

**RESPONSES TO  
PROSPECTIVE BIDDERS' QUERIES  
LINK ROAD PROJECT**



**RESPONSES TO PROSPECTIVE BIDDERS' QUERIES  
M9-N5 LINK ROAD PROJECT**



**Works & Services Department  
Government of Sindh**



**Public Private Partnership Unit  
Finance Department  
Government of Sindh**

**November 2020**

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**IMPORTANT NOTICE/DISCLAIMER**

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This **RESPONSES TO PROSPECTIVE BIDDERS' QUERIES DOCUMENT** (this **Response Document No. 2**) is further to the 'REQUEST FOR PROPOSAL' (consisting of Volume I (*Request for Proposal*) (the **RFP**) and Volume II (*Draft Concession Agreement*) (the **DCA**)) issued in August 2020 (the **RFP Documents**) and the various queries received from prospective bidders during the second (2<sup>nd</sup>) pre-bid meeting dated October 15, 2020 (the **Prospective Bidders' Queries**) in respect of the Competitive Selection Process relating to the Karachi-Hyderabad Motorway (M9)-National Highway (N5) Link Road Project, proposed to be undertaken on a DFBOT basis (the **Link Road Project**). This Response Document No. 2 is being issued in view of the Prospective Bidders' Queries and the internal deliberations of the Works & Services Department, Government of Sindh (the **GoS**). This Response Document No. 2 is being circulated by the GoS, solely for use in preparing and submitting a Bid for participation in the Competitive Selection Process conducted for the purposes of selection of a Preferred Bidder to undertake the Link Road Project. Upon signing of the Concession Agreement for the Link Road Project, the Concession Agreement will be the final and binding document and any responses set out in this Response Document No. 2 will not have any effect or be used for interpretation.

*Unless expressly specified otherwise, all capitalized terms used in this Response Document shall bear the meanings ascribed thereto in the RFP Documents.*

This Response Document No. 2 is not an agreement; its sole purpose is to provide interested Persons with information that may be useful to them in making their Bids pursuant to the RFP Documents. The RFP Documents and this Response Document No. 2 includes statements, which reflect various assumptions and assessments arrived at by GoS in relation to the Link Road Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This Response Document No. 2 may not be appropriate for all Persons, and it is not possible for GoS, its employees, personnel, agents, consultants, advisors, legal advisors and contractors etc. to consider the investment objectives, financial situation and particular needs of each Person, that relies on, reads or uses this Response Document No. 2.

None of the GoS' entities and its relevant stakeholders in the Link Road Project (including, *inter alia*, the WORKS & SERVICES DEPARTMENT, the PPP Unit, the Finance Department, 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 Competitive Selection Process for the Link Road Project and the same shall have no liability for this Response Document No. 2 or for any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Link Road 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 Response Document No. 2 or otherwise in connection with the Link Road Project.

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The assumptions, assessments, statements and information contained in the RFP Documents, may not be complete, accurate, adequate or correct for the purposes of Bids. GoS' entities and its relevant stakeholders in the Link Road Project (including, *inter alia*, the WORKS & SERVICES DEPARTMENT, the PPP Unit, the Finance Department, and the TFEC) and, in each case, their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., have no liability for any statements, opinions or information provided in the RFP Documents. Each Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in the RFP Documents. The Bidders are required to undertake their independent assessment and to seek independent professional advice on any or all aspects of the RFP Documents. No decision should be based solely on the basis of the information provided by the RFP Documents and this Response Document No. 2.

GoS expressly disavows any obligation or duty (whether in contract, tort or otherwise) to any Bidder. No Bidder is entitled to rely on GoS' involvement in the preparation of this Response Document No. 2 or in the Competitive Selection Process as a basis for preparing the Bid or developing the Link Road Project.

