

**MINUTES OF PRE – BID MEETING HELD ON 22.06.2009 AT 1100 HRS. AT IWAI, NOIDA FOR
SHORTLISTING OF MAIN CONTRACTOR FOR INDO-MYANMAR KALADAN MULTI MODAL
TRANSIT TRANSPORT PROJECT**

Present

I. IWAI

1. Shri Sunil Kumar, Vice Chairman - In chair
2. Shri Pradeep Kumar, Member(Finance)
3. Shri S.S.Pandian, Chief Engineer
4. Shri N.Unni, Dy. Director(KPMU)
5. Shri A. Selvakumar, AHS
6. Shri. Sanjeev Kumar, JHS

II. Representatives of Contractors

Representing

- | | |
|-------------------------|---|
| 1. Shri Chitwon Wason | M/s Hindustan Construction Co. Ltd |
| 2. Shri J.P. Shukla | M/s Gomti Engg. Services Pvt. Ltd |
| 3. Shri R.P. Singh | M/s Gammon India Ltd. |
| 4. Shri B.K. Arora | M/s AFCONS |
| 5. Shri A.P. Srivastava | M/s Infra Dredge Services Pvt. Ltd. |
| 6. Capt. Rajen Sachar' | M/s Essar Dredging Ltd |
| 7. Shri Amit Mainde | M/s Essar Constructions (India) limited |
| 8. Shri P.Sarkar | M/s Simplex Infrastructures Ltd. |
| 9. Shri A.Kumar | M/s. RDS Project Ltd |
| 10. Shri Pankaj Bajpai | M/s RDS Project Ltd. |
| 11. Shri A Haque | M/s Posco enc India Pvt Ltd |

III. Vice Chairman, IWAI welcomed the participants to the pre – bid meeting. A presentation was given to the bidders on the Project details and the field conditions in the project area.

IV. It was noted that some bidders had requested for clarification on EOI in writing prior to pre-bid meeting. Hence, the participants were requested to submit their queries / clarification raised during the meeting in writing by e-mail by 25th June2009.

V. Tentative date for visit to project area was indicated as 20th -25th July 09. Participants were requested to furnish names & passport details of their representative who may visit to project area. It was also stated by IWAI that the date for submission of EOI will be extended to a suitable date after the proposed visit to project area by contractor's representative.

VI. The Clarifications on the queries raised by the bidders are seen in Annexure -1.

VII. It was decided that keeping in view the reduced scope of work, the experience specified in EOI document will stand modified as

- One work costing not less than Rs. 160 crores
- Two works costing not less than Rs. 100 crores each OR
- Three works costing not less than Rs. 80 crores each.

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

Annexure-1

Sl. no.	Pre-bid queries	Reply
<u>AFCONS INFRASTRUCTURE LTD.</u>		
1.	Please confirm, whether this project is eligible for Project Export Benefit and/or benefits under Export Promotion Capital Goods Scheme of Govt. of India?	The project is to be implemented with 100% funding provided by Govt. of India. The Framework agreement gives the facilities available.
2.	It is noted that payments are in Indian Rupees. Please confirm that to meet the Foreign Currency requirements whether part of the payment would be available in Foreign currency, such as US\$, Euro, GBP etc.?	Payment will be made in Indian rupees only.
3.	We have noted that as per the agreement with Myanmar Govt. There would not be any Customs duty for the import of material and equipment to site for the purpose of construction of this project. Please confirm.	Yes, for imports from India to Myanmar. As regards import from 3 rd country, IWAI will assist in obtaining specific details as may be required from the Myanmar side through usual channel. The contractor may also explore this aspect independently.
<u>SIMPLEX INFRASTRUCTURES LTD.</u>		
4.	It is requested to include the relevant construction experience of the bidders in similar projects.	Relevant experience is already important information required against EoI notice.
5.	The construction experience in ongoing/partially completed similar projects also should be considered if the partial completion value is more than that required for pre-qualification.	Due consideration will be given to this aspect. However interim certificate issued by the client indicating physical and financial progress shall be furnished.
6.	Since all equipments required for construction, are to be imported to Myanmar, the relevant rules may please be furnished to the bidders.	As per Frame work agreement in respect of import from India to Myanmar. As regards import from 3 rd country, IWAI will assist in obtaining specific details as may be required from the Myanmar side through usual channel. The contractor may also explore this aspect independently.
7.	We presume that all manpower necessary will have to be from India; the related rules & regulations may please be furnished to the bidders. Further please indicate whether local labour rules will be applicable.	It may be presumed that bulk of unskilled labour may be available locally and skilled / specialised categories may have to be taken from India. Please see sl. No. 50 below.
8.	Please indicate whether 'Deemed Export Facility' will be available for this project.	The project is to be implemented with 100% funding provided by Govt. of India. The Framework agreement gives the facilities available.
9.	It is understood that all payments due to the contractor, will be released directly by the MEA. We presume from experience of previous such projects, such payments will be in two parts viz. partly in Indian Rupees and partly in Foreign Currency (usually in US\$). Please confirm. Also pl inform the applicable Foreign Currency Regulatory acts.	Payments will be released by MEA. Pls. see sl no. 2 above.

