

एसजेवीएन अरूण-3 पावर डवलपमेंट कंपनी प्रा. लि.
SJVN Arun-3 Power Development Company Pvt. Ltd.

(एसजेवीएन की पूर्ण स्वामित्व वाली अधीनस्थ कंपनी)

(A wholly owned subsidiary of SJVN)

900 मेगावाट अरूण-3 जलविद्युत परियोजना
900 MW Arun-3 Hydro Power Project

Regd. No.: 111808/69/070



Ref. No. SAPDC/P&C/Arun-3HEP/C-5/2023-105

Dated: 17.02.2023

ARUN-3 HYDROELECTRIC PROJECT (900 MW)

CLARIFICATIONS-I

Subject: ICB-P&C-AHEP-HM-C-5/2023-90 “Hydro-mechanical Works - Pressure Shaft Steel Liner of Arun-3 HEP” - Regarding clarifications.

Employer : SAPDC

Country : NEPAL

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Clarifications to the Bidders' Queries

Sr. No	Clause No.	Provision in Bid Documents	Summary of Bidders' Query / Modification requested	SAPDC Response/ Comments
Volume-I, Section-1: Press Notice, NIT and Information for Bidders (IFB)				
1.	Sr. No. 2, Completion Period	Completion Period (Months): 9 Months	<p>The stipulated time period as per the Notice Inviting Tender is 09 Months.</p> <p>In this regards, we wish to bring your kind notice that the stipulated time period of 09 months for completion of this work is unjustified as for manufacturing of penstock steel liners, Steel of Special Grades is required and to deliver such type of special grades raw material from manufacturers plant to site location, time period of 5 month's is require. After that, only time period of 4 to 5 months will be remaining for manufacturing of steel liners & to execute the erection which is not sufficient for such critical jobs. Hence, we hereby request to kindly extend the completion period for this work to 14 months.</p>	Existing provisions shall prevail.
2.	Sr. No. 2, Completion Period	Completion Period (Months): 9 Months	<p>Kindly allow us to complete the work in 14 months, because the Raw material required is of Special Grade, and it will take minimum 5 months to get delivered from plant to site location and hence we have only left with the remaining 4 months to execute the complete work.</p> <p>In view of the above unjustified time limit, we kindly request you to extend the period of Execution to 14 months instead of 9 months.</p>	Existing provisions shall prevail.
3.	Clause No. 7.2 (a): Technical Criteria (Specific Experience)	a) Fabrication/manufacturing, erection, testing and commissioning of one no. pressure shaft steel liner having a value of D x H not less than 1000 m ² Where, D= Internal diameter expressed in m and H= maximum Design Head	<p>In this connection, we request to kindly consider the qualification criteria for D X H = 600 m² in lieu of D X H = 1000 m² in the interest of free & fair competition.</p>	Existing provisions shall prevail.

		<p>in (m). Experience of Supervision of erection, testing and commissioning of applicant shall also be considered at par with own erection, testing & commissioning of HM equipment and pressure shaft steel liner works. The prime contractor or as partner in a JV or sub-contractor approved by the respective employer should have completed the works with specified criteria mentioned above in a single project or each one in different projects during the last twenty (20) years.</p>		
4.	<p>Clause No. 7.2 (a): Technical Criteria (Specific Experience)</p>	<p>a) Fabrication/manufacturing, erection, testing and commissioning of one no. pressure shaft steel liner having a value of $D \times H$ not less than 1000 m² Where, D= Internal diameter expressed in m and H= maximum Design Head in (m). Experience of Supervision of erection, testing and commissioning of applicant shall also be considered at par with own erection, testing & commissioning of HM equipment and pressure shaft steel liner works. The prime contractor or as partner in a JV or sub-contractor approved by the respective employer should have completed the works with specified criteria mentioned above in a single project or each one in</p>	<p>Pressure shaft Steel liner Fabrication/manufacturing, erection, testing and commissioning of one no. pressure shaft steel liner having a value of $D \times H$ not less than 600 m² Where, D= Internal diameter expressed in m and H= maximum Design Head in (m). Experience of Supervision of erection, testing and commissioning of applicant shall also be considered at par with own erection, testing & commissioning of HM equipment and pressure shaft steel liner works. The prime contractor or as partner in a JV or sub-contractor approved by the respective employer should have completed the works with specified criteria mentioned above in a single project or each one in different projects during the last twenty (20) years.</p>	<p>Existing provisions shall prevail.</p>

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6.	Clause No. 7.3 (i) (b) 'Financial Criteria: Cash Flow'	Capacity to have a cash flow amount (working capital) of at least INR 50 Crore or equivalent as evident from the last audited annual report or banking reference(s) as the case may be.	<p>Financial Criteria: As regards 7.3 i) (b), as per latest audited annual report our working capital is INR 36.77 Crore. We would request you to please amend this criteria as 35 Crore in place of 50 Crore.</p>	Existing provisions shall prevail.																

