

AMC/e-Tender/39/2009
Aurangabad Municipal Corporation



Aurangabad Water Supply Project

for

Build, Refurbish, Operate and Maintain the Water Supply System of Aurangabad City,
Maharashtra State, India

Response to Second set of Pre-Bid queries raised by Bidders

S No	Reference	Query / Suggestion	AMC Reply
Jamshedpur Utilities and Services Company Limited (JUSCO)			
1	General	We request one more pre-bid meeting before submission date to get clarifications on following issues from AMC.	1. Bidders may consider replies provided in this document as a final position of AMC;
2	General	We request AMC to provide atleast 45 days (December 15 th 2010) for submission of our bid, further to the proposed date.	1. The Bid Due Date for the Project has been extended from October 30 th , 2010 to November 15 th , 2010 2. The Bid should be submitted before 1100 hours IST on Bid Due Date
3	Reply to query no 10, page 160 of 267	Kindly provide the revised draft concession agreement at the earliest.	1. The revised Draft Concession Agreement is being prepared and will be provided to the Successful Bidder
4	Point No 5, Reply to Q 31, Page 101 of 267,	<p>Many of our assumptions in the financial model would be based on policies of AMC towards various issues like connections, disconnections of existing customers, illegal usage, time frames for actions towards such issues, recourse available, policies towards stand-posts, other free connections, ground water, borewell water, supply to slums, fire department, religious places, government campuses etc.</p> <p>It is important for a concessionaire to understand what rights, powers, social obligations it has under the Concession Agreement which are transferred to him by AMC to perform efficiently in the Concession period. Such rights, powers, obligation of AMC would be determined under the said water bye laws which AMC shall agree to transfer to the concessionaire.</p> <p>Kindly provide us with the copy of water bye laws framed by Aurangabad Municipal Corporation. To many of the queries related to policies of AMC as above, water bye laws have been referred. The water bye law shall essentially form part of annexures to Concession agreement.</p>	1. AMC shall provide water bye laws to the Concessionaire during the Preparatory Period

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5	Reply to Q 12, Page 58 of 267	<ol style="list-style-type: none"> 1. The reply mentions that AMC shall provide land delivery schedule for Portion A of the site. - In the annexures this deliver schedule is not given. 2. Here is it mentioned that land delivery schedule for Portion A shall be condition precedent in the CA. - Kindly clarify for better understanding that land identified under Portion A will be handed over/ delivered during the preparatory period as per schedule provided to us at the time of bidding. 3. Definite timeline for delivery of Portion B land shall be provided. - Kindly clarify when this timeline/schedule of delivery will be provided and what shall fall under Portion B. 4. Timeline for handover of Portion B is max 24 months from signing of CA. - This means that from appointed date land can be handed over at the completion of one and half year (assuming 6 months preparatory period) of construction period. <p>At present as bidders we do not have any understanding on which land is available with AMC and which is yet to be acquired. We therefore are not able to plan time required to complete the construction work, what delays shall we consider. We request AMC to kindly provide list of atleast the areas identified under portion A and B. Further the CA has strict timelines (3 years) for completion of construction and rehabilitation works and there are very high penalties for delay in achieving COD. Incase AMC delivers land only at the end of max time limit, concessionaire will not be able to absorb this delay in its construction schedule and complete work on time. Even though there is penalty on AMC for non delivery of land in given time we will definitely need more time to complete the works. We request AMC to allow</p>	<ol style="list-style-type: none"> 1. The land identified as a Portion A of the Project Site shall be handed over to the Concessionaire on or before Appointed Date; 2. The understanding of timelines for handing over the land under Portion B of the Project Site is correct; 3. Please refer Annexure 7 for the land schedule to be identified as Portion A and Portion B of the Project Site; and 4. No change in Construction and Rehabilitation Period

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		<p>equivalent increase in timelines for completing construction works proposed in land under Portion B. Example: for 'x' land delivered after 1 year from appointed date, construction on such land shall be completed by end of 4th year from appointed date.</p>	
6	<p>Reply to Query No 4, Page 210 of 267, Annexure 11</p>	<p>In the prebid meeting the need for clear definitions of service levels, how these levels will be measured and method for evaluation of results was discussed in details. However, in the annexure this part is completely missing. Example 1: PreCOD service level no 4, Annexure 11; Coverage of the service area. Year 1: "Supply of pure water to 100% of AMC's existing consumers and any new consumer within municipal corporation limit". If the demand for a new connection is in an area within AMC limits but where there is currently no distribution mains laid, will Concessionaire have to lay distribution mains for servicing this single connection immediately? Please note that the concessionaire needs to work according to approved plan by AMC for progress in the construction & rehabilitation period. Haphazardly providing such connection may not improve coverage, however it may affect service to existing connections due to limitation in the distribution network. Kindly allow concessionaire to carry out works for providing service coverage as per plan approved. It is anyway in the interest of Concessionaire to provide new connections and to that effect, he will take all actions necessary if it is possible to provide water to such new connection.</p> <p>As given, the service baselining exercise (reply to query no 61, page 127 of 267) shall determine the</p>	<p>1. No change</p>

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		<p>existing coverage. We request that Concessionaire shall only be responsible for maintaining the baseline service level as per agreement in the pre COD period to avoid high expectations and demands from political and social groups etc. However, he shall endeavor to improve the service wherever possible.</p> <p>Example 2: Post COD service level no 3, Annexure 11, Water loss. Year 4: Maximum 25% What NRW level should the concessionaire achieve at the end of first quarter of year 4 to be eligible for performance payment?</p>	
7		<p>Is there any tanker provision without payment? Can concessionaire charge tanker payment in case there is supply issue in a area due to distribution system constrains in existing service coverage area? What charges for supply of tanker water? Service baselining. Whats the current coverage?</p>	<ol style="list-style-type: none"> 1. Please refer Annexure 8 for the details about the consumers getting serviced through tankers; 2. During the Construction and Rehabilitation Period, the Concessionaire can charge the rate as approved by AMC for the water to be supplied by the tankers; 3. AMC supplies water by tanker to a population of about 40,000 on an alternate day, i.e. potable water supply to 20,000 consumers by tankers on a daily basis at a rate of Rs 900/annum/household; 4. During the Operation and Maintenance Period, it is Concessionaire's obligation to provide potable water to all consumers within Service Area through distribution network; 5. If in emergency, during the Operations and Maintenance Period, if the Concessionaire is required to supply potable water to consumers within the Service Area then the same shall be supplied at a rate provided in Annexure 6.
8	Post COD service level no 3, Annexure 11,	NRW level of 15% as difference between water lifted at source and water billed is too ambitious and practically impossible. Though concessionaire will	<ol style="list-style-type: none"> 1. No change

S No	Reference	Query / Suggestion	AMC Reply
	Water loss	operate and maintain water supply assets, he cannot avoid third party damage as 90% of the assets will remain in areas where concessionaire only has right of way like any other utilities. Also we do not see any economic rationale behind reducing NRW to 15% overall. We request AMC to consider target NRW levels of 15% as difference measured between outflow at MBR and water billed. Water loss from source to outlet of MBR could be as allowed in CPHEEO norms.	
9	1.1.4, Page 2 of Volume 1 and Annexure 34, Reply to Query no 221, Page 263 of 267.	<p>The estimated cost of project has jumped from earlier INR 638 crores to present INR 792 crores. We see the major difference in distribution system estimate which is changed from pervious INR 166 crores to present INR 320 crores essentially due to use of DI pipes. We think that at INR 792 crores the project may not remain affordable to AMC. Further the total grant amount also has reduced to INR 400 crores. All this will impact very badly on the AOSG that the bidders will demand to cover higher capex.</p> <p>PE pipes (upto size 350mm diameter) as considered in earlier estimate of AMC are a suitable pipe material like the DI pipes for smaller size distribution network and will reduced the cost of works considerably. Further there is ease in work with PE pipes as they come in coils, are flexible and therefore have less joints and require less no of specials (bends) reducing costs and improving construction timelines.</p> <p>We think that consideration of DI pipes is unnecessary burden on the project. We don't see change in material specs as a deviation from DPR. Already AMC has made changes to various item in DPR, in their size and quantity. Request AMC to consider PE pipes for size upto 350 mm diameter in distribution network.</p>	<ol style="list-style-type: none"> 1. For the purpose of Bidding, Bidders are expected to consider the revised cost of the Project and only DI pipes for the distribution system; 2. However, AMC will try to reduce the cost of the Project and Concessionaire's contribution through: <ol style="list-style-type: none"> i. Persuasion at State as well as Central Government to allow flexibility in using HDPE pipes in the distribution system; and ii. Representation to the State Government for the allowance of grant for the water meters 3. But at this stage, AMC is not in position to guarantee the fructification of these efforts

S No	Reference	Query / Suggestion	AMC Reply
10	Reply to Query no 2, Page 25 of 267, Query no 61, Page 127 of 267 and Query no 152, Page 248 of 267.	<p>In the prebid meeting, bidders had expressed their concern over the timelines proposed in the project. However in the replies this concern is not addressed. Our experience in other cities shows that survey, study and design of rehab of distribution system is a lengthy process as there are many iterations in design that happen due to unknowns since all the assets are buried underground. Information on assets (size, length, material, quality and strength of material) are key to design and needs to be verified as the current information available with AMC is limited. We therefore request that for survey and design of distribution system AMC should allow a period of 1 year.</p> <p>Similarly rehabilitation of distribution system is a tedious process. Each length of existing main to be rehabilitated involves laying of new pipe, transferring of service connection, testing and disconnection of old line. The transfer of service connection with new material and installation of meter are to be done in individual customer's premises which require their permission etc. Also AMC's own report estimates 1290 kms of distribution mains laying and 134000 connections. To compress this activity in 3 years is impossible as this will create many social issues due to simultaneous excavation of streets and main roads, traffic congestion, etc. We therefore request that for rehabilitation of distribution system AMC should allow a period of 6 years.</p> <p>We understand that constrain in providing more time is attributed to the UIDSSMT grant for the work which is believed to be available only till March 2012 and has to be utilized before this time. Further 70% of the earlier grant installment (50% of total) has to be</p>	1. No change

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		<p>utilized for release of the second installment. We suggest that the total construction work be divided into two parts. For the works from headworks to MBR, AMC may provide the earlier timelines of 6 months for design (preparatory period) and 3 years for construction since this is possible. For the works from MBR to customer tap, kindly allow 12 months design period and 6 years of constructions. With this we believe, it is possible to complete enough works so as to raise 70% utilization of first installment of the grant amount. We request your consideration.</p>	
11	Reply to Query No 17, Page 71 of 267,	Here bimonthly invoicing means invoicing once in two months? Kindly clarify for better understanding.	1. Bidder's understanding is correct
12	Point No 1&2. Reply to Query No 3, Page 8 of 267	<p>Point 1: Performance security of 10% of construction and rehabilitation period is too high. Herein the concessionaire has to bring in capital for works over and above the grant, therefore we request again to reduce the performance security to 10% of grant amount.</p> <p>Point 2: There is already a performance fee of 25% of the AOSG. A separate performance security for Operation and Maintenance period which is equivalent to AOSG itself is not reasonable. This essentially means that concessionaire will have to provide security for the total cost of work in O&M period. We request AMC to remove the security requirement or fix to a max of 5% of AOSG.</p> <p>Please note that bank charges for providing security will be loaded by the bidders in their price which AMC will have to bear. The higher the security amount, higher the cost of project.</p>	1. No change
13	Reply to Query No	The concessionaire is expected to bear upto 15% per	1. No change

S No	Reference	Query / Suggestion	AMC Reply
	8, Page 37 of 267, Reply to Query No 9, Page 50 of 267	annum increase in raw water cost and upto 10% per annum increase in power cost. The assumed increase in cost of raw water and power year on year by the bidder will reflect in the AOSG demanded by him and AMC will tend to pay more than the actual increase. It shall also inflate the AOSG in the beginning years. We request AMC to considering complete pass through of increase in cost of raw water and power in the interest of the project.	
14	Reply to Query No 14, Page 66 of 267,	The request made by bidders was on the limit of 5% of project cost (now INR 40 crores) set in CA for increase/ decrease of cost due to change in law. The reply does not address this. We request AMC to lower this limit to 0.5% as per model concession agreement since this will further burden the project cost if bidders have to build in such high cost in their financial model. Kindly clarify: Shall the concessionaire bear the recurring effect of such change in law(taxes/duties) from the year when such new law comes into being? Kindly clarify: Schedule 1 of Concession Agreement: definition of change in law (a) Will change in existing taxes /duties be covered under enactment of any new applicable law	1. No change
15	Reply to query no 5, page 36 of 267	Point No 2: We request that all amount collected for a given quarter in the collection account shall be transferred to water payment account by end of the given quarter	1. As clarified by AMC all amount deposited in the Collection Account shall be transferred to the Water Payment account on a monthly basis
16	Annexure 28, replies to queries	Shall the one year advance water tax collected from new customer form part of user fee? What charges shall be levied for reconnection of disconnected customers who have paid their dues? What shall be the revision for one year advance water tax during the concession period?	1. Please refer reply to query no 4 of this document
17	Reply to query no	Kindly clarify if collection/ recovery of water arrears is	1. The understanding is correct