10.	We understand that the total scope of Dredging is likely to be drastically reduced (from estimated Rs 113 crores to Rs 11.25 crores) due to proposed change in location of jetty. PI provide us a detailed layout indicating proposed locations. Also it is requested to make available the survey and soil data to the bidders.	The total dredging quantity will be reduced in the likely event of relocation of terminal to Paletwa. However, nearly 90% of the balance (reduced) dredging quantity will be at Sittwe port & leading channel areas. A detailed Project report of the project is available. Same, as well as further any available information will be provided for reference. Please see sl no.29 below.
11.	Please inform on the availability of exclusive local administrative support like security etc. In case such support is chargeable, pl indicate the same.	Security is to be provided by the Myanmar authorities. Nevertheless, there may be some costs involved for logistics necessary for effective and efficient use of same, which is to borne by the contractor.
Hindustan Construction Company Ltd		
12.	Amend the clause from the PQ document that states as 'Completion of One Port / IWT Development work' to be replaced by a broader specimen as 'Completion and Development of Marine works' as that will include works like construction of Breakwaters, Jetties, Open Sea Cable Strayed Bridges, Dredging & Shore Protection'. Also we request you to further please raise the bar for successful execution of the similar projects from past seven years to ten years.	Contractor may furnish all relevant particulars of experience as per Eol notice. Due consideration will be given for experience in the specified area and also allied area. However the span will be upto seven years.
Essar Constructions (India) Limited		
13.	The Technical Feasibility report for the project was conducted by RITES in the year 1999-2000. The project proponent will need to re evaluate the dredging quantities estimated 10 years back based on fresh surveys to take into account siltation of the Kaladan river.	Based on reconnaissance trips made recently, much change is not foreseen as far as the dredging requirement in river between Sittwe and Paletwa is concerned. Detailed hydrographic survey for updating the dredging estimates for Sittwe area is being arranged and results will be included in tender.
14.	The project cost estimates are based on year 2006 rates which cannot be applicable today. The project proponent will need to re evaluate the project cost based on fresh estimates.	Yes
15.	Project proponent should share the final DPR and all survey reports with the bidders so that they can make their own assessment of the project requirements and bid competitively.	Yes.
16.	The payment for dredging should be based on the actual volume/qty dredged for which a pre dredge opening survey will be needed.	Pre and Post dredging surveys will be conducted jointly with the contractor for arriving at actual quantity dredged for payment purpose.
17.	Project proponent should organise a site visit for the interested firms so as to get first hand knowledge of the project.	Site visit has been scheduled from 20-25 July. IWAI will assist in obtaining VISA and coordination with Myanmar authorities. Contractors will bear their individual costs fully.
18.	The difference in rates for dredging sand/soft material and Pebbles/boulders is huge. Hence a fresh cost estimate based on current market rates needs to be calculated and should also include the mobilisation/demobilisation cost as well.	At the tender stage, bidders will be free to offer their viable rates. Updating of estimate will be considered as per actual necessity to make the estimate realistic.

