

## **Responses to Pre-Bid Meeting Queries**

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### **IMPORTANT NOTICE/DISCLAIMER**

This 'Responses to Queries' document in respect of the Dhabeji Industrial Park (the **Queries & Responses Document**) is being issued by SEZMC, Government of Sindh (the "**GoS**", in association with Investment Department, PPP Unit, Finance Department, Government of Sindh and the TFEC) and is further to the 'REQUEST FOR PROPOSAL' dated 07 December, 2020 (the **RFP**) and the 'DRAFT PPP AGREEMENT', is being provided to the recipient solely for use in preparing and submitting its Proposal for participation in the competitive bidding process to undertake designing, financing, construction, operation and maintenance of Dhabeji Industrial Zone on build, own, operate and transfer basis to be located at Dhabeji, Thatta, Sindh measuring one thousand five hundred and thirty (1,530) acres, on Public Private Partnership ("**PPP**") basis (the "**Project**").

*Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the RFP Documents.*

None of the Government of Sindh entities (including, *inter alia*, the SEZMC, Investment Department, Government of Sindh, the PPP Unit, Finance Department, Government of Sindh and the TFEC) nor, in each case, their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., make any representation (expressed or implied) as to the accuracy or completeness of the information contained herein, or in any other document made available to any person in connection with the tender process for the Project and the same shall have no liability for this Queries & Responses Document or for any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Project. Neither these entities nor their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., will be liable in any manner whatsoever to reimburse or compensate the recipient for any costs, fees, damages or expenses incurred by the recipient in evaluating or acting upon this Queries & Responses Document or otherwise in connection with the Project.

Any Proposal submitted in response to this Queries & Responses Document and the RFP Documents by any of the Bidders shall be upon the full understanding and agreement of any and all terms of the RFP Documents and this Queries & Responses Document and such submission shall be deemed as an acceptance to all the terms and conditions stated in the RFP Documents and this Queries & Responses Document.

Any Bid/response to the RFP Documents and this Queries & Responses Document submitted by a Bidder shall be construed based on the understanding that the Bidder acknowledges that prior to the submission of the Bid/Proposal in response to the RFP Documents, the Bidder has, after a complete and careful examination, made an independent evaluation of the RFP Documents (including scope of the Project, the Project Requirements, the Applicable Standards, the Project site, existing structures, local conditions, physical qualities of ground, subsoil and geology) and all information provided by the GoS or obtained, procured or gathered otherwise, and has determined to its satisfaction the accuracy or otherwise thereof and the nature and extent of difficulties, risks and hazards as are likely to arise or may be faced by it in the course of performance of its obligations under the Draft PPP Agreement. The GoS (including its employees, personnel, agents, consultants, advisors and contractors etc.) makes no representation whatsoever, express, implicit or otherwise, regarding the accuracy, adequacy, correctness, reliability and/or completeness of any assessment, assumptions, statement or information provided by it and the Bidders shall have no claim whatsoever against the GoS in this regard.

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1.	Why revaluation of PPE is excluded while calculation of net worth	<p>This is in accordance with precedent public-private partnership transactions.</p> <p>In the financial statements, revaluation surplus is recognised based on subjective judgment. Hence, in ascertaining the book value in economic terms, this non-cash based, and unrealized return is excluded.</p>
2.	Include revenue requirement with alternate to net worth for members while calculating scores for Net assets requirement	<p>Not agreed.</p> <p>Average annual turnover of PKR 07 billion over last three years has also been mentioned in the RFP as a separate requirement in the Basic Eligibility Criteria. However, it has not been incorporated in the Technical Evaluation Criteria due to the nature of this Project.</p>
3.	If a member is 60% stake holder in SPV does his net assets submitted will be calculated as a percentage to his stake.	<p>Yes. As described in the RFP in Schedule F – Basic Eligibility Criteria, a consortium’s net worth will be calculated by taking a weighted average of each member’s net worth based on each member’s holding in the consortium.</p>
4.	Is it necessary to include contractors for design and construction in special purpose vehicle for scoring or a contract with them will work?	<p>Subcontracting design and construction work is permitted in part or in full, as detailed in Section 7.5 of the Draft PPP Agreement. These subcontractors do not need to be signatories to the SPV’s Consortium Agreement.</p> <p>However, the main EPC construction contractor has to be part of the SPV.</p>
5.	Is the member of consortium whom have past foreign experience needs to get registered with PEC etc	<p>As per the RFP, foreign entities if participating in the Bidding Process should strictly follow the rules stipulated in Pakistan Engineering Council bye laws for participation (as amended from time to time). The Bidders may approach Pakistan Engineering Council for further clarity.</p>
6.	If we include any foreign new party with similar experience, how will their calculation for technical capabilities be made	<p>Technical capabilities of a consortium shall be evaluated according to the criteria set out in Schedule E – Evaluation Criteria and Scoring System. The same criteria shall apply to foreign entities. As noted in the evaluation criteria, historical exchange rates prevailing on completion of foreign assignments/projects will be used to convert foreign currency to PKR.</p>
7.	Establishment of zone enterprises experience should also be accounted and scored in this.	<p>This RFP has been issued to select a private party for the development of the Project, which includes the sale of plots to the zone enterprises. Hence, credentials of zone enterprises has not been incorporated in the scoring criteria.</p>

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8.	Surplus on revaluation should be included for calculation of net worth	Please see the response to question 1.
9.	Technical capability should also include scoring for completion of commercial building/real estate projects	Technical capability already includes real estate projects.
10.	Net worth and turnover clause for industrial commitment should be removed	Not agreed.  It is essential to demonstrate financial strength of the firms undertaking industrial commitments. This will enable the procuring agency to evaluate the soundness of the industrial commitments.
11.	Why is it necessary to include civil engineering firm to be a consortium partner? Practically no firm/real estate developer is agreeing to contribute equity, and as you may be aware, we do not have many firms who are able to contribute equity. If they are sufficient to contribute equity then why they will add any investor? They should not be a part of consortium if they are not adding any equity to the project and should be limited to contract and technical evaluation only to protect rights of the investor.	Not agreed.  It is essential that investors and construction firms both have an equity stake for the project in order to ensure the civil engineering firm remains committed to the Project up to Completion Date.
12.	SPV/Consortium members should be allowed to be changed and modified even after signing of consortium agreement to avoid any unforeseeable situation which may require any alteration.	Not agreed.  Rule 43 of the Sindh Public Procurement Rules 2010 states that no bidder shall be allowed to alter or modify his bid(s) after the expiry of deadline for the receipt of the bids. It is essential that the bidding process evaluates the technical and financial capabilities of the consortium members that are expected to execute the project. Further, please refer to the provisions relating to restrictions on transfer of shares set out in Section 7 of the Draft PPP Agreement.
13.	In Financial position an option should be added to either calculate net worth of Rs 3 billion or revenue of last year should be greater than and equal to Rs 3 billion for lead members calculation.	Not agreed.  A consortium must fulfil both net worth and average annual turnover requirements detailed in the RFP in Schedule F – Basic Eligibility Criteria.