S No	Reference	Query / Suggestion	AMC Reply
	87, page 137 of 267	a Concessionaire's obligation.	
18	Reply to query no 31, page 101 of 267, Reply to query no 110, page 145 of 267	<p>We feel that the third slab (Rs 23/ kl for consumption between 17-23 kl/ month) and fourth slab (Rs 30/kl for consumption above 23 kl/ month) are too high and there will public outcry with such high tariffs. All increase in tariffs have to be justified. We request AMC to reconsider this tariff plan. Also the Concession Agreement shall have room to reconsider tariff plan taking into account public sentiment. Incase, for a given level of tariff during the concession period, if the consumers in mass numbers are not willing to pay, what recourse will AMC and concessionaire have? We request AMC to provide relief to concessionaire in such case under clause 22.1 (b) of draft Concession Agreement.</p> <p>Further charging meter cost in EMI terms over and above the water charges payable with new tariff in post COD period will inflate the total water billed to consumer.</p> <p>We request that the volumetric tariff be implemented immediately (within two months) after meters are installed during the construction and rehabilitation period. This will ease the immediate and abrupt change from flat tariff system to volumetric as proposed to a more gradual change. Also a period of 2 months could be provided after installation of meter to record any abnormal consumptions.</p>	<ol style="list-style-type: none"> 1. AMC considers the Water Tariff provided in the Concession Agreement as appropriate for the Service Area and the Project; 2. AMC has already provided a relief to the Concessionaire under Clause 22.1 (b) of the Draft Concession Agreement; 3. No change in a mechanism of recovering meter cost from the consumers; 4. AMC agrees to the Bidder's suggestion to allow Concessionaire charge volumetric water tariff during the Construction and Rehabilitation Period; 5. The mechanism to charge volumetric water tariff during the Construction and Rehabilitation Period shall be as follows: <ol style="list-style-type: none"> i. The option to charge either volumetric or flat water tariff during the Construction and Rehabilitation Period will be with the Concessionaire; ii. The Concessionaire can charge volumetric tariff only after 3 months of installation of such meter; iii. The volumetric water tariff applicable during the Construction and Rehabilitation Period shall be Rs 8/kl and Rs 39/kl respectively for domestic and non-domestic consumers; iv. The General Body of Aurangabad Municipal Corporation has approved these charges in its resolution number 554 dated August 18th, 2009, provided in the RFP Document Clause No 1.1.13 (B) (iii) (c)
19	Reply to query no 57, page 123 of 267	The current surplus of AMC is just over Rupees 10 crores. How AMC plans to ring fence the water payment?	<p>AMC is proposing to ring fence Water Payment account by:</p> <ol style="list-style-type: none"> 1. Depositing net User Charges, after deduction of raw water, power & employee cost from Collection

S No	Reference	Query / Suggestion	AMC Reply
			<p>Account to Water Payment Account on a monthly basis; and</p> <ol style="list-style-type: none"> Budgetary allocation for the Annual Grant to be paid to the Concessionaire
20	Reply to query no 27, Page 85of 267	<p>Point no 3: The concessionaire shall be given flexibility to refuse/ seek replacement of any deputed employee if such employee is found not suitable to work under concessionaire. What powers will AMC vest with concessionaire to address incidence of indiscipline or negligence leading to financial/ operational liabilities?</p> <p>Point no 8: Kindly provide the breakup of the cost.</p> <p>Point no 12: Kindly provide the base remuneration for year 2010-11.</p> <p>Point no 17: Who shall pay for the deputation allowance? How much is the deputation allowance?</p>	<ol style="list-style-type: none"> As clarified by AMC, all employees below the rank of sub-overseer, working in the AMC's water department shall be transferred to the Concessionaire on deputation; In case of any incidence of indiscipline or negligence of the deputed employee leading to financial/ operational liabilities, the Concessionaire shall be allowed to recommend punitive action against such employee to AMC that it may find suitable; AMC shall consider the recommendation and take an appropriate action against such employee; and The Concessionaire shall pay the deputation allowance, which will be in line with the Maharashtra State Civil Service Rules
21	<p>Clause 1.1.13(B)(ii) b</p> <p>Clause 1.1.13(B)(ii) c</p>	<p>Kindly provide break up (size and length wise) of replacement in trunk main considered in INR 69 crores of estimate.</p> <p>Kindly provide breakup (size and length wise) of 1290 kms of replacement considered in the estimate (Page 16)</p>	<ol style="list-style-type: none"> Please refer Annexure 3 of this document for the cost estimation of Trunk main and Feeder mains Please refer Annexure 4 of this document for the details of the distribution pipeline network for all six zones, covering 1089.78 kms; AMC considered additional 200 kms of pipeline network for any new development within the Service Area
22	Reply to query no 34, page 226 of 267	Annexures 23 and 26 are not provided in replies to queries. Kindly provide.	<ol style="list-style-type: none"> Annexure 23 has been provided in a hard copy Annexure 26 – It was a numbering error, this Annexure was not mentioned in the earlier reply
23	Vol II (PDF drawings) as part replies to queries	Kindly provide these drawings in Autocad format. The given drawings are not clear especially Fig 3 drawing when zoomed to see closely. The print of the drawings also does not come clear.	<ol style="list-style-type: none"> AMC has already provided the same as part of Annexure to reply to queries raised by Bidders

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24	Annexure 19, Replies to queries	The annexure is referred as "Residential & commercial property details". However in the file there is category wise demand details for electricity. Kindly provide the residential and commercial property details registered with AMC.	1. AMC has already provided the available details in the Bidding Documents
25	Technical	Kindly confirm, the capacity of intake well is 320 mld or 192 mld? Kindly confirm, the no of staff quarters to be constructed is 58 nos? Kindly confirm if the intake well can be designed as circular?	1. The capacity of intake well shall be 325.48 MLD, as per Annexure 7 of AMC's earlier reply; 2. There shall be 10 class 3 quarters of 60 square meters each and 14 class 4 quarters of 40 square meters each; and 3. The intake well can be designed as circular with an approval from AMC
26	Reply to query no 86, page 136 of 267	Kindly clarify: Shall the tanker supply be charged to customers? If so what rate should be applicable? We request the tanker supply in the pre COD period be restricted to areas identified in service baseline exercise in the preparatory period. For cases wherein there is disruption in the operation both pre COD and post COD period, The concessionaire shall supply water by tanker. However, we request AMC to allow concessionaire to charge consumer for the tanker water at the pre decided rates as above.	1. Please refer the reply to the query no 7 of this Document
27	Reply to query no 32, page 102 of 267	Point No 1: kindly provide clarity in revised concession agreement.	1. Please refer the reply to the query no 3 of this Document
28	Reply to query no 42, page 110 of 267	Kindly provide the base quantities to be considered by the bidder. Only then can the additional quantities be defined.	1. AMC has already provided these quantities in its earlier reply to all Bidders
29	Reply to query no 46, page 112 of 267	Point no 3: We request to reduce this period to 3 months	1. AMC agrees with the change; 2. The Concessionaire shall disconnect the connection, after receiving a formal approval from AMC, for non-payment of water dues for 3

S No	Reference	Query / Suggestion	AMC Reply
			consecutive months
30	Reply to query no 8, page 38 of 267	Point No 9: This is an open ended clause with unlimited liability on the concessionaire. The concessionaire shall be responsible only to treat water at his cost within 10% limits of average of given quality parameter of raw water in a given month. Beyond this limit the extra cost shall be passed through. Or alternatively AMC shall limit this extra cost to be borne by concessionaire to INR 10 Lakhs per year. We request AMC to consider.	1. No change
31	Reply to query no 53, page 121 of 267	Point no 3 and 4: We are not clear on these points. Kindly clarify. Please suggest how concessionaire can recover the service tax from consumers?	1. The same can be loaded to consumers in User Charges
32	Reply to query no 58, page 126 of 267 Clause 19.1 (a)(ii), c(iii) & (d) and 19.2 (a) of volume III.	We again refer our earlier query. Kindly clarify A deviation from DPR due to Concessionaire following the Mandatory Project Requirements given in Vol II (ii) will be considered as an act or omission on part of AMC and concessionaire shall be entitled for relief as per clause 19.2 (a) of Vol III. If so, will the same hold true for deviation from DPR due to concessionaire following CA and the replies to prebid?	1. The understanding is correct;
33	Reply to query no 133, page 153 of 267	Pls clarify whether the first part of the example or the second part is correct in the query. We think the second is correct.	1. No change
34	Reply to query no 2, page 210 of 267	Point no 1: pls provide the TOR.	1. Please refer Annexure 1 of this document for broad Household Survey ToR
35	General	Kindly provide the terms and condition for creating water payment account and collection account. How and when these accounts be opened and activated.	1. These accounts shall be opened during the Preparatory Period
JMC Projects (India) Limited			
36	General	Some Queries in the "Response to Pre-Bid Queries	1. Please refer our reply to query no 1 and 2 of this

S No	Reference	Query / Suggestion	AMC Reply
		Raised by Bidders" provided still needs further clarifications. We request you to extend Bid Due Date by 4 weeks after satisfactory receipt of clarification for the queries.	document
VEOLIA Water India			
37	General	Complete responses to queries including the annexures have been received on September 27, 2010. A Project of this nature and Complexity requires at least 3 months from the date of receipt of all clarifications for carrying out the preliminary engineering and design, carrying out the financial engineering and preparing the cost estimate and financial model.	1. Please refer our reply to query no 1 and 2 of this document
38		Construction and rehabilitation period is confirmed as 3 years. From our previous experience in Hubli- Dharwad, Belgaum & Gulbarga, we are of the opinion that it is almost impossible to lay 1290 kms of pipeline and install around 1,50,000 of house service connections without causing serious difficulties in the day to day life of citizens. These 3 years includes monsoon period and the time required for submission of the layout drawings by operator and approval of the designs by independent engineer. We request a minimum of five years of construction and rehabilitation period.	1. No change
39		Water loss has been defined as the raw water lifted at source less water billed to the end consumer + free water supplied to fire fighting and has been considered as 25%,20%, 15% respectively from years 5, 4, 6 & 7 onwards. This is not practical and non-	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		achievable. The losses should be considered not from the raw water lifted at sources but immediately after the service reservoirs.	
40		We had requested for transfer of amount deposited in collection account to the water reserve account within next working day and not within seven days as mentioned earlier. AMC has increased this transfer process to 30 days. We require this transfer from the collection account to take place within next working day.	1. AMC shall deposit net User Charges, after deduction of raw water, power & employee cost from Collection Account to Water Payment Account on a monthly basis
41		We would like to know how AMC intend to ring fence the collection account and this information cannot be left to be known to the bidders later. At the least, we expect AMC to provide us with the outline of water byelaws intended to be passed in the council. This is required for meeting the demands of the lending institutions for availing the debts.	1. Please refer reply to queries no 4 and 19 of this document
42		During the pre-bid meeting and in the bid document, usages of PE / DI were allowed for the distribution pipes. The present document confirms that distribution pipes need to be only DI pipe. This has increased cost. Consequently, investment by the Bidder has been increased not be able to meet the requirement of annual support grant being sought by the Bidders on account of the increased investment envisaged. Confirmation is required as to how AMC intends meeting this requirement. As such, financial viability of this project is now in doubt.	1. Please refer reply to query no 9 of this document
43		The deputation conditions of the employees are too difficult for the Private Operator to comply with. This requires substantial changes.	1. No change
44		We have a few more queries, which can be presented to you if there is a meeting point. Hence, we request you to have an immediate pre-bid meeting during	1. Please refer our reply to query no 1 and 2 of this document

S No	Reference	Query / Suggestion	AMC Reply
		the coming week.	
IL&FS Water Limited			
45		Revised Concession Agreement: We request AMC to provide us a revised draft of the concession agreement with respective schedules and annexure, as it is very difficult for us to read the present draft by cross referencing the concession agreement with replies to pre-bid queries. Also, in many of the pre-bid replies it is stated that changes will be incorporated in the revised concession agreement. Hence, it is requested that a final revised concession agreement draft be issued to the bidders for them to place a competitive bid.	1. Please refer reply to query no 3 of this document
46		Bid Due Date: It is stated that the last date for submission for the bid is October 30,2010. We would like to state that we require at least 3 months for us to make a reasonable and competitive bid after reading the concession agreement in line with the reply to the pre-bid queries given by you. Hence the bid due date should be 3 months from receipt of the revised concession agreement as requested in point no 1 above.	1. Please refer reply to queries no 1 and 2 of this document
47		Termination Payment on Concessionaire's Event of Default: As per Clause 34.3,Vol III, Draft Concession agreement, termination payments for Concessionaire Event of Default, "If the termination is on account of a Concessionaire Event of Default, the AMC shall be entitled to receive from the Concessionaire by way of termination payment an amount equal to the Debt Due less Insurance Cover. The AMC shall be able to encash the Performance Security towards any termination payments due from the Concessionaire" AMC Reply to Pre-bid queries: The intention of this	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>Clause is to not penalize AMC in case of Concessionaire Event of Default and to secure lenders' interest.</p> <p>The concessionaire puts in equity and mobilizes debt funds and creates project assets for AMC.</p> <p>In case of termination due to Concessionaire Event of Default, the Concessionaire will forfeit equity, transfer the project assets to AMC and exit the project. Further, the Concessionaire has to payoff the lenders of the project and for this purpose, AMC has to compensate by paying the concessionaire, debt due less insurance cover. This compensation mechanism for termination payments is as per the provisions of the model concession agreement of the Government of India. In this regard, we draw attention to the model concession agreement of NHAI, which is a base document for projects in other sectors also.</p> <p>If the clause pertaining to termination payment in case of concessionaire's event of default is not changed, the following events will take place</p> <p>a) The concessionaire will take a cautious approach in anticipating likely events of default and a multiple layer of contingency provisions will be provided for in costing. This will increase the cost/annual operation grant</p> <p>b) Given the current structure of the termination payment, lenders will not find this project bankable and will not be ready to give an attractive rate of interest for the project. This will also increase cost/annual operational grant</p> <p>Hence we request a change of the termination clause in case of Concessionaire Event of Default to "If the termination is on account of a Concessionaire Event of Default, the Concessionaire shall be entitled to</p>	