19.	As dredging is a highly specialised job with large wear & tear on the equipment the replacement costs of the imported parts will have to be paid in USD, it is necessary that part of the payment should include foreign currency (USD) so that the bidder is not unduly burdened.	Please see sl.no.2 above.
20.	While estimating the dredging cost it is essential to keep in mind that only four months in a year will be available for dredging on account of weather. Hence idling cost of the equipment for the remaining period needs to be included in the cost estimates.	The dredging at Sittwe for reclamation may have to be planned as first activity by cutter suction dredger during first season. The CSD may thereafter be useful for river dredging near Paletwa. The dredging of leading channel by TSHD may have to be planned for subsequent season.
21	By virtue of the project being undertaken in Myanmar, clarity is required if there are restrictions of the government on employment of any particular nationality.	Not aware of any specific restrictions on the Nationalities mentioned. Contractor may check with Myanmar embassy.
22.	Clarity is also required if there are any local governmental laws to employ Burmese labour. Dredging being a specialised job it may not be possible to employ local unskilled labour	Such details could be further ascertained during site visit by representatives of contractors. Please see sl. No.7 above.
23.	In order to determine the eligibility of the firms the cost of projects currently being undertaken by the firm should also be given weightage.	See sl. No. 5 above
24.	In case of a consortium the shareholding pattern of the consortium members should be detailed by the project proponent.	Pls refer sl. Nos 36, 37 and 38 below.
25.	To make the project attractive the selected bidder should be given the first right of refusal in case of any future expansion of project for larger vessels.	Will be kept in view while finalising the terms and conditions of bidding.
26.	Clarity is required if the bidder will be responsible for maintenance dredging as well for both the sea and waterway channels.	Present scope of work is only the capital dredging.
27.	Clarity is required on dumping site for dredge material from both sea & waterways dredging in order for bidders to make a proper estimate of the project cost.	Sea dredging – see sl.no.30 below. Waterway dredging – disposal will be to the nearest designated place on bank / deep pool.
28.	A copy of the framework agreement should be given to the bidders.	Uploaded to IWAI web site under Kaladan project.
<u>INFRA DREDGE SERVICES PVT. LTD</u>		
29.	Total quantity to be dredged.	Indicated in DPR. Fresh hydrographic survey is being taken up at Sittwe area. Updated quantity will be included in tender.
30.	Distance of dumping ground from Dredging location.	By pipe line from CSD for reclamation in Sittwe Port may be up to 3 kms. approx. By Trailer suction hopper dredger will be in to the sea probably 10-15 kms away from approach channel to Sittwe port. The contractors may make their own assessment during site visit.
31.	Total qty. required for reclamation.	Approximately 3 to 3.5 lakh cu mtrs.
32.	Whether Indonesian, Philippines and Dutch can work on the Dredgers.	Not aware of any specific restrictions on the Nationalities mentioned. Contractor may check with Myanmar embassy.

33.	Since our substantial expenses are in Foreign currency, we would like to have 70% of the contract sum in USD.	Please see sl.no.2 above.
34.	Pls confirm if time between November to March is fair season for Dredging.	Yes – in river. Fair season in Sittwe may be longer.
35.	Complete Soil investigation report.	A detailed Project report of the project is available. Same, as well as further available information will be made available for reference.
RDS Project Ltd.		
36.	Is it possible to attend the bidding as a foreign company with JV format which is associating with India company?	Yes, but lead contractor must be from India. The foreign firm should fulfil whatever eligibility criteria for associating with such works in Myanmar.
37.	How many number of associated company can compose for JV and how much percentage of equity shall be imposed to the lead company or other member	Contractor can make JV with any nos. of partners. There is no specific percentage of equity to the Lead member or other members. However strength of each member will be evaluated separately and collectively.
38.	PQ condition [experienced similar construction amount] can be manipulated pursuant to number of member in JV.	In case bid submitted in the form of JV, then combined experience of members will be considered. However, experience of lead contractor will be the main deciding factor.
39.	Except the amount of experienced construction cost, are there no other PQ criteria?	Criteria are duly indicated in the EoI document EoI is not a pre qualification exercise. This is only for shortlisting. The contractor will require to fulfil technical qualification requirements during tender process.
40	In the formation of JV, is it required making of SPV in term of local regulations or is it able to be satisfied with JV agreement which were done in between company without creating any kind of corporate office in local.	Lead contractor must have registered office in India and additional offices in Myanmar and India as may be required for effective coordination and supervision of the works and interaction with Nodal agencies and IWAI.
41.	What is the currency of payment?	Currency of Payment is Indian Rupee. The payment will be released by MEA to contractor directly based on progress of work and recommendation of IWAI.
42.	Regarding work of scope all of engineering & design will be done by client?	Design and Drawing of all important components will be done by Project development consultant, not by the contractor.
43.	Which country regulation & law is going to be applied to the contractor from making contract agreement to be completed project including construction period?	Framework agreement uploaded in IWAI website (under Kaladan project) refers (www.iwai.nic.in).
44.	Has local government in Myanmar[or client] designated a certain of quarry near site that contractor can be furnished with rational cost or free of cost	No. The contractor has to explore availability of required materials and its cost during his site visit.
45.	Before submitting bid document to the client what kind of written material can we meet such as BOQ site soil test, site survey report be impacted on bid cost etc.	A detailed Project report of the project is available. Same, as well as further available information will be made available for reference.

