

ADDENDUM-1 TO 'RFP' DATED 3rd March 2011

**Response to the Queries of Pre- Bid Conference of
“Integrated MSW Project for Ludhiana Cluster” held at
Municipal Corporation Ludhiana, Zone-D , Sarabha Nagar, Ludhiana**

The Pre-Bid Conference for “Integrated MSW Management Project for Ludhiana Cluster in Punjab” was held on 22nd March, 2011 in the Conference Room, Municipal Corporation Ludhiana, Zone-D, Sarabha Nagar, Ludhiana. Representatives of bidders raised their queries and shared experience regarding proposed project. It was informed to the participants that responses to queries raised/submitted by them will be communicated and also be made available on website/s of M/s. IL&FS IDC. Accordingly, this response to the queries of Pre-Bid Conference are being issued as Addendum-1 to the RFP, dated 3rd March, 2011, for Integrated Municipal Solid Waste Management Project for Ludhiana Cluster as per clause 1.19.3 of RFP document.

S. No	Bidder Queries	Response/ Clarification
1.	Is it mandatory to utilize the available vehicle/equipments for C&T & landfill available with MCL & ULBs? What is the status of exiting vehicles indicating its date of purchase, registration etc.? Will these be transferred to successful bidder of MCL will charge rent on it? What are the existing assets?	The Concessionaire has to procure the “Concessionaire Vehicles” <i>(the vehicles accepted and bought by the Concessionaire for utilization in the Project out of the vehicles made available on as-is-where-is basis by the Concessioning Authority and at the rates as listed in Annexure 23 of Concession Agreement)</i>
2.	Please provide the Tariff Schedule of User Charges. Is there any regulation/circular from Municipal Authorities in force of User charges.	Copy of User Charges is attached as Annexure 20 of Concession Agreement
3.	What will be the increment rate in User Charges?	ULB may consider escalation in User Charges subject to approval from the House of the concerned ULB and/or competent authority as per the Applicable Law.
4.	Please add –‘Demand, charge, collect, retain and appropriate the user charges from waste generator as per tariffs specified by MCJ’	Please refer clause no. 2.1.2 (h) of Concession Agreement, clause no. 2.1.2(d) of Waste-offtake Agreement
5.	<u>Topographical Survey:</u> a. Pl. provide the Detailed Site plans with contours of various sites under proposed development as various facilities with their topography, Geographical conditions, accessibility together with proposed layout details of facility locations, any drainage system.. b. Any overhead high tension line/river/nallah are passing through with the proposed sites at Jainpur and Jamalpur c. Is Ground Water Boring permissible for Processing Plant/SLF at both	Topographical Survey Map covering Contour Map and Soil Investigation Reports and other related queries are attached as Annexure 2 (a) and Annexure 2(b) of DPR. For other details, please refer Project Report. Ground Water is permissible at Jamalpur and Jainpur site.

	the sites?	
6.	<u>Clearances:</u> There is no documentary proof in the RFP regarding status of statutory / environmental clearances?	Please refer Appendix 1 : Status of environmental clearances /approval. All documents may be provided to the selected bidder at appropriate time.
7.	If there is an official delay in getting the necessary clearances/ approvals from Ministry of Environment Pollution Control Board Airport authority etc. then DoLG Ludhiana Municipal Corporation should give time extension for obtaining all the approvals	As a Conditions Precedent for Concessionaire–P&D (CP-P&D) the Concessionaire shall obtain the Applicable Approvals set out in Annexure 7 including (of Concession Agreement) Environmental Clearance/ NOCs, etc that are required to commence the Construction Works. Also please refer Article 2.2 and clause 2.2 9(e), as under : “ <i>Instead of terminating this Agreement as provided in this Article 2.2, the Parties may by mutual agreement extend the time for fulfilling the Conditions Precedent</i> ”
8.	It is observed that Jamalpur site is close to Sahnewal/Ludhiana Airport: does the site have requisite statutory clearance.	EIA Application has been submitted to the competent authorities and the issue will be addressed as per the instructions of the competent authority.
9.	Obtain, maintain and periodically renew at its cost all Applicable Approvals, including environmental clearances, in conformity with the Applicable Laws and be in compliance therewith at all times: <i>Obtain, maintain and periodically renew at its cost all Applicable Approvals, excluding environmental clearances, which shall be obtained by the Concessioneing Authority, in conformity with the Applicable Laws and be in compliance therewith at all times</i>	As per Concession Agreement/ RFP. Please refer clause 2.2.3 of Concession Agreement. Please also refer Appendix 1 : Status of environmental clearances /approval.