S No	Reference	Query / Suggestion	AMC Reply
		receive from AMC by way of termination payment an amount equal to the Debt Due less Insurance Cover"	
48		<p>Adjusted Equity The definition of Adjusted Equity as defined in Schedule I of the Concession agreement is (a) - (b) multiplied by 15.5% where (a) Is equal to paid up share capital (b) Is equal to returns on equity paid As per the draft concession agreement in the case of AMC Event of Default and Non-Political Force Majeure only Adjusted Equity as above shall be payable by AMC. Assuming an equity investment of Rs. 100 crores and dividend payment of Rs. 10 crores, as per the definition, the Concessionaire will receive only Rs. 13.95 crores (i.e. 15.5% of Rs. 90 crores). This would mean that even for no fault of the Concessionaire, he would get only Rs. 13.95 crores as return on equity and would forfeit the full equity investment. This is not in the spirit of Equity and the Concessionaire should be able to get back his equity along with an Equity IRR of 15.5 %. Hence, Adjusted Equity should be defined as (a) - (b) multiplied by 115.5%. Kindly incorporate this change in the concession agreement.</p>	<p>AMC agrees with the proposed change; The definition of Adjusted Equity now stands as: Adjusted Equity means the sum expressed in INR representing: (a minus b) multiplied by 115.5%, where</p> <p>(a) means the paid up equity share capital of the Concessionaire for meeting the equity component of the Project Cost and shall for the purposes of this Agreement include convertible instruments or other similar forms of capital including shareholder loans, which shall compulsorily convert into equity share capital of the Concessionaire, and any interest-free funds advanced by any shareholder of the Concessionaire for meeting such equity component;</p> <p>(b) means any returns of equity paid or shareholder loans which have been repaid (including where such returns are paid by way of dividends, buy back, related party transaction that is not at arms length.</p> <p>For the avoidance of doubt it is clarified only those related party transactions that are not on arms' length basis shall be considered a return on equity invested or debt by a shareholder to the Concessionaire so as to be included as part of paragraph (b) above.</p>
49		<p>Substitution Agreement: The replies to pre-bid queries, Legal section point number 29, states that AMC shall include a substitution agreement for lenders step in. Kindly provide the draft of substitution agreement at the</p>	<p>1. Please refer reply to queries no 1, 2, 3, 47 and 48 of this document</p>

S No	Reference	Query / Suggestion	AMC Reply
		<p>earliest In view of the foregoing and in order for the Concessionaire to put in a competitive bid, we request for the following at the earliest a) Revised draft of concession agreement with schedules incorporating changes based on replies to pre-bid queries b) Extension of time by at least 3 months from date of receipt of revised concession agreement by the Concessionaire c) Change the termination payment in case of Concessionaire Event of Default to "The Concessionaire shall be entitled to receive from AMC by way of termination payment an amount equal to the Debt Due less Insurance Cover" d) Change the definition of Adjusted Equity to (a) - (b) multiplied by 115.5% as mentioned in point number 4 above e) Draft Substitution agreement for lenders steps in.</p>	
Jindal Water Infrastructure Limited			
50	General	Request for extension for Bid Submission date to 30 th November 2010.	1. Please refer our reply to query no 2 of this document
United Phosphorous Limited			
51	4 (pg 12) Rep - 2 & 3	<p>2. Consortium Members cannot submit separate Bid Security & 3. AMC shall accept Bid Security only from Lead Consortium. Kindly note that all the consortium partners are jointly responsible for the project and hence the bid security shall necessarily be issued by all the consortium partners in proportion to their respective ratio of participation. In the event a Single bid security in the form of Bank Guarantee is required to be submitted by Lead Partner, other partners would be required to provide a counter guarantee to the Lead Partner to</p>	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>safeguard his financial interest. In such case there would be cascading of BG commission, which shall be loaded on the bid.</p> <p>We therefore request you to kindly permit Bid Security by all the consortium partners for their respective share in consortium, if submitted by Bank Guarantees. The same should also apply for Performance BG as well. Please clarify as this will have impact on the financial model.</p>	
52	12 (pg 16) Rep - 4	<p>"The bid evaluation system methodology stands unchanged" As the Financial model is not a part of bid as per the reply sr. no. 11. it is necessary to provide suitable bid evaluations system in order to assess qualitative/ quantitative analysis of the Bids submitted by the bidders. The system shall necessarily cover the way forward proposed by the bidders than its past experience in order to successfully implement the project.</p>	1. The reply stands unchanged
53	17 (pg 19) Rep -1.iii	<p>In case AMC seeks to have MoU with the MS pipe manufacturers as stipulated, it should be necessarily be prior to the submission of bids by all the bidders and it shall be submitted with the bids only. If only successful bidder is required to enter into MoU with such pipe manufacturers, they will try to squeeze the successful bidder as they are assured of their business.</p> <p>Pre-tender MoU with all the bidders shall have level playing field for all the bidders and pipe manufacturers will provide for competitive offers.</p>	<p>The Clause 2.6, page 10 of Volume I of RFP document stands amended as follows:</p> <p>The requirement listed in Paragraph 5.2.2 of the RFQ in relation to the implementation of the Project using longitudinally or spirally welded MS pipes of 2200mm diameter having ISI License (as per IS:3589) and ISO 9001 certification, is amended, to the effect that 'The pipes shall be longitudinally or spirally welded MS pipes of 2000mm diameter having ISI License (as per IS:3589) and ISO 9001 certification. Moreover, these pipes should be procured from:</p> <ol style="list-style-type: none"> A. A company having both plate rolling and pipe fabrication facility housed either in the same company or in a group company; and B. Such company should have:

S No	Reference	Query / Suggestion	AMC Reply
			<ul style="list-style-type: none"> i. An existing installed annual pipe manufacturing / pipe fabrication capacity of Pipe Manufacturing unit as certified by Directorate of Industries should not be less than 40000 MT ii. The in house plate rolling (manufacturing) facility should be in operation for at least a period of 1 (one) year and should have had a production of at least 5000MT per year during any one of the preceding 5 (five) years from March 31, 2010; <p>C. The Concessionaire shall enter into a memorandum of understanding with such a pipe manufacturer; and</p> <p>D. The specification of such pipe should be in accordance with provision of Clause 2 on page 29 of 1.1.13 (B) (ii) (a) of the RFP Volume II'</p>
54	25 (pg 22) Rep - 1	Instructions to bidders - The clause that concession agreement cannot be changed post bid due date is not practical. There are already lot of amendments accepted by AMC in the response to pre-bid queries. All the amendments proposed needs to be incorporated in DCA and shall be provided to all the bidders prior to submission of bids for better clarity.	1. Please refer reply to query no 3 of this document
55	5 (pg 36) Rep - 3	Collection account shall be defined in the Concession Agreement. We request that AMC escrow 50% of octroi and property tax for first 5 years to protect the Operator and also to give comfort to financiers.	1. Please refer reply to query no 19 of this document
56	6 (pg 37) Rep - 1	"The concessionaire shall be responsible for billing and collection of water tariff" We request AMC to amend the clause as "The concessionaire shall be responsible for bulk water billing to AMC" OR "AMC shall be responsible for collection of water tariff and the Concessionaire shall	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		assist AMC in billing to the Consumers. OR AMC shall be responsible for collection of revenue from the consumers for the first five years and The concessionaire shall assist AMC in billing to the consumers."	
57	9 (pg 50) Rep - 6	Kindly amend this clause "The Concessionaire shall assist AMC to represent before MERC" as all power connection will be in the name of AMC and the concessionaire will not have any official locus standi before MERC. Besides, direct representation by the concessionaire may attract commercial power tariff being a private entity.	1. AMC shall not represent Concessionaire before MERC; and
58	12(pg58) Rep - 6 & 10	"AMC shall pay penalty to concessionaire on failing to deliver portion B of the project site by this timeline." "AMC shall use water payment reserve to pay concessionaire, if any to the Concessionaire." AMC need to define Portion A and Portion B clearly and also AMC should pay penalty as per EIRR (as defined under reply 12.7) through other sources of revenue as water payment reserve account is meant solely for the grant portion to the operator.	1. Please refer reply to query no 5 of this document; 2. The Water Payment Reserve Account is designed to offer a payment security to the Concessionaire, and not necessarily only for Annual Grant
59	13 (pg 61) Rep - 1 & 2	The project assets present and new shall be owned by AMC needs to be transferred to the concessionaire during the concession period to avail of depreciation and lien on assets by financiers. The understanding that water project can be funded only through cash flows and not assets will not be acceptable to Financial Institutions.	1. No change
60	14 (pg 64) Rep - 1	AMC may please review its reply as the variation of +/- 5 % is very high in a capital intensive project like Aurangabad and will have big financial implication for the Operator and needs to be factored at actual to avoid unnecessary loading on the bids.	1. No change
61	18 (pg 72) Rep - 3	It is not acceptable as we expect for the first few years	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		the employee, electricity and raw water charges shall certainly be more than the revenue collected hence payment to AMC does not arise.	
62	25 (pg 78) Rep - 2 & 5	The concessionaire is expected to supply water to enroute customers as per existing agreement tariff is unacceptable. The water tariff structure for all these enroute consumers are different from each other and these being bulk water consumers, the agreements with these customers will have to be replaced with new one to safeguard the operator.	1. No change
63	26 (pg 81) Rep - 4	We request AMC to amend the reply suitably. Firstly, Portion A & Portion B of the project sites are not clear and secondly AMC shall be handing over the Portion B site to concessionaire after 24 months and hence it is impractical for the Concessionaire to bring unforeseen or adverse site conditions in six months to the notice of AMC.	1. Please refer reply to query no 5 of this document; 2. Please refer point no 4 of the reply to query no 26 on page 81 of the reply, wherein AMC has provided six months time after handing over Portion B sites to the Concessionaire to bring an Unforeseen Adverse Site Conditions and/or contamination to the notice of AMC
64	27 (pg 87) Rep - 17	AMC may pay incentive to all employees being sent on deputation.	1. No change
65	29 (pg 94) Rep - 1 to 3	The replies cannot be acceptable to the Financial Institutions. 1. AMC shall provide list of all debtors with value of receivables prior to bid submission. 2. As proposed earlier Concessionaire shall be responsible for Bulk Water Supply and AMC shall be responsible for collection of water charges. 3. AMC shall guarantee the minimum offtake of water and provide revenue guarantee to the concessionaire	1. Please refer reply to query no 87 on page 137 of the document "AMC_Reply_toRFP_Pre_Bid_Queries_Sept_22_2010" sent to all Bidders on September 22 nd , 2010 2. No change
66	30 (pg 96) Rep - 2	We request AMC to amend the reply as below: 2. The other consortium members directly or through associates shall continue to hold 10% stake in the SPV.	AMC makes following amendment to the Clause 11 of the Concession Agreement: 1. The Lead Consortium Member will be allowed to dilute stake holding to 26%, in the SPV.

S No	Reference	Query / Suggestion	AMC Reply
			<ol style="list-style-type: none"> 2. Other Consortium Members shall continue to hold minimum 10% stake in Concessionaire through Concession Period; 3. The single member Bidder will be allowed to dilute its stake in the Concessionaire in favour to other investor; 4. The single Bidder can dilute up to 49% of Concessionaire's stake; and 5. The single Bidder and / or Lead Consortium Member shall continue to hold majority of stake in the Concessionaire
67	40 (pg 106) Rep - 1 to 3	It is indicated that system design for distribution system is flexible. We also request to provide flexibility in use of either DI or PE Pipes for distribution.	<ol style="list-style-type: none"> 1. Please refer reply to query no 9 of this document
68	41 (pg 107) Rep 2	Whether fees is already fixed by AMC or it shall be finalised during preparatory period?	<ol style="list-style-type: none"> 1. The fee has already been fixed by AMC
69	42 (pg 110) Query	Overall Project structure assumes all investments within 3 years. We would request that the Operator should have the flexibility of phasing out take up of the project based on demand by stake holders, milestone grants brought in by AMC and revenue collection scenario.	<ol style="list-style-type: none"> 1. No change
70	45 (pg 111) Rep 1 & 2	<p>The concessionaire doesn't have any direct locus standi before Government authorities. It can only facilitate in taking up the matter on behalf of AMC and primary responsibility shall be of AMC only. We therefore request AMC to rephrase the replies as below:</p> <ol style="list-style-type: none"> 1. It shall be AMC's responsibility to obtain all permits required for implementation of the project; 2. The concessionaire shall assist AMC in obtaining the required permissions and bear the cost pertaining to obtain such licences/ permits/ approvals. 	<ol style="list-style-type: none"> 1. No change
71	46 (pg 113)	We suggest that disconnection for non payment of	<ol style="list-style-type: none"> 1. Please refer reply to query no 29 of this document;

S No	Reference	Query / Suggestion	AMC Reply
	Rep 3	water tariff should be within 1 months after notice as otherwise the concessionaire will stand to lose revenue. The Concessionaire needs to be compensated suitably to cover revenue loss till disconnection.	2. AMC shall not bear any collection risk
72	47 (pg 117) Rep 1	To be amended as per earlier clause.	1. Please refer reply to query no 29 of this document; 2. AMC shall not bear any collection risk
73	64 (pg 129) Rep 1	As the concessionaire is required to bring in substantial investment and when there are a number of variables in the contract LD of 1% per week is very high. We request AMC to review this and may please be modified to 0.1% per week	1. No change
74	72 (pg 129) Rep 1	We request AMC to please amend the clause as below - AMC carries a risk of termination of the Agreement in case of non-fulfilment of the Condition Precedent and shall compensate concessionaire through suitable compensation mechanism and shall be provided in DCA prior to bid submission.	1. No change
75	81 (pg 135) Rep 1	Concessionaire responsibility to arrange funding for the project, change in scope, change in law or delay in grant. It is possible that concessionaire may not be able to obtain funds especially for additional work and AMC in this instance should provide suitable alternate funding arrangement and also extension to the construction period.	1. No change
76	83 (pg 135) Rep 1	We appreciate the part of water payment reserve account; however this should be an escrow account allowing concessionaire to draw return on his investment in Project and equity brought in as per the financial model provided by them.	1. No change
77	98 (pg 142) Rep 1-2	As of now there is exemption available in excise duty as per Central Excise Notification and shall save substantial duty on the project components. We	1. Customs duty and central excise duty are beyond AMC's jurisdiction; 2. The Central Government rules shall be applicable

