



PUNJAB SAAF PANI COMPANY



MINUTES OF THE MEETING

CLARIFICATION MEETING

Subject:

WATER SUPPLY PROJECTS UNDER KHADIM-E-PUNJAB SAAF PANI PROGRAM IN KHANPUR, LODHRAN, HASILPUR, MUZAFFARGARH, RAJANPUR AND DG KHAN TEHSILS OF PUNJAB PROVINCE, PAKISTAN

Date:

19th June, 2017

Time: 11:00 AM

Venue:

Office No 44-C-1, Gulberg III, off M. M. Alam Road Lahore

Agenda

- To clarify the queries of different prospective applicants regarding pre-qualification document for water supply projects under Khadim-E-Punjab Saaf Pani Program in Khanpur, Lodhran, Hasilpur, Muzaffargarh, Rajanpur and DG Khan Tehsils of Punjab province, Pakistan.

Discussion/Decision

- Meeting started with the recitation of Holy Quran.
- Chief Procurement Officer, PSPC welcomed the participants.
- Mr. Nabeel Javed (Chief Executive Officer, PSPC) briefed about the project to the participants.
- Different queries were raised by the applicant's representatives regarding pre-qualification document for water supply projects under Khadim-E-Punjab Saaf Pani Program for Khanpur, Lodhran, Hasilpur, Muzaffargarh, Rajanpur and DG Khan Tehsils of Punjab province, Pakistan. They were asked to furnish queries in writing also.
- The detailed clarifications regarding pre-qualification document for Khanpur, Lodhran, Hasilpur, Muzaffargarh, Rajanpur and DG Khan Tehsils will be issued to all applicants, who purchased PQ document.
- Clarification will be made available on PSPC website.

The meeting ended with a vote of thanks to the chair.

CPO-PSPC

N. Javed
Sues
19/6/17

CEO-PSPC

Nabeel Javed
19/6/17

In Pursuance of the decisions of meeting held on 19th June, 2017 detailed clarifications are attached as Annex-A

CPO-PSPC

N. Javed
Sues
5/7/17

CEO-PSPC

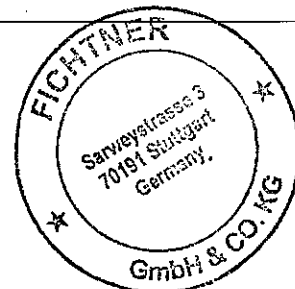
Nabeel Javed
5/7/17

REPLY TO QUERIES IN RESPONSE TO CLARIFICATIONS

Of

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Sr. No	Queries	Reply
1	I have a query regarding the tender for water supply project under Khadim E Punjab can we propose our bid all alone i.e. solo or we have to do the project in joint venture with local party thanks	A single applicant may apply for prequalification however; for award of the Contract, the International Contractor is required to have a local associate with 30% participation as per PEC by laws, sub clause 7 (2)
2	<p>We have a question about your requests on "4.2 Experiences in Key Activities" in Section 3, where, you request we need have "<u>Installation and commissioning of more than 20 (twenty) water treatment plants of minimum 20 (twenty) cubic meters per hour capacity</u>"(Please see Page 29 of the PQ document you issued).</p> <p>As you know, for all project experience, we need make the corresponding contracts and completion certificates verified by our chamber of commerce and Pakistan Embassy in China, therefore, it will be too costly and time-consuming for us to verify 20 contracts and corresponding certificates. So, <u>will it be possible that we only use several projects with the minimum total capacity of 9600 m³/d (20m³/h*24h*20 plants=9600 m³/d)?</u></p>	Evidence of successful execution of plants with an aggregate capacity of more than 400 m ³ /hr is acceptable
3	<p>The following information could be provided:</p> <p>1) Approximate estimated value of each of the 6 contracts</p> <p>2) Estimated time duration of bidding process.</p>	<p>1) No estimate of costs will be provided</p> <p>2) A duration for completion of the projects will be provided in the Tender documentation given to successful prequalified Contractors</p>
4	For international contractors which have not registered their office in Pakistan, if they are later awarded the contracts, should they sign contract in the name of their company in home country or in the name of company to be newly registered in Pakistan?	The Contract will be awarded to company in the home country however the company must register to work in Pakistan with the Pakistan Engineering Council and relevant tax authorities