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14.	<p>The Concession term for the project is designed as 20 years, including 5 years construction period of 15 years of O&amp;M. Compare with the similar SEZ all over the world, 20 years concession term is much less than the others.</p> <p>We suggest that the concession term may not be less than 30 years, including 5 years construction period and 25 years O&amp;M period, the O&amp;M period may start before the end of 5th year. 15 years O&amp;M is the weakness of the arrangement, for most of the enterprises who are interested in entering the SEZ are stranger to Pakistan, especially for the law and the management habit after transfer of the SEZ. It will be the biggest obstacle for the developer to convince the potential enterprises, and there is no any benefit the SEZMC or XIN government to take over the SEZ in such hurry.</p>	Not agreed.
15.	<p>The bid security is 5% of the bid amount, this is too much higher than other projects, what's the client's consideration in this regards? It is strongly suggest that the bid security should be reduced to the normal level, or less than the normal level. Raise of the bid security appears that client is lack of confidence of the future of this project, and it will not only raise developer's financial cost, but also decrease confidence from the potential enterprises. 1% of the bid amount similar as other bidding projects or 20 million Pakistan Rupees as bid security is appropriate and recommended.</p>	<p>Not agreed.</p> <p>The calculation of bid security has been derived based on the size of the Project.</p>
16.	<p>What's the consideration for 1% of the contract amount payment to consultant within 15 day of signing of PPP agreement? It is suggested that the fee paid to Consultant should be according to the progress of the construction in SEZ.</p>	Please see the revised Bidding Package. Such fee has been removed from Section 4.19 of the RFP and Section 19.11 of the Draft PPP Agreement.
17.	<p>Whether the bid will be extended?</p> <p>For most the Chinese stated owned companies, the investment project should be approved by their HQs or parent companies, the procedures will normally take more than 2 months. Considering the coming Chinese New Year as important festival, it will take more time for approvals. It is suggested that the submission date should be extended 60 days more</p>	The submission of the technical and financial bid proposal is now extended to 2 March 2021.

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18.	As per the scheduled timelines, execution of PPP agreement is within 25 days of the announcement date. Considering the status and the trend of the COVID-19, all the design and construction works in the SEZ shall be postpone some time, like 3 to 6 months, and this period should not be considered into the concession term.	Not agreed.  The RFP sets out tentative timelines. As set out therein, the PPP Agreement is likely to be executed within 25 days of the Announcement Date. Thereafter, design and construction works will be started following execution of PPP Agreement.
19.	The standard for construction and materials is AAHSTO and ASTM. Whether it is allowed to use Chinese Standard if the leading developer is from China?	As per the working standards followed in Pakistan we have allowed AAHSTO and ASTM which can be supervised by the Independent Engineer (IE) team and 3rd party monitoring.
20.	The lease for the land is 50 years, when expired, what's the procedure and the fee for extension? And how many years can be extended?	The land will be leased to the Developer and thereafter, sub-leased to zone enterprises in accordance with Sections 12 and 13 of the Draft PPP Agreement.
21.	As per the tender documents, for the extra income, SEZMC will share 50%. But if the income is less than expected, SEZMC will not bear the loss, which is unfair. If the income is more than expected, It is suggested that: 1) Either the developer shall only enjoy most of the increased part due to developer's extra efforts and excellent management	Not agreed.  In the transaction structure stipulated in the RFP, Bidders need to assume the demand risk in the Project.  Calculation of base case revenue for excess revenue share has been set following thorough review of the viability of the project where it is expected that the private partner will be able to secure healthy return on investment.

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22.	<p>What's the arrangement about the tax exemption for the developer and for the enterprises in the SEZ during construction and operation? Whether there will be tax exemption for the equipment and materials imported and used in the SEZ?</p>	<p>The Developer will submit a formal application for the award of SEZ status. After the formal notification of SEZ status, tax exemptions under the SEZ Act (as amended from time to time) will then apply. Details are given as below:</p> <p>Pursuant to Section 36 of the Special Economic Zones Act 2012 (the “SEZ Act”), amended in 2016, developers shall be entitled to:</p> <ul style="list-style-type: none"> <li>a) a one-time exemption from all custom-duties and taxes on plant and machinery imported into Pakistan except the items listed under Chapter 87 of the Pakistan Customs Tariff, for the setting up of an SEZ subject to verification by the BOI, and</li> <li>b) exemption from all taxes on income accruable in relation to the development and operation of the SEZ for a period of five years, starting from the date of signing of the development agreement.</li> </ul> <p>Section 37 states that zone enterprises shall be entitled to</p> <ul style="list-style-type: none"> <li>a) a one-time exemption from custom-duties and taxes on import of plant and machinery into SEZ except items listed under Chapter 87 of the Pakistan Customs Tariff, for installation in that zone enterprise subject to verification by the BOI; and</li> <li>b) exemption from all taxes on income for enterprises commencing commercial production by the 30th June, 2030, in the SEZs for the next ten years;</li> </ul> <p><i>“provided that exemption from all taxes on income for those zone enterprises or firms which commence commercial production after the aforesaid date shall be for the next five years.”</i></p>

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23.	What is the advantage of DHABEJI SEZ under CPEC, compared with the CPEC SEZ in Pakistan?	<p>Currently, there are 9 Special Economic Zones (SEZs) proposed under China Pakistan Economic Corridor (CPEC).</p> <p>The Dhabeji Project is a designated priority SEZ project, and has been approved in the CPEC Joint Cooperation Committee (JCC) meetings held in Pakistan and Beijing.</p> <p>Key advantages of the Dhabeji Project include:</p> <ul style="list-style-type: none"> <li>• Dhabeji holds a strategic position as it is in close proximity to Karachi (hosts 20 million people) which is the hub for commercial activity in the country, Gwadar and Thatta (hosts 7 million people).</li> <li>• Close proximity and transportation links to the ports of Karachi.</li> <li>• GoS/GoP shall facilitate in the utilities provision at the doorstep, being the external connectivity, but it will be the responsibility of the Developer to procure additional utilities. Kindly refer to the RFP for further details.</li> </ul>
24.	What's the price and exact connection point for the water, electricity and gas? And the rate for these services is in the same level or not? And if the water or gas is not sufficient for the Phase 1 and Phase 2 of the Construction Period and the O&M Period of the SEZ, any solution to increase?	SEZMC shall facilitate the provision of utilities (as mentioned in RFP) at the doorstep. However, it will be the responsibility of the Developer to procure additional utilities. Kindly refer to the RFP for further details.
25.	It is stated in the tender documents that developer is responsible to obtain all necessary NOCs, it seems high risks for a foreign developer to obtain the NOCs, what kind of assistance will be from SEZMC side to ensure all NOCs will be obtained in time?	As stated in the Section 6.2 of the Draft PPP Agreement, the Developer shall obtain all Applicable Permits for the performance of the Works and operation and maintenance of the Dhabeji Industrial Zone, strictly in accordance with this Agreement. SEZMC shall, at the request and cost of the Developer, provide reasonable assistance in applying for such Applicable Permits. It is the sole responsibility of the Developer to timely request such assistance and to provide all necessary documentation and other information to facilitate the provision of such assistance. SEZMC shall provide support to obtain these approvals.

