

COIMBATORE CITY MUNICIPAL CORPORATION
EXTENSION OF LETTER OF INVITATION
REQUEST FOR QUALIFICATION (RFQ) – SECOND CALL

NOTICE INVITING APPLICATION(NIA)

Application No: 2896/08/JN5

Date:24/03/2017

The Commissioner, Coimbatore City Municipal Corporation (“**TENDER INVITING AUTHORITY**”) invites Applications from the eligible applicants for the “**Implementation of 24x7 Water Supply System for the City of Coimbatore**” (Project) in accordance with the provisions of this RFQ document.

Sl No	Name of work	Application fee (Rs)	Concession Period	Construction Period	O&M Period
1	Implementation of 24x7 Water Supply System for the City of Coimbatore	Rs.60,000	25 years	4 Years	25 years (Commencing simultaneously with the commencement of construction period)

- The Successful Applicant(s) for the next stage will be short-listed from the Applicants who have submitted applications in response to this Request for Quotation and in accordance with the evaluation criteria stated in this Section V of the RFQ.
- The Tender document includes the following:
 - Section I General Information
 - Section II Instructions to Applicants
 - Section III Pre-Qualification Data Sheet
 - Section IV Eligibility Criteria
 - Section V Evaluation Criteria
 - Section VI Annexures
- CCMC will adopt a two-stage process (collectively referred to as the “**Bidding Process**”) for selection of the successful bidder for award of the Project. The first stage (the “**Qualification Stage**”) of the process involves the selection of Successful Applicant(s) from amongst the Applicants who submit their Applications in accordance with the provisions of this RFQ.
- After the evaluation of the RFQ submissions, CCMC will announce a list of Successful Applicants who shall be eligible for participating in the second stage of the Bidding Process (the “**Bid Stage**”) comprising of issuance of Request for Proposal (the “**Request for Proposal**” or “**RFP**”) for the Successful Applicants to submit their proposals.

5. In the Qualification Stage, Applicant(s) would be required to furnish all the information specified in this RFQ. Only the Successful Applicants pre-qualified and short-listed by CCMC shall be invited to submit their technical and financial offer ("Bid") for the Project in response to the RFP.
6. Implementing Agency and address for Communication:
- The Commissioner,
Coimbatore City Municipal Corporation
Coimbatore - 641 001**
- Tel: : +91 - 422 - 2390261, 2396026
Fax: : +91 - 422 - 2390167
Email: commr.coimbatore@tn.gov.in, cbe24x7@gmail.com**
7. The RFQ document will be available at ULB's website <https://www.ccmc.gov.in>, www.tntenders.gov.in, and can be down loaded free of cost.
8. Critical Dates

Date of Issue of RFQ	25-Jan-2017	Online RFQ opening place
Pre-Application Conference (Second call)	24-Feb-2017 at 15.00 hours	Pre- Application conference held on 24.02.2017
Extension of Last date of submission of Application in response to RFQ (Second call)	07-April-2017 upto 15.00 hours	Main office Conference Hall, Coimbatore City Municipal Corporation
RFQ opening (Second call)	07-April-2017 at 16.00 hours	Main office Conference Hall, Coimbatore City Municipal Corporation
Announcement of Successful Applicants (Second call)	26-April-2017	

Further clarifications if any may be had from The Commissioner, Coimbatore City Municipal Corporation


Commissioner,
Coimbatore City Municipal Corporation

SS
24/3/17

f

COIMBATORE CITY MUNICIPAL CORPORATION.

Replies to the Pre-Application Queries
for

Pre – Application Conference on Request for Qualification (Second Call) for Implementation of 24x7 Water supply scheme at Coimbatore City Municipal Corporation in held at CCMC on 24-02-2017 at 3.00 p.m.

