



OFFICE OF HEAD

DEPARTMENT OF WATER SUPPLY & SANITATION

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Minutes of Bidder's Conference held on 12-04-2019 at 11:00 AM, Conference Hall, HOD office, DWSS, Mohali under the Chairmanship of Sh. Amit Talwar, IAS, Head, Department of Water Supply & Sanitation, Punjab

At the outset, Head, DWSS welcomed all the participants. It was intimated that Five Surface water based Water Supply Schemes in various districts of State are to be implemented on Design Built Operate and Transfer Basis for which tenders were invited on 12-12-2018 on e-tendering website (<https://eproc.punjab.gov.in>), but participation by the bidders was almost negligible. Now, Department intends to re-invite the tenders but before initiating the re-tendering process, it is imperative to find out the reasons for less participation in first round of tendering so that appropriate amendments in Bid Documents may be made to evoke maximum response of prospective bidders during re-bidding.

- 2.0 All the representatives of six participating agencies (List attached at Annexure-1 along with DWSS participants) introduced themselves one by one.
- 3.0 Sh. V. K Garg, Sr. Design Expert, delivered a presentation on salient features of 5 project and key provisions contained in the bid document such as Eligibility & Qualification Criteria, Payment Details, Joint Ventures applicability and other details relating to bidding were presented. It was clarified to all that the land for all the five schemes is available with Department and also the funds are available for execution of project as same are to be constructed under World Bank assisted PRWSSIP Project.
- 4.0 Sh. S.K. Jain, Chief Engineer (North) asked all the participating agencies to give their views about limitations and areas of improvement in conditions of Bid document.
- 5.0 Following discussions were held:
 - i.) One of the Bidders conveyed that the money from the bidder side gets blocked because of withholding of 10% payment relating to Clear Water Transmission System up to the time of its commissioning. It was informed that provision for release of 70% of the payment on supply & delivery of pipe exists in the Bid Document. However, the point raised shall be examined.
 - ii.) It was also desired by bidders that the Bank Guarantee amount should be reduced to half and the other half may be deducted from their running bills. It was replied that the point shall be reviewed suitably.
 - iii.) In addition, it was also requested by the bidders that performance bank guarantee for project implementation shall be taken against capex value which should be released after commissioning, while a separate performance guarantee for opex may be taken

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before start of O&M period till the end of O&M period. It was assured that the concern shall be examined and appropriately addressed during re-bidding.

- iv.) HoD asked the bidders regarding any problem foreseen by bidders with regard to installation of solar plant, but none of the bidder expressed any reservation regarding this.
- v.) It was expressed by some bidders that completion period of 24 months is less and it should be increased to 30 Months, as design of the scheme itself takes around 6 months and also the Liquidated Damages (LD) are very high. In response, it was suggested by HoD that incentive clause for advance completion can be built in the bid document which shall be a motivational factor for early completion and LD clause shall be examined and further rationalised.
- vi.) One of the bidders desired for two months time for preparation & submission of bids on account of conducting detailed survey before submission of bids and also requested for floating the tender on item rate basis except for off-take chamber, WTP, Sump, Electro-mech works, Scada system as per other World Bank Funded project in other states because in case of any change in pipeline diameter & length on the basis of revised design varying from conceptual drawing may leads to increase in execution cost. In this regards, it was clarified that digital survey already got done by DWSS & attached with the bid document can be examined and also tentative idea regarding ground situation can be had from google maps. It was also informed to the bidders that detailed ESIA study report attached with the Bid document also contains all the minute details such as road cuttings required, paved/ unpaved roads & railway crossings falling in the pipeline route etc. can be referred to for preparation of the bids and chances of actual variation than as per details in the attached reports may not be much and survey to be carried out by bidder shall not take much time. It was also clarified to all present that the bid document also provides for change in contract amount on account of variation ordered by DWSS as per their requirement varying from the submitted design of the bidder.
- vii.) One bidder requested to update the costs of DI Pipes since it constitutes 65 % of the total project cost and the rates of DI pipes have increased in the past 2 months. It was replied that the revised rates shall be considered during the evaluation of the bids. It was also desired by bidder that 80 mm DI Pipe is presently being manufactured by only one supplier and as such, to get a competitive rate DI Pipe size to be used should be 100mm diameter onwards. As regards smaller size pipes, project should use 80 mm & 100mm HDPE pipe instead of DI pipe. It was replied that the design of the project is within the mandate of bidder / contractor and they can accordingly submit their competitive bid.

