



NATIONAL HIGHWAY AUTHORITY

Procurement & Contract Administration Section

28 Mauve Area, G-9/I, Islamabad ☎ 051-9032727, ☎ 051-9260419

No. 2(539)/GM(P&CA)/NHA/2022/150

18 March, 2022

To,

All Prospective bidders

M/s.....

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Subject:

**MINUTES OF PRE BID CONFERENCE AND ADDENDUM NO. 1:
CONSTRUCTION OF KHARIAN - RAWALPINDI MOTORWAY 4 -
LANE ACCESS CONTROLLED FACILITY ON BUILD OPERATE
TRANSFER (BOT) BASIS UNDER PUBLIC PRIVATE
PARTNERSHIP**

Find enclosed herewith minutes of Pre-Bid Conference and Addendum No. 1 of the subject project for your information and necessary action, please.

(SAMI UR RAHMAN)

General Manager (P&CA)

Copy for information:

- Member (Planning), NHA, Islamabad.
- Member (PPP), NHA, Islamabad.
- General Manager (PPP), NHA, Islamabad.

MINUTES OF PRE-BID CONFERENCE

HELD ON MARCH 08, 2022

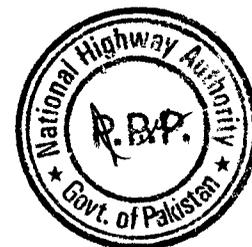
FOR CONSTRUCTION OF KHARIAN - RAWALPINDI MOTORWAY PROJECT UNDER PPP ON BOT BASIS

Pursuant to the stipulations of Request for Proposal (RFP), issued by National Highway Authority (NHA) for inviting bid proposals for Construction of Kharian - Rawalpindi Motorway Project, a pre-bid conference was held in NHA Auditorium on March 08, 2022 under the chairmanship of General Manager (PPP), NHA. The meeting was attended by the concerned officers of NHA.

2. General Manager (PPP), NHA welcomed the participants. He invited the bidders to come forward with their queries. Detailed question-answer session was held. The bidders also submitted their queries in written form. The record of queries and their replies is detailed below:

M/s Frontier Works Organization (FWO)

Sr #	Reference	Description	NHA's Response
1	Para A.4 (e) of RFP	As per RFP, "NHA shall deliver to the concessionaire 100 m wide land for construction corridor upon later of 6 months from effective date or achievement of Financial Close". In order to achieve financial close, the land should be provided within 120 days of the effective date.	As per RFP.
2	Para A.4 (h)(i) of RFP	As per RFP, "NHA shall provide capital VGF with a maximum limit of PKR 7,500 Mn during construction period in the form of equity." Considering capital VGF has been made part of financial evaluation criteria and has been assigned points, the limit on capital VGF should be removed. Moreover, the offered capital VGF of PKR 7,500 Mn does not support the financial viability / bankability of the project.	As per RFP.
3	Para A.4 (h)(ii) of RFP	As per RFP, "Operational VGF for first seven years shall be provided by the Government in the form of subsidy". Considering the industrial practices and to make the project viable, Operational VGF should not be fixed but linked with senior debt repayment tenor.	As per RFP.