Sl.No	Queries by Applicant		Reply to the Query
	Reference	Query	
1	Pre-Application Queries (First Call)	Replies to the previous Pre-Application Queries (First Call) have been provided at the end of the RFQ document. Please confirm that these replies shall be applicable for the RFQ - Second Call as well.	It is confirmed that the replies to the previous Pre-Application Queries (First Call) shall be applicable for the second call as well.
2	Section I, Sr No 3	As per Clause 3 of Section I - General Information, the estimated project construction cost has been indicated as Rs. 556.57 Cr. The estimated project construction cost of the project was the same in the previous round (First Call). It appears that the cost has not budgeted for the increase in prices between the First Call (October 2015) and Second Call (January 2017). Please clarify.	It is clarified that the approved project cost as per the RFQ is Rs.556.57 Crores. Bidders may undertake their own assessment and accordingly consider the applicable costing in their quotation during RFP stage.
3	Section VI: Annexure V - General Information	<p>a. TNIDB Support – TNIDB’s support is limited to only 20% of the Annuity for the first 4 years subject to a maximum 20% of the Total Project Cost. Please clarify whether the Total Project Cost includes the O&M Cost also or refers to only EPC Cost.</p> <p>b. Our interpretation is that since 20% of the total Quote of the bidder shall be paid in the first 4 years in the form of Annuity. In terms of the total quote, TNIDB’s support would be limited to only 4% of the bidder’s Quote. Please confirm.</p> <p>c. Also, since the 1st year of the Contract shall be for preparation of SIP, please confirm that the</p>	<p>a. The Total Project Cost provided in the RFQ amounting to Rs. 556.57 crores is towards the Capex only.</p> <p>b. Please refer Pre-Application Query No 55 (First call) attached to the document</p> <p>c. Further details and clarifications on this will be provided in the RFP.</p>

		first 4 years referred above shall start from the 2 nd year of commencement date.	
4	Section II Clause 3.1 (ii)	<p>As per this clause, the members of the consortium are expected to together hold minimum 51% of the equity in the SPV. This requirement is not clear since the consortium members can together hold 51% in the SPV and some other member (who may not have even contributed any qualification) can contribute 49% equity, even before the Commercial Operations Date. We think that the CCMC intends to allow dilution of total equity held by the original consortium members upto 51% after the completion of 2 years from the Commercial Operations Date, thus allowing the selling of equity by original consortium members to new members after the minimum Lock-in Period, subject to meeting other relevant conditions. However, this intent is not reflected in the clause.</p> <p>Therefore, we request you to kindly modify the text of the clause in order to clarify the correct meaning.</p>	Please refer Pre-Application Query No 19 (First call) attached to the document -
5	Section VI: Annexure III and Replies to Pre-Application Queries (First Call)	Sr No 22 of the Letter comprising the Application for Pre-qualification (modified further as per the Sr No 7 of the Corrigendum), is applicable only in case of a consortium. We feel that for a single entity applying for pre-qualification, this sentence is not relevant. Therefore, we request you to allow the single entities applying for pre-qualification to delete this.	RFQ Terms confirmed.

6	Section IV: (A2)	<p>The Applicant with respect to operation and maintenance of projects shall, over the past 10 (ten) financial years preceding the Application Due Date, have</p> <ul style="list-style-type: none"> (i) Experience in operation and maintenance of continuous pressurized urban water supply distribution system with more than 50,000 (Fifty Thousand) drinking water connections for a continuous period of three (3) years in the last ten (10) years or for a period of five (5) years within the last ten (10) years with a continuous period of at least two (2) years in a city; (ii) Experience in managing any one of the urban utility services viz., Water, Power, Telecom and Gas distribution involving billing, collection and customer management for more than Fifty Thousand (50,000) connections for a continuous period of three(3) years in the last ten (10) years or for a period five (5) years within the last ten (10) years with a continuous period of at least two (2) years in a city. <p>Such that the Applicant meet the criteria under (A2) (i) and (ii) above the “Threshold Technical Capacity – O&M”</p> <p>The following modification is suggested in order to get most competitive bids for the project. Gas distribution also involves O&M of a pressurized urban distribution system which is far more critical and should be considered as eligible for water distribution projects.</p> <p>The Applicant with respect to operation and</p>	RFQ Terms confirmed.
---	---------------------	--	----------------------

