cap on number of	2.25 of this RFQ document."
		Applicants to be short-listed by deletion of Clause	
		3.5 and related provisions of Experience Score,	The clause 3.5.2 stands deleted.
		Category-wise Conversion factors, etc.	
11.	1.2.11 & 2.13.3	Clause 1.2.11 asks for sending the queries on e-	The queries or requests for additional information
		mail referred in Clause 2.13.3. However, no e-	concerning the RFQ may be sent to the address
		mail id has been specified in the referred clause or	mentioned at Clause-2.13.3 of the RFQ Document.
		elsewhere in the RFQ Document. Hence, please	The email id concerned is
		notify the e-mail id.	amal.haldock@gmail.com and akdutta@kopt.in

#### **Additional Clauses**

The following clauses are included in the RFQ:-

# 2.25 National Security

The list of pre-qualified bidders shall be subject to clearance from National Security perspective. Request for Qualification (RFQ)

## 2.26 Prevention of Private Sector Monopoly in Major Ports

Ministry of Shipping, Government of India vide its letter No. PD-24018/8/2009-PD.III dated 2nd August, 2010 has issued the policy (see Appendix VIII) to be followed by all Major Ports while awarding projects to private parties through Public Private Partnership (PPP) route so as to avoid private sector monopoly in the Major Ports. The aforesaid policy or any other applicable policy issued by the Ministry of Shipping to avoid private sector monopoly in the Major Ports shall apply mutatis mutandis to this Bidding Process and the Authority shall be entitled to disqualify any Bidder in accordance with the aforementioned policy.