S No	Reference	Query / Suggestion	AMC Reply
		request AMC to amend the replies as under – 1. AMC shall provide all assistance to the Concessionaire to obtain available concessions/exemptions in Duties as per prevailing Central/ State government laws/notifications/rules. 2. Any amendment/ withdrawal of notifications/ rules shall be dealt under Change of Law.	in this case; 3. Bidders are advised to consider appropriate law / rules and regulations 4. However AMC shall extend all assistance possible to the Concessionaire in getting such exemptions 5. Bidders should consider above aspects while Bidding for the Project
78	6 (pg 159) Rep 1	All drafting issues of concession agreement may please be completed and issued to bidders before the bid submission date.	1. Please refer reply to query no 3 of this document
79	Para.1.2.1-SI.No.ii) Distribution Network	Mandatory Project Requirements-Clause.1.1.13(B) of the RFP -Vol.1-Instructions to Bidders. Minimum residual pressure at Ferrule Point=12m.However it practice it is not possible to have 12m residual head at all points for the distribution system covered under the existing ESRs where the staging height is already fixed and the system would have designed for 7m residual head. Further, when 2041 flow is considered and existing pipes are considered for retaining,the existing Low Water Level will reduce the command area of the ESR under consideration. Hence it is suggested that for the area covered under the existing ESRs,the distribution system can be designed to provide a minimum of 7m residual head at consumer end and for the proposed ESRs,the staging height of the ESR will be fixed to provide a minimum12m residual head at consumer end.This practice is being followed in JNNURM Projects (Govt of India).	1. As per water manual, minimum residual pressure for urban area required to be 12 m. The staging height of existing ESR is 7 m. However it is at higher ground elevation and with reducing head loss in the distribution system i.e. by increasing diameter, 12 m residual head is achieved by AMC in hydraulic design; 2. Distribution sub zone of proposed ESR is independent of the existing ESR and both the sub zones are separately designed
80	Vol.1-Instructions to Bidders Para.1.2.2-Improvement to Existing	Mandatory Project Requirements-Claue.1.1.13(B) of the RFP -Vol.1-Instructions to Bidders.It is mentionedthat "ESR in bad condition and/or more than 50 years old have been suggested to discontinue". Since the Bid Document has not	1. Please refer Annexure 5 of this document for the details of the year of construction of storage reservoirs, sump and service reservoirs; 2. AMC has not done condition assessment of its reservoirs;

S No	Reference	Query / Suggestion	AMC Reply
	Distribution Network-Line.17&18	furnished the list of ESRs that are in bad condition or more than 50 years old requiring replacement,based on site inspection and condition assessment of the existing ESRs including structural stability,additional ESRs will be constructed and the cost of it will be included in the Project Cost. That is as per Para 1.3.1-Table.6,the total capacity of ESR for the yera 2026 is mentioned as 88.49Lakh litres. Cost of ESR exceeding 88.49 lac litres will have to be paid extra to the operator.	3. AMC has not stipulated any such condition of replacement of ESRs in bad condition and/or more than 50 years old in the RFP Volume-I for the Aurangabad Water Supply Project
81	Vol.1-Instructions to Bidders Para.1.3.1-Table.4	Mandatory Project Requirments-Clause.1.1.13(B) of the RFP -Vol.1-Instructions to Bidders.Para..3-Rehabilitation and expansion of existing water distribution network-Table.3-For Water District 3&6,Distribution Network in undeveloped area is taken as 3000 Ha and it is also mentioned in the last para that no hydraulic analysis has been done but length of network shall be 200Km.(There is typographical error in Table.4.The length of network is mentioned as 'm' instead on 'km').Also our bid will be for taking topogarpical levels for 200Km of length of road and for any extra length of road beyond 200km,additional payment will have to be made to us.This condition will also be applicable for Water Districts 1to5 and excess cost over the 1290Km of specified length and variations in diameter of pipe in Table.4 will be have to be paid to us.Only after taking topographical levels & assessing field conditions and redesign , the exact length of distribution system will be known.	<ol style="list-style-type: none"> 1. AMC confirm that lengths of network are in km (kilo meter) and not in m (meter); 2. Distribution network length above 1289.78 kms shall be considered as a Change in Scope
82	Vol.1-Instructions to Bidders Para.1.2.1-Table showing System	Sl.No.iii) of the Table showing sytem design and Parameters specifies total C41 losses as 15% and distribution system losses as 10%.The total length of 1290Km is proposed for Distribution system,Table.4 of	1. The lengths to be replaced and retained are based on preliminary engineering design;

S No	Reference	Query / Suggestion	AMC Reply
	Design and Parameters.	Vol.1-Instructions to Bidders.As per Annexure.16 of Bid Clarifications, Out of 923.029Km of existing distribution system, 721.774 Km is to be replaced and 96.833 Km is to be retained.The balance obviously relates to new pipes of 106.422Km.In case after replacing 721.774 Km of pipe and carrying out other non physical measures,the leakage level could not be brought down to the desired level of 10% in the distribution system,then more pipes are required to be replaced.In such an event,additional payment has to be made to the bidder.This can not be quantified at present.Only when the Reduction and Control of Leaks are taken up and systematic reductions in leaks are done by repeated trials,the exact pipes to be replaced can be quantified.	
83	Annexure.16 of Bid Clarifications	Annexure.16 is captioned as 'Existing Pipeline network and Proposed replacements'.But the Table is captioned as 'Details of Replaced and Retained Pipe Network'.It is presumed that the detail relates to length of pipe network to be replaced.	1. The details pertain to lengths to be replaced and retained are indicative based on preliminary engineering design
84	Annexure.34 of Bid Clarifications	Revised estimated cost of project under item.14 furnishes the total cost of DI Pipe Distribution System and ESR as Rs.32,018 Lacs.Break up details for ESR,Distribution system,HSC has not been furnished.	1. AMC has not changed any cost estimation apart from change in pipe material from HDPE + DI to only DI
85		In the CD 1 issued along with Pre-bid clarifications, Annexure-22,23 & 24 are missing. Kindly furnish.	1. Annexure 22, 23 and 24 were provided in a hard copy to all Bidders, and not in a CD
86	12 (pg 58) Rep - 6 & 10	"AMC shall pay penalty to concessionaire on failing to deliver portion B of the project site by this timeline." "AMC shall use water payment reserve to pay concessionaire, if any to the Concessionaire." AMC need to define Portion A and Portion B clearly	1. Please refer reply to query no 5 of this document; 2. The Water Payment Reserve Account is designed to offer a payment security to the Concessionaire, and not necessarily only for Annual Grant

S No	Reference	Query / Suggestion	AMC Reply
		and also AMC should pay penalty as per EIRR (as defined under reply 12.7) through other sources of revenue as water payment reserve account is meant solely for the grant portion to the operator.	
87	13 (pg 61) Rep - 1 & 2	The project assets present and new shall be owned by AMC needs to be transferred to the concessionaire during the concession period to avail of depreciation and lien on assets by financiers. The understanding that water project can be funded only through cash flows and not assets will not be acceptable to Financial Institutions.	1. No change
CASCAL NV / EA Infrastructure Operations Pvt. Ltd.			
88	General	Request and extension of the due date by 30 days to 30 th November 2010. Since there are a number of technical and financial details that require certification as specified in the RFQ. The process of obtaining certifications is quite exhaustive and time consuming.	1. Please refer reply to query no 1 and 2 of this document
IL&FS Water Limited			
89	Bid Due Date	We would like to state that we require at least 3 months for us to make a reasonable and competitive bid after reading the concession agreement in line with the reply to the pre-bid queries given by you. Hence the bid due date should be 3 months from receipt of the revised concession agreement.	1. Please refer reply to query no 1 and 2 of this document
90	Online submission - The Bidders are required to submit Bid online as per clause 3.11	Please confirm that whether the online submission is compulsory or not	1. The Bidders are required to submit Bid online as per clause 3.11 of the RFP document and the same is compulsory; 2. The physical submission shall prevail over online submission; and 3. Bidders are required to receive digital signature from AMC for online submission
91	Finance model -	Please specify the elements need to be considered in	1. Based on the AMC's reply to Bidders' queries, the

S No	Reference	Query / Suggestion	AMC Reply
	These issues have been addressed at appropriate places in this document (reply no 1)	the financial model and the elements covered under pass through	Bidder has to take a call on elements need to be considered in the financial model
92	Delay in getting Grant amount	As per the AMC's reply, it is understand that if any delay or non availability of grant portion either full or partial, the concessionaire has to arrange the additional loan portion, for the same AMC will bear the interest upto 15%. In this part, please specify about the repayment mechanism for the principal portion.	<ol style="list-style-type: none"> 1. AMC agrees with the Bidder's view; 2. The Concessionaire is expected to raise funds on his own to the extent of bridging the shortfall due to delayed grant from State / Central Government; 3. If in case the grant receipts delays beyond Construction and Rehabilitation Period and becomes unavailable then: <ol style="list-style-type: none"> i. AMC shall ensure that the Concessionaire is compensated for such additional investment, and that such compensation shall be adequate to recover the principal amount invested by the Concessionaire to bridge the shortfall of delayed grant; ii. AMC shall compensate Concessionaire with an one time extension to the Concession period, with overall limit of 10 years; iii. The Concession Period shall not exceed beyond 30 years in any circumstances; and iv. The extension of the Concession Period shall be agreed mutually between the Concessionaire and AMC
93	Change in scope	<p>In the mandatory document it is mentioned that the pipe length for 2026 & 2041 is 952.04 km & 1289.78 km respectively.</p> <p>As per our understanding, the concessionaire scope of work is limited upto phase 1 project components, ie the distribution pipe length is 952.04 km only. The additional length if any may be considered as change</p>	<ol style="list-style-type: none"> 1. The pipe length of the distribution network within Service Area through Concession Period is 1289.78 Kms; 2. Concessionaire's scope of work is not limited up to 2026 but for entire Concession Period of 20 years; and 3. The additional length above shall be considered as a Change in Scope

S No	Reference	Query / Suggestion	AMC Reply
		of scope. Please confirm. Please confirm that the change of scope clause will be applicable for all project components including distribution system.	
94	AMC – Employees -deputation allowance	Please specify that who has to bear the deputation incentive / deputation allowance.	1. It shall be Concessionaire's responsibility
95	Existing water byelaw	Please provide the copy of the same.	1. Please refer reply to query no 4 of this document
96	Technical specification, DPR & Mandatory document	<p>As per this, it is understand that from Intake to MBR the sizing, capacity & specification got fixed, no deviation from the technical spec given in clause 1.1.13 (B) (ii) (a) Technical Specifications;</p> <p>However the details given for distribution system is only for reference, any changes may be applicable as per concessionaire design.</p> <p>Please confirm that regarding the distribution system what are all the design norms & specification need to be followed by the bidder for working out the cost during bid stage.</p> <p>In this aspects please specify the following,</p> <ul style="list-style-type: none"> • Distribution & trunk main design flow & design period • Length of pipe to be provided • Material of pipe • Whether concessionaire scope is limited for laying of distribution & trunk main pipe line for phase 1 requirement or not. Please specify. <p>Also please clarify the following,</p>	<ol style="list-style-type: none"> 1. The Concessionaire is not allowed to deviate from the Clause 1.1.13 (B) (ii) (a) Technical Specifications; 2. The system design for the Distribution System provided in the Volume II of the RFP Document can be considered as a reference and if considered appropriate by Bidder can be used for the cost estimation; 3. For the distribution system the Bidder should consider only DI pipes; 4. The design period shall be year 2041; and 5. The material and length of pipes have been provided in the RFP document

S No	Reference	Query / Suggestion	AMC Reply
		<p>The statement given below is contravening from the clause 1.4 (d) in Volume 3 – Concession agreement & Clause 2.7.2 - Volume 1 – RFP.</p> <p>“The Concessionaire is expected to utilize same material as stated in the original DPR”;</p>	
97	<p>Overall project structure - AMC shall be responsible for any additional investment in the Project as a result of Change-in-Scope and / or additional quantity</p>	<p>Whether this reply is applicable for distribution pipe length & trunk main also, please confirm.</p> <p>The quantity given in mandatory document for distribution pipe, HSC, Metering, new ESR is the basis for the bidder to work out the costing. Please confirm.</p> <p>Also clarify, in the mandatory document the quantities are given for 2026 & 2041. It is understand that the concessionaire responsibility is to construct only for quantum of work under the 2026 ie Phase I requirement, the additional quantities may be consider as change of scope. Please confirm.</p>	<ol style="list-style-type: none"> 1. The understanding is correct 2. Please refer reply to query no 96 of this document
98	<p>Design norms & project component sizing</p>	<p>From this reply it is understand that the project component sizing is fixed from intake to MBR as given in 1.1.13 (B) (ii) (a).</p> <p>And, from the outlet of MBR to consumer end the design norms & sizing is upto the Concessionaire free to design the system by meeting Service Level Requirements.</p> <p>By taking this case, if the concessionaire design the trunk main, ESR, distribution pipe, etc., by taking their concession period requirement ie for the next 20 years demand instead of ultimate demand, is it acceptable.</p> <p>Please specify the design flow / demand for the trunk</p>	<ol style="list-style-type: none"> 1. The Concessionaire is not allowed to deviate from the Clause 1.1.13 (B) (ii) (a) Technical Specifications; 2. The Concessionaire shall have a flexibility in designing its own system from MBR for the design period of year 2041; and 3. The system design for the Distribution System provided in the Volume II of the RFP Document can be considered only as a reference

S No	Reference	Query / Suggestion	AMC Reply
		main, distribution system and its related components.	
99	Investment on project component - No investment proposed for Phase II of the Project	“No investment proposed for Phase II of the Project”. As per this statement, please clarify that the concessionaire scope of work is limited to phase 1 requirement – Whether this statement is applicable for trunk main, booster station, Construction of ESR, laying of distribution pipe line and its related works.	1. The Concessionaire is expected to design distribution system for the year 2041 though it shall be responsible to provide service only through the Concession Period
100	Guidelines for Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)	Please provide the same.	1. Enclosed as Annexure 2 of this document
101	Delay in receipt of Grant - It is Concessionaire's responsibility to arrange funding for the Project, including any additional funding requirement as a result of Change in Scope and / or Change in Law and / or cost escalation and / or delay in receipt of Grant	According to this clause, please specify how the additional funding will be compensated to the concessionaire. Whether the annuity will be adjusted accordingly. Please confirm.	1. It shall be Concessionaire's responsibility to arrange any additional funding required as a result of Change in Law and cost escalation; 2. AMC shall compensate Concessionaire for any additional funding as a result of Change in Scope; and 3. Please refer reply to query no 92 of this document
102	Water cess	Please provide the same	1. Please refer Annexure 9 of this document