10.	<p>MCL has applied for obtaining authorization under MSW (handling and management) rules 2000 from Punjab Pollution Control Board (PCCB) for this site at Jamalpur for Processing Facility for SLF. However it shall be the responsibility of the Selected Bidder/ Concessionaire to obtain the same if not issued by PCCB prior to selection of Selected Bidder.</p> <p><i>[It shall be the responsibility of MCL to obtain the authorization from PCCB. The authorisation from PCCB shall be treated as a conditions precedent for MCL(as the concessioning authority)]</i></p>	
11.	<p>Environmental Impact Assessment (EIA) studies for Jamalpur and Jainpur sites are in progress and application shall be moved for environmental clearance as per Ministry of Environment and Forest (MoEF) guidelines as per due course. However, it shall be the responsibility of the Selected Bidder/ Concessionaire to obtain the same, if not issued by PPCB/ MoEF prior to the selection of Selected Bidder.</p> <p><i>[It shall be the responsibility of MCL to obtain the clearance from MoEF/PCCB. The clearance from MoEF/ PCCB shall be treated as a conditions precedent for MCL (as the concessioning authority)]</i></p>	
12.	<p>Concession Period for 25 years including the Construction period for Processing Plant</p>	<p>Please also refer Annexure 8 of Concession Agreement.</p>
13.	<p>Tariff for Water & Power during Construction Period:</p> <p>What are the Tariff cost per unit of Water, electricity and Power tariff for commercial purpose?</p>	<p>Please refer 2.2.3.2 CP-P&D of Concession Agreement. The tariff cost will be as per the applicable cost at the time of construction.</p>
14.	<p>Provision of Evacuation of Power generated thru WTE Plant:</p> <p>Is there any electrical sub-station near to proposed site (Jamalpur and Jainpur)</p>	<p>The Bidder(s) are required to visit and examine the site(s) of Project and its surroundings and obtain all information that may be necessary for preparing the Proposal. Bidders interested to visit the site may give prior intimation to IL&FS IDC/ MC Ludhiana and request necessary permission/facilitation for the visit.</p> <p>Please also refer clause 1.17 of RFP</p>

15.	Whether service tax is payable extra, please confirm	Tipping Fee, which would be quoted by Short-Listed Bidders during Financial Proposal submission, shall be inclusive of all taxes.										
16.	As of now there are no taxes applicable on MSW; if any taxes are applicable in future or increased by Govt. of India, the same shall be born by Govt. of Punjab/ Municipal Corporation/ Municipalities-concern	Please refer 5.1 (j), Annexure-13 and 8.11 of Concession Agreement										
17.	<p>Suggestive model of Door to Door Collection: From Compliance Date CT&D onwards, the concessionaire shall: Provide the service of door to door collection so as to achieve the targets as per the following schedule:</p> <table border="1" data-bbox="394 579 770 935"> <thead> <tr> <th>Months from Compliance Date CT&D</th> <th>% of waste generators covered in MSW area</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>25</td> </tr> <tr> <td>6</td> <td>50</td> </tr> <tr> <td>9</td> <td>75</td> </tr> <tr> <td>12</td> <td>100</td> </tr> </tbody> </table>	Months from Compliance Date CT&D	% of waste generators covered in MSW area	3	25	6	50	9	75	12	100	Please refer <i>Annexure 17 (Performance Parameters)</i> of Concession Agreement.
Months from Compliance Date CT&D	% of waste generators covered in MSW area											
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18.	<p>Annexure 17 (Performance Parameters) (vi)-Disposal of MSW: Ensure that total quantity of rejects to be filled shall not be more than 20% of the waste processed.</p> <p>The %age requirement should be higher.</p>	Please refer <i>Annexure 17 (Performance Parameters) (vi) Disposal of MSW</i> of Concession Agreement										
19.	In case service of door to door MSW collection is not provided to minimum percentage of waste generators as per target specified in Annexure 17.....for every percentage of reduction or part thereof below the specified percentage, the Concessionaire shall be penalised at the rate of 3% of the corresponding monthly fees payable against collection and transportation	Please refer <i>Annexure 18 (Penalties)</i> of Concession Agreement.										

