

## **Addendum -2**

for

### **Project Management Consultancy Service for Melamchi Water Supply Project Package No. MDS/M2/PMC/04**

**Date: 10 December 2017**

<b>No</b>	<b>Reference / Clause</b>	<b>Clarification Sought</b>	<b>Clarification by Employer</b>
<b>Q1</b>	Data Sheet 5.3 (i)	Specific Experiences in the last 7 years of the Consultants related to the assignment -20 points (for three categories of experiences), Which is the exact number of project References to be provided for each of the 3 categories of experience to be submitted by Consultants in order to take the maximum points during the tender evaluation	The number of project references to be provided for each of the categories of specific experience to be submitted by the Consultants is 5 or more.
<b>Q2</b>	Form 4G. Out of Pocket Expenses. Item G1.3	As per TOR, EIA report preparation is not under the scope of present assignment. Rather, EMP needs to be prepared, Clarify	No need to prepare EIA , as well as EMP report by PMC but PMC should include the progress or implementation status of the EMP activities and the progress in line with the schedule submitted by different Contractors (Tunnel-Head-works, WTP)
Q-1	Datasheet clause 4.5	“Proposals must be submitted no later than: 11 December, 2017, 14.00 hours local time”. Request made for extension of the deadline for submission of proposals till 15 January 2018 or other suitable date thereafter.	Notice regarding extension of time already published in The Rising Nepal Daily, English Newspaper on December 5, 2017. So, read Data Sheet clause 4.5 as "Proposals must be submitted no later than: <b>26 December, 2017</b> , 14.00 hours local time”.
Q-2	RFP	Please confirm the financing arrangements for this consultancy package (Package no. MDS/M2/PMC/04). Is ADB contributing loan financing or is Government of Nepal providing the full financing from their national budget?	GoN is providing full financing from its National Budget.
Q-3	ToR p11, 13-14 (Table 1)	There is a discrepancy between the estimated number of professional staff months indicated in the datasheet	In Page 14 of ToR, there is no provision of Expatriate Financial Expert, thus total no. of international expert is 89.

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	& Datasheet clause 3.3	<p>(Clause ref. 3.3)and the estimated staff months indicated in Table 1 of the ToR (pages 13-14).</p> <ul style="list-style-type: none"> <li>• The data sheet indicates 89 international person months, while Table 1 indicates a total of 94 expatriate professional person months.</li> <li>• The datasheet indicates 275 national person months, while Table 1 indicates all national experts as “support staff” with a total of 725 person months.</li> </ul> <p>(a) Please also confirm the number of professional staff-months of both international and national experts required for the assignment, as well as clarifying designations as key and non-key (professional and support) for all expert positions.</p>	<p>Read Data sheet 3.3 (ii) as "Total estimated number of professional staff-months required for the assignment is: 89 International staff-months and 725 National (310 key professional and 415 non-key support) staff-months.</p>
Q-4	Datasheet clause 5.3 (iii)	<p>The datasheet indicates that “(iii) Qualifications and Experience of the key staff for the Assignment” counts 40 pts out of the total 100 points for the Technical Score of the proposal.</p> <p>(a) Please give a breakdown of which CVs will be scored and how much each CV will weigh towards the total scoring.</p> <p>(b) Please also confirm if non-evaluated CVs are required to be included in the proposal.</p>	<p>40 points for Qualification and Experience of key staffs is allocated for Expatriate Professionals as below:</p> <ul style="list-style-type: none"> <li>- Team leader 125 and Team leader as Contract Management Expert 75</li> <li>- Scheduling Expert – 75</li> <li>- Engineering –geological/Geotechnical –rock mechanics/Tunnelling Expert -75</li> <li>- Social Safeguard cum EMP Expert -50</li> </ul> <p>Non-evaluated CVs for national professionals are not required to submit during the proposal submission.</p> <p>However, CVs of other national key professional (EMP specialist-1 and Civil Engineers-2) should be provided during Contract negotiation and get approved before fielding them. The minimum requirement for these non-evaluated professional is at least Bachelor Degree in relevant subject and minimum of 3 years of experience.</p>