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| SR. NO. | PROVISION NUMBER OF RFP DOCUMENT | COMMENTS   | RESPONSES   |
|---------|----------------------------------|--|---|
| 1.      | General                          | In case of JV what will be the criteria of sharing in JV, whether on the basis of financial capability of individual company in JV or on the basis of mutual consent.  | Please refer to <b>ANNEXURE A (Eligibility Criteria)</b> and <b>ANNEXURE B (Technical Evaluation Criteria)</b> of the RFP. The said Annexures are self-explanatory. |
| 2.      | General                          | In case of the JV sharing is made on the financial capability of individuals JV partner, whether it will be based on net worth or on Annual turnover as a Bidder Also Annual Construction turnover and net worth as an EPC Contractor.   | Please refer to <b>ANNEXURE A (Eligibility Criteria)</b> and <b>ANNEXURE B (Technical Evaluation Criteria)</b> of the RFP. The said Annexures are self-explanatory. |
| 3.      | General                          | If two partners of JV want to participate in the bid of Link Road as a bidder as EPC Contractor. Whether sharing of both categories is to be shown separately in JV or only one sharing for both categories will be applicable.  | Please refer to <b>ANNEXURE A (Eligibility Criteria)</b> and <b>ANNEXURE B (Technical Evaluation Criteria)</b> of the RFP. The said Annexures are self-explanatory. |
| 4.      | General                          | What will be the criteria while evaluating the information provided in J Forms regarding Works executed, staff in case of a JV. Whatever both JV partners' marks will be evaluated separately as per their standing and added or only lead partners experience will be counted and marks of each category will be allocated. | Please refer to <b>ANNEXURE A (Eligibility Criteria)</b> and <b>ANNEXURE B (Technical Evaluation Criteria)</b> of the RFP. The said Annexures are self-explanatory. |
| 5.      | General                          | In case if the bidder is a Foreign Company having a Pakistan JV Partner and while the same Foreign Company is a lead EPC Contractor and fulfills all the requirement of an EPC Contractor.   | Please refer to <b>ANNEXURE A (Eligibility Criteria)</b> and <b>ANNEXURE B (Technical Evaluation Criteria)</b> of the RFP. The said Annexures are self-explanatory. |

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| 6. | General   | Now whether it is necessary for him to have a Pakistani EPC Contractor as a JV Partner and when he has already a Pakistani Company in JV as a bidder.  | Please refer to <b>ANNEXURE A (Eligibility Criteria)</b> and <b>ANNEXURE B (Technical Evaluation Criteria)</b> of the RFP. The said Annexures are self-explanatory.   |
| 7. | <b>ANNEXURE N (Benchmark Revenues)</b> to the RFP   | Please provide traffic study on which benchmark revenues have been assumed in RFP. Since the benchmark revenues are dictating various material nature elements of the project (such as MRG and revenue sharing), it is pertinent that the bidder should be privy to the exact assumptions and precision of the traffic analysis. As in the going scenario, all the traffic counts are not actual due to the covid-19 therefore, to foresee the future post covid-19 traffic, the studies conducted before covid-19 are required.   | Prior to submission of their Bids, Bidders are encouraged to undertake an independent due diligence of the base traffic, traffic growth rate and other traffic related trends, assumptions and projections by conducting a detailed traffic study to determine the reliability of the Benchmark Revenues. In conducting their independent traffic studies, the Bidders may, in their discretion, give due consideration to (without limitation) historical traffic numbers and trends, the impact of the ongoing coronavirus pandemic on current traffic and the dilapidated condition of the existing carriageway. |
| 8. | <b>SCHEDULE A (Scope of the Project)</b> to the DCA | The bidder is required to submit its cost estimate in the proposal, basing on design requirement of a trumpet interchange at M-9 Link, as desired by GoS in the referred clause of DCA. However, it is our understanding that the NOC for the same has to be procured from NHA / SCORE. Hence, if the same is not acceptable to NHA / SCORE, and they require a more expensive solution/compensation against the delay in completion and the cost over-run of the same should be borne by GoS.<br><br>Furthermore, if GoS is surely not foreseeing any issue in obtaining NOC from NHA based on present design of the said interchange, the GoS should guarantee the risk to bidders in DCA accordingly. | The design requirement of the interchange at M9 shall be in accordance with the current/prevaling design standards prescribed by NHA in relation to interchanges at M9. For costing purposes, the same design criteria assumption should be taken by all Bidders.<br><br>It is clarified that the responsibility of undertaking the Detailed Engineering Design is of the Concessionaire. For such purposes, all Concessionaire Permits have to be obtained by the Concessionaire including the no-objection-certificate from NHA for establishment of an interchange at M9 (the <b>NHA NOC</b> ).                  |
| 9. | Paragraph 4.2 of <b>SCHEDULE H (O&amp;M)</b>        | As per the applicable laws of Pakistan regarding overloaded vehicle in light of NHSO 2000, the GoP has lifted the load   | Please refer to the response to query No. 20 in the <b>RESPONSES TO PROSPECTIVE BIDDERS' QUERIES</b>  |