46.	There are no mentions pertaining to highway except length of it. Can we get it major work of scope and estimated construction cost?	Highway is not a part of the scope of work for the EoI notice called.
47.	Project schedule : additional prebid meeting & tender release date & bid date etc	Project is already approved and to be executed at the earliest with a target commencement by November 2009. Tender release date and bid date for tender will be decided after EoI process and shortlisting of contractors is completed.
48.	What does the Estimated cost of Rs.295 Crores (2006) means? If it means that the cost was estimated in 2006, whether it is going to be revised at present rates or not?	It means the cost is at 2006 prices. Revision if any will be contained in tender document. For the present, EOI process is being carried out with available estimate.
49.	What is the scope of work for sea Dredging at the Estimated cost of Rs.295 Crore? If it is for the Option No-1 then whether the estimated cost is going to be revised in case of Option No2 & 3?	Scope of work is detailed out vide presentation make. Also uploaded on www.iwai.nic.in under Kaladan project.
50	Whether in Myanmar Labour are allowed to go from India or any other country? If yes then who shall be liable for obtaining visa viz. Client or Contractor? What shall be the lead time for issuance of visa for Engineer's & Labour Contractor's visit to Myanmar for execution of work? Which country's labour laws shall be applicable during the execution of the project?	Please refer framework agreement for details of laws prevailing during deployment of labours and project personnel from India. Regarding visa for project personnel, IWAI will facilitate same in coordination with MEA and Embassy in Myanmar on priority. As regards applicability of labour laws, please refer to framework agreement.
51.	Are there any taxes involved in Myanmar at the time of importing machinery/material which has to be borne by the Contractors? What type of custom duty is leviable at the time of importing machinery/ equipment in Myanmar for execution of work?	Please refer 'framework agreement' for details.
52.	Is there any tax exemption which shall be provided to the contractor in Myanmar and/or India? Whether the Import benefit (Custom duty exemption) shall be available to the Indian Contractors at the time of importing capital equipments as available at the time of importing for port projects situated in India?	Tax exemption as per framework work agreement between India and Myanmar for project related materials and equipments carried from India. Please see Sl.No. 3 above also.
53.	Does this activity is liable to tax in Myanmar like VAT/Service Tax as prevailing in India? Which country shall charge Income Tax on the Income earned from the work?	Please refer framework agreement for details.
54.	The project requires Construction of a highway from (Kaletwa) to India-Myanmar border (62 kms). Whether the land had been acquired or it still to be acquired and who is responsible to give clear site from all hindrances & encroachment to the Contractor and in case of delay in giving clear site by the responsible authority whether escalation shall be provided to the contractor?	Highway component is not in the current scope of work for the EoI notice called.
55.	Whether some payment can be made to the contractors in foreign exchange as in lieu	Project costs are payable in Indian Rupees to the main contractor in India.

	contractors are obliged to make certain payments in FOREX which shall be diluting the exchange rate fluctuation risk?	
56.	What shall be criteria of meeting PQ conditions in case of Joint Venture partners pertaining to equity participation & technical qualification?	Please refer Reply of sl. No.36 to 40 and EoI document.
57.	Whether the foreign country participant in Joint Venture with Indian Contracting Company shall mandatory have a place of business in India or it can open an office in India within 30 days as per FEMA Regulations?	Extant Indian regulations/ law will apply.
58.	Whether the soil testing or other reports as available with IWAI shall be parted with the contractors before bidding?	Yes. A detailed Project report of the project is available. Same, as well as further available information will be made available for reference.
59.	Whether the PPT presentation as displayed in prebid meeting shall be provided to the contractors?	Available at IWAI web site under Kaladan project.
60.	Whether Joint sites visit by all the bidders be arranged by IWAI at the cost of bidders?	Yes. Costs and logistics to be borne by bidders. IWAI will facilitate VISA and other coordination with Myanmar agencies.
61.	Whether the time for project completion shall be extended in case scheduled project award date is delayed beyond Nov. 2009 since it was explained that dredging can be undertaken only from Nov to Mar?	Relevant aspects affecting the work execution will receive due consideration.
62.	Technical and financial qualification criteria of the Joint Venture as a whole and not individually for the companies participating in JV.	See serial no.38 of above.
<u>V. D. Swami and Company Limited</u>		
63.	Your EOI covered only Indian Vessels. Please confirm if the offer from our principals in Croatia will be considered for supply of vessels duly built in Croatia to enable us to arrange to submit Expression of Interest from them.	Vessels are to be built either in India or Myanmar.
<u>LANCO Infratech Limited</u>		
64.	Whether Indian Firm having Joint Venture with foreign firm can participate in the EOI.	See as per sl. No.36 to 40 above.

(Co-ordinator)
KPMU