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26.	The period for the developer to lease the land to enterprises is within 7 years, what's the consideration for this arrangement? it is suggested that the 7 years shall be extended to 15 years?	Not agreed.  Please note that the period of 7 years is tied to the durations of Phase I and Phase II. Schedule C – Financial Proposal Standard Form of the RFP illustrates the 7 year period. The entire Lease Rent shall be paid by the Developer to SEZMC by the end of this 7 year period. In the event at the expiry of the Lease Rent Deadline, the amounts received by SEZMC from the Developer are less than the Lease Rent, SEZMC shall be entitled to encash the Performance Security up to the outstanding amount plus any mark-up at a rate as per the Draft PPP Agreement.
27.	What's the further plan for other SEZs or industrial zones in Xin province?	This document strictly relates to bidders' queries in respect of the Dhabeji Project.
28.	One station service for the SEZ is important, any plan from SEZMC side to ensure this service will be realized in the SEZ?	Facilitation shall be provided to the Developer in accordance with the RFP and PPP Agreement.
29.	Has the land nature been transformed into Planning Nature for the overall SEZ? if so, the Developer shall not bear any land costs. Please confirm.	Not agreed.  The Developer shall be responsible for developing the land as required and bear all costs in respect thereof.
30.	Which party shall be responsible for the relocation of the existing facilities such as relocation and rearrangement of locals facilities in the SEZ? If the developer will bear the costs relating to this, how much will the cost be?	Facilities will be relocated as provided under Paragraph 15 of Schedule D "Terms of Reference" of the RFP. The Developer shall be required to identify any facilities/utilities at the Project Site and provide the re-location plan in accordance with the requirements of the PPP Agreement. The GoS/SEZMC shall be required to relocate any such utilities according to the relocation plan, except the high tension 500 kV transmission line in the project site.
31.	The minimum lease of the land is 12 million Rs per acre for Phase 1 and 18 million Rs per acre for Phase 2, the lease period is 50 years or 100 years?	Please see the response to question 20.
32.	What is the maximum period of land lease agreement between the developer and the enterprises?	Please see the response to question 20.
33.	The 1% of Transaction consulting service fee is too high, which shall reduce and paid as per the schedule. The scope of works for consultants also suggest to minimize due to the construction is EPC mode.	Please see the response to question 16.
34.	All taxes such as federal government taxes, provincial taxes and land taxes etc. shall be exempt at the Phase-1 and Phase 2 of Construction Stage.	Please see the response to question 22.

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35.	The client and the developer shall jointly be responsible for obtaining the approvals for project planning, construction and environment management, and the period to obtain such approvals from authorities shall not be calculated into the Construction Period and O&M Period.	SEZMC shall provide support to the Developer in accordance with Section 6 of the Draft PPP Agreement.
36.	The main lease agreement for land development to be signed between the procurement agent and the developer shall become valid after the PPP agreement become valid	As per section 12.1 of the Draft PPP Agreement, the lease agreement for Phase 1 will be signed within 30 days of the effective date of the PPP Agreement (the date on which CP satisfaction certificate is issued).
37.	Within the 3 months after the Government of Sindh obtained the approval from Pakistan High Court, Government of Sindh shall clear all of the encumbrance and the property rights issues (2 stages or to be detailed as per PPP Agreements), lease and handover the lands. then the PPP Agreement can become valid.	Please review Section 3 of the Draft PPP Agreement covering Conditions Precedent and Conditions Subsequent. After the Signing Date, the Developer and SEZMC have a period of 180 days to complete their respective and joint Conditions Precedent. As described in Schedule D – Terms of Reference of the RFP, one of SEZMC's CPs is to lease and handover vacant possession of the Project Site in two (2) phases (as further elaborated and in accordance with the requirements of the Draft PPP Agreement) cleared of any encroachments and encumbrances.
38.	The Phase-1 and Phase-2 at the Construction Stage shall individually construct the boundary walls, main gate and security towers etc.? i.e. the Phase-1 is totally isolated	<p>The Developer will be required to design its masterplan to manage both the road construction plus boundary wall to accommodate the phase wise division as set out in the RFP.</p> <p>We have two access roads from N-5 to the Site, each of 2.5 km. One is being constructed by the Works and Services Department of GoS and the other road is to be built by the Developer with intersection and round-about on the second entrance. Road Specifications include the standards of AASHTO and ASTM.</p>
39.	Two external link roads are designed to connect N-5 Road, one of which is 2.2km, how about the length of 2nd link road? Please specify this and the technical specification for both links.	Please see the response to question 38.
40.	<p>What are the exact investments made by Sindh/Federal government in the following aspects?</p> <p>Land .....</p> <p>Utilities (i.e. Electricity, gas, water, roads) .....</p> <p>Commercial/Legal</p> <p>Design</p>	Please see the response to question 35.

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41.	Clear proof of BOI/BOA approvals for Dhabeji economic zone declaring it as a SEZ (Copy of notification).	The application for SEZ status will be submitted by the Developer, and obtained as a Joint Condition Precedent to the PPP Agreement, in accordance with the SEZ Act.
42.	Is Dhabeji SEZ part of CPEC? Any official docx from cpec authority?	The project has been approved by JCC and is one of the top three priority SEZs under the industrial cooperation phase of CPEC.
43.	Any geological, seismic and topographic surveys done by SEZMC of the project location which can be useful for the planning purpose.	As described in Schedule H – Scope of Work of the RFP, topographic surveys and geotechnical investigations specified in the Scope of Work must be performed by the Developer at their own cost. Furthermore, as specified in Section 7.10 of the Draft PPP Agreement, the Developer shall be solely responsible for interpreting all data, and SEZMC makes no warranty or representation that the information described in the said schedule is complete, accurate or exhaustive.
44.	Masterplan developed by SEZMC and any assumptions which can be shared	Already provided in the RFP. A conceptual master plan along with all available technical specifications have been shared with the bidding documents in Schedule J – Project Site and Concept Master Plan. The Developer is expected to develop a detailed master plan as described in Schedule H – Scope of Work.
45.	As per SEZ Act, the incentives for SEZ are for first 10 years, the PPP agreement for Dhabeji SEZ is for a period of 20 years. How will the difference be mitigated and how will the PPP model and SEZ model gel together?	Please see the response to question 22.
46.	Proof and status of clear land ownership from SEZMC Sindh. Kindly confirm that FORM II will be available and physical possession of the land will be given free from all encumbrances and court cases or court stay orders, if any.	The land will be provided to the Developer free from all encumbrances and with a clear title in accordance with the PPP Agreement.
47.	Past and present information regarding land litigations at Dhabeji SEZ project site.	Please see the response to question 46.
48.	SEZs benefits should be available from signing of the PPP agreement.	Benefits under the SEZ Act will be provided as per applicable laws, as amended from time to time.
49.	The benefits offered in SEZ act should be for life of this project.	Please see the response to question 48.
50.	In Pakistan no SEZs have been developed previously, therefore there are no entities with relevant SEZ development experience. Thus, this clause needs to be revisited in the pre-qualification segment	There is no pre-qualification stage that requires bidders to have developed SEZs in Pakistan. Please see Schedule F – Basic Eligibility Criteria of the RFP for details of basic qualifying requirements.