		<p>maintenance of projects shall, over the past 10 (ten) financial years preceding the Application Due Date, have</p> <ul style="list-style-type: none"> (i) Experience in operation and maintenance of continuous pressurized urban water supply or gas distribution system with more than 50,000 (Fifty Thousand) drinking water or gas connections for a continuous period of three (3) years in the last ten (10) years or for a period of five (5) years within the last ten (10) years with a continuous period of at least two (2) years in a city (ii) Experience in managing any one of the urban utility services viz., Water, Power, Telecom and Gas distribution involving billing, collection and customer management for more than Fifty Thousand (50,000) connections for a continuous period of three(3) years in the last ten (10) years or for a period five (5) years within the last ten (10) years with a continuous period of at least two (2) years in a city. <p>Such that the Applicant meet the criteria under (A2) (i) and (ii) above (“Threshold Technical Capacity – O&M”)</p>	
7	Section II, item 1.1 (Pg-10)	<p>CCMC, has prepared the Detailed Project Report (DPR) and the same has been approved under the JnNURM scheme for funding by the Ministry of Urban Development</p> <p>It is indicated that a DPR has been prepared and approved under JnNURM scheme.</p> <p>Kindly arrange to provide a copy of this DPR</p>	The Bidders shall undertake their own assessment while quoting in the RFP stage. The DPR is not part of the tender documents.

8	Section II, item 3.1(ii) (Pg-11)	<p>COD</p> <p>Please clarify whether COD is to be considered from year 5 or from the start of O & M of the existing facility</p>	The bidders may await clarity for the COD in the RFP.
9	Section II, item 3.3(iv)	<p>Joint Bidding Agreement (JBA) is to be signed amongst consortium partners and submitted with RFQ.</p> <p>At RFQ stage, a Letter of Intent covering all Important issues as included in this item may be submitted signed by all partners along with Draft JBA.</p> <p>The signed JBA be submitted by shortlisted bidders 15 days prior to submission of RFP</p>	RFQ terms confirmed.
10	Section II, Key date	<p>Last date of submission of RFQ is 27 March -17 up to 15.00 hours</p> <p>We request the client to please provide the time of at least 6 weeks for RFQ submission from the date when replies of our pre application queries are provided.</p>	RFQ terms confirmed.
11	Section IV, Eligibility criteria, (A2)(B)	<p>In case of a Consortium, each such Member in the Consortium whose Financial Capacity (Net Worth) or Technical Capacity is evaluated for the purposes of this RFQ shall subscribe and continue to hold till the achievement of the commercial operation date of the Project, as per the Concession Agreement and until the expiry of 2 years there from equity share capital in the SPC not less than (a) 26% (twenty six percent) of the paid up and subscribed equity share capital in the SPC and (b) at least 5% (five percent) of the Net Project Construction Cost.</p> <p>We Request to remove the (b) at least 5% (five percent) of the Net Project Construction Cost being the PPP model this condition may not required</p>	RFQ terms confirmed

12	Section VI, Annexure 1 Joint Bidding Agreement 6.-b.(ii)	<p>Member of the Consortium whose technical experience in Operations and Maintenance (O&M) were considered for qualification during the RFQ stage should hold not less than 11% of the paid up and subscribed equity share capital in the SPC from COD.</p> <p>Please clarify in case member meeting the qualification A2-I & A2 –ii are different member than will this apply to both members?</p>	In case the qualifications taken into account pertains to different parties, both such parties shall together adhere to the condition of 11% shareholding.
13	Annexure V – General Information Water Supply – Project Table	<p>Water Supply - Project Benchmarks</p> <ol style="list-style-type: none"> 1. Would the developer be responsible In case the project benchmarks are not met after successful completion of the upgradation works? For e.g. Extent of NRW 5% 2. Further please define how NRW shall be calculated <p>Further we understand that the if developer has to upgrade the distribution system based on the design and scope in the approved DPR and so how bidder can take the responsibility for the system design in terms of 24x7 flow and pressure management, NRW etc. at C.O.D</p>	The Tender Scrutiny and Evaluation Committee (TS and EC) discussed the exiting tender conditions and noticed that the conditions are very stringent and would therefore be difficult for the concessionaire to implement. The Tender Scrutiny and Evaluation Committee (TS and EC) decided that the benchmark for NRW shall be as per CPHEEO norms and the concessionaire shall adhere the same.
14	Annexure V, SI.No.4 Table	From the referred table, it is mentioned that the proposed NRW reduction shall be 5% after Implementation.From the referred table, it is mentioned that the proposed NRW reduction shall be 5% after implementation which is not practically achievable. Hence we request you to kindlyRevise the benchmark to 15% to 20% .	Please refer Pre-Application Query No 42 (First call) attached to the document.
15	Annexure V, SI.No.7 Table	<p>Adequacy of Treatment & Disinfection and quality of water supplied -100%</p> <p>EPC of treatment plant (Except Disinfection) is not a [art of the bidder , How bidder can ensure the Adequacy of Treatment ? kindly provide the data of the existing treatment facially to check the adequacy</p>	The specific details may be provided in the RFP.