S No	Reference	Query / Suggestion	AMC Reply
	payment - AMC shall provide copy of the water cess payment made towards MPCB		
103	Tanker supply details - AMC shall provide details of such water supply by tankers including area covered, daily supply of water, number of consumers, etc to all Bidders	Please provide the same	1. Please refer reply to query no 7 of this document
104	Initialed in all document for bid submission - Each of the schedules will have to be initialed	The documents received as annexure along with queries reply will also required to be initialed, please confirm. In this some are repeated with the earlier schedule.	1. The understanding is correct, even in case of repeated document
105	UIDSSMT grant - The UIDSSMT grant shall be available only till March 2012	As per trend of this bid, it is expected that the appointment date will lie end of 2011, hence the duration available for spending the UIDSSMT grant is found very less. In that case, concessionaire has to make the necessary additional investment, please specify the mechanism for adjusting in the annuity or any other system for recovery	1. No change
106	Phase I & Phase II of project components - Phase II investments shall	This will apply to the distribution system components also. Please confirm	<ol style="list-style-type: none"> 1. The Concessionaire is not allowed to deviate from the Annexure 10 - Clause 1.1.13 (B) (ii) (a) Technical Specifications; 2. The Concessionaire shall have a flexibility in designing its own system from MBR for the design

S No	Reference	Query / Suggestion	AMC Reply
	be AMC responsibility		period of year 2041; and 3. The Concessionaire is expected to design distribution system for year 2041 though it shall be responsible to provide service only through the Concession Period
107	Drawings	List of drawings needed in auto cad form, <ul style="list-style-type: none"> Existing distribution system Contour map Base map <p>The above maps has been received in pdf form, please send the same in auto cad form with scale</p>	1. AMC has already provided these drawings in AutoCAD format as Annexure to reply to queries raised by Bidders
108	ESRs - Year of construction of all ESRs	Please provide the details	1. Please refer Annexure 5 of this document for the details of the year of construction of storage reservoirs, sump and service reservoirs
109	Staff quarters - Location of Staff quarters shall be in the premises of existing WTP or as directed by AMC during the Preparatory Period; 2.Please refer Annexure -8	Please indicate the no. of blocks under type – III & IV	1. Please refer reply to query no 25 of this document
110	DI Pipe	For the D/System DI Pipes have been Proposed. Please Mention the specification for DI Pipes. Whether ISO certified DI pipes are acceptable or not. Please confirm	1. DI pipes shall conform to IS 8329
111	MS	The method of welding for MS pipe joint is by means of SAW instead of ERW, is it acceptable	1. This is as per IS 3589:2000

S No	Reference	Query / Suggestion	AMC Reply
112	Sludge disposal - Sludge is to be discharged to nearby nallah outside the boundary of WTP premises or as directed by AMC	As per the technical specification given by AMC, there is no provision for sludge handling system. In case it is necessary to provide as per MPCB norms, the same may be consider as change of scope. Please confirm	1. No change
113	Permanent Power supply – Express feeder main for the new project components	Please confirm that whether is it possible to tap power connection for the proposed 192 mld from the existing express feeder main at Intake & WTP or new feeder main need to be made from the MSEDCL Substation to our permises, in this case who has to bear the cost for deposit and cost towards laying of new express feeder main.	1. MSEDCL shall provide the additional power required for intake work and WTP at the respective premises. Cost of providing this power and deposit will be borne by the Concessionaire
114	SLR – Water Supply	Until completion of new distribution network, daily supply to all consumers is not possible for the first 3 years as per the condition of existing water supply network. Hence it is requested to modify accordingly.	1. No change
115	SLR – Water Loss, Weightage 25%	It is suggested to modify the maximum allowable water loss during 5th and 6th years as 25 % and 20% respectively.	1. No change
116	Functionality of the consumer meters - Weightage 10%	<p>Since the meters are under the custody of consumers, necessary stringent byelaws need to be adopted to ensure the working / good functioning of meters. If the meters are not working, it is the responsibility of consent consumer to bring to the notice of operators.</p> <p>Such a way the byelaw should be made for the non functionality of meter which will end up with the penalty to the consent consumer.</p> <p>With the above byelaw condition only, the operator</p>	1. Please refer our reply to query no 4 of this document

S No	Reference	Query / Suggestion	AMC Reply
		can ensure the functionality of meters. Hence it is requested to modify accordingly.	
117	Commercial aspects - 5.7 - Non Fulfillment of Concessionaire's Condition Precedent	<p>In the event of extension of time for preparatory period as mutually agreed between AMC and the Concessionaire, for the Concessionaire to fulfill the Concessionaire conditions precedent, AMC shall not encash the bid security at a rate of 1% per week till the expiry of such extended time.</p> <p>If the Concessionaire has not fulfilled its Condition Precedent even in such extended time, then AMC shall have the right to encash the bid security at the rate of 1% per week subject to a maximum of 10% of the bid security.</p>	1. AMC agrees with the suggestion
SPML Limited			
118		<p>The contour drawing provided with the pre-bid reply is not readable.</p> <p>Query: We require the Autocad formate, contour drawing for WTP(showing the location of the proposed WTP at Pharola).</p>	1. AMC has already provided the same
119	Vol II Clause 1.1.13(B)(ii) (a) Page 49	<p>As per the tender :</p> <p>xiii) Outside surface of tank, exposed face of columns, braces, beam, catwalk, bottom portion of slab and any exposed surface of the tank shall be provided with smooth finish and then three coats of approved shade of snowcem paint as per colour scheme approved by the Engineer-In-Charge shall be rendered.</p> <p>Query: Outside surface of tank, exposed face of columns, braces, beam, catwalk, bottom portion of slab and any exposed surface of the tank shall be provided shall be smooth form finish. Kindly confirm</p>	1. It should be finished smooth and then 3 coats of Snowcem painting to be applied

S No	Reference	Query / Suggestion	AMC Reply
120	Vol II Clause 1.1.13(B)(ii) (a) Page 49	As per the tender : xii) Waterproof cement plaster of CM 1:2 proportion 20 mm thick shall be provided for inside surface of the tank including roof slab bottom. Query: Generally for water retaining structures Cement Plastering is not required please confirm.	1. No change
121	Vol II Clause 1.1.13(B)(ii) (a) Page 123	As per the tender : 4. The minimum depth of foundation for individual footing should not be less than 2.00 M. In case of raft foundation, it should not be less than 3.50 M. Query: Depth and type of footing will be decided based on the soil investigation to be performed by the successful bidder. Please Confirm.	1. No change
122	Vol II Clause 1.1.13(B)(ii) (a) Page 52	As per the tender : ix. The foundation should be checked for negative pressure on soil due to combined direct and bending stresses. Negative pressure shall not be allowed on the foundation soil. Query: Reinforcement shall be provided for the negative pressure, if arises. Kindly confirm	1. No change
123	General	Kindly Provide the Finished Ground Level.	1. This will be in line with working survey
124	General	Kindly provide the design ground water table to be considered	1. This will be in line with the said investigation report
125	Vol II Clause 1.1.13 (B) (ii) (a)	Raw water quality is not furnished. Query: Pl. provide the raw water quality for which the plant has to be designed.	1. AMC has already provided the raw water quality data for Jaikwadi and Harsool schemes 2. However the Concessionaire has to carry out the raw water tests before designing the treatment plant
126	Vol II Clause 1.1.13 (B) (ii) (a) 18 l) Page 128	As per the tender : e) Collection Channel : Peripheral to the aeration fountain (free fall from last step to channel shall be 20	1. It is 20 cms

S No	Reference	Query / Suggestion	AMC Reply
		m) Query: Please clarify whether 20 m or 20 cms?	
127	Vol II Clause 1.1.13 (B) (ii) (a) 18 V Page 129	As per the tender : g) Weir Loading: Not more than 300 cum/M/day with 20% overloading Query: Weir loading shall be 300 m ³ /m/day during normal flow conditions as per standard design manuals such as CPHEEO. Please confirm.	1. The understanding is correct
128	Vol II Clause 1.1.13 (B) (ii) (a) 18 VI) Page 130	As per the tender : e) Rate of filtration 5,000 litres / sqm / hr. Query: We request AMC to allow bidders to offer filters with higher filtration rates to achieve the desired turbidity levels of less than 1 NTU provided the bidder has proven experience and furnishes client certificate for the same.	1. AMC agrees with the suggestion, subject to condition that the technology provided enhances the quality parameters of potable water and savings in energy & land cost
129	Vol II Clause 1.1.13 (B) (ii) (a) 18 VI) Page 130	As per the tender : i) Rate of back wash of water 600 litres / sqm / minute. Duration of back wash 10 minutes. Query: We request AMC to allow bidders to adopt their design for back wash of filters if it is technically better.	1. AMC agrees with the suggestion, subject to AMC's approval
130	Vol II Clause 1.1.13 (B) (ii) (a) 18 VI) Page 130	As per the tender : l) Under drain system Conventional PVC 10kg / square cm pipe of designed dia., with CI header tees. Query: We request AMC to allow the bidder to provide latest underdrain design of filters with false floor bottom and PP nozzles if they have proven experience for the	1. AMC agrees with the suggestion, subject to AMC's approval

S No	Reference	Query / Suggestion	AMC Reply
		same.	
131	Vol II Clause 1.1.13 (B) (ii) (a) 18 VI) Page130	As per the tender : u) Minimum control valves for each filter unit Filter inlet – 1 no. Filtered water outlet – 1 no. Air inlet – 1 no. Wash water inlet – 1 no. Wash water outlet – 1 no. Query: We understand all these valves are isolation valves except for the the filtered water outlet, which shall be a control valve. Also we propose sluice gates for filter inlet & backwash outlet as per standard design practice. Pl. confirm.	1. AMC agrees with the suggestion, subject to AMC's approval
132	Vol II Clause 1.1.13 (B) (ii) (a) 18 VI) Page130	18. VII) b) Rate of air supply Capable of delivering minimum 600 LPM per sqm of free air, of filter area Query: We request AMC to allow bidders to adopt their design if it is technically better and proven.	1. No change
133	General	As per the tender : Fitter operation & control philosophy is not specified. Query: Pl. furnish the specification for filter operation & control.	1. Filter operation should be continuous one as ratriid sand gravity filter. Constant rate filter to be adopted. Rate of flow meter and loss of head meter are mandatory
134	Vol II Clause1.1.13 (B) (ii) (a) 18 XII) Page 131	As per the tender : TCI Dosing Installation (Emergency Disinfections) Query: What is TCI? Pl. Clarify.	1. It is chlorinated lime commonly known as bleaching powder
135	Vol II Clause1.1.13 (B) (ii) (a) Page132 and 18 I) Page 128	As per the tender : Lip of aeration fountain is specified as 516 m and RL of lip of aeration fountain 516.5 M Query:	1. RL is 516.5 M

S No	Reference	Query / Suggestion	AMC Reply
		Both the clauses are in variance. Pl. clarify the correct level to be maintained.	
136	Vol II Clause1.1.13 (B) (ii) (a) Page133	As per the tender :In short (a) Turbidity not more than 20 JTU. (b) Suspended solids not more than 10 mg / l. (c) Total Al not more than.....Query:Please confirm Turbidity : TSS ratio is 2: 1	<ol style="list-style-type: none"> 1. No change 2. As specified, turbidity should not be more than 10 JTU
137	Vol II Clause1.1.13 (B) (ii) (a) Page133 and Page 134	<p>As per the tender :</p> <p>In short (a) Turbidity not more than 20 JTU. (b) Suspended solids not more than 10 mg / l. (c) Total Al not more than.....</p> <p>Minimum Performance Turbidity not greater than 10 JTU. S.S not greater than 10 mg/lit. Query: Both the clauses are in variance. Pl. clarify the correct values.</p>	<ol style="list-style-type: none"> 1. Please refer reply to query no 137 of this document
138	Vol II Clause1.1.13 (B) (ii) (a) Page135 and Page 130	<p>As per the tender :</p> <p>There shall be minimum 2 nos. of filter beds which can be operated independently and No. of beds and type 16 nos. of rapid sand gravity Query: Both the clauses are in variance. Pl. clarify the correct values.</p>	<ol style="list-style-type: none"> 1. As specified, number of filter units should be 16 (sixteen)
139	Vol II Clause1.1.13 (B) (ii) (a) Page135	<p>As per the tender :</p> <p>The filter bed shall consist of 0.60 to 0.75 M of sand supported on 0.45 M gravel. Query: As per our std. design we use filter nozzles with slot size lesser than the media and hence we do not provide gravel media. Gravel media leads to accumulation of dirt & biological growth thus affects the quality of fileterd water.. Pl. confirm.</p>	<ol style="list-style-type: none"> 1. Filter media to suit the process design, subject to approval of AMC
140	Vol II Clause	A Tentative layout of the treatment plant should be	<ol style="list-style-type: none"> 1. AMC has already provided the same

S No	Reference	Query / Suggestion	AMC Reply
	1.1.13(B)(ii)(a) 10.(a)Layout, Page 125	submitted. Query: Kindly provide the site plan for WTP with contour levels and co-ordinates.	
141	Vol II Clause 1.1.13(B)(ii)(a) 10.(b)Other statements and drawings, Page 125	Lip of aeration fountain is specified as 516.5 m, FSL of Pure Water sump - RL 512 .0m, LSL of Pure Water Sump - RL 505.0m. Query: Total hydraulic drop is specified as 4.5 m, and it will be less than 3.5 m excluding aerator headloss, which is very tight for designing a WTP. Normally 4.5 m Hydraulic drop is required for WTP alone. Therefore pl. allow a total headloss of 5.5m across the plant.	1. FSL of pure water sump – RL 511.0 M
142	Vol II Clause 1.1.13(B)(ii)(a) 12.(a)Physical Quality Requirement (iv), Page 126	iv)The filter runs should not be less than 36 hours. Query: It is not possible to run filter for 36 hours with inlet TSS of 10 mg/l. The dirt holding capacity of filter media will be very high for an inlet TSS of 10 mg/l. A reasonable filter run time with 10 mg/l of inlet TSS will be 24 hours. Pl. confirm.	1. No change
143	Vol II Clause 1.1.13(B)(ii)(a) 18.Specific Requirements to be provided for in the design of structures , Page 127	All Members of the structures in contact with water shall be in RCC grade M-250 or higher grade. Query: We presume it is M-25.. Please Clarify.	1. The understanding is correct
144	Vol II Clause 1.1.13(B)(ii)(a)	g)Velocity - 1m/sec to 1.25m/sec (Max).	1. It is the maximum velocity, actual may be lower than this