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51.	Exact electric load planned in MW? Supply at zero battery level should be at 132 KV and responsibility for building the sub-station, roll out plan?	<p>The Estimated power demand of the entire project is 200-250MW. Bidders to verify and calculate the demand on actual basis. 220/132kV Main grid station with 32 MW, 132/11kV transformer will be provided by NTDC at no cost to bidder whereas internal grid stations (132/11kV) will be developed by the bidder according to the load distribution requirement.</p> <ul style="list-style-type: none"> <li>• 220/132kV Main grid station with 32MW, 132/11kV transformer will be provided by NTDC at no cost to bidder whereas internal grid stations (132/11kV) will be developed by the bidder according to the load distribution requirement.</li> <li>• All 132/11kV grid stations are to be inter connected with each other to form a primary ring circuit. Monitoring and controlling of grid stations will be through SCADA system.</li> <li>• Each internal grid station electrical load demand is to be calculated considering the type and magnitude of load.</li> <li>• The grid stations will be AIS (Indoor type) and will be developed in accordance with K-Electric/NTDC standards/specifications.</li> </ul>
52.	Planned Gas load? Please give us the details of the gas load agreed with SSGC in MMCFTD and roll out plan?	<p>15 MMCFD will be provided by GoS at door step, other than demand of industrial users increase after completion of zone as per actual conditions developer will recalculate and evaluate gas demand requirement of industries and arrange by him/her self for fulfilment of industrial zone gas requirement. If the demand of Gas increases the developer will bear all aspects including external and internal arrangements.</p>

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53.	Water load provision? Please give us the quantum of water availability and roll out plan?	<p>Water supply connection to the project area shall be provided by Karachi Water &amp; Sewerage Board (KW&amp;SB).</p> <p>In the event of non-availability of filtered water supply due to unavoidable circumstances, each industry within the zone, has to make alternate arrangements for water treatment to desired level at its own cost.</p> <p>The preliminary water demand is estimated as 10 UK MGD, however, the contractor must recalculate and verify it based on the type of industrial, residential, institutional, commercial usages and will communicate it to KW&amp;SB. The developer shall determine alternate sources of water if the estimated water requirement exceeds the volume provided by KW&amp;SB.</p>
54.	Planned power provision of 200-250 megawatts should be in sync with the developer roll out plan?	The Masterplan that will be finalised by the Developer will be approved by both the Govt. agencies and IE. The Developer will set out the layout plan of utilities as per the actual industrial load demand.
55.	Allocation of utilities should be made available from Day 1.	As set out in the Developer's Scope of Work set out in the RFP (Paragraph 4.2.3 - Planning and Design of Mandatory/Critical Infrastructure), the Developer shall arrange temporary utilities as required for construction and other purposes.
56.	Provision of utilities and access road to the SEZ zero point is the responsibility of Sindh/Federal Government.	Please see the response to question 35.
57.	Guidelines for effluents, emissions and EIA compliance requirements?	The Developer will be required to comply with applicable laws, including but not limited to the Sindh Environmental Protection Act 2014 to ensure protection of the environment.
58.	Access roads to project site and surroundings masterplan copy and roll out plan? As well as responsibility allocation and funding allocation?	Please see the response to question 38.
59.	What is the rationale for setting up an escrow account? Since the bid security, performance guarantee will be in place.	For transparency of sales revenues being collected and as per precedent PPP transactions.
60.	Please elaborate on the performance guarantee requirements.	Please refer to Section 4 of the Draft PPP Agreement.
61.	Insurance guarantee acceptable or not?	Insurance guarantees are not acceptable.

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62.	What industrial land pricing surveys at Karachi/Nationwide have been conducted by SEZMC? What is the basis for determining the selling floor price for the land as the floor price set for now is less than the development cost of the SEZ?	The floor price has been set in accordance with the feasibility study conducted by SEZMC.
63.	What development cost per acre factors have been planned by SEZMC?	The bidders will be required to calculate the development cost per acre as per their master plan.
64.	If in case the project is cancelled, from the Sindh govt. then the total cost should be reimbursed and there should be a guarantee form to ensure this.	Not agreed.  Please see Schedule 14 – Termination Compensation of the Draft PPP Agreement in case of such termination and the amount payable by the Government of Sindh.
65.	Defaults at the end of federal and Sindh govt. should be clearly identified.	Please see Schedule 14 – Termination Compensation of the Draft PPP Agreement in case of such termination.
66.	The developer should have the first right of refusal and acceptance for any new surrounding projects at Dhabeji.	Not agreed.
67.	Is it correct that once land is leased to a buyer, the buyer cannot sell the land to anybody else? What other restrictions are there for a buyer to sell any land that is leased? All such restrictions need to be removed from the SEZ Act or relevant laws as it drastically brings down the price at which land can be sold by the developer.	The Zone Enterprise is allowed to transfer the sub-lease agreement subject to the conditions mentioned as per Section 13.1.4 of the Draft PPP Agreement.
68.	Will the buyer have Permission to Mortgage as soon as the buyer makes the down payment so they can start obtaining financing facilities from banks to put up the industry?	The Buyer will be allowed to mortgage the land once the relevant sub-lease agreement in respect of the land is effective.
69.	We are not comfortable with the legal cover given to the developers in case Sindh government is not able to bring the electricity/water/gas in the mutually agreed amount to the zone. Need to have further deliberations about this with our legal counsels.	The Developer will have the option to terminate the PPP Agreement in the event SEZMC fails to provide Utilities (to the extent applicable) in accordance with Section 6.1 by Required Phase I Completion Date. Further remedies to the Developer are not acceptable.
70.	We will also need legal cover and indemnities against any litigation that may take place on any aspect of the zone that will make the venture less favorable or unviable for the developer. Need to have further deliberations about this with our legal counsels.	Not agreed.
71.	Provision of any revenue sharing with Sindh Government in first phase needs to be removed so bidder has more flexibility with managing cash flows.	Not agreed.