16	Annexure V, SI.No.8 Table	<p>Cost recovery in water supply services - 100%”</p> <p>We request you to kindly elaborate the proposed Indicator “Cost recovery in water supply services - 100%”with respect to the Performance target.</p> <p>How bidder will have control OR responsible for the same?</p>	<p>The Tender Scrutiny and Evaluation Committee (TS and EC) discussed the existing tender conditions and noticed that the conditions are very stringent and would therefore be difficult for the concessionaire to implement. The Tender Scrutiny and Evaluation Committee (TS and EC) decided that the conditions with respect to collection and recovery shall be revisited before floating of the RFP.</p>
17	Annexure V, SI.No.9 Table	<p>Efficiency in Collection of Water Supply related charges - 95 %. This is not in control of the bidder , Please remove the same from the Water Supply - Project Benchmarks/ performance criteria</p>	<p>The specific details may be provided in the RFP.</p>
18	Annexure V	<p>Concession Period: 25 years, including 4 years of construction and O&M for the entire 25 year period. It is indicated that O&M period is 25 years i.e. facility to be taken over for O&M from the Effective date of contract which is not possible.</p> <p>Kindly clarify that When the O & M scope will start?</p> <p>O&M be taken over after 1st year so that bidder can take access the condition of the existing system for the smooth O & M</p>	<p>The Tender Scrutiny and Evaluation Committee (TS and EC) discussed the issue regarding the O&M of the existing facilities during the construction period. The Tender Scrutiny and Evaluation Committee (TS and EC) is on the view that it would be difficult for the concessionaire to operate and maintain the existing facilities immediately upon the execution of the concession agreement. The Tender Scrutiny and Evaluation Committee (TS and EC) concluded that as this query is specific to the RFP stage a decision with respect to the same shall be made at a later point of the time and communicated to the bidders under the RFP.</p>
19	Annexure V, Project details	<p>Operation and Maintenance (O&M): Abstraction of water</p> <p>Please clarify the existing facility is adequate to Abstraction water as per the requirement and bidder need not required to modify / up graded existing facility. And in case same is required doing the contract period same will done by the CCMC at no cost to the contractor’s</p>	<p>The specific details may be provided in the RFP.</p>

20	Annexure V, Project details	Operation and Maintenance (O&M): Treatment Please clarify the existing water treatment facility is adequate to treat water as per the requirement and bidder need not required to modify / up graded existing facility. And in case same is required doing the contract period same will done by the CCMC at no cost to the contractor's	The specific details may be provided in the RFP.
21	Annexure V, Project details	Operation and Maintenance (O&M): any existing facilities' Please clarify the existing facility is adequate meet the contract requirement and bidder need not required to modify / up graded existing facility as part of his scope other than specifically mention in the EPC scope And in case same is required doing the contract period same will done by the CCMC at no cost to the contractor's	The specific details may be provided in the RFP.
22	Annexure V, Table - Project Capacity, Page	Project Capacity We request you to kindly provide the details on source of water available and clarify the way of addressing the projected future demand as enumerated in table named " project capacity "	The details will be provided at the stage of RFP.
23	Annexure V, Table - Project Capacity,	Project Capacity In view of growing population within the project area, there is a possibility of expansion of numbers of House service connections during O&M period. Hence we request you to kindly clarify the way of addressing the new HSCs envisaged and payment mechanism to the operator for the new connections.	The specific details may be provided in the RFP.
24	Annexure V, Table - Project Construction Cost:	Project Capacity It seems the figure mentioned in the table are old years figures , kindly revise the same i.e Base cost Sr.- (i) should be escalated to 17-18 and then further more escalation for 4 year construction period as per Sr.(ii)	RFQ terms confirmed