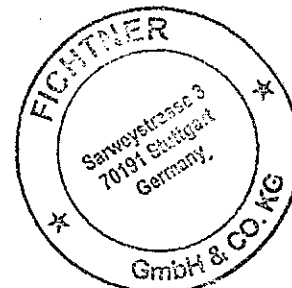
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5	<p>If in the name of company to be newly registered in Pakistan, will you offer a grace period for the winner to register their Pakistani office? How long for this grace period? As far as we know, it usually takes 2-3 months to register a new company in Pakistan.</p>	<p>The company may be provisionally prequalified pending submission of letter of confirmation of registration with relevant authorities</p>
6	<p>Refer to Section 3 — Qualification Criteria, §4.2 a: Experience in Key activities (at page 29): In table headings, there is no mention of specialist subcontractor; In case of hiring of specialist subcontractor as per ITA 24.2, partner of JV/Consortium in column title may be read as subcontractor?</p>	<p>Yes in case of hiring of specialist subcontractor as per ITA24.2 the column titles 'Joint Venture/Consortium' should be read as 'specialist subcontractor'</p>
7	<p>Refer to Section 3 — Qualification Criteria, §4.2 a: Experience in Key activities (at page 29): If a prospective applicant has installed and commissioned single project having capacity of more than 400m³/hr. Will it be accepted for qualification criteria requirement of Section 3, §4.2 a: installation and commissioning of more than 20 water treatment plants of capacity 20 m³/hr?</p>	<p>Refer to Sr. No 2</p>
8	<p>Can the same references to be submitted for a single contract as requested in 'Prequalification of Applicants', 4.1 'Contracts of physical Size and similar Nature' on page 28 of Section 3 'Qualification Criteria', be submitted for all 9 contracts (i.e. contracts No. 3, 4, 5, 6, 7, 8, 9, 10 & 11)? Therefore if the references are acceptable for one Contract, they will be acceptable for Prequalification of all 9 Contracts?</p>	<p>The same reference can be submitted for all 9 contracts</p>



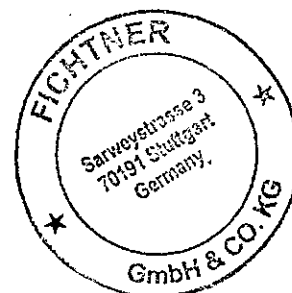
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9	<p>Can the same references to be submitted for a single contract as requested in 'Prequalification of Applicants', 4.2 'Experience in Key Activities' on page 29 of Section 3 'Qualification Criteria', be submitted for all 9 contracts (i.e. contracts No. 3, 4, 5, 6, 7, 8, 9, 10 & 11)? Therefore if the references are acceptable for one Contract, they will be acceptable for Prequalification of all 9 Contracts?</p>	<p>The same reference can be submitted for all 9 contracts</p>
10	<p>Refer to page 29, §4.2 b Experience in Key activities. What is the total number of O & M water treatment plants with 20 m³/hr capacity?</p>	<p>It should be minimum one (1)</p>
11	<p>Provided conforming bids are submitted, alternative bids will be accepted.</p>	<p>This information shall be available to the prequalified bidders via the Bidding Documents</p>
12	<p>Alternative bids can be structured in a way that more than one lot' can be grouped into single bids.</p>	<p>This information shall be available to the prequalified bidders via the Bidding Documents</p>
13	<p>Value Engineering is acceptable at any time in the processes before and after any contract award.</p>	<p>Fully compliant Bids must be submitted for comparison however; Alternative Bids are acceptable at the time of Tender and Value Engineering acceptable post Contract in accordance with the Conditions of Contract. For information, sub clause ITT 13. 3 from the Bid Documents refer</p>