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72.	The law needs to be amended to ensure complete clarity on the fact that buyers and developers should have complete income tax holiday from any income tax whatsoever whether it be corporate income tax, alternate income tax, turnover tax, withholding tax etc. Currently, there is ambiguity in this area and many industries have faced the brunt of it.	Please see the response to question 22.
73.	Further, clause (ba) of Division 1 of Part 111 of first schedule of the income tax ordinance needs to be revised or amended so that 25% tax on dividends is removed as it negates the tax holiday that is given as an incentive on SEZs.	Please see the response to question 22.
74.	We need an extension on the date for bid submission to at least April 15, 2021.	Please see the response to question 17.
75.	Accordingly, extension for consultations and queries on bid documents should be extended to January 30th, 2021.	Not agreed.  Time provided for consultations and queries on bid documents is deemed sufficient.
76.	The RFP Notice mentions Dhabeji Industrial Zone Project under China Pakistan Economic Corridor (CPEC). What is the significance of CPEC for the project and does it affect the bidding process in any manner?	Please see the response to question 23.
77.	Reference to Schedule D (TOR), wherein it is stated that "the Project will be implemented in two (2) phases of 750 acres and 780 acres each respectively. Project land for phase 1 of 750 acres shall be leased to the SPV after the execution of the PPP Agreement in accordance with the terms thereof. Project land for phase II of 780 acres shall be leased to the SPV upon substantial completion of Phase I (as may be defined in the PPP Agreement)." However, the maps do not show the bifurcation of Phase I and Phase II. The Client must have a clear cut plan as per the actual site measurement and land acquisition status where they intend to get the phase I developed. This delineation is also needed so that all the bidders may develop their concept master plan accordingly.	The developer shall prepare the master plan for the project. Further as the project will be implemented in two phases of 750 and 780 acres respectively. The bifurcation of the entire area of 1,530 shall be carried out by the developer as part of the final masterplan, which shall be approved by the Independent Engineer, as mentioned in Clause 3.1.1 (h) of the PPP Agreement.
78.	What is the status of land acquisition/ when does the client plan to acquire land and provide possession for development?	The land belongs to the Government of Sindh. Land will be leased to the Developer in accordance with Section 12 of the Draft PPP Agreement.

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
79.	<p><b>Reference is made to FORM TECH-9: SALES/ MARKETING PLAN.</b> One of the columns used in the Table states "Sales Price per Acre". This is financial information and should not be disclosed at the technical stage. It is suggested that this column may be removed from the Table.</p>	<p>Not agreed.</p> <p>The Bid Price is the PV of GoS revenue share which will be derived from percentage sharing of the revenues. Hence, mere disclosure of sales price will not reveal the Bid Price per acre.</p>
80.	<p><b>Reference to Schedule C: Financial Proposal Standard Form.</b> It states: "If the actual revenues realized by the Developer for each phase are higher on a cumulative basis annually than the quoted value, then the revenue sharing percentage quoted by the Developer will be multiplied by the actual revenues and the SEZMC share will be actualized on an annual basis. However, if actual revenues are less than the cumulative basis annually, the Base Revenue share shall still be payable." This is a harsh and one-sided condition. It is suggested to review the same for making the condition balanced for the developer as well.</p>	<p>Not agreed.</p>
81.	<p><b>Reference to Schedule D: Terms of Reference</b>, Section 10 which states " The Developer shall be liable to pay federal, provincial and local taxes, as they exist on the day on which the relevant Bidder is appointed as a Preferred Bidder." When will the benefits of SEZ accrue to the developer?</p>	<p>Please see the response to question 22 and 47.</p>
82.	<p><b>Reference to Schedule D: Terms of Reference</b>, Section 13 (b) which states " The Lease of land shall be subject to approval from Supreme Court of Pakistan, which shall be obtained by the GoS after the Preferred Bidder has been selected but as a condition precedent to the effectiveness of the PPP Agreement." How much time is anticipated by SEZMC to be taken up in getting approval from Supreme Court of Pakistan? This matter is of concern to the bidders as not only their bid security will be stuck but also the commitments obtained from industrialists.</p>	<p>Please see the response to question 78. The land will be leased to the Developer subject to approval from the Supreme Court (if applicable) in accordance with the PPP Agreement.</p>

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
83.	<p><b>Reference to Technical Evaluation Criteria (A-1) Net Worth.</b> The Minimum criteria of Rs. 9 Billion is very high if we keep in mind the worth of average Pakistani companies. Under the prevailing COVID environment, international bidders might not be interested and the Pakistani companies won't qualify. This needs to be looked at in perspective of development cost of industrial zone which can be through combination of equity, sale proceeds and loan.</p> <p>Even if the minimum criteria of Rs. 9 Billion is met, still the bidder would be fetching only half marks allotted for this criteria. Effectively, if a bidder possesses a net worth of Rs. 12 Billion, then only can he get full marks. It is requested to rationalize the criteria.</p>	Not agreed.
84.	<p><b>Reference to Technical evaluation criteria (A-3),</b> Project financing &amp; implementation capability.</p> <p>The marking is quite strict keeping in view the pass marks in the technical stage. If the bidder shows financing capability of Rs. 15 Billion, it will get 3 out of 5 marks. To obtain full marks it will require a project of Rs. 25 Billion. The given conditions are quite restrictive and may discourage competition. Further the criteria is quite complicated and not easy to understand. It is requested that the criteria of Rs. 15 Billion either as a single project or cumulative of 2 projects may only be kept to be awarded full marks.</p>	Not agreed.

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
85.	<p><b>Reference to Technical evaluation criteria (B-1)</b> Real estate/ Infrastructure/ SEZ Development experience.</p> <p>This criteria is the most harsh. It may kindly be kept in purview that not many SEZs/ industrial estates have been successfully completed in Pakistan. The real estate experience of minimum 500 acres is also on a very high side. Same can be said about PPP experience. These are novel concepts which are being tried all around the world. But to demand successful project experience in these fields is asking too much and would deter competition.</p> <p>Similarly, the marking scheme (3 marks for each SEZ project, 2.5 marks for each real estate project and 1.5 marks for each PPP project) is unrealistic. The total marks for this criteria is 15. It can be well imagined, how many projects would add up to make 15 marks. As discussed above, these are not conventional projects that bidders can produce a whole line of projects. Even international bidders would be unable to score in this criteria.</p> <p>Bidders who are experienced in any of the infrastructure development projects like SEZ/ industrial estate/ real estate housing societies/ big infrastructure projects are all capable to deliver Dhabeji SEZ. However, the harsh marking scheme needs to be relaxed.</p> <p>It is therefore requested that the criteria may be simplified as well as rationalized.</p>	<p>Please see the revised Technical evaluation criteria (B-1) provided in the Revised Bidding Package.</p>
86.	<p><b>Reference to Schedule G:</b> Basic Eligibility Criteria.</p> <p>The PEC specialization codes for construction are very diverse and it will be difficult for bidders to find construction firms with all the requisite specialization codes.</p> <p>In this context, the specialization codes BC-01, ME-02, ME-03 and EE-06 are specialized tasks. There can be a possibility that these tasks are sublet by the consortium to specialized sub-contractors.</p> <p>It is requested that flexibility may be left open in the Basic eligibility criteria for such specialized sub-letting.</p>	<p>Not agreed.</p>