7.	Clause No. 7.3 (ii) 'Financial Criteria: Average Annual Turnover'	Minimum Average Annual Turnover* (MAAT) for best three Financial years out of last five financial years of the bidder should be INR 76 Crore or equivalent, calculated as total certified payments received for contracts in progress or completed.	As regards 7.3 (ii) Average Annual Turnover, due to adverse effect of pandemic of Covid since 2020 the overall business is adversely affected which has resulted in reduced turnover for all industries. Our minimum average turnover for best three financial years out of last five financial years is INR 71.20 Crore as against 76 Crore required for qualification. Considering the overall adverse industrial position due to a Covid pandemic as well as worldwide recession we would request you to please relax the turnover criteria to 71 Crore in place of 76 Crore.	Existing provisions shall prevail.
8.	Clause No. 7.4 'Bid Capacity'	<p>The available Bid capacity of the Bidder at the time of submission of price bid, calculated as under should not be less than INR 151 Crore.</p> <p>Available Bid capacity = $2.0 \times A \times N - B$</p> <p>Where;</p> <p>A= Maximum value of Works executed in any one year during last 3 years</p> <p>N = Number of years prescribed for completion of the subject contract package</p> <p>B = Value of existing commitments (as on bid submission date) and on-going works to be completed in next "N" years.</p> <p>The Bidder shall submit documentary evidence together with a certificate from its statutory auditors in support of establishing 'A' and 'B' above, along with their Bid.</p>	<p>With respect to the clause of bid capacity, to calculate value of 'A', we request to kindly consider a multiplying factor of 10% per year to update the Value of A to current financial year price level & the clause for Value of A read as follows:</p> <p>A= Indexed value of maximum value of works executed (in a on-going or completed project) in any one year during last 20 years, keeping index of inflation as 10% (compounded annually) for calculating A at present Price Level.</p>	<p>The existing definition of "A" in Clause No. 7.4 of NIT shall be read with the replaced one, as given below:</p> <p>A= Indexed value of maximum value of works executed (in an on-going or completed project) in any one year during last 20 years, keeping index of inflation as 6% (compounded annually) for calculating A at present Price Level.</p> <p>Refer Amendment I.</p>

9.	Clause No. 7.4 'Bid Capacity'	<p>The available Bid capacity of the Bidder at the time of submission of price bid, calculated as under should not be less than INR 151 Crore.</p> <p>Available Bid capacity = $2.0 \times A \times N - B$</p> <p>Where;</p> <p>A= Maximum value of Works executed in any one year during last 3 years</p> <p>N = Number of years prescribed for completion of the subject contract package</p> <p>B = Value of existing commitments (as on bid submission date) and on-going works to be completed in next "N" years.</p> <p>The Bidder shall submit documentary evidence together with a certificate from its statutory auditors in support of establishing 'A' and 'B' above, along with their Bid.</p>	<p>Bid Capacity:-</p> <p>The available Bid capacity of the Bidder at the time of submission of price bid, calculated as under should not be less than INR 151 Crore.</p> <p>Available Bid capacity= $2.0 \times A \times N - B$ Where;</p> <p><u>A= Indexed value of maximum value of works executed (in an on-going or completed project) in any one year during last 20 years, keeping index of inflation as 10% (compounded annually) for calculating A at present price level.</u></p> <p>N = Number of year prescribed for completion of the subject contract package (14 months).</p> <p>B = Value of existing commitments (as on bid submission date) and on-going works to be completed in next "N" years.</p> <p>The Bidder shall submit documentary evidence together with a certificate from its statutory auditors in support of establishing 'A' and 'B' above along with their Bid.</p>	<p>The existing definition of "A" in Clause No. 7.4 of NIT shall be read with the replaced one, as given below:</p> <p>A= Indexed value of maximum value of works executed (in an on-going or completed project) in any one year during last 20 years, keeping index of inflation as 6% (compounded annually) for calculating A at present Price Level.</p> <p>Refer Amendment I.</p>
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Volume-I, Section-2: Instructions to Bidders (ITB), Bid Data & Qualification forms