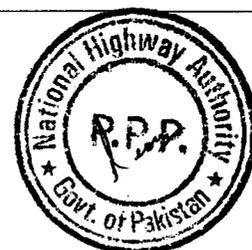
4	Para A.4 (n) of RFP	As per RFP, "The concessionaire shall, at its own cost and expense construct additional lanes if level of service falls below C in any section after the year 2034 up till end of 20 th year Concession Period". However, there needs to be a mechanism defined in the RFP if the level of service falls below C before year 2034.	As per RFP.
5	Para A.4 (o) of RFP	"In case the concessionaire desires to build any additional interchanges/ toll plaza (other than the interchange/ toll plazas to be established as part of the project scope of work, as per RFP Appendix-1 and shall pay initial access fee to NHA". Please clarify and quantify what is the initial access fee and mechanism for sharing of revenue generated from the newly constructed interchange?	Initial access/NOC fee to NHA shall be payable as per NHA prevailing policy at that time.
6	Para A.4 (t) of RFP	As per RFP, "NHA Revenue Sharing (if proposed) shall be given in terms of percentage of gross revenue, to be calculated in bidders financial model, which will be considered guaranteed amount. The concessionaire shall pay annually to NHA, the guaranteed amount or the percentage of actual gross revenue of the payment year, whichever is higher." In case of any unforeseen circumstances, project might not attract the targeted traffic as assumed in financial model for the particular period where the said condition (Guaranteed Amount) will jeopardize the project cashflows. Therefore, a flexible mechanism for the same in terms of percentage instead of the guaranteed amount of sharing revenue with NHA should be devised, in order to maintain the financial viability/ bankability.	As per RFP.
7	Para A.4 (x) of RFP	As per RFP, non-compliance with performance indicator given in the concession agreement will subject to penalties determine by the independent engineers payable by the concessionaire to NHA. Please Clarify and Quantify the potential penalties in case of non-compliance.	Please refer Schedule-AI of Draft PPP Agreement.



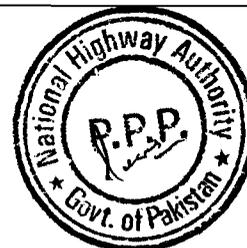
8	General	As per our observation there is no instruction given regarding rounding of tolling rates to the nearest multiple. Please provide the rounding off nearest multiple.	Toll Rates (PKR per kilometer) shall not be rounded off. However, toll amount, to be paid by the commuters, shall be rounded off by nearest 10 (ten).
9	Para A.4 (bb) of RFP	As per RFP, " <i>The Concessionaire, shall exclusively bear the risk of demand including traffic, forex and cost & time overrun, all commercial risks, design, construction, performance and insurance risk.</i> " In case the flow of traffic doesn't match the expected traffic flow, the client should compensate the concessionaire in form of Minimum Revenue Guarantee, and should endorse the Benchmark Revenues, it will not only compensate the concessionaire during operation phase but also create an opportunity for the client as windfall sharing. Furthermore, if the client causes delay in project the cost & time overrun should be compensated to the concessionaire as capital VGF support during construction.	As per RFP.
10	General	Considering the complexity and huge scope of the project, various studies and surveys are required to be carried out which needs ample of time. Therefore, it is requested that the bid submission deadline may please be extended to 60 x days.	For the Bid Submission Date, the original deadline may be observed. However, if management agrees to the extension of time, same will be notified.
11	Para A.4 (a) of RFP	The Concession Period should commence from the Appointed Date, i.e. the date of Financial Close.	As per RFP.
12	Para A.4 (b) of RFP	Flexibility should be created so as to enable NHA to extend the period for achievement of Financial Close. The word "maximum" as well as any fixed duration should be removed.	As per RFP.
13	Para A.4 (c) of RFP	In case the concession agreement is terminated prior to Financial Close, expenditures in relation to the Project incurred prior to signing of the concession agreement should also be part of the Termination Payment so long as it is certified that they are in accordance with the Financial Model.	Please refer Addendum No. 1.



14	Para A.4 (h)(i) of RFP	<p>Funding and utilization should be through the standard market accepted mechanism of standing instructions. This mechanism is accepted by financiers all over Pakistan. It ensures transparency of budgeting, certification of funding and expenditures and audit.</p> <p>Further, the entire capital VGF amount must be pre-funded or securitized upfront. Annual funding is not acceptable to investors/ financiers.</p> <p>In addition, the requirement of the VGF amount being funded to match the equity contribution from the sponsors should be revisited. Given the sponsor funding amount will be significantly more than the VGF amount, flexibility should be afforded in this regard. So long as the funding and utilization mechanism is transparent, the funding ratio should not be locked. be funded as NHA's equity</p>	As per RFP.
15	Para A.4 (h)(i)(i) of RFP	<p>The operational VGF should be pre-funded annually. This is standard market practice for annuity/MRG based models. Increasing the frequency of funding will negatively affect the bankability of the transaction. In addition, such obligation must be backed by a bankable financial instrument that can be accelerated in case of early termination.</p> <p>Further, this amount should be funded as NHA's equity.</p>	As per RFP.
16	Para A.4 (k) of RFP	<p>Technical team to review the mechanism of removal and confirm its acceptability.</p>	Please refer Addendum No. 1.
17	Para A.4 (n) of RFP	<p>The mechanism for funding and construction of additional lanes must be carefully reviewed. A workable and financially sustainable model should be agreed at the pre-bid stage. Section 15.10 of the draft concession agreement states that the obligation to establish the additional lane will arise if for any one (1) year during the period commencing on the 11th concession year to the 20th concession year, the revenue increases to 130% of the Benchmark Toll Revenues and the level of service falls below level c. Please see if this is workable.</p>	Stipulations of Section A.4(n), Part-II: Instructions to Bidder of RFP shall prevail over Draft PPP Agreement.