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|     | <b>Requirements</b> ) to the DCA | restrictions from heavy loaded vehicles traveling on M-9. Keep in the view, a significant no of heavy loaded traffic from M-9 will be entering the Link Road and by applying NHSO-2000 on link road will adversely affect the traffic count resulting in revenue reduction. Please provide clarity regarding the said issue.             | <b>DOCUMENT &amp; AMENDMENT NO. 1 TO THE REQUEST FOR PROPOSAL</b> (the <b>Response Document No. 1</b> ).   |
| 10. | General                          | It has been observed that at the end point of proposed link road (through proposed interchange), the alignment passes by the Truck Terminal/ Service Area Facility of Karachi Hyderabad (M9) Motorway which is under construction. This needs to be taken into account as it may hinder the land acquisition causing significant delays. | In this context, the proposed drawings of Project Link Road interchange at M9 have already been shared with the officials of NHA in Sindh. A meeting was also convened in the office of General Manager M9 at NHA, where it was concluded that necessary instructions will be issued to the relevant contractors of truck terminal/service area facility to accommodate the Project Link Road interchange design in their construction drawings. |
| 11. | General                          | Improvement of Horizontal Geometry of Interchange proposed at the end point of the Link Road is required where alignment approaches Karachi Hyderabad Motorway. It seems that provision of auxiliary lanes has not been considered into account at the entry and exit points.  | Please refer to the response to query No. 8 above.   |
| 12. | General                          | High Flood Levels are not provided in the Hydraulic Study Report which may be required for enabling us to run the design profile of the proposed link road in order to optimize associated earth work.   | The hydrology chapter of the technical feasibility report has been shared with Bidders for reference only. However, the Concessionaire shall conduct its own hydrology study as part of the Detailed Engineering Design in accordance with the Concession Agreement.   |
| 13. | General                          | Typical cross section at Toll Plaza indicating Toll related facilities such as ITS etc has not been provided in RFP.   | Please refer to <b>ANNEXURE L (Scope of Work)</b> of the RFP for plan profile drawings, typical cross-sections in particular <i>inter alia</i> paragraph 2.6.8.2 of the RFP and paragraph 12 ( <i>Tolling System and Electronic Toll and Ticketing System-ETTM/ITS</i> ).  |

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|     |   |  | Moreover, the technical feasibility report has also been shared with the Bidders which can be used for reference purposes. |
| 14. | General   | In Typical Cross Section drawings, no detail / methodology has been mentioned in respect of implementing the proposed cross section over existing roadway facility.  | Please refer to the response to query No. 13 above.  |
| 15. | General   | Typical Cross section in cut area along ditch has not been provided.   | Please refer to the response to query No. 13 above.  |
| 16. | General   | Typical Cross section for minor road / intersecting roads not provided.  | Please refer to the response to query No. 13 above.  |
| 17. | General   | Check Post / Police Room / Truck Parking Facilities not taken into consideration.  | Please refer to the response to query No. 13 above.  |
| 18. | General   | There is a 3.5m excess width at flyover part of the proposed Interchange over M-9 which diminishes right at the start of the loop / ramp of the Interchange. This may create warrant for safety and need to be considered carefully.   | Please refer to the response to query No. 13 above.  |
| 19. | General   | Pole Lights at start and end of the proposed link road needs to be considered.   | Please refer to the response to query No. 13 above.  |
| 20. | General   | Please provide plan & profile drawing from RD 19+100 km onwards.   | Please refer to the response to query No. 13 above.  |
| 21. | <b>SCHEDULE A (Scope of the Project)</b> to the DCA | <p>There is a requirement of Trumpet Interchange at the terminal point of the project Link Road to M-9, mentioned in RFP &amp; DCA of captioned project.</p> <p>In order to give you most accurate &amp; competitive financial bid please clarify us that the NOC, design approval and other matters related to Trumpet Interchange at M-9 shall be obtained by GoS from National Highway Authority (NHA) and the cost of the same shall be borne by the GoS as well or it will be borne by the concessionaire and in case</p> | Please refer to the response to query No. 8 above.   |