	<i>The penalty should be relaxed such that upto 10% deviation, no penalty shall be imposed and post for every percentage of reduction thereof below the specified percentage, the Concessionaire shall be penalised at the rate of 1% of the corresponding monthly fees payable against collection and transportation</i>	
20.	In the event that the Conditions Precedent for Concessionaire have not been satisfied within the stipulated time and the Concessioneing Authority has not waived, fully or partially, such conditions related to the Concessionaire, this agreement shall cease to have effect on that date <i>“It is suggested that there should be an intermediate penalty for the delay in fulfilling conditions precedent. Directly going for termination is not a advisable situation”</i>	No Change. As per RFP.
21.	Shall install and maintain GPS for monitoring of waste quantity and vehicle movement in the project. The system shall be in the control of the Concessioneing Authority (Clause 5.1 (a) X (v))	Please refer 5.1 (XV) of Concession Agreement.
22.	At all times afford access to the processing facilities.....to inspect the Project and to investigate any matter within their Authority.... <i>Please modify as : “Project with, reasonable written notice,”</i>	No Change, As per RFP
23.	The Concessionaire shall provide to the Cluster ULBs at its cost the assistance and facilitation, as may be reasonably requested by the Cluster ULBs, in the classification, segregation and testing of MSW generated in such Cluster ULBs. <i>Please modify as : “Cluster ULBs at their cost”</i>	The Concessionaire shall provide to the Cluster ULBs at ULBs cost the assistance and facilitation, as may be reasonably requested by the Cluster ULBs, in the classification, segregation and testing of MSW generated in such Cluster ULBs, subject to the provisions of Concession Agreement.
24.	Whether Post Closure amount will be deposited in Fixed Deposit or any other interest bearing securities? Is it necessary to do this?	The Concessioneing Authority (in case of Positive Tipping Fee) or the Concessionaire (in case of Negative Tipping Fee) shall credit the balance amounts, which are equal to 1.5 % of the monthly payment – P&D, in a separate bank account in the name and style of “ Post Closure Performance Account ” maintained by the Concessioneing Authority for meeting the expenses related to Post Closure Activities. Post Closure amount may be deposited in Fixed Deposit or any other interest baring arrangement based on mutual agreement of Parties. It is also being clarified that this amount will only be utilized for Post Closure activities such as maintenance the integrity and

		<p>effectiveness of final cover of landfill, monitoring of ground water quality, monitoring of leachate collection system, landscaping, development of public park, etc.</p> <p>For every year during Post Closure Period, the Concessioning Authority shall pay to the Beneficiary an amount equal to 4 % of the initial balance available (inclusive of all taxes and duties, if any applicable) in Post Closure Performance Account as on the date of termination of this Agreement by efflux of Concession Period or otherwise. Such payments shall be made against written demand by the Beneficiary on yearly basis after deduction of applicable taxes and duties. Provided however, no payments from Post Closure Performance Account shall be made to the Selected Bidder / Concessionaire / Beneficiary, if the Agreement is terminated due to Concessionaire's Default.</p>
25.	<p><u>Workshop Facility:</u> Will Ludhiana Municipal Corporation handover the present workshop infrastructure to the successful concessionaire and on what terms and conditions?</p>	<p>MC Ludhiana shall provide suitable land for workshop facility & parking space of vehicles to be used by the concessionaire on lease basis.</p>
26.	<p>Will adequate land for parking and setting up of workshop facilities should be provided by ULB to reduce the project cost.</p>	
27.	<p>Given the large area of the city, the concessionaire would require multiple parking locations. Availability of such parking sites shall be clearly defined.</p>	
28.	<p>We understand that the MCL other Cluster ULBs will provide the land for the setting up the workshop facility. Kindly confirm.</p>	
29.	<p>Successful bidder will not be bind to absorb the manpower available with all the ULBs, kindly clarify?</p>	<p>Successful bidder will not be bonded to absorb the manpower available with all the ULBs.</p>
30.	<p>We would like to request you to provide us with opportunity to propose our own processing technology options (however it will as per MSW Rules 2000) since there are advance technologies available in the market rather than composting & RDF.</p> <p>RFP to include WTE thru "Mass Burn Technology (MBT) as per MSW Processing Technology</p>	<p>As per RFP.</p>