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
87.	<p><b>Reference to Schedule G:</b> Basic Eligibility Criteria. Net Worth, Average Annual Turnover and Industrial Commitment are included as Basic Eligibility Criteria which are already available as Technical Evaluation Criteria. This is not only causing duplication but also making the overall evaluation very stringent. It is requested that these may be removed from Basic Eligibility Criteria.</p>	<p>Not agreed.</p> <p>There are two levels of qualification. The minimum thresholds are defined in the Basic Eligibility Criteria. Thereafter, bids are subsequently evaluated pursuant to the Technical Criteria.</p>
88.	<p><b>Reference to Annexure B - Bid Security</b> If the consortium is led by a foreign firm, can the Bid Security be submitted by a foreign bank; and Can the Bid Security be submitted in parts by different consortium members if the total amount of Bid Security is fulfilled?</p>	<p>Not agreed.</p> <p>Requirements pertaining to Bid Security have been mentioned in Schedule A (Data Sheet) of the RFP.</p>
89.	<p>The SEZMC/ GOS is committing to provide 32 MW electricity, 15 MMCFD gas and 10 MGD water to the industrial zone. However, it is thought that if the industrial zone is to operate as per the Concept Master Plan, the utility demand will be much greater. What arrangements can the GOS make for excess demand?</p>	<p>The preliminary water, Gas and Electric demand is estimated as 10 UK MGD, 15 mmcf and 32 MW Grid station however, the contractor must recalculate and verify it based on the type of industrial, residential, institutional, commercial usages and will communicate it to KW&amp;SB, SSGC and NTDC.</p> <p>If the demands of utilities increases the developer will bear all aspects including external and internal arrangements.</p>
90.	<p>With respect to Bid Security, Sindh Public Procurement Rules 2010, Amendments 15th March 2019, Rules 37 (1) states that "The procuring agency shall require the bidders to furnish a bid security not below one percent and not exceeding five percent of the bid price." It is requested that Bid Security amount may be fixed as less than 2% (two percent) or maximum 2% (two percent) of bid price for Dhabeji Project.</p>	<p>Please refer to the response to question 15.</p>
91.	<p><b>Project Financing and Implementing capability</b> This criterion may be reframed as it seems that this criterion has been framed to encompass International Bidders and allowing a very small number of local bidders who can only bid by forming JV with foreign firm.</p>	<p>Not agreed.</p>

## Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
92.	<p>Real Estate / Infrastructure / SEZs Development Experience</p> <p>This criterion again shows that International bidders can only participate as the criteria designed at higher side. Even International Bidders barely qualify it because the marking for projects completed required in 03 different categories is very hard to obtain for qualification. Therefore this criterion may also be reframed by allowing bidder to meet the projects of road, bridges, water works &amp; building works and EPC may also not be required, please.</p>	<p>Please see the revised Technical evaluation criteria (B-1) in the Revised Bidding Package.</p>
93.	<p>Industry commitments</p> <p>This criterion may not be necessarily required to be met by the bidder during bidding process as it may not provide level playing field at this stage because of getting undertakings from companies under pre-commitments settings or pre-committed terms &amp; conditions may create problems when the preferred bidder is going to get the companies' settlement in the captioned economic zone in real scenario which may not be desirable to them.</p>	<p>Not agreed.</p>
94.	<p>O &amp; M Experience</p> <p>Operation &amp; Maintenance experience is also at higher side it may be relaxed in qualification.</p>	<p>Not agreed.</p>
95.	<p>Under Section 36 of the SEZ Act, the benefits of the Developer are only available for a period of 5 years. Since PPP Transaction for this project is for 15 years of Operations and Maintenance and 5 years of construction period, it is requested and proposed that these benefits be made available for a period of at least 10 years.</p>	<p>Please see the responses to questions 22 and 48. Benefits will be provided to the Developer in accordance with the Special Economic Zones Act 2012 (as amended from time to time) once SEZ status is duly approved and notified by the BOA.</p>
96.	<p>As per Section 36 of the SEZ Act, benefits of the developer will be available once signing of the Development Agreement has taken place. However, in accordance with RFP, the project has two phases, whereby land will be initially made available / leased for phase 1 only while land for phase 2 will be made available after completion of Phase 1. It is, therefore, proposed that a provision may be incorporated in the agreement that the benefits for Developers under Section 36 of SEZ Act 2016 will start once SEZMC hands over the vacant land free from all encumbrances to the Developer for satisfactory completion of phase 2.</p>	<p>Please see the response to questions 22, 48 and 95.</p>
97.	<p>The benefits available to the developer under section 37 of the SEZ Act is till June 2020. It is requested that this deadline be extended till June 2021 as timeline of June 2020 has already lapsed.</p>	<p>Please see the response to question 96.</p>

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
98.	As per RFP, SEZMC will arrange electricity connection for 32 MW. However, our initial estimate indicates substantially more power requirement for the entire project. Please confirm whether the Developer is expected/ supposed to arrange the extra power through its own resources. Moreover, all the electrical specifications in the RFP are based on 132 KV distribution network. This is considered to be insufficient.	<p>The preliminary water, Gas and Electric demand is estimated as 10 UK MGD, 15 mmcf and 32 MW Grid station however, the contractor must recalculate and verify it based on the type of industrial, residential, institutional, commercial usages and will communicate it to KW&amp;SB, SSGC and NTDC.</p> <p>If the demands of utilities increases the developer will bear all aspects including external and internal arrangements.</p>
99.	Similarly, SEZMC will arrange gas connection for 13.5 MMCFD as per PPP Agreement (15 MMCFD as per RFP). This gas is insufficient for industrial requirements, as per our internal estimates, the gas requirement is as high as equivalent to 100-120 MMCFD. In addition, the gas system specifications are based on 13.5 MMCFD.	<p>As per design consideration and standards to follow the 15 mmcf pipe line can easily accommodate the 35 mmcf gas load to the end industrial user.</p> <p>As all of this demand base analysis is assumed to be first give 15 mmcf gas load and as per the industrial demand get changes or enhanced the developer will arrange and bear all aspects including external and internal arrangements.</p>
100.	Establishment of Dhabeji SEZ is a landmark project and will improve the socio-economic conditions of the province. Government of Sindh and/or SEZMC should strive to achieve this primary objective to make this project a success story for other special economic zones through establishing and making it operational in earlier time frame. The RFP puts stringent requirement of the revenue sharing mechanism whereby PKR 1.725 Billion will have to be shared with the GoS in present value (PV) terms in the form of benchmark revenues and provision of lease rent to SEZMC for 7 years. It is requested that SEZMC may facilitate the Project Development and Operation by reducing this amount to PKR 1.0 Billion.	Not agreed.
101.	The SEZ Act refers to the term "Development Agreement" whereas the RFP stipulates "PPP Agreement". It is, therefore, requested that the definitions of PPP Agreement and Development Agreement be constituted so that any confusion at later stage can be avoided, as the SEZ Act benefits are available under the Development Agreement and not the PPP Agreement.	The Development Agreement is distinct from the PPP Agreement. For the purposes of the SEZ Act, 2012, the Development Agreement <i>"means a duly approved agreement between SEZ authorities and agreed to and endorsed by the BOA and a developer that authorises a developer to develop, establish and operate a SEZ"</i>