25	General	Scope of clearances including environment clearance Kindly clarify the scope for the same , We assume that same will be by CCMC	The specific details may be provided in the RFP.
26	General	Scope of land Kindly clarify that CCMC will provide adequate land, its peaceful possession and unrestricted use (“Site”) on lease hold basis for the construction in line with scope mentioned as EPC	The specific details may be provided in the RFP.
27	General	Scope of ROU /ROW Kindly clarify that ROU/ROW will be made available for laying the piping and other construction activity	The specific details may be provided in the RFP.
28	General	Scope of Power Kindly clarify that adequate electricity will be made available on 24 X 7 basis from the nearby substation/ supply point or provide status of availability of electrical infrastructure near to site.	The specific details may be provided in the RFP.
29	General	Owner ship of the plant We understand that The ownership of assets for which investment is made by the contractor will remain with the contractor till the expiry of contract period Ownership of the project to be clarified as it is important for financing of the project. It has to be clarified whether concessionaire can mortgage project assets for financing of the project.	The specific details may be provided in the RFP.
30	General	Concession Agreement We request you please provide the draft copy of the Concession Agreement OR Minimum as key terms of the Concession Agreement	The Draft concession agreement will be provided at RFP Stage.
31	General	Payment Security Mechanism Kindly clarify the Payment Security Mechanism like FDR or upfront letter of credit on revolving basis for a value of six/twelve months contract value to secure the payments to be made to the SPV for each year of the Term.	The Payment security mechanisms will be clarified in RFP stage

32	General	Penalties in case the deterioration in the plant performance Kindly clarify the penalties applicable in case of deterioration in the plant performance.	The specific details may be provided in the RFP.
33	General	NCB/ICB We understand that this project/tender is based on International Competitive Bidding (ICB).	The Tender is based on National Competitive Bidding
34	General	All applicable taxes shall be borne by the Concessionaire unless otherwise agreed upon in the Concession Agreement. We request CCMC to clarify the following so that bidder can calculate applicable taxes and duties for this project. 1. Will issue the form "C" 2. Is CCMC is exempted for Service Tax during EPC and O & M under mega exemption notification? 3. Is this International Competitive Bidding (ICB) and duties benefit is available as per Govt. policy? 4 for imported equipment, Custom Duty exemption is applicable as per the policy of the Government of India for drinking water projects. 5. This particular bidding is for a Drinking Water Plant hence any duty benefit is applicable as per the policy of the Government of India? Request you to provide the tax clauses separately to understand all the above mentioned taxes and any other	All the Clauses will be addressed as per statute inforce.
35	General	Letter of Invitation-Point- a Please provide details of existing facilities like Reservoirs, treatment plants, distribution system etc.	The details will be provided at RFP Stage
36	General	Letter of Invitation - point- b Progressive Up gradation of existing facilities involves, any new treatment plants, construction of reservoirs additional pumping station etc. Kindly confirm	Please refer query no.21

37	General	<p>General point. Change in raw water quality of existing source/ new source of raw water</p> <p>During O & M period of 21 years; if quality of raw water is changed due to any reason, which may necessitate additional treatment/equipment to suit potable water quality, what is the provision for meeting additional Equipment cost or O & M cost.</p>	Please refer query no. 15,20 and 21
38	General	<p>Supply bulk water to wayside villages - Please clarify approximate quantity of Bulk Water supply to Wayside villages during the concession period.</p>	The specific details may be provided in the RFP.
39	General	<p>Requirement of Additional Pumping stations</p> <p>Please confirm whether CCMC will arrange for requisite Land and Power for additional pumping stations wherever required.</p>	The details will be provided in the RFP stage
40	General	<p>Provision for alternate Power supply system</p> <p>Please confirm whether Concessionaire is required to make alternate Power supply system (DG sets) for existing, new or additional pumping stations and treatment plants</p>	The details will be provided in the RFP stage
41	Section IV, Cl. No. 1 (A2) (i)	<p>Experience in operation and maintenance of continuous pressurized urban water supply distribution system with more than 50,000 (Fifty Thousand) drinking water connections for a continuous period of three (3) years in the last ten (10) years or for a period of five (5) years within the last ten (10) years with a continuous period of at least two (2) years in a city;</p> <p>Query:</p> <p>Experience in operation and maintenance of continuous pressurized urban water supply distribution system with more than 48,000 (Forty Eight Thousand) drinking water connections for a continuous period of three (3) years in the last ten (10) years or for a period of five (5) years within the last ten (10) years with a continuous period of at least two (2) years in a city;</p>	RFQ terms confirmed.