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			For other national non-key support staffs (415 person-months), the Consultant should judge their suitable qualification and experiences based on the respective positions.
Q-5	Addendum 1 20 – Scheduling Expert	<p>“Experience in highly professional environment in projects in Australia or Europe or America or Canada in major civil engineering works for a duration of 1 – 5 years”.</p> <p>Please confirm whether experience in major civil engineering works in Japan would be considered equally acceptable in satisfying this evaluation criteria?</p>	The criteria will be satisfied only if experience in major civil Engineering projects is in Australia or Europe or America or Canada.
Q-6	Datasheet clause 5.3 (v)	<p>It is unclear how the evaluation of CVs will be taken with particular regard to “Geographical Experience” which weighs 10% of the evaluated CV scores. The datasheet notes that these 10pts for Geographical Experience refers to experience in Australia, America, Canada or Europe. Elsewhere in the ToR it refers that international experts should have experience in South Asia (which would be more commonly understood as regards similar geographical experience).</p> <p>Please clarify how this Geographical Experience scoring will be done for both international and national experts.</p>	<p>For the International Expert, Experience in South Asia is desirable but will not be evaluated separately. “Geographical Experience” refers to the experience only in Australia or America or Canada or Europe.</p> <p>For National Expert, there are no marks allocated in “Geographical Experience” category.</p>
Q-7	SCC clause 6.1 (b)	<p>Regarding SCC clause 6.1 estimate amount stated in local currency, please confirm:</p> <p>(a) if this is the total contract estimate amount including foreign currency amounts</p> <p>(b) whether or not this estimate amount excludes only VAT or also all other local taxes such as CIT/PIT.</p> <p>(c) as the amount is only an estimated amount is it acceptable to submit a financial bid exceeding this estimated amount.</p>	<p>The amount is total estimated amount including foreign currency amounts.</p> <p>All other taxes, duties, levies, etc. that should be borne by the Consultant as per the rule of Government of Nepal and are included within this estimated amount. The estimate amount excludes VAT only.</p> <p>The proposal will not be rejected even if the financial proposal of the Consultant exceeds the estimated amount. However, the score will be proportionally calculated giving the full score for the lowest quoted Consultant during</p>

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			evaluation of financial proposals.
Q-8	ToR p 13-14	<p>Referring to p13-14 of the ToR (Table 1)'Competitive Cost Items for Project Management Consultancy Services':</p> <p>(a) Referring Section D 'Out of Pocket Expenses' item 8 Staff Training: What does the Nos 100 stand for e.g. number of people trained or number of training sessions. Please provide more details on the requirements for this item in order that it can be properly costed in the proposal.</p> <p>(b) Referring Section D 'Out of Pocket Expenses' and Section E 'Equipment Purchasing', some of the items included in the table are not well described (i.e geological field equipments and safety equipments), including some which appear non-definitive (...etc....). It is extremely difficult to budget properly for such items without further clarify on the Clients requirements. Please specify further regarding expectations on these items.</p> <p>(c) Because items related to above (a) and (b) may not be fully known at this time we recommend that the Client include such cost items as a non-competitive Provisional Sum amount. Kindly confirm.</p>	<p>(a) 100 is the number of person-days to be trained.</p> <p>(b) Under the field equipment, the items mentioned within the bracket should be purchased. The cost for items other than these equipments will be reimbursed by the Employer from Provisional Sum.</p> <p>(c) The cost of these field equipments is comparatively very low and has been included in the competitive items while preparing cost estimate, and hence it needs to be quoted under the competitive item.</p>
Q-9	SCC Clause 1.10 Taxes 2.1	<p>SCC 1.10 and 2.1 states: "The Consultant shall pay all Applicable Taxes as per rules of Government of Nepal. Within one month of the date of Contract Signing"</p> <p>(a) Does this mean that we may have to pay taxes before we have received our first payments on the assignment?</p> <p>(b) Please confirm level of taxation and/or refer applicable rules for ease of finding such information out.</p> <p>(c) Please confirm that all direct and indirect taxes are to be considered as non-competitive costing items</p>	<p>(a) Please visit <a href="http://www.mof.gov.np/en/">http://www.mof.gov.np/en/</a> to find applicable rules for taxation.</p> <p>(b) Direct and indirect taxes (except VAT) are inbuilt in the estimate and it will be the sole responsibility of the Consultant to pay all applicable taxes.</p>

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		of the financial proposal	
Q-10	GCC 6.6 and SCC 6.6	<p>GCC 6.6 states: "The Consultant shall pay liquidated damages to the Client at the rate per date stated in the SCC for each day the completion services is later than the Completion Date"</p> <p>SCC 6.6 states: "Liquidated Damages at the rate of 0.05 % of contract price to a maximum of 10 % of the sum settled in the Agreement"</p> <p>Delays in progress by other parties e.g. D/CSC Consultant and/or Contractor could result in delays on our side. How would it be assessed which delays are a result of delays on the side of the Project Management Consultant which would then result in liquidated damages to the Project Management Consultant?</p>	<p>The PMC is responsible for the liquidated damages only in the condition that the PMC consultant could not complete his scope of work in the stipulated date and time.</p> <p>The PMC will not be held responsible for the delay in work completion resulting due to non-performance of other parties' work.</p>
Q-11	SCC 8.4 (c)	<p>SCC 8.4 states: "---the third arbitrator shall at the request of either Party be appointed by Nepal Arbitration Council (NEPCA) and the arbitration proceedings shall be conducted in accordance with the rules of procedure for arbitration of NEPCA".</p> <p>"Proceeding shall unless otherwise agreed by the Parties, be held in Kathmandu, Nepal"</p> <p>From our experience, arbitration should be conducted in a neutral third country (such as Singapore) and thus we kindly request that this be changed accordingly. Please confirm.</p>	Arbitration should be conducted as stated in RFP document.
Q-12	GCC 6.3, and Data Sheet 3.8, and Data Sheet 5.7	<p>GCC 6.3 'Currency of Payment' states: "All payments to the Consultant for the performance of the services shall be made in the currency of the GoN"</p> <p>Datasheet 3.8 'Currency of Payment' states: "For international level proposal whether the Consultants is to state the local costs in the national currency: <b>Yes</b>"</p>	The International costs in the financial proposal should be quoted in US \$ only and will be paid in US\$ only. However, for the evaluation of the financial proposal, US\$ will be converted into NPR, and the conversion factor will be the exchange rate (selling) of <i>Nepal Rastra Bank</i> of the date 28 days prior to proposal submission deadline.