S No	Reference	Query / Suggestion	AMC Reply
	I)Aeration Fountain (Cascade Type) , Page 128	Query: In the case of 2000 mm dia MS pipe, the velocity will be much less than 1 m/s. Kindly clarify.	
145	Vol II Clause 1.1.13(B)(ii)(a) I)Aeration Fountain (Cascade Type) , Page 128	h)Inlet of fountain -2000mm dia MS 16mm Thick encased in RCC Shaft. Query: In the case of 2000 mm dia MS pipe, the velocity will be much less than 1 m/s. Kindly clarify.	1. Please refer reply to query no 145 of this document
146	Vol II Clause 1.1.13(B)(ii)(a) V)Clarifloculator, Page 129	q)Sludge Removal - Mechanized unit with continuous removal of sludge under pressure. Query: We understand that the mechanized unit is telescopic valve arrangement. Kindly confirm.	1. The understanding is correct
147	Vol II Clause 1.1.13(B)(ii)(a) C)Mechanical Equipment, Page 132	From the duck foot bend M.S pipeline 2000mm dia.16mm thick extending upto 15.00m distance measured ...Query:Kindly clarify the significance of battery limit of 15m, when the entire contract is executed by the concessionaire.	1. No change
148	Vol II Clause 1.1.13(B)(ii)(a) Pure Water Sump , Page 141	v.) Over flow from pure water sump is necessary upto 15m length from sump. QuerY: Kindly clarify the significance of battery limit of 15m, when the entire contract is executed by the concessionaire.	1. No change
149	Vol III Clause 13 Page 18	...For the avoidance of doubt, such business risks include but are not limited to any risks in relation to foreign exchange borrowing, change in Raw Water quality, increase in electricity price and non-recovery of user fees from End Users Query:	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		We request AMC to provide a mechanism for compensating the concessionaire for non recovery of user fees due to reasons not attributable to the Concessionaire	
150	Vol III 36.1 General indemnity Page 51	As per the tender : (b) AMC shall indemnify, defend, save and hold harmless the Concessionaire against ... Query: We request AMC to include 'Consequential Damages' like loss of production, loss of profit, or loss of any contract or for any indirect special or consequential loss or damage in connection with the contract in the list of indemnity items.	1. No change
151	Vol I Clause 1.3 Page 4	Evaluation of bids We presume that the successful bidder will be evaluated as per clause 1.3. The bidders are free to provide the best treatment scheme meeting the required treated water quality as per tender. Please confirm.	1. The Bidders will be evaluated as per Clause 1.3 of Volume I of the RFP document; 2. The Concessionaire is expected to maintain water quality as stipulated in the RFP document
152	General	Total Liability We presume that the total liability of concessionaire under this project will not exceed 10% of the project value. Please confirm.	1. The understanding is not correct
153	General	Liquidated Damages We presume that liquidated damages on account of performance of WTP and delay will not exceed 5% of the total project value. Please confirm.	1. The understanding is not correct
154	General	Sludge disposal We presume that the AMC will provide land for	1. Sludge disposal should be in nearby nalah, not beyond 3 kms from the WTP

S No	Reference	Query / Suggestion	AMC Reply
		disposal of the WTP sludge free of cost/fees within 3 kms from the proposed plant location. Please confirm. - OUR QUERY ON REPLY Kindly tell us the distance from clarifloculator to nearby nallah	
155	General	Please clarify whether this project is eligible for exemption from Payment of VAT under the Maharastra Value Added Tax & Rules. Whether AMC has obtained any such exemption notifications for this project.	<ol style="list-style-type: none"> 1. The VAT is not under AMC's jurisdiction; 2. AMC has not received or obtained such exemption notification for this Project
156	Vol II a Clause VI u) Page 130	As per the tender : Minimum Control Valve for each filter Unit:- Filter Inlet - 1 No., Filtered Water Outlet - 1 No. Air Inlet - 1 No. Wash Water Inlet - 1 No. Wash Water Outlet - 1 No. Query: We assume that, the design of Filter Operation related to Operation of Valve/Gate and Type of valve shall be as per Bidder's Design. Please confirm.	<ol style="list-style-type: none"> 1. The understanding is correct
157	Vol II a Appx. B 1) Page 146	Pipes and SpecialsQuery:We assume that, all the Carbon steel flanges for above 600 NB shall be IS 2062 Gr.B Material with dimensions of IS 6392 Table 11. Please confirm.	<ol style="list-style-type: none"> 1. The Concessionaire shall have flexibility to design distribution system for the design period of year 2041
158	Vol II a Appx. B 2)Page 146	As per the tender : All the Valves shall be of CI/DF Type. Valves shall bear the certification of ISI. All valves above 300 mm shall have spur gear arrangement and hand wheel for manual and electrical driven operation with necessary HP motor and its control. Query: We assume that, all the SLUICE valves inside the WTP, above 300 NB size, have to be Operated with Electrical actuator with a provision of Manual	<ol style="list-style-type: none"> 1. The understanding is correct

S No	Reference	Query / Suggestion	AMC Reply
		Operation. Kindly confirm.	
159	Vol II a Appx. B 2)Page 146	VALVES / PENSTOCKS / SLUICE VALVE:- Query: We assume that, the Valve Rating shall be PN 1.0 for Sluice Valve, Non-return valves and Butterfly Valves. Please confirm.	1. For WTP and distribution system the valve rating shall be PN1.0
160	Vol III Clause 2.2 c Page 5	As per the tender : Extend water supply coverage area within the city limits, as and when requested and required Query: Define city limits	1. The city limits shall be same of Aurangabad Municipal Corporation limits
161	Vol III Clause 3..2.2 e Page 20	As per the tender : A copy of the RFP as set out in Volume I, II and III with each page initialed by the person signing the Bid in pursuance of the Power of Attorney referred to in Clause (b) hereinabove; and Query: We request AMC to delete this clause as concession agreement has to be agreed on mutual consent basis which will happen after receipt of LOA	1. No change
162	Vol III Clause 19.1 c (iv) Page 26	As per the tender: then the Concessionaire shall be entitled to the relief referred to in Clause 19.2. Query: This sentence should be separated	1. AMC agrees with the suggestion
163	Vol III Clause 31.3 a (i) Page 41	As per the tender : (a) AMC shall not have the right to consider any of the following circumstances to be an event of Force Majeure: (i) strikes, lockouts or other industrial actions or labour	1. Please refer reply to query no 109 on page 196 of 267 in AMC's reply to Pre Bid queries

S No	Reference	Query / Suggestion	AMC Reply
		disputes by the employees of AMC or its agencies; or Query: Strikes, lockouts or other industrial actions or labour disputes by the employees of AMC or its agency should be included in Force Majeure event	
164	Vol III	We presume that AMC will pass on the benefits and support to get waiver in duties and taxes to the Concessionaire. Waiver/benefits on ED/CD and other relevant taxes and duties on input materials to be passed on to the Concessionaire.	1. Any tax exemptions, duty waiver/benefits is not under AMC's jurisdiction, however AMC may help Concessionaire in getting such benefits for the Project if available from any agency / Government
165	Vol III Clause 34.3 Page 46	As per the tender :If the termination is on account of a Concessionaire Event of Default, the AMC shall be entitled to receive from the Concessionaire by way of termination payment an amount equal to the Debt Due less Insurance Cover. The AMC shall be able to encash the Performance Security towards any termination payments due from the Concessionaire Query: AMC should pay atleast the debt due to the concessionaire to make the project viable - OUR QUERY ON REPLY Concessionaire equity is already sunk. How can they provide termination payment. The norm is the corporation to provide balance debt to the Concessionaire to secure lenders interest. AMC to confirm.	2. Please refer reply to query no 47 of this document
166	Vol III, Clause 27.1 Page 33	We request AMC to provide the unit charges and the fixed charges of Electricity to be considered during O&M for evaluation purpose. Kindly Confirm.	1. Please refer reply to query no 9 on page 50 of 267 in AMC's reply to Pre Bid queries
167	General	Variation in taxes & duties: Any change in tax or new tax introduced by government after submission of bid shall be reimbursed to the contractor at actuals on submission of documentary proof. Kindly confirm.	1. Please refer reply to query no 14 on page 64 of 267 in AMC's reply to Pre Bid queries

S No	Reference	Query / Suggestion	AMC Reply
Jamshedpur Utilities and Services Company Limited (JUSCO) – Query Set no. II			
168	Concessionaire's Revenue from User Charges Reply to Query no 142, Page 155	<p>We request AMC to provide graphical representation with maximum permissible time period for transferring user charges:</p> <ul style="list-style-type: none"> (i) Concessionaire transferring collected user charges to the "collection account" of AMC (ii) AMC transferring these user charges to the "Payment Account" after deducting costs towards raw water, power and deputed employees. It is specified that this transfer to the "Payment account" will happen within 30 days, which is too long. <p>Suggestion: We suggest the following two options for AMC to decide:</p> <p><u>Option 1</u></p> <ul style="list-style-type: none"> a. Concessionaire shall transfer user charges collected by the 5th business day of each month in the "collection account". b. AMC should make deductions towards raw water, power and deputed employees and transfer the balance money on the 6th business day of each month to the "payment account". c. Failure to AMC to transfer the balance money within 8th business day of each month, shall give express rights to concessionaire to withdraw from the "payment reserve account". <p><u>Option 2</u></p> <ul style="list-style-type: none"> d. AMC and Concessionaire open a "Trust & Retention Account" (TRA) with a bank and the bank acts as the trustee. 	<p>AMC partially agrees with the suggestion suggest following:</p> <ul style="list-style-type: none"> 1. AMC and Concessionaire open a "Trust & Retention Account" (the "Collection Account") with a Public Sector Bank, which will act as the trustee; 2. Concessionaire shall transfer User Charges as and when collected in the Collection Account; 3. The bank will transfer money equivalent to costs towards raw water, power and deputed employees to AMC on a monthly basis and the balance to Concessionaire; 4. The transfer of such money to AMC and the Concessionaire shall take place on 7th business day of every month;

S No	Reference	Query / Suggestion	AMC Reply
		<p>e. Concessionaire shall transfer user charges collected by the 5th business day of each month in this (TRA).</p> <p>f. The bank will transfer money equivalent to costs towards raw water, power and deputed employees to AMC; and the balance to concessionaire's account.</p>	
169	Payment of AOSG (Pre-bid reply no. 57, page 123 of 267)	<p>The payment security mechanism for AOSG is not defined well; and while AMC has agreed for ring fencing, the mechanism for the same is not mentioned.</p> <p>Suggestion:</p> <p>(i) AMC shall give irrevocable commitment to make budgetary provision of next year's AOSG payable to the concessionaire.</p> <p>(ii) This commitment has to be backed with allocating revenue from octroi, property tax or any other revenue stream, which means that revenue collected from these ring-fenced streams will first be transferred to "payment reserve account" till a reserve of 1.5 times AOSG is maintained.</p> <p>(iii) Concessionaire will send the invoice for AOSG by the 5th business day of each month to AMC and AMC shall transfer the money to the "payment account" within 15 days of the invoice date.</p> <p>(iv) Concessionaire shall have the right to withdraw from payment security account if AMC fails to pay within 15 days.</p> <p>If AMC opts for Option 2 mentioned above, the trustee</p>	<ol style="list-style-type: none"> 1. Concessionaire shall receive Water Payment in the form of net User Charges, after deduction of cost towards electricity, raw water and employee on deputation on a monthly basis; 2. AMC shall make a payment to the Concessionaire towards fixed component of the Annual Grant payable quarterly at the start of every quarter, on a 1st business day; 3. The payment to the Concessionaire towards variable component of the Annual Grant payable quarterly, based on the Concessionaire's performance towards meeting Service Level Requirements at the start of next quarter, on a 10th business day

S No	Reference	Query / Suggestion	AMC Reply
		bank will also be responsible for implementing ring-fencing mechanism and act as the trustee of “payment reserve account”.	
170	Reply to Query no 142, Page 155	<p>AMC still need to provide revised Schedule VI (“Calculation of Water Payment and Invoicing”) with illustrative calculations. Kindly provide the same.</p> <p>Suggestion: Please define all the terms used in the Annexure VI given in the draft concessionaire agreement.</p>	1. Please refer reply to query no 3 of this document
171	<p>Non-payment of user charges by customers</p> <p>Reply to Query No 46, Page 113, Point No 4</p>	<p>For lenders comfort, it is essential that concessionaire has properly defined recourse in case of non-payment of user charges. This can mean time-bound approval from AMC to give permission for disconnection and/or compensation to concessionaire.</p> <p>Suggestion: We suggest the following mechanisms, which we have developed in discussion with lenders:</p> <p>(i) In case a customer does not pay for 3 consecutive months, Concessionaire shall seek approval from AMC to disconnect and AMC shall give permission within 7 calendar days and also provide adequate security support to the concessionaire to physically disconnect the supply.</p> <p>(ii) In case, AMC decides not to give permission to disconnect, AMC shall compensate the unpaid user charges within next 7 calendar days.</p> <p>(iii) A similar arrangement shall be made for disconnection of illegal connections.</p>	1. Please refer reply to query no 4 of this document
172	Reply to query no 89, Page 138 of 267	We request AMC to confirm that AMC shall provide approval to the Construction and Rehabilitation Plan within a period of 30 days beyond which it will be deemed to have been approved.	1. The understanding is correct

S No	Reference	Query / Suggestion	AMC Reply
173	General	<ul style="list-style-type: none"> We request to combine the “preparatory period” (for providing construction and rehabilitation plan) and “construction period before COD Penalty for delay in completion of preparatory period activities and construction activities. The entire construction including distribution network rehab cannot be completed within 3 years, for which 5 years is more realistic. <p>Suggestion: The specified preparatory period of 6 months and construction period of 3 years is grossly under-estimated. Also, by specifying separate penalties in case of delay makes the project risky for concessionaire and more expensive for AMC. These two periods can be combined and the concessionaire given flexibility to carry out survey, design and construction. Concessionaire shall however ensure that the entire capital grant is utilized within the deadline stipulated by UIDSSMT.</p> <p>Further we also request that the penalty for non completion of construction works (i.e. penalty as encashment of 1% of performance security beyond 3 years of construction & rehab period and cure period) shall be levied only in case of non completion of mandatory works in the specified time.</p>	1. No change
174	Usage of DI pipes Reply to query no 221, Page 263 of 267	<p>Kindly confirm if AMC would allow use of PE pipes instead of DI pipes as proposed by the concessionaire incase Concessionaire takes the responsibility of getting the approved grants from UIDSSMT/GOM.</p> <p>Suggestion: This has increased the project cost and made the project’s viability suspect.</p>	1. Please refer reply to query no 9 of this document
175	Water Byelaws	Pls confirm the following:	1. The Concessionaire is not expected to provide free