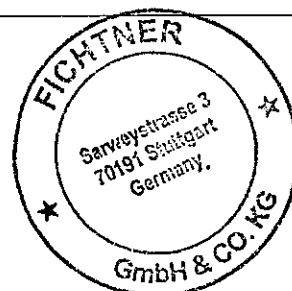


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14	<p>Any supporting documentation that was officially translated/notarised and stamped by the Pakistan Embassy of which you have the originals in previous prequalification submission in Jun 2016 is acceptable now, (provided of course that the technical content is as requested now).</p> <p>Further we understand from Section-2 (Application of data sheet), ITA 11.1 (e) at page 19 of PQ document that attestation of International applicant's home country chamber of commerce & its verification by Pakistani Embassy is only required for financial statements and project experience and that this is not required for following documents:</p> <ol style="list-style-type: none"> i. Application forms: Application submission sheet, Form ELI-1, Form ELI-2, Form LIT-1, Form FIN-1, Form FIN-2, Form FIN-3, Form EXP-1 and Form EXP-2. ii. Attachments to Form ELI-1 & 2: Article of Incorporation or constitution of the Legal entity, Authorization to represent the firm and Letter of Intent to enter into an agreement with the specialist Sub-Contractor. iii. Company Profile of applicant & sub-contractor. iv. List of National and International Clientele. v. Human Resource List. vi. List of Major Equipment. 	<p>Any supporting documentation that was officially translated/notarised and stamped by the Pakistan Embassy of which you have the originals in previous prequalification submission in June 2016 are not acceptable. The originals are required however; a Contractor may be provisionally prequalified pending submission of original documents before final posting of qualified Contractors</p> <p>Information submitted by the applicant vide section 3 (financial statements and project experience) of this PQD should be verified as described in ADS ITA11.1 (e). This includes also the Form FIN-1, Form FIN-2, Form FIN-3, Form EXP-1 and Form EXP-2</p>
15	<p>We expand on our point 2 in our letter of 16th June 2017, a large project is comprised and managed as a multitude of small sections/areas under a single Project Management system.</p>	<p>Refer to Sr. No 2</p>
16	<p>The same references for a single project (as our letter of the 16th June items 3 and 4) are</p>	<p>See reply as per point no: 8 and 9</p>



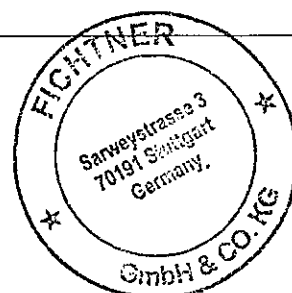
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	simultaneously acceptable for prequalifying for all 9 projects.	
17	We are not bound to use sub-contractors or specialists that will be listed in the Addenda (Clause 24.2 refers) if awarded work. After award we can propose alternatives with equal or better qualifications for approval.	In compliance with ITA 24.2 "At the time of bidding, the Applicant shall use in its bid only Specialist Subcontractors prequalified during the prequalification exercise."
18	Section 3.1: (Debt Equity Ratio below Debt 60: Equity 40) is must meet requirement for Single Entity or Each Partner in JV/Consortium, whereas this criterion is not fair to International Bidder as most of the State own companies from China have greater Debt Equity Ratio mention above. Kindly remove this criterion.	The given criterion holds good. No change
19	Section 4.2; a. Installation and Commissioning of more than twenty Water treatment plants of minimum twenty cubic meters per hour capacity for Single Entity or One Partner in JV/Consortium, this criterion will make impossible for the local as well as International bidders to qualify for only single contract. Kindly remove this criterion.	Refer to Sr. No 2
20	At one end PSPC seems keen to invite more international competition for the forth coming tenders yet there is one serious glitch in the prequalification criteria; a potential contractor must have experience in installation of at least 20 plants of 20 cubic meter an hour. By our country standards this is a small sized plant, not in practice locally.	Refer to Sr. No 2
21	However, a mid way, win win would be if the wording could change as: "plants of 50 cubic meters and above rather than "50 cubic meters per hour". This one change along would open the competition for many a first rate companies from China and elsewhere.	Refer to Sr. No 2