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		<p>Datasheet 5.7 states: "The single currency for price conversion is:US Dollar"</p> <p>From the above it is clear to us that national costs (incl. national experts) will be paid in national currency.</p> <p>Please confirm that multiple currencies e.g. USD and Euro can be used for international costs in the financial proposal, and will be paid (to the successful bidder) in the same foreign currency amounts included in the proposal.</p>	
Q-13	GCC 3.4	<p>GCC 3.4 'Liability of the Consultants' states:"Subject to additional provisions, if any, set forth in the SCC, the Consultants' liability under this Contract shall be as provided by the Applicable Law"</p> <p>Would you be able to specify this further as we do not know the Applicable Law?</p>	Applicable law means law of "Government of Nepal" and any other which are attracted under the Conditions of Contract, If any.
Q-14	SCC 3.5	<p>SCC 3.5 states: "The risks and coverages should be as follows: a professional liability insurance, with a minimum coverage (insurance charges included under remuneration) and as per Rule of Government of Nepal;"</p> <p>Would you be able to specify this e.g. should coverage be equal to contract value?</p>	The professional liability insurance should cover at least equal to the "Contract Value" of the Consulting service and Employer will bear the cost of the same from Provisional Sum. It is hence non-competitive item.
Q-15	GCC 6.4c And 6.5 Retention	<p>GCC 6.4c 'Mode of Billing and Payment' states: "The client shall cause the payment of the Consultant's monthly statement less retention money 5 %---"</p> <p>We understand that the retention money will be paid to the Consultant partly with the final invoice and partly after submission of evidence document by the concerned Internal Revenue Office. As this is a five year project this is a large cost to the Consultant. Would it be possible e.g. to have the retention money paid on an annual basis?</p>	This provision will remain unchanged.

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Q-16		No provision of price adjustment	<p>Payments for remuneration made in (Foreign and/or local) currency shall be adjusted as follows:</p> <p>(1) Remuneration to be paid in <b>foreign currency</b> shall be adjusted every 12 months (and, the first time, with effect for the remuneration earned in the 13<sup>th</sup> calendar month after the date of the Contract) by applying the following formula:</p> $R_f = R_{f_0} [0.1 + 0.9 \times (I_f / I_{f_0})]$ <p>Where, <math>R_f</math> is the adjusted remuneration  <math>R_{f_0}</math> is the remuneration payable as will be mentioned in the Contract agreement in foreign currency.  <math>I_f</math> is the official index for salaries in the country of the foreign currency for the first month for which the adjustment is supposed to have effect, and <math>I_{f_0}</math> is the official index for salaries in the country of the foreign currency for the month of the date of the Contract. The source of official index for salaries for foreign currency is <i>U.S. Department of Labour, Bureau of Labour Statistics, Consumer Price for all Urban Consumers (CPI-U)-all item, not seasonally adjusted published by US Department of Labour: Bureau of Labour (www.bls.gov)</i>.</p> <p>(2) Remuneration paid in <b>Local currency</b> shall be adjusted every 12 months (and, the first time, with effect for the remuneration earned in the 13<sup>th</sup> calendar month after the date of the Contract) by applying the following formula:</p> $R_l = R_{l_0} [0.1 + 0.9 \times (I_l / I_{l_0})]$ <p>Where, <math>R_l</math> is the adjusted remuneration  <math>R_{l_0}</math> is the remuneration payable as will be mentioned in the Contract agreement in local</p>

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			<p>currency  <math>I_1</math> is the official index for salaries in the local currency for the first month for which the adjustment is supposed to have effect, and <math>I_0</math> is the official index for salaries in the local currency for the month of the date of the Contract. The source of price index for remuneration of domestic professional and support staffs is <i>Nepal Rastra Bank</i> for identifying characteristics of the official index for Salaries corresponding to <math>I_1</math>, and <math>I_0</math> in the adjustment formula for remuneration paid in Local Currency. Refer <i>National Salary and Wage Rate Index- Salary Index (www.nrb.org.np)</i>.</p> <p><b>No price adjustment is provisioned in Out of Pocket Expenses. Total Price adjustment amount will not exceed 25% of the Contract Amount.</b></p>
Q-17		<p>The Consultant is supposed to carry out wrap up activities of MWSP Phase-I including handover documents, as built drawings and operation and maintenance manual. Will the consultant be held responsible for preparing As-Built drawings and O&amp;M Manual?</p>	<p>The main responsibility for this task lies upon the existing phase -1 Design and Construction Supervision consultant and the PMC should facilitate in their timely submission to the Employer with high degree of precision.</p>