S No	Reference	Query / Suggestion	AMC Reply
	Reply to query no 46, Page 112 of 267	<ul style="list-style-type: none"> All stand posts shall be removed during the construction rehabilitation period and provided with community connections / group connections or individual connections. The payment of user charges shall be the responsibility of the respective users and non-payment will lead to disconnection. Any connections, usage of water which is historically treated as free water (other than fire department) shall also be metered and payment for such usage be reimbursed by AMC to concessionaire or allowed to be disconnected. The water supplied to slums and stand posts shall not be considered for NRW water calculation. 	<p>water to any consumer but fire fighting department;</p> <ol style="list-style-type: none"> The understanding related to stand posts and connections is correct, AMC to cover the same in water bye laws
176	General	Kindly provide details of historically non payment customers registered with AMC and areas within AMC limits where recovery of user charges has been poor.	<ol style="list-style-type: none"> AMC shall provide the same during the Preparatory Period
177	Annexure 11, replies to prebid queries	<p>We would once again like to bring to AMC's notice that NRW should be calculated from the Outlet of Balancing Reservoir to upto customer tap. PI confirm</p> <p>We also want AMC to consider all free usage of water (stand posts, connections to religious worship places, Government & AMC offices fire stations and their demand, connection to public places such as gardens, fountains etc) to be kept out of NRW calculations. PI confirm.</p> <p>Suggestion: The Mysore 24X7 supply project also envisages reduction in NRW target of 15% from the Outlet of MBR. Even Hubli –Dharwad Contract for 24X7 supply also have NRW target post MBR.</p>	<ol style="list-style-type: none"> No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>Pls note that there are allowable losses considered for WTP (backwash, cleaning and maintenance) upto 2-3 % + losses in cross country transmission system. These are losses allowed in the system. For example a breakage due to theft attempt of water/third party damage in transmission line cannot be rectified immediately and would account to a sizable loss till rectified. Such losses already would impact the production cost of the concessionaire and further penalties under NRW service level performance are undesirable.</p> <p>Water supplied to public stand posts, religious worship places, Government & AMC offices fire stations and their demand, connection to public places such as gardens, fountains etc shall NOT be considered for estimating NRW.</p>	
178	Replies to prebid queries	Pls provide the reworked Concession Agreement. For many queries the reply from AMC is that these issues would be addressed in the reworked Agreement and we are not clear on the clauses and their implications thereof. We request this Concession Agreement to be provided atleast 30 days before submission or it would make us impossible to submit our bids.	1. Please refer reply to query no 3 of this document
179	General	We request extension till 30 th Nov to submit our bids.	1. Please refer reply to query no 2 of this document
180	Clause 19.2 (a) & (b), Page 27 of CA, Reply to query no 2, Page 25 to 27	<p>Under both the clauses, for delay in release in grant, AMC has agreed to bear the cost of interest of bridge loan.</p> <ol style="list-style-type: none"> 1. Only interest cost is talked in the reply. Pls specify in above situation how will this bridge loan be repaid? 2. We request AMC to allow concessionaire to 	1. Please refer reply to query no 92 of this document

S No	Reference	Query / Suggestion	AMC Reply
		<p>draw upon the Water Payment Reserve Account for paying the debt due as in case of 19.2 (a). Pls confirm</p> <p>3. AMC shall duly inform in writing atleast 6 months in advance about delay in capital grant disbursement. The bidder will require this kind of time to organize for bridge loans.</p> <p>Suggestion: AMC shall remove this confusing clause which is a major area of concern for lenders as well as bidders..</p> <p>Non-availability and/or delay in capital grant disbursement will affect the viability of the project.</p> <p>Hence, AMC should give unconditional guarantee that this grant will be available whenever due as per the specified grant disbursement schedule / mechanism</p>	
Mahindra / Suez			
181		<p><u>Need for the introduction of a revision mechanism</u> (for instance every 5 years) into the contract so Water Payment to the concessionaire can be revised should the situation divert too much from the initial forecast as described in the financial model to be submitted by the concessionaire, so as to restore the concessionaire financial situation / IRR. Within this principle, the adjustment mechanism in case of the increase of the cost of raw water and electricity are inappropriate.</p> <p>AMC draft Concession Agreement: With the only exception of changes in law, there is no revision mechanism whatsoever to adjust the remuneration of the Concessionaire (the "Water Payment") during the</p>	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>whole contract life.</p> <p>It is a usual practice in water concession contracts to have such a revision mechanism so the risks / possible losses that the concessionaire may face are limited and commensurate with the expected benefits he can get from the contract. Examples of usual mechanisms:</p> <ul style="list-style-type: none"> - Periodical revision: a joint assessment of the concessionaire's profitability is made periodically, every 5 years for instance, and the Concessionaire remuneration / water tariff is revised (both ways: up or down) if the Concessionaire's profitability is found to be too far away from the one agreed upon by the parties when the contract was signed. This is a good protection for the Concessionaire as this mechanism is global and covers any event affecting the contract. It also benefits the users and the municipality by limiting the concessionaire's profit to a reasonable level (politically sensitive), - Water demand based revision: the concessionaire remuneration is revised at any moment during the contract whenever the water demand divert too much from the one expected and agreed upon by the parties at the beginning of the contract (up or down as well). Not as global as a periodical revision, it is still a good mechanism as water demand is normally one of the biggest risks as it affects revenues, opex and capex. <p>AMC draft Concession Agreement: any increase in</p>	

S No	Reference	Query / Suggestion	AMC Reply
		<p>electricity tariff has to be fully borne by the concessionaire up to 10% per year, beyond which AMC will compensate the Concessionaire. Historical data show that electricity increases tend to happen every 2 years at less than 10% per year which basically means that the bidders have to make an assumption on the electricity tariff increase and include that into their prices. This is a significant risk as electricity represents around 40% of the operating costs.</p> <p>Similarly to electricity any raw water abstraction fee increase is to be the concessionaire's risk up to 15% per year beyond which AMC will compensate any further increase. The historical data from 2000 up to 2007 show that none of the increase was above 15% which means that the bidders have to make an assumption on the raw water increase and include it into their prices. Again this is a significant risk for the concessionaire.</p> <p>Given the risk both components represent for the concessionaire, more appropriate adjustment mechanism should be considered such as a pass through for electricity and raw water.</p>	
182		<p>No obligation for the concessionaire to find alternate funding should the government grant be delayed or partially cancelled (unfair principle, how can the concessionaire succeed in securing funding when AMC will have not been successful in doing so?). Furthermore, the estimated Project cost while bid was floated was Rs. 638.38 Cr of which AMC had indicated the Grant component to be Rs.439.93 Cr – therefore the expected contribution from the concessionaire was Rs.198.45 Cr. Subsequently AMC revised the project estimate to Rs. 792.19 Cr without</p>	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>increasing the Grant component, thereby subjecting the concessionaire to contribute higher – Rs. 352.26 Cr. The entire risks of variance in costs in future, any additional investment to meet its obligations for implementing the Project, delay and/or non-release of grants remains that of the concessionaire besides collection risk for the Project. We suggest that AMC guarantees a minimum level of collection from the end users throughout the concession period. Project cost escalation has to be compensated suitably by introducing an appropriate escalation clause. Further AMC should extend additional grant at least to the extent of increase in project estimate.</p>	
183		<p>Water loss target should reasonably be 30% / 25% / 20% years 4, 5 and 6. We believe that achieving a reduction of “Water Loss” from current estimations of more than 50%, to 25% in Year 4, down to 15% in Year 6 is neither technically achievable nor economically desirable (nowhere in the world had this happened in such a short timeframe), even when taking into account the mandatory heavy pipes replacement program imposed during the construction period. Furthermore, it should be kept in mind that the economic cost to be borne to achieve a 15% water loss level is likely to be higher than the economic cost of the water loss itself. An economic equilibrium should be sought between both and 15% of water losses is likely not be the appropriate figure.</p>	1. No change
184		<p><u>The concessionaire should be given the freedom to spread its investment and the construction phase (at least 5 years) and not limit it to be within a 3 year period.</u> We consider that 3 years for the construction phase is unrealistic and not desirable (the whole city would be under heavy construction works making it</p>	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>inhospitable). Further, the distribution network has been designed to meet the water demand of 2031. It is usual practice that the extension of the distribution network be done with an advanced forecast of 2 to 3 years (not 20, impossible to predict what will occur) in order to stick as close as possible to the demand and not invest in laying pipes in areas in which demand might - and surely will – differ from what has been planned 20 years before (which is uneconomical).</p> <p>As the project completion depends on several external factors like arranging permits and licenses from statutory bodies, acquisition of private lands, rehabilitating the affected public etc, this would be essential.</p>	
185		<p>All the staff of the concessionaire should be on the concessionaire's payroll after a transition period (and not on deputation). Further AMC may directly meet the power costs.</p> <p>The main operating costs would largely be attributable to the manpower costs and towards power consumption.</p> <p>Man power: the concessionaire has been forced to absorb a large manpower contingent from AMC (470) and meet all employee costs including retrial benefits as may be applicable. This would not only increase the operational costs but may also affect the ability of the concessionaire to meet the desired performance obligations as the deputed employees may not be fully dedicated to the Concessionaire.</p> <p>The usual mechanism in a water concession contract is to depute the municipal employees to the concessionaire only for a limited period of time,</p>	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>generally of 1 year, after which the employees have to chose between being transferred to the concessionaire (resignation from the municipality & signature of an employment contract with the concessionaire) or stay with the municipality in another job.</p> <p>Power consumption, considering the poor condition of the existing plant, the ability of the concessionaire to mitigate power costs is hampered to a large extent. Further AMC expects the concessionaire to meet escalation on power costs if any over a 20 year period which is unpredictable.</p>	
186		Extension of bid submission date of 2 months after revised draft concession contract with all appendices is issued	1. Please refer reply to query no 2 of this document
187		<p>Inadequate status of AMC employees</p> <p>The AMC employees (a large number of them) are proposed to be deputed to the concessionaire during the whole contract life (or until they reach the age of retirement actually) and not transferred.</p> <p>This is not the usual practice and constitutes a significant risk for the concessionaire which could impact the desired performances requirements as the deputed employees may not be fully dedicated to the Concessionaire. From the details provided by AMC it is apparent that a majority of the AMC employees deputed to the concessionaire would retire during the tenure of the 20-year concession and the concessionaire is expected to bear all pro-rata retirement benefits payable to the personnel, the modalities and the cost burden not known – in fact the emoluments as indicated do not include retrial</p>	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>benefits/contribution towards provident fund & gratuity.</p> <p>NB: the usual mechanism in a water concession contract is to depute the municipal employees to the concessionaire only for a limited period of time, generally of 1 year, after which the employees have to chose between being transferred to the concessionaire (resignation from the municipality & enter into an employment contract with the concessionaire) or stay with the municipality in another job.</p>	
188		<p>Absence of any revision mechanism for the Water Payment</p> <p>With the only exception of changes in law, there is no revision mechanism whatsoever to adjust the remuneration of the Concessionaire (the "Water Payment") during the contract tenure</p> <p>It is a usual practice in water concession contracts to have such a revision mechanism to ensure that the risks / possible losses that the concessionaire may face are limited and commensurate with the expected benefits he can get from the contract. Examples of usual mechanisms:</p> <ul style="list-style-type: none"> - Periodical revision: a joint assessment of the concessionaire's returns is made periodically, every 5 years for instance, and the Concessionaire remuneration / water tariff is revised if the deviation is found to be significant when compared to what was envisaged when the contract was signed. 	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>Water demand based revision: the concessionaire remuneration is revised at any moment during the contract whenever the water demand deviates substantially from the one expected and agreed upon by the parties at the beginning of the contract . Not as global as a periodical revision, it is still a good mechanism as water demand is normally one of the biggest risks as it affects revenues, opex and capex</p>	
189		<p>Repayment of the debt due in case of termination due to Concessionaire default</p> <p>There is no payment whatsoever from AMC to the concessionaire in case of termination of the contract due to an event of default by the concessionaire. The contract clearly stipulates that in such event the Concessionaire shall pay the debt due. This alone will make project financing impossible.</p> <p>In case the termination is due to an AMC event of default or a case of Force Majeure, the termination payment due by AMC to the concessionaire do cover the debt due which is fair.</p>	1. No change
190		<p>Unclear consequences in case of Force majeure</p> <p>The Force majeure clause is not very clear, in particular in terms of allocating the costs during subsistence of a force majeure event.</p>	1. No change
191		<p>Unlimited indemnity by the concessionaire</p> <p>The contract does not set any limits (liquidated damages for instance) to the liability for the concessionaire, in particular in the event of failure to achieve final completion.</p>	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<p>Another important factor is the lack of clarity amongst the two (or multiple) identities involved in water supply – viz: MIDC & AMC – while MIDC covers major industry customers, AMC by and large is restricted to domestic supply only – a deterrent in terms of revenue to the concessionaire</p>	
192		<p>Delay in the works [Construction period]</p> <p>The time limit for the construction period is 3 years. We consider that 3 years is totally unrealistic in particular concerning the network part (1300 km of distribution pipes to be laid throughout the city).</p> <p>The risk of not completing the works within 3 years and not agreeing with AMC on a sufficient extension of time is almost certain and would have a significant financial impact (see point 3.7 below).</p> <p>An extension to 4 years was asked by the pre-qualified bidders but has been declined by AMC apparently due to the constraints associated with the Government grants.</p>	1. No change
193		<p>“Water Loss” [Operation period – Service Level Performance]</p> <p>The “Water Loss” performance to be achieved: 25% in Year 4 down to 15% in Year 6 is unrealistic and we believe that the risk to face the corresponding heavy (see point 3.8 below) penalty is certain:</p> <ul style="list-style-type: none"> - The “Water Loss” is presently estimated at more than 50%, - The concessionaire is to reduce it to below 15% from Year 6, 	1. No change