42	Section Iv, Cl. A2, Pg. 29	<p><u>(A2) Technical Capacity –O&M</u> The Applicant with respect to operation and maintenance of projects shall, over the past 10 (ten) financial years preceding the Application Due Date, have</p> <p>(i) experience in operation and maintenance of continuous pressurized urban water supply distribution system with more than 50,000 (Fifty Thousand) drinking water connections for a continuous period of three (3) years in the last ten (10) years or for a period of five (5) years within the last ten (10) years with a continuous period of at least two (2) years in a city;</p> <p>(ii) experience in managing any one of the urban utility services viz., Water, Power, Telecom and Gas distribution involving billing, collection and customer management for more than Fifty Thousand (50,000) connections for a continuous period of three(3) years in the last ten (10) years or for a period five (5) years within the last ten (10) years with a continuous period of atLeast two (2) years in a city.</p> <p>such that the Applicant meet the criteria under (A2) (i) and (ii) above (the “Threshold Technical Capacity – O&M”).</p> <p><i>We request you to please modify the clause as follows...</i></p> <p><i>The applicant either meets the criteria A2 (i) <u>or</u> (ii) as mentioned below.</i></p> <p>Such that the Applicant meet the criteria under (A2) (i) <u>or</u> (ii) above (the “Threshold Technical Capacity – O&M”).</p>	RFQ Terms confirmed.
43	NIT	<p>Critical Dates: Last date of submission of Application in response to RFQ (Second call)</p> <p>Please confirm this is Hard copy or Online Submission?</p>	The submission of the application shall be in both hardcopy and through online as per the PPP rules

44	NIT	<p>Last date of submission of Application in response to RFQ (Second call) : 27-Mar-2017 up to 15.00 hours</p> <p><i>We need time for preparation of RFQ documents therefore we request you to please extend the submission date by 6 weeks from the current date. Please accept and confirm.</i></p>	RFQ terms confirmed.
45	General	<p>Concession Agreement</p> <p><i>We request for a tripartite Concession agreement between CCMC, Concessionaire and State Government. Are they signatory to the CA? Please confirm.</i></p>	The specific details may be provided in the RFP.
46	General	<p>Power Supply & Charges</p> <p>During O&M, please confirm that the Power Supply and charges are in scope of Concessionaire?</p>	The details will be provided in the RFP stage
47	General	<p>Estimated cost of the project & Payment</p> <p><i>The DPR (detailed project report) has been prepared by consultant in the year 2013 and arrived the estimated cost of the project for EPC Rs 556.67 crores; however there is high price increase in all commodities and index prices hence the EPC cost for quoting in year 2017-18 naturally will be higher than the DPR estimated cost of the project. Considering this, the share of annuities from central, state and corporation are also to be increased in line to match the current/quoted EPC cost or <u>kindly confirm what would be the extra fund arrangement to match the deficit amount.</u></i></p> <p><i><u>This is a very high risk, we request you to kindly look in to the funding mechanism.</u></i></p> <p><i>Please review and confirm.</i></p>	Please refer query no. 2

48	General	<p>Illegal Connections and Defaulting Customers. <i>CCMC shall be responsible for disconnection of illegal connections (who do not accept the option of regularization) as well as the defaulting customers (customers who fail to pay the dues even after appropriate notices). In other words, the role of Concessionaire in such cases shall be limited to only informing the CCMC about disconnection.</i> <i>Kindly confirm.</i></p>	Further details will be provided at RFP Stage.
49	RFQ	<p>Concession Agreement <i>The RFQ does not provide any information for inter-promoter transfer of shares without any hassle. We request you to please add following clause.....</i> <i>Where maintaining a specific shareholding appears in concession notwithstanding anything to the contrary contained in the Agreement / Document, the shareholding of all the Consortium members held in all the SPV/SPC can be freely transferred amongst its respective Associates / Affiliates and the respective Consortium Member shall send an intimation of the same to Authority within 15 days from such change.</i></p>	RFQ condition prevails.


 Commissioner,

Coimbatore City Municipal Corporation.


 14/2/22