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
102.	The revenues collected from the enterprises will be held in the Escrow Account which is not under the control of the Developer, giving SEZMC a perpetual control over the revenues of the Project. In that case, requiring a Performance Security is quite excessive, considering the investment is expected from the Developer alone. It is, therefore, requested that SEZMC may consider allowing Insurance Guarantees in place of Bank Guarantee.	This security mechanism has been used in other PPP projects in the past too. It is devised for better governance and transparency, and is in favour of both the Procuring Agency and the concessionaire/successful bidder. However, insurance guarantees are not acceptable.
103.	The Developer is required to provide the utilities, security and Access Road whereas SEZMC should be responsible to provide the same, in addition to other facilities, till the zero point as per the requirement of the Project.	Please see the response to question 35.  Creating linkages for internal utility provision shall be the responsibility of the Developer.
104.	There is no protection offered to the Concessionaire in the Bidding Documents against loss of revenue due to creation of a competing facility in the vicinity of the project. This can substantially hamper especially the Phase 2 of the project in case new industrial zone is envisaged to be set up in close proximity to Dhabeji Industrial Zone.	Every industrial zone houses different industries, and there may not be any such competition arising.
105.	<p><b>Section 4.16.4 of RFP and Article 19.11 of the PPP Agreement:</b> As per our understanding, the Agency has hired transaction advisors for implementation of Dhabeji SEZ project and their services will be available to the Procuring Agency up to commencement of development work. As such, there will be no role of the transaction advisors following execution of PPP Agreement (i.e. the development stage of the project lifecycle) and their services are available solely for the Procuring Agency up to that period. Besides, Dhabeji SEZ is a large size infrastructure project and each bidder is expected to engage its own consultants' team. This team will be available to provide its recommendation/opinions/input to the Concessionaire during development phase.</p> <p>Given that, it looks inequitable on part of the Agency to require Concessionaire to pay compensation of its Transaction Advisors. The transaction structure of the Dhabeji SEZ Project and selection of the preferred bidder is based on highest revenue sharing. In this manner, this additional cost loaded to the Bidders (i.e. compensation of Transaction Advisors) is unfounded. Hence, it is requested that Transaction Advisory Fee may be removed from the RFP and PPP Agreement. Procuring Agency may compensate the Transaction Advisors from its own funds.</p>	Please see the response to question 16.

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
106.	There are multiple stakeholders involved in this Project. Several approvals, permits and consents etc. will be required from multiple agencies, it is, therefore, requested that SEZMC to assume the responsibility to acquire the approvals, permits and consents etc. These approvals, permits and consents be made part of the Condition Precedents (CPS) of the SEZMC and the Developer/Preferred Bidder should not be penalized for any delays caused in connection to acquiring permits, approvals and consents by the SEZMC.	Please see the response to question 25.
107.	The RFP stipulates that seeking approval from BOA as per SEZ Act is a joint CP. It is therefore, requested that this CP is made responsibility of SEZMC alone and not the Concessionaire.	Not agreed.  Please see response to the question 95.
108.	<b>(A) Financial Capability (RFP Page Number 46 of 112)</b> A-3) Project financing and implementation capability: It is requested that this section should be removed from the "Technical Criteria". In real estate projects, lenders use land as a collateral against the lending. Moreover, in PPP Projects either the Government provides a SBLC / Sovereign Guarantee or it is project based financing / toll etc. to the lenders against the loan to the Concessionaire. However, due to the peculiar nature in which this project is being implemented, the Concessionaire cannot offer the industrial land as a collateral to the lenders and raise finances, hence no financing can be raised. Moreover, the project will be initially financed by the Concessionaire from his own equity and then the advances from the industries will be utilized to fund this project. The cash and funding lines can be utilized to fund the interim shortfall in the funding. It is, therefore, requested that this criterion should be done away with.	Not agreed.
109.	The Project is being procured under Public-Private Partnership (PPP) mode between SEZMC and the Developer. The land availability of the Dhabeji Industrial Zone free from all encumbrances is an imperative prerequisite and can affect the progress of the project and can cause substantial delays in the project which, in turn, can lead to cost overruns for the developer. For this project to work effectively, it is vital that the Government of Sindh, acting through SEZMC, has the project site allocated to it from Board of Revenue (BoR) with the ability to allocate / award the Project Site to the Developer, for the development and management of the Project. Please confirm if the SEZMC holds the title of the land and can allocate/lease the land in timelines stipulated in the RFP.	Please see the response to question 82.

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
110.	<p><b>(B) Technical Capability (RFP Page Number 47 of 112)</b>                      B-1) Real Estate / Infrastructure / SEZs Development Experience:                      It is requested that the requirement of the build-up area for Category 1 and 2 Projects should be reduced from 500 acres to 200 acres. It is requested that the 200-acres (being proposed) is the gross area (boundary wall to boundary wall) including road and other infrastructure. i.e. 200 acres awarded 5 points and additional 2 points for each 100 acres to a maximum of 11 points to 500 acres. Furthermore, the points should be based on interpolation whereby area falling between two categories should proportionately be awarded different points. Points should be awarded based on the closest quartile rather than the absolute value i.e. 490 acres awarded points equivalent to 500 acres. Similarly, for Category 3 Projects, limit of Rs. 5 Billion may be reduced to 1 Billion to facilitate maximum local bidders.</p> <p>In this context, it may be clarified whether the experience of a nominated specialized sub-contractor by the bidder, who is not the shareholding member of the consortium, will be considered for award of marks under the said evaluation criteria. The same is strongly proposed for consideration, if not catered for previously.</p>	Please see the revised Bidding Package.
111.	<p><b>(B) Technical Capability (RFP Page Number 50 of 112)</b>                      B-4) O&amp;M Experience:                      O&amp;M of various facilities, being a specialized task, is generally outsourced and sublet to the specialized outfits. It is suggested that provision of nomination of specialized sub-contractors (who are non-shareholding partners of the consortium) may be introduced to facilitate the bidders and O&amp;M experience / capability of the Bidder be assessed accordingly.</p>	Not agreed.
112.	<p>We understand that the power lines are to be provided by the Concessionaire. Will the Concessionaire be bound to purchase the electricity from K-Electric or can he make his own power arrangement by setting up his own captive power plant and charge tariff to the enterprises in the industrial zone. Whether the electricity tariff will be approved by NEPRA or Government of Sindh? Common Effluent Treatment Plant: We understand that the Concessionaire will be required to set up the CETP in order to ensure the safety standards of the Waste Discharge. Moreover, can the concessionaire charge the enterprises in the industrial zone in addition to the regular O&amp;M fee, a separate fee component of CETP.</p>	<p>220/132kV Main grid station with 32MW, 132/11kV transformer will be provided by NTDC at no cost to bidder whereas internal grid stations (132/11kV) will be developed by the bidder according to the load distribution requirement.</p> <p>Initially the 32 MW grid station is being provided by the NTDC (GoS) for the development of zone. In addition to the foregoing, the developer will calculate its demand bases analysis for the arrangement of power to the end user.</p>