S No	Reference	Query / Suggestion	AMC Reply
		<ul style="list-style-type: none"> - It is very unrealistic to achieve such improvements - We believe that it is not technically or economically achievable, even in 6 years and even after taking into account the mandatory large pipes replacement program imposed during the construction period. The cost to be borne to achieve a 15% water loss level is likely to be higher than the cost of the water loss itself + the cost of the associated penalty. <p>A reasonable performance target would probably be 20 or 25%.</p> <p>NB1: the definition of “water loss” used by AMC / Crisil in this project is not the one commonly used internationally as it also includes water losses through the water treatment process. Such losses, which cannot be avoided, are around 3 to 4 %. This means that the level of performance required by AMC corresponds to a water loss of below 12-13% according to international standards which is really low.</p> <p>NB2: Additional quantity of raw water beyond the present right of withdrawal will only be granted to the Concessionaire if he meets all his obligations and in particular on water loss. This is a significant risk.</p>	
194		<p>Design risk [Operation period – Service Level performance]</p> <p>It is apparent that the DPR will have to be followed strictly being a requirement from GoM. There is a high</p>	<p>1. Please refer reply to query no 93 and 101 of this document</p>

S No	Reference	Query / Suggestion	AMC Reply
		<p>risk that the works proposed to be built (in particular the distribution network) and supposed to meet the water demand for the next 30 years will not do so in some areas of the city, which will require additional investments by the concessionaire to be able to meet the Service Level Performance [100% coverage, 24/7 continuous supply, minimum pressure ...].</p>	
195		<p>Construction cost & inflation over 3 years</p> <p>In its 22nd September answer, AMC has re-evaluated the total construction cost from 628 to 792 crores INR (+26%) based on schedule rates from MJP (Maharashtra Jeevan Pradhikaran) which is known to be below market prices.</p> <p>On the top of this figure we have to add a provision for inflation as it is not possible to secure the price from sub-contractors 3 or 4 years in advance. Because the grant part (440 crores) is fixed, the inflation significantly impacts the amount to be financed by the concessionaire</p>	1. No change
196		<p>Non recourse bank loan</p> <p>Based on the existing concession contract we believe it is not possible to obtain non recourse bank loan to finance part of the 345 crores and reduce our financial exposure. We believe we will have to give corporate guarantee to the banks for any loan.</p>	1. No change
197		<p>Electricity tariff</p> <p>Any increase in electricity tariff has to be fully borne by the concessionaire up to 10% per year, beyond which AMC will compensate the Concessionaire.</p>	1. The Bidders are expected to take a call on hike in electricity tariff based on historical data while Bidding for the Project

S No	Reference	Query / Suggestion	AMC Reply
		<p>Historical data show that electricity increases tend to happen every 2 years at less than 10% per year which basically means that the bidders have to make an assumption on the electricity tariff increase and include that into their prices. This is a significant risk as electricity represents around 40% of the operating costs.</p>	
198		<p>Raw water abstraction fee</p> <p>Similarly to electricity any raw water abstraction fee increase is to be the concessionaire's risk up to 15% per year beyond which AMC will compensate any further increase.</p> <p>The historical data from 2000 up to 2007 show that none of the increase was above 15% which means that the bidders have to make an assumption on the raw water increase and include it into their prices. Again this is a significant risk for the concessionaire.</p>	<p>1. The Bidders are expected to take a call on hike in raw water tariff based on historical data while Bidding for the Project</p>
199		<p>Water demand</p> <p>The water demand risk has to be fully borne by the concessionaire without any revision.</p> <p>Forecasting the water demand in the case of Aurangabad is particularly risky because of (a) the shift from intermittent to continuous supply and (b) the shift from flat to volumetric tariff that will happen in the first 3 years, the combined effect of which on customers' water usage is unknown.</p> <p>NB: the actual consumption is around 90 lpcd and all the works have been designed for 135 lpcd which is the recommended design standard in INDIA.</p>	<p>1. No change</p>

S No	Reference	Query / Suggestion	AMC Reply
		Another potential risk is even if by aggressive marketing the number of consumers increase there would be serious limitations on plant capability / capacity to meet the requirement .	
200		<p>Delay or unavailability of the Project Grant (440 crores)</p> <p>In case of delay from Gol and / or GoM in providing the 440 crores grant during the first 3 years construction period, the concessionaire is to arrange the necessary financing and is not released from any of its obligations. During the mid-july pre-bid meeting, AMC had stated that only Rs.340 Cr out of Rs.440 Cr grant was secured and the remaining Rs.100 Cr was stil not approved/secured.</p> <p>NB2: in its 22nd September answer, AMC is mentioning that the UIDSSMT grant portion shall only be available until March 2012. The risk is certain not to have completed the corresponding construction works by this date. This means (art 19.2 of the concession agreement) that the Concessionaire will have to arrange extra financing to compensate.</p>	<ol style="list-style-type: none"> 1. The Bidder is requested to take a note of Annexure 1 "Revised estimated Project cost and Grant" of AMC's reply to Pre Bid Queries sent on September 22nd, 2010; 2. Please refer reply to query no 92 of this document
201		<p>Penalty for delay during the construction period</p> <p>In case of late completion the financial risk is a partial encashment of the performance bond (7.9 crores).</p>	<ol style="list-style-type: none"> 1. No change
202		<p>"Water Loss" penalty</p> <p>The penalty for not reducing the "Water Loss" below 25% from Year 4 or below 15% from Year 6 will be a deduction of 6.25% of the Concessionaire's revenues every year (25% of the variable payment which</p>	<ol style="list-style-type: none"> 1. The Concessionaire revenue include User Charges (after deducting cost towards electricity, raw water and employee on deputation) and Annual Grant; 2. No change in water loss limit

S No	Reference	Query / Suggestion	AMC Reply
		<p>represents 25% of the overall payment).</p> <p>This is not commensurate at all with the expected benefits of the contract and far beyond the normal practice.</p> <p>NB: The water payment to the concessionaire has a 25% variable part which is potentially at risk if the Concessionaire does not meet the Service Levels Delivery defined for the O&M period as follows:</p> <p>In practice all parameters should be reachable except for Water Loss.</p>	
203		<p>Unclear specifications / scope of work - will lead to hidden costs / risks – Head works (under water construction), pipe line work, the AMC estimates does not include pipe bridges that may be required enroute, hindrances along the alignment leading to increased quantity etc. There is a substantial variance in the estimated cost of Water Treatment plant – While AMC's estimate stands at Rs.14 Crores, it is expected to be substantially higher for the given capacity</p>	<p>1. No change</p>
204		<p>Risks/costs on possible land acquisitions, availing permits and approvals from government agencies, rehabilitation of people/establishments/encroachers affected during the construction period and other forced incidental costs.</p>	<p>1. Please refer reply to query no 128 on page 244 of 267 in Reply to Pre Bid Queries raised by Bidders sent by AMC on September 22nd, 2010</p>
205		<p>Water supply modalities to slum dwellers unclear – high risk on revenue / add to accounting of water off-take quantity for the purpose of loss computation.</p>	<p>1. No change</p>
206		<p>The concessionaire will face serious environmental concerns as the city has no proper sewage disposal facility – the survey reports of AMC itself projects at</p>	<p>1. No change</p>

S No	Reference	Query / Suggestion	AMC Reply
		high contamination	

Annexure 1: Broad Terms of Reference for the Household Survey

House to house survey within the Service Area covering but not limited to:

- a. The property address and reference number;
- b. The name of property owner;
- c. The number of persons ordinarily resident at the property;
- d. Number of families resident at the property;
- e. Typical areas of water usage;
- f. Approximate estimation of the water usage at the property;
- g. Any possibility of incremental water usage in future as a result of expansion of family, new car purchases, gardening plans, etc;
- h. Any possibility of decrease in water usage in future as a result of usage of re-treated water, shifting of family/ family member to other place/city, use of private tube well/ well, etc;
- i. Information as to whether or not the property is connected to the existing water distribution network:
 - If yes, details of the total numbers, type of water connection (residential / commercial / industrial / institution, etc.), size and material of connection to the distribution network;
 - If no, or household supplements supply from other sources
 - Note the normal source(s) of water used by household and approximate amounts of water taken from these sources per day (including number and volume of tankers used per month)
- j. Information as to whether or not the property uses its own tube-well(s)/ wells, or if a tube-well / well is shared with other properties, details of other properties;
- k. If the property concern is a commercial / industrial / institutional establishment then:
 - Number of persons normally work in the property;
 - Typical areas of water usages;
 - Approximate estimation of the water usage at the property;
 - Any possibility of incremental water usage in future as a result of expansion of business, general growth in the business, new acquisition of plant & machinery/ facility, etc;
 - Any possibility of decrease in water usage in future as a result of usage of re-treated water, shifting of units/facility/machinery to other place/city, use of private tube well/ well, etc;
 - Information as to whether or not the property is connected to the existing water distribution network:
 - If yes, details of the total numbers, type of water connection, size and material of connection to the distribution network;
 - If no, or household supplements supply from other sources;
 - Note the normal source(s) of water used by household and approximate amounts of water taken from these sources per day (including number and volume of tankers used per month)
- l. Current frequency and amount of payment towards water usage to the Authority;
- m. Expectation from the newly proposed water supply system;
- n. Willingness to pay; and
- o. Expected service standards

Annexure 5: Year of construction of storage reservoirs, sump and service reservoirs

Sr. No.	Location	Type *	Capacity, Lacs ltrs	Year of Construction	Remarks
1	NAKSHATRAWADI MBR	MBR	75.00	1990-91	
2	NAKSHATRAWADI MBR	MBR	48.00	1981-82	
3	NAKSHATRAWADI MBR	MBR	23.50	1975-76	
4	NAKSHATRAWADI MBR	MBR	43.75	1975-76	
5	NAKSHATRAWADI VILLAGE	ESR	1.50	1985-86	
6	KANCHANWADI	ESR	1.50	1985-86	
7	ITKHEDA	ESR	1.50	1985-86	
8	VEDANT NAGAR	ESR	15.00	1987-88	
9	POLYTECHNIC COLLEGE	ESR	15.00	-	Not in use
10	KOTLA	ESR	18.00	1974-75	
11	KRANTI CHOWK	ESR	15.00	1990	
12	KRANTI CHOWK	SUMP	11.00	1960	
13	KRANTI CHOWK	SUMP	5.00	1979	
14	KRANTI CHOWK	ESR	2.00	1960	
15	KRANTI CHOWK	ESR	20.00	2001	
16	SFS (GARKHEDA)	ESR	32.00	1984	
17	JAI VISHWA BHARATI	ESR	15.00	1992	
18	SHIVAJI NAGAR - CIDCO	ESR	15.00	1990-91	
19	MUKUNDWADI	ESR	2.00	1986-87	
20	SANJAY NAGAR	ESR	3.50	1987-88	
21	CHIKAL THANA (R-1)	ESR	4.00	1998-99	
22	CHIKAL THANA (R-2)	ESR	4.50	1978-79	
23	MASNATPUR	ESR	2.00	1986-87	
24	BRIJWADI	ESR	2.00	1986-87	
25	NAREGAON	ESR	2.00	1986-87	
26	CIDCO N-5 (R-1)	ESR	11.25	1978-79	
27	CIDCO N-5 (R-2)	ESR	20.00	1987-88	
28	CIDCO N-5 (R-3)	ESR	20.00	1993-94	
29	CIDCO N-5 SUMP	SUMP	22.00	1981-82	
30	MARIMATA NEW	GSR	20.00	2003	
31	MARIMATA OLD	GSR	15.00	1984	
32	CIDCO N-7 (R-1)	ESR	11.25	1975-76	
33	CIDCO N-7 (R-2)	ESR	13.50	1980-81	
34	CIDCO N-7 (R-3)	ESR	15.00	1993-94	
35	CIDCO N-7 SUMP	SUMP	20.00	1999-02	
36	HARSIDDHI	ESR	26.00	2001-02	
37	HARSOOL OLD (R-2)	ESR	4.00	1995-96	
38	HARSOOL NEW (R-1)	ESR	3.00	1994-95	
39	HARSOOL JAIL	ESR	10.00	1994-95	
40	DELHI GATE NEW	GSR	15.00	1972	
41	DELHI GATE OLD	GSR	18.00	1954	
42	HATTESINGH PURA	ESR	15.00	1983	

Sr. No.	Location	Type *	Capacity, Lacs ltrs	Year of Construction	Remarks
43	JINCI	ESR	12.00	1974	
44	JINCI SUMP	SUMP	5.00	1974	
45	SHAHA GANJ	ESR	20.00	1972	
46	SHAHA GANJ SUMP	SUMP	4.50	1972	
47	JUBILLE PARK	ESR	10.50	1974	
48	JUBILLE PARK SUMP	SUMP	3.50	1974	
49	MEDICAL	ESR	15.00	1994	Owned by Medical college
50	UNIVERSITY	ESR	21.30	1984	
51	HANUMAN TEKDI	GSR	15.00	1992	
52	PETHE NAGAR (BHAVSINGPURA)	ESR	1.50	1992	
53	SLAUGHTER HOUSE-PADEGAON	ESR	2.00	1994	
54	PADEGAON	ESR	1.50	1992	
55	RANA PETROL PUMP PADEGAON	ESR	2.00	1992	
56	HOTEL MEDOWS (MITMITA -PARVATI NAGAR)	ESR	2.00	1992	
57	MITMITA	ESR	2.00	1992	
58	GARAMPANI	ESR	1.50	1994	
59	SHIVAJI NAGAR NEW	ESR	26.00	2008-09	
60	PUNDALIK NAGAR	ESR	40.00	2007-08	
61	JYOTI NAGAR	ESR	15.00	2007-08	
62	BANEWADI	ESR	1.50	1985-86	
63	CIDCO N-8	ESR	15.00	2007-08	
	Total		853.55		

* GSR – Ground Service Reservoir
ESR – Elevated Service Reservoir
MBR – Master Balancing Reservoir

Annexure 6: User Charges for the potable water supplied by tanker

S. No.	Concession Period	User Charges for the potable water supplied by tanker Rs / per 10 kilo liters
1	Year 1 – 3	500
2	Year 4 – 6	625
3	Year 7 – 9	775
4	Year 10 – 12	975
5	Year 13 – 15	1225
6	Year 16 – 18	1525
7	Year 19 – 20	1900