18	Para A.4 (o) of RFP	It should be clarified that if the Concessionaire desires for an additional interchange/toll plaza to be established, the cost of land acquisition should be borne by the Concessionaire <u>or the relevant third party.</u>	In case the Concessionaire or third party, through Concessionaire, desires to build any additional interchange/toll plaza (other than the interchanges/toll plazas to be established as part of the Project Scope of Work, Appendix-1 of this RFP) during the Concession Period, it shall seek approval of NHA for the same and shall pay the initial access/NOC fee to NHA. Subsequent to NHA's approval the Concessionaire shall construct new interchange/toll plaza at its own costs, efforts and expenses. In case the additional land is required for this additional interchange/toll plaza, it shall be procured by the third party or Concessionaire at its own cost, which shall be mutated in the name of NHA.
19	Para A.4 (p) of RFP	All variations, whether during the construction period or the operations period, should be priced based on prevailing market conditions. The Concessionaire cannot be left at the mercy of risks such as hyperinflation, over which it has no control. Parking this risk on the Concessionaire will make the project more expensive for the government.	As per RFP.
20	General	An inflation risk sharing mechanism should be built in considering the current market situation.	Risk cost overrun is parked on the private party. Hence, private party must comprehend all the risks while preparing their bid proposals.
Comments on TOR			
21		The K value given in TOR is 3.8x of allowable K value in AASHTO which in our opinion is excessive as max grade allowed is 3% in some sections the curve length will be 2172 m ($L = KA$) for 3% upgrade followed by 3% down grade (extreme case - 1) and 1086 m for 1.5 % upgrade followed by 1.5 % down grade (extreme case - 2) and 1086 m. In our opinion the K value shot be limited to 2x of allowable K value in AASHTO to limit the roller coaster affect.	To minimize the roller coaster effect, passing sight distance (PSD) for crest vertical curves is considered as controlling value whereas stopping sight distance (SSD) for sag vertical curves is considered as controlling value. This may be added in the Table-4 of "Design Criteria and Standards" of RFP as shown below. Please note that the reference design is based on the given k-values in TOR/RFP.



		4 VERTICAL ALIGNMENT			
		i) Maximum Gradient	%	Refer to Table-5	3.0%
		ii) Minimum Vertical Gradient	%	0.3% in fill 0.5% in cut	0.3% in fill 0.5% in cut
		iii) Absolute Min K Value			
		a) For Sag Curves - SSD	k/A	126	26
		b) For Crest Curves - PSD	k/A	362	60
		iv) Back-to-Back Curves with short Tangent	--	Not Allowed in same direction; Broken back not allowed	
22		The is discrepancy between number of structures in drawing and appendix – section 2.2 table -4 as there are 22 subways in reference design and 23 subways in Table 4 similar case is with underpasses, cattle creeps and some of culverts.	<p>Numbers in drawings are correct.</p> <p>There are 23 Subways both in drawings and Section 2.2 Table-4 of Appendix.</p> <p>All other structures are correctly mentioned both in drawings and section 2.2 Table-4 of Appendix-1 of RFP.</p> <p>However, the underpasses are 06 instead of 08.</p> <p>Please refer Addendum No. 1.</p>		
23		It appears that the underground crossing structures are counted more than once at interchanges. Clarification is required that final number of structures will be as per detailed design or it is mandatory to provide structures listed in Table 4 of appendix-1. Also the requirement of underground structures on interchanges can only be clear after detailed design fixing the number of structures in preliminary design is not desirable.	<p>Structures are minimum</p> <p>The locations of the structures under the ramps of interchanges may be adjusted based on the detailed design by the concessionaire.</p>		
24		Box Culvert [3(2x2)] at 24+055 is in conflict with proposed service area either the location of culvert will be changed in detailed design of service area but it needs calcification that the final number and location of structures will be decided on detailed design stage or these number, type and location of structures are absolute minimum weather they are required or not based on detailed design.	<p>Structures are minimum</p> <p>Location of Service area is tentative and may be adjusted by the Concessionaire as per the approval of IE and NHA.</p>		
25		Design CBR of subgrade is taken as improved subgrade. The availability of economical borrow material within a suitable lead distance has not been discussed in the reference design. Same has not been discussed for embankment	<p>The word “Improved” is deleted.</p> <p>While preparing the reference design, a minimum CBR of 17 is obtained from the soil Investigation performed by the Consultant of NHA all along the alignment. Hence, higher strength material is available.</p>		