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
113.	We understand that SSGC will provide the Gas at the zero point i.e. industrial zone doorstep. We also understand that the Concessionaire is required to procure and supply all other material other than SSGC supply pipeline, customer Metering Skids. We understand that the gas will be separately charged by the SSGC and the Concessionaire has nothing to do with it.	Please see the response to question 103.
114.	It is requested that the Preferred Bidder should be given some degree of protection in case termination takes place prior to the effective date and after the commencement date. Any cost which have been incurred by the Preferred Bidder with respect to the Project due to no fault of the Preferred Bidder/Developer should be compensated by SEZMC.	Not agreed. The Bid Security and the Performance Guarantee will be released in accordance with the provisions set out in the RFP and Draft PPP Agreement.
115.	In the event delays caused by SEZMC, such as, seeking or acquiring approvals or consents, and delays caused by Government of Sindh, Government of Pakistan or any other Government Agency may be appropriately compensated in favor of the Concessionaire.	Please see the response to question 65.

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
116.	<p><b>A-3) Project financing and implementation capability</b>  <b>B - 1) Real Estate / Infrastructure / SEZs Development experience</b></p> <p>Criteria requirements of A-3 and B-1 should be merged in a single requirement and we are of the view for these both criteria as follows:</p> <p>We see these criteria requirements at higher side as no any local contractor can meet them wholly and this will also limit the maximum participation in bidding process which ultimately gives you a bid costly. These requirements should be relaxed and instead of requiring bidder to meet them the bidder may be asked to provide its financing capabilities in order to check the efficacy in carrying out the subject project works.</p> <p>As Far as construction experience is concerned the bidder may be asked to meet the infrastructure related components like road, structures works (Bridges, Flyovers, Underpasses), drainage &amp; sewerage works, storm water drain, any other water related works (Canals/Dams/Barrages), building and etc.</p> <p>We would like to draw your kind attention to recent biddings on PPP Mode by the Local Government of Sindh for the projects of Malir Expressway and N-5-M9 Link Road wherein the criteria requirements were designed in a manner to accommodate the local constructors efficiently even though the complexity, methodology and nature of works were of Mega project. It shows that the procuring agency had the confident in local constructors whereby depicting local constructors ability &amp; capability to work for any magnitude of the works.</p> <p>We think if your good department considers the above favorably and by doing so the maximum participation can be achieved and it will also provide the local constructors an opportunity to participate in such a mega project without the shoulder of any foreign firm.</p>	<p>Please see the revised Bidding Package.</p>

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
117.	<p><b>B - 2) Industry commitments</b>                      This part of Industrial commitments may be omitted from technical evaluation but it may be required just to see the bidder's capability in obtaining the industrial commitments.</p> <p>We see the potential in Dhabeji Industrial Zone as it is a part of CPEC which itself is a major attraction for the entities who want to establish their businesses/industry. This will be a lucrative industrial zone which will also benefit them.</p> <p>Therefore requiring the industrial commitments at this stage for evaluation purpose is a pre-mature commitment and may create problems for a successful bidder.                      Bidder may not be bound for getting the undertaking from the companies looking for set up industries in the industrial zone.</p>	<p>Industrial commitments that are required at the time of bid submission are mandatory for only 100 acres of the zone, and these relate to anchor industries that the developer shall bring in. Please refer to Schedule F - Base Eligibility Criteria "Industrial Commitments" and Schedule E - Evaluation Criteria and Scoring System "B-2 Industry Commitments."</p>
118.	<p><b>B - 4) O&amp;M Experience</b>                      Bidder may be asked to meet the O &amp; Maintenance Experience of any activity and may not be required to meet any particular activity/activities as mentioned in left column. There are many contractors who have the experience of maintaining the projects of road, bridges/flyovers and buildings and other infrastructural works.</p> <p>In order to facilitate the bidder in relaxing the O&amp;M criteria requirements these may be generalized please.</p>	<p>Not agreed.</p>

Responses to Pre-Bid Meeting Queries

S.No.	Queries	Responses
119.	<p><b>SCHEDULE F- BASIC ELIGIBILITY CRITERIA</b> Please clarify should the foreign firm needs to submit the PEC License at this stage or it is required from the preferred bidder at the time of Execution of PPP Agreement.</p> <p>In case it is required at this bidding stage the requirement may be relaxed as there is a huge fee and other costs involved in obtaining the PEC License for a foreign firm which almost more than US \$ 24,000/-. It will also take longer time in obtaining PEC License for foreigner firm because there is a length procedure.</p> <p><i>We, just in case it is inevitable to form a JV with a foreign firm, request you that the PEC License from a foreign firm may not be required at this bidding stage and may be obtained from the preferred bidder, please.</i></p>	Please see the response to question 5.
120.	<p><b>A-3) Project Financing and Implementation Capability</b> The criteria should be adjusted to incorporate local construction companies as the current criteria will allow only less than a handful of companies to meet this very steep criteria.</p>	Please refer to the Project Financing and Implementation Capability criteria provided in the RFP.
121.	<p><b>B-1) Real Estate/Infrastructure/SEZs Development Experience</b> This criteria creates barriers to entry for local construction companies as there are very few economic zones and that too with the built-up area as mentioned in the RFP, created in the country. We also feel that the EPC criteria mentioned here should be removed.</p>	Please see the revised Bidding Package.
122.	<p><b>Clause B – 2. Industry Commitments</b> Considering existing Pandemic situation due to Covid – 19 requirements pertaining industrial commitments seems very challenging, is any relaxation or revision is under consideration ?</p>	Not agreed. Please see the response to question 5.
123.	Confirm for Foreign entities participating PEC registration certificates is required. Or only Partner PEC certificate is enough, if applying as joint Venture.	Please see the response to question 5.
124.	PI ref of clause 6.7 on page no 77 it says that bidder have to obtained NOC form SBICA prior to start the buildings / Structures, In the pre bid meeting Mr. Khalid said that there will be one window facility for all the approval through SEZ.	Please see the response to question 25.
125.	As per the RFP the Bid security is set at 5%, however given the large scale of the project, it is requested that it may be reduced to 2.5%.	Not agreed.