31.	Such regulations will refer to the volumetric and other....., and the differential fee to be charged Generator to dispose off such waste, the Concessionaire can dispose off horticulture waste and C&D waste by charging a fee different from that for household waste or Tipping Fee	<i>Please refer 2.1.2 (i)</i>
32.	Existing Tie ups of marketing of MSW based products.....What kind of supporting docs you require, please clarify	Please refer Annex 5A of RFP.
33.	Please provide the details of distances between the ULBs and the sites designated for Processing Facilities	Please find enclosed as <u>Appendix-2</u>
34.	We understand that the Road/ street sweeping are not a part of this project. Kindly confirm.	Please refer <i>Annexure-3</i> (Scope of Work) of Concession Agreement.
35.	<u>Project Report related queries :</u> We understand that requirements indicated in this chapter are indicative only and the bidder is free to propose to suitable nos/types of vehicles/equipments by their own having the capacity of handling the proposed waste quantities.	The Bidder(s) are required to visit and examine the site(s) of Project and its surroundings and obtain all information that may be necessary for preparing the Proposal. Bidders interested to visit the site may give prior intimation to IL&FS IDC/ MC Ludhiana and request necessary permission/facilitation for the visit.
36.	Cost estimates indicated in this chapter are indicative only. Kindly confirm.	Please also refer clause 1.17 of RFP Please refer DPR
37.	It is presumed that Qty of MSW indicated are based on DPR prepared during the year 2009, please provide the present (year 2011) MSW generation for Ludhiana and other clusters	
38.	What is Estimated Total Project Cost:	Please refer <u>Appendix-3</u>
39.	Please clarify the area of land available for Jamalpur & Jainpur for MSW Project	Please refer <i>Annexure 5</i> of Concession Agreement
40.	What would be the Tipping Fee Index, for the escalation of Tipping Fee.	Please refer <u>Appendix-4</u>
41.	Within fifteen (15) days from the issue of LoI, the Selected Bidder would be	No Change. As per RFP.

	<p>required to pay Project Development Fee to IIDC in the form of Draft/Cheque in favour of “IL&FS Infrastructure Development Corporation Ltd.”, payable at New Delhi and also submit three (3) Bank Guarantees of the amount specified in Data Sheet (refer Annexure 8 of Concession Agreement) and as per formats provided in Annexure 9 to the Concession Agreement. The three (3) Bank Guarantees shall include (i) a Bank Guarantee in favor of MCL (as Performance Security) and (ii) 2 (Two) Bank Guarantees in favor of IIDC (as Project Development Fee) each having value equal to 10% (ten percent) of the Project Development Fees payable to IIDC.</p> <p>The Bank Guarantees shall remain valid and in custody of MCL till the period specified in Concession Agreement. Such bank guarantees shall be returned only after IIDC confirms in writing to the Project Engineer that it has received the due payment in the form of Draft/Cheque in the favor of “IL&FS Infrastructure Development Corporation Ltd.”, payable at New Delhi from Selected Bidder/Concessionaire on account of Project Development Fees.</p> <p><i>The Selected bidder should be asked to pay only the Project Development Fee in the form of cheque/draft (first part of the clause), there is no need for additional bank guarantees for the same payment.</i></p>	
42.	Considering the complexity and the nature of the project, we request DoLG to extend the bid submission date to at least 30 days from the date of receipt of replies.	<u>Deadline of submission of Proposals (“Proposal Due Date”) is 25 April 2011.</u>
43.	As per the RFP document, the selected bidder has to form SPC within 30 days of the date of issue of LOI. It is requested that kindly increase the days to 60 days to from SPC.	As per RFP, No change
44.	The concessionaire shall be required to execute all necessary agreements, including the Concession Agreement and Waste Offtake Agreements within 90 (ninety) days of the issue of LoI. Please clarify.	
45.	Financial Bid Evaluation: In case of any discrepancy any third party shall make the decision	No change. As per RFP.
46.	In the event that two or more bidders quote the same Weighted Tipping Fee Amount the DoLG/ MCJ shall identify the Selected Bidder based on the higher Technical score	In the event that two or more Bidders quote the same Weighted Tipping Fee Amount [Positive or Negative Weighted Tipping Fee Amount, as the case may be] (the “ Tie Bidders ”), the

		DoLG/MCJ shall identify the Selected Bidder based on the technical score and the bidder who has got more technical score will be selected.
47.	<p>Minimum no. of eligible projects required for obtaining the 70% of the maximum marks to be specified.</p> <p>Detailing is required to explain the scale of marking of the remaining 30%-(in point (i) what is the threshold size, what size of project will get the maximum marks, what are the parameters for marking quality etc.)</p>	80 % of the maximum marks shall be awarded for the number of Eligible Projects undertaken by the Bidder. Remaining 20% shall be awarded for (i) the comparative size & quality of Eligible Projects and (ii) overall turnover and experience of the Bidder.
48.	Format 5.b (3) should be deleted as No bank/ financial Institution would be ready to give commitment at the stage of bidding with a specified amount.	Deleted.
49.	Public Awareness campaign by Concessioneing Authority	This clause is inserted in Article 6 as Clause 6.1(k) ; “k) The Concessioneing Authority shall facilitate the Concessioneaire for public awareness campaign through appropriate media and road shows, so as to create the conducive environment.