	material having CBR not less than 10% whereas NHA General Specifications 1998 allows for embankment CBR not less than 5. The availability of high strength material for subgrade and embankment fill cannot be established at this stage without detailed soil investigation. The design subgrade CBR of the Sambrial - Kharian section is 8%. The reference design may be followed on the basis of results of the detailed design investigations.	
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M/s Techno Engineering Services Pvt Limited

Sr No.	Question	NHA's Response
26	Land acquisition Status? In case the possession of land is not available for construction purposes then reciprocally time extension will be granted accordingly.	The matter shall be taken up during negotiation of PPP Agreement.
27	If the level of service falls below C before 2034, what will be the criteria for Capacity enhancement as per RFP.	As per RFP.
28	Maintenance Reserve Account to be opened by bidder, (The %age of Minimum should be highlighted)	The matter shall be taken up during negotiation of PPP Agreement.
29	For the Future Connectivity, the cost of additional structures if any will be concessionaire, the cost will be deducted by NHA Revenues or Shared by Both Parties, please define.	As per RFP.
30	As the traffic study and Preliminary design and ITS and Environment Plan are part of the technical evaluation hence Bid Submission time should be extended at least 15 days.	For the Bid Submission Date, the original deadline may be observed. However, if management agrees to the extension of time, same will be notified.

M/s Sultan Mahmood & Company

Sr No.	Question	NHA's Response
31	Project's coordinates and its KMZ file for working purpose only.	The Bidders are supposed to prepare their own KMZ file, if required.
32	Location of tunnel and its typical design.	Please refer RFP, Appendix-1, Table-3 "Project Components"
33	Complete soil investigation of whole project including Tunnel.	The Bidders are supposed to undertake their own soil investigation, if required.



34	<p>In technical evaluation of Eligibility factor there is a requirement of specific construction experience wherein 01 PPP/ BOT/ EPC/ Design cum construction contract is required. We request your good authority to allow other project as similar experience other than requirement of PPP/BOT/EPC/Design cum construction and in this manner, you will get large numbers of competitive bids because in Pakistan a few firms might have such experience and they may cost you heavily.</p>	As per RFP.
35	<p>In technical evaluation factor at Sr. No.1 (b) (iv) construction of tunnel experience, which carries 05 marks may kindly be relaxed considering the experience of local construction industry as it will deprive the local constructors who are capable of executing such activity. The reason behind this request is most of the tunnels in Pakistan are built by the foreign firms and this criteria requirement will completely give an advantage to them and local firms may not carry the marks in this stringent requirement. Therefore, requesting your good authority to waive this requirement by providing the equal opportunity to all the local potential bidders, please</p>	As per RFP.
36	<p>In addition to the above, we further request you that kindly the cost for the activity of Hydraulic model studies for river bridges to be carried out by the Irrigation Research Institute (IRI) may be fixed so that all bidders can load this cost in their price bid equally.</p> <p>The reason behind this request is the bidder cannot know the exact cost to be incurred by the Irrigation Research Institute (IRI) before its real time execution which is to be executed after the award of subject contract.</p>	Bidders are required to incorporate the cost in their bid after consultation with Irrigation Research Institute (IRI), as this is Bidder's responsibility.