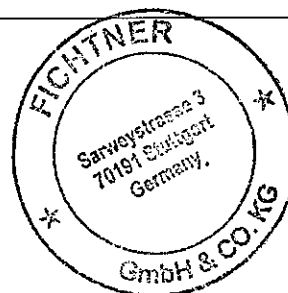


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22	Secondly, demanding the balance sheet to have 1:1 ratio perhaps is not relevant for the type of contracts PSPC is to offer. Such a ratio in fact is an suitable criteria for EPC projects that entail long-term investments by contactors too, whereby in this case PSPC does not look for any longer term credit from contractors except that they are to provide a bid bond to convert into a performance bond upon success and if any mobilization advance is desired, there is a bank guarantee required at all these stages.	The given criterion holds good. No change
23	Subsequently, all payments thereafter would be effected upon, stage by stage completion as per agreed terms and PSPC therefore, is at no risk at any step.	This information about the payment terms shall be available to the prequalified bidders via the Bidding Documents
24	For the contractor it is kind of a double jeopardy one being, a demand of 1:1 ratio benchmark in the balance sheet secondly the demand of a 100% bank guarantees at respective stages (insurance guarantee not acceptable). Suggest the 1:1 ratio be dropped with 100% acceptable bank guarantees.	The given criterion holds good. No change
25	Prequalified requirement of 20 or more plants of 2000 litters is not criteria that most companies would fall under as most of them have larger projects than that.	Refer to Sr. No 2
26	DO the PEC rules apply to international vendors?	Yes, the Contractor must register with the PEC
27	Are foreign qualifications valid in PEC's eyes?	The Contractor is recommended to liaise directly with PEC
28	The number of contracts per vendor will be restricted to what number.	PSPC-S reserves the right to fix the limit on number of contracts to be awarded at the time of issuance of RFB



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29	The same documents can be used to apply for all 9 contracts.	The same reference can be submitted for all 9 contracts
30	Debt/Equity ratio for the international to local company of 60/40 should be revised to involve more foreign companies.	The given criterion holds good. No change
31	Who will be responsible for the right of way?	Question not relevant for PQ-phase. Detailed information will be submitted with the bidding document to the qualified applicants.
32	If we list subcontractors now but in the future, we change our design, can we change our subcontractors?	In compliance with ITA 24.2 "At the time of bidding, the Applicant shall use in its bid only Specialist Subcontractors prequalified during the prequalification exercise."
33	Just out of interest, what is the value of the current projects available?	No cost or pricing details can be released to Contractors
34	Will we be given extra time to compensate for the Eid holidays.	Date for submission is extended to 20 th July 2017 as per Corrigendum I
35	\$20 Million and \$2 million cash in hand is a requirement for each package we apply for, do we need to show it multiple times for each package.	Applicant must demonstrate aggregate financial capacity, in case Applicant is applying for more than one contract.
36	In Reference to 4.2: Can experience of a subcontractor be added? Can his financials be used?	Yes in case of hiring of specialist subcontractor as per ITA24.2 the experience of the specialist subcontractor can be added. If an Applicant intends to subcontract any of the key activities listed in Section 3, Qualification Criteria, Criteria 4.2, then such key activities and the proposed Subcontractors (Specialist Subcontractors) shall be clearly identified in Section 4, Application Forms, Forms ELI-2 and EXP-2. Such Specialist Subcontractor(s) shall meet the corresponding qualification



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		requirements specified in Section 3, Qualification Criteria
37	What is the definition of a specialized subcontractor as per Saaf Pani?	Specialist subcontractor is a company who will be subcontracted only to meet one of the criteria of 4.2 Experiences in Key Activities
38	Page 25: the problem is related to the Debt Equity Ratio below 1, 5; is it possible to revise this ratio in order to allow more international contractors to be prequalified? As alternative if possible switch this just for one partner and not all the JV partners.	The given criterion holds good. No change
39	As per section 3-Qualification Criteria clause 4.2 (Experience in Key Activity) please clarify can we consider the water treatment Plant capacity of 500 cubic meter as 5 plants instead of one plant capacity of 20 CMPH for eligibility proving the similar experience?	Refer to Sr. No 2
40	We would like to inform you that we are very much interested to participate against the subject pre-qualification with our foreign Principal. kindly note that due to Eid holidays and the involvement of foreign principal and also the response to the clarifications asked in clarification meeting are still awaited, preparation for pre-qualification needs some time and accordingly, you are requested to extend the due date of the bid submission by at least 15 days	Date for submission is extended to 20 th July 2017 as per Corrigendum 1



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