- viii.) One of the bidder requested for relaxation in condition to submit bill of minimum 3 crores instead of 5 crores for better cash flow management. It was also informed that financial capability clause as existing in the qualification criteria shall take care of the concern raised by the bidder. As per this clause, the bidder shall have to demonstrate its financial capability sufficient to meet construction cash flow of approx 3 months. As such, there should not be any constraints for cash flow with the winning contractor. It was also clarified that there is no bar for releasing less amount bills than the amount stated in the related condition. The provision exists in the bid document just to restrict frequent submissions of bills and to avoid shifting of focus from the main work. However, it was agreed that issue shall be examined & payment condition as per the contract amount of each scheme shall be appropriately revised.
- ix.) Bidders requested that they should be kept out of payment of electricity charges during O & M period and instead DWSS should take the responsibility to pay electricity charges. It was also feared by one of the bidder that the peak load charges vary during the day and it may entail extra expenditure on the contractor. It was replied that the provision of reimbursement of electricity charges to the bidder has been made in the bid document on the concept that the bidder shall submit the bid with such a design in which due care has been given to ensure efficient operation of the scheme. As regards, peak load charges, it was clarified that scheme has to be designed on full day running basis and O&M prices shall be subject to adjustment on account of variation in the Electricity Tariff during the O&M period with reference to 'Base Rate of Electricity Tariff' specified at the time of invitation of bids which presently has been taken as INR 7.10 per KWh.
- x.) One bidder asked for road restoration work to be paid extra on item rate basis. It was clarified that all road cuts, dismantling of different type of roads paths, railway and bridge crossing to be encountered are given in ESIA Report and appropriate premium for minor variation envisaged during actual execution may be added by bidder in its competitive bid.
- xi.) Bidders requested for amending the payment condition for non-perishable items by increasing the percentage from 60 to 75% of invoice value to maintain better cash flow and similarly 5% of the payment should be kept for commissioning of the sub activity. It was agreed that the point shall be examined and appropriately amended during re-bidding.
- xii.) Bidder requested to amend qualification criteria for financial capabilities and it was desired that the Net worth positive in last five financial years should be made the criteria instead of profit in three years out of last 5 years, because Net worth is the

correct measure to know the financial position of a firm. It was agreed that the point shall be examined and appropriately amended during re-bidding.

- xiii.) One of the Bidders raised a query about changes in contract amount as per variations in applicable taxes i.e. GST should be paid 12 % over the quoted rate and also wanted to know about the exemption of taxes i.e. availability of tax/exemption benefit available in India in the contract financed under World Bank loan because under GST, there is no tax exemptions. It was agreed that the point shall be examined and rates shall be got quoted without GST after discussion with the World Bank. However, as regards, exemptions of taxes, it was clarified that provisions of the present taxation are applicable for this World Bank financed project too and if there is no exemption under GST for taxes etc., it shall be applicable as such in this project also.
- xiv.) One of the Bidders requested to allow MoU with other firms in addition to Joint Ventures. DWSS replied that conditions of MoU are more relaxed viz-a-viz relating to Joint ventures and responsibilities of various parties are not legally enforceable in MoU. However, firms can create "SPV" to execute the work, if so desired, by them in case the consortium is successful in the bidding. Bidders were also informed that formation of subcontracting up to 25% of total contract value is also allowed as per Bid document.
- xv.) One of the bidder wanted that construction qualification eligibility should be amended in addition to existing one contract of 80% value with 2 contracts of 60% value and 3 contracts of 40% value. It was agreed that the point shall be examined and appropriately amended during re-bidding.
- xvi.) Bidders intimated that the Multiplication factor taken for calculation of Bid Capacity as given in Qualification Criteria No. 4.5 (a) should be amended from 1.5 to 2, as is being adopted in other states under multi lateral agencies funding program such as ADB Projects. It shall help in enhanced participation. It was agreed that the point shall be examined and appropriately amended during re-bidding.
- xvii.) One of the bidders requested for submission of earnest money by lead partner instead of in the name of the JV that submits the Bid. It was agreed that the point shall be examined and appropriately amended during re-bidding.
- xviii.) All the bidders assured for their participation in the bidding.

Meeting ended with vote of thanks to the chair.

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