ADDENDUM NO. 1

REQUEST FOR PROPOSAL FOR CONSTRUCTION OF KHARIAN – RAWALPINDI MOTORWAY PROJECT UNDER PPP ON BOT BASIS

The following amendments have been made in the Request for Proposal (RFP) under this Addendum No. 1, which shall be read and construed as an integral part of RFP and shall take precedence in case of any conflict(s)/ambiguity(ies) in the RFP document.

1. Section A.4 (c) of RFP may be read as follows:

Expenditures before Financial Close: In case the Concessionaire is unable to achieve the Financial Close its Financial Close Bond shall be forfeited and NHA shall not be liable to any claim(s) (in part or as a whole) for any expense(s) that are incurred on, *inter-alia*, the preparation/submission of bid proposal, incorporation of the Project Company, negotiating the PPP Agreement or preparation of project design, whatsoever.

In case the Concessionaire is unable to achieve Financial Close due to NHA's fault, the Financial Close Bond shall be released and NHA shall not be liable to any claim(s) (in part of as a whole) for any expenses, whatsoever, incurred by the Concessionaire.

2. Section A.4 (k) of RFP may be read as follows:

Removal/Relocation of Public Utilities: NHA shall be responsible to remove / relocate the public utilities, which are required to be removed /relocated for construction of the Project, at its own risk and cost. NHA to remove utilities of 100 m wide corridor upon later of six (06) months from Effective Date or achievement of Financial Close. NHA to remove utilities on land for service areas, interchanges and any additional land required for the project within six (06) months of approval of design of these components.

However, the ducts (including bridges/ box culverts wherever required) for the existing utilities (requiring relocation or otherwise) crossing across or along the motorway, including, but not limited to, sui-gas pipeline, water pipeline, electric lines etc. shall be provided by the Concessionaire at its own cost.

The utility removal/relocation where ducts are to be provided by the Concessionaire will be catered for during the construction period as per the construction work plan.

3. At the end of Section A.4 after (jj) following is added:

(kk) No-Objection Certificates: The concessionaire shall be responsible to procure at its own cost all no-objection certificates and consents from the relevant federal or provincial authorities that may be required under the applicable laws including but not limited to geological/ archeological findings, mines, railways, irrigation, environment etc. Similarly, the NOCs required for



undertaking business activities within the concession area shall also be procured by concessionaire at its own cost.

4. Add the following at the end of Para 14(a) of Appendix-1 of RFP:

Power supply shall be separate for buildings and system.

5. Para 14 (c) of Appendix-1 is replaced as under:

The Concessionaire shall be obligated to coordinate and implement at its own cost, an integrated e-tolling system, always providing uninterrupted visibility to NHA, with the objective that the road users have to make single entry and single exit while travelling on LSM, SKM and KRM.

6. Add the following at the end of third sentence (Line 7) in the Para 17 of Appendix-1:

(Depth: 30-45 inches)

7. Add the following at the end of Para 17 of Appendix-1:

All the software (database/ coding/ license, copyrights) shall be handed over to Employer at the time of commissioning. The lab/ factory test reports along with 3rd party certification should be submitted along with 3 years warranty.

8. Add the following at the end of Para 17 (a) of Appendix-1:

The centralized software platform (eg highway monitoring) shall be fully integrated with all other software modules.

9. Add the following at the end of Para 17 (b) – ii of Appendix-1:

Specified schemes shall also be defined as per different site/ road conditions.

10. Add Section 19 (e) of Appendix-1:

Lighting at entry and exit of tunnels upto 900 meters.

11. 1st Bullet under Section 6.19.5 of Appendix-1 is replaced as under:

The TOC (Central) should be integrated with NHA HQ, LSM and SKM.

12. Table-4 "Project Components" given under para 2.2 of Appendix-1 of the RFP, Serial No. 10 is replaced as under:

10	Underpass – 7.3 m x 5.3 m	06
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