10.	Clause No. 18 : Bid Security/ EMD, Sub-Clause No. 18.2	<p>.....Bank Guarantee in favor of SJVN Arun-3 Power Development Company Pvt. Ltd. The said Bank Guarantee should be submitted along with the bid in accordance with clause 21.1 of ITB.</p> <p>Bank Guarantee from any "A" class Bank in Nepal for the amounts expressed in Nepalese Rupees (NPR). The Bank Guarantees in INR shall be acceptable only if these are</p>	<p>In this connection, please clarify the clause for the Counter Guarantee of Bank Guarantee from 'A' Class Bank in Nepal. Also, in this connection we wish to bring your kind notice that the Nationalized/ Public Sector Undertaking banks in India are also commercial banks & equivalent to the class A banks category banks in Nepal. Hence, we request to please accept the Bank Guarantee's from Nationalized/ Public Sector Undertaking Banks in India directly omitting the clause for Counter Guarantee of Bank Guarantee</p>	<p>Existing provisions shall prevail</p>
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		issued by a Scheduled Bank of India duly counter guaranteed by any A class Bank in Nepal.....	from any 'A' Class bank in Nepal. As it adds additional financial burdens on the contractor & also adds unnecessary steps for provision of bank guarantee.	
11.	Clause No. :- 30- Evaluation and Comparison of Bids, Sub Cl. No. 30.4	After arriving at L1 evaluated bid price through e-tender, the qualified bidders shall participate in E-Reverse auction process as follows.....	In this connection, we wish to bring your kind notice that, after technical evaluation & financial evaluation, the process for conducting Reverse Auction will take next 2 to 3 months which will unnecessarily delay in starting of execution of work. Hence, in the interest of timely completion of work, we request to kindly omit the clause for reverse auction.	Existing provisions shall prevail
Volume-I, Section-3: General Conditions and Special Terms & conditions				
12.	Clause No. 12.6: 'Material Advance Payment'	If engineer is satisfied with the request of contractor, the employer will make payment of interest-bearing advance for specified Material upon submission of unconditional Bank Guarantee (120 % of advance amount) : a) If advance is requested for already purchased Specified Material, the contractor shall submit the copy of Purchase Order, Invoice and delivery challan and documents evidencing delivery of material etc; b) If advance is requested for Specified Material to be purchased for the project requirement, the contractor shall submit i) Performa Invoice and copy of purchase order along with the application for advance. The contractor shall ensure to take delivery of material as per delivery schedule provided in the Performa Invoice.....	In the interest of timely delivery of steel at site & completion of work, we hereby request to kindly consider releasing 70% part payment of supply portion of steel against provision of Purchase Order directly to the contractor. This will help in smooth cash flow and to achieve the rigid timeline of project.	Kindly refer Section-3, General Conditions, Clause No. 12.5, Clause No. 12.6 and Section-4 Appendix 1

13.	Clause No. 12.6: 'Material Advance Payment'	<p>If engineer is satisfied with the request of contractor, the employer will make payment of interest-bearing advance for specified Material upon submission of unconditional Bank Guarantee (120 % of advance amount) :</p> <p>a) If advance is requested for already purchased Specified Material, the contractor shall submit the copy of Purchase Order, Invoice and delivery challan and documents evidencing delivery of material etc;</p> <p>b) If advance is requested for Specified Material to be purchased for the project requirement, the contractor shall submit i) Performa Invoice and copy of purchase order along with the application for advance. The contractor shall ensure to take delivery of material as per delivery schedule provided in the Performa Invoice.....</p>	<p>In the interest of work and timely delivery of steel at site, we request the client to give us 60 % part payment of supply portion of steel against provision of unpriced purchase order directly to the account of the contractor. This will improve our cash flow and help us to achieve stringent timeline of the project.</p>	<p>Kindly refer Section-3, General Conditions, Clause No. 12.5, Clause No. 12.6 and Section-4 Appendix 1</p>
14.	Clause No. 13.3 'Performance Security' Sub clause 13.3.1	<p>The Contractor shall, within twenty-eight (28) days of the issuance of Letter of Acceptance, provide a security for the due performance of the Contract for an amount equivalent to 3% of the Contract Price in currency of the bid with validity upto 60 days beyond the Defects Liability Period.</p>	<p>Sir, in this connection, we wish to bring your kind attention that, the stipulated performance security @3% is very high & will bring lot of financial burden on the contractor. As per the latest GR from Govt. of India also, it is directed to limit the performance security to maximum 1% of the contract value. Major Departments / PSU's in India are also following this same practice. Hence, we request to kindly reduce the performance guarantee from 3% to 1% of the contract price.</p>	<p>Existing provisions shall prevail</p>

15.	Clause No. 13.3 'Performance Security' Sub clause 13.3.1	The Contractor shall, within twenty-eight (28) days of the issuance of Letter of Acceptance, provide a security for the due performance of the Contract for an amount equivalent to 3% of the Contract Price in currency of the bid with validity upto 60 days beyond the Defects Liability Period.	<p>The Performance Guarantee proposed in the bid document is 3% of the contract price, which is very high considering the current practice followed by major clients in India. The Ministry of Finance, Govt of India has issued a guideline vide Office Memorandum No: F.9/4/2020-PPD dated 12th November 2020 (copy enclosed as Annex-1) directing the tender inviting authorities to reduce the requirement of performance security from existing 1% to 2% of the value of the contract. It may be noted that, based on this direction, most of the Govt Departments/PSU's (like NHAI, NHPC, UJVN, CVPP along with several state Govt. Departments), have already reduced the performance guarantee requirement varying from 1% to 2% of the contract price.</p> <p>Therefore, we request you to modify the clause for the requirement of Performance Bank Guarantee is as below:</p> <p>The Contractor shall, within twenty-eight (28) days of the issuance of Letter of Acceptance, provide a security for the due performance of the Contract for an amount equivalent to 1% of the contract price in currency of the bid with validity upto 60 days beyond the Defect Liability Period.</p>	Existing provisions shall prevail
16.	-	<i>Request for addition of new clause</i>	For timely completion of work, the project requires initial investment for various preliminary works like provision of bank guarantee & insurances, purchase of steel, mobilizing large equipment, etc. Therefore we request you to kindly include an item of preliminary works in BOQ or allow us an initial interest free Mobilization Advance of 5% of the Contract Price.	Existing provisions shall prevail