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|     |   | <p>it is a responsibility of the concessionaire then what if NHA decides at the time of execution to have trumpet interchange with some change/innovative design requirements different from their current practice of already constructed interchanges and that may require extra cost to construct it, not included in price bid. Will GoS bear the same?</p> <p>Further we would like to suggest that GoS should consult NHA in this matter and get their design requirements with approval so that bidders may quote their cost accordingly.</p> <p>Kindly clarify the same at your earliest convenience so that bid proposal may be submitted accordingly.</p> |   |
| 22. | <p><b>ANNEXURE A (<i>Basic Eligibility Criteria</i>)</b> to the RFP</p> | <p>We understand that there is no minimum threshold shareholding required to be held by the Lead Member of the Bidder in the Project and that the members of the Joint Bidding Agreement are at discretion to nominate any person as their Lead Member irrespective of the equity contributions by such bidders in the Project. Please confirm if the understanding is correct.</p> <p>We also understand that the bid evaluation shall be on an absolute basis on the information of each Bidder and no appropriation of the scoring criteria shall be made based on the proportionate equity commitments by the Bidders in the Project. Please confirm.</p>       | <p>While there is no minimum shareholding threshold for the Lead Member, the proposed shareholding of the Lead Member in the Concessionaire should be more than each of the other Members of the Consortium.</p> <p>For purposes of evaluation, the criteria in respect of the Lead Member as well as other Members of the Consortium and EPC Contractors is clearly spelt out in <b>ANNEXURE A (<i>Eligibility Criteria</i>)</b> and <b>ANNEXURE B (<i>Technical Evaluation Criteria</i>)</b> of the RFP.</p> <p>Further, Bidders are requested to develop their Consortiums in light of the Applicable Laws (including (without limitation) the PPP Act and the SPPRA Rules).</p> |



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| 23. | <b>ANNEXURE A (Basic Eligibility Criteria)</b> to the RFP | In case a foreign entity is the lead EPC Contractor of the EPC Contractor joint venture, please explain the applicable requirement to have registration with PEC in the relevant category.   | Bidders are requested to conduct their own legal due diligence in this regard.  |
| 24. | <b>ANNEXURE A (Basic Eligibility Criteria)</b> to the RFP | <p>We understand that there is no minimum threshold quantum of construction works required to be undertaken by the lead member of EPC Contractor joint venture in the project and that the members of the joint venture are at discretion to nominate any person as their Lead Member irrespective of the construction works undertaken by such EPC Contractor(s) in the project. Please confirm if the understanding is correct.</p> <p>We also understand that the bid evaluation shall be on an absolute basis based in the information of each EPC Contractor and no appropriation of the scoring criteria shall be made based on the proportionate construction works to be undertaken by the EPC Contractor(s) in the Project. Please confirm.</p> | The threshold of construction works required to be undertaken by the lead member of EPC Contractor joint venture in the Project should be more than each of the other members of the joint venture. |
| 25. | General   | <p>It is learnt that Bahria town has paid huge amount to NHA/FWO for obtaining NOC for construction of underpass on M9.</p> <p>Who will obtain NOC from NHA for construction of interchange at M9 for link road project?</p> <p>Who will bear unforeseen amount to be paid to NHA for obtaining NOC?</p>   | Please refer to the response to query No. 8 above.  |

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| 26. | General | If bidder fulfils all the requirement of a bidder solely, is it necessary for him to have a EPC contractor who fulfill all the requirement of RFP?   | Please refer to the response to query No. 56 in the Response Document No. 1. |
| 27. | General | For all the Financial matters i.e. Net Worth and Annual Construction Turnover over the eligibility parameter are gauged as “Collectively” for other JV members and while scrutinizing the specific work experience of EPC contractor, separate parameter are fixed for lead members & JV members. In this case the work experience may also be examined as collectively  | Please refer to the response to query No. 57 in Response Document No. 1.     |
| 28. | General | <p>Regarding the EPC Contractor having Joint Venture, the eligibility for other JV member is mentioned in RFP as under:-</p> <ol style="list-style-type: none"> <li>1. In addition, in case there is more than one (1) EPC Contractor, each of EPC Contractor(s) not in lead shall have completed at least two(2) projects of nature similar to the Link Road Project i.e. highways/motorways/expressways including interchanges and/or flyovers of PKR 1,000,000,000/- (Pakistani Rupees One Billion only) or higher in the past ten (10) years.</li> </ol> <p>How the work of an amount of Rupees 01 Billion is completed 01 years back and a project is completed 8 years back. There should be a factor of price inflation added to such amount for the works completed many years back, while working out cost of the work completed. As per the procedure of the Planning and Development Department (P&amp;D), Govt. of Sindh a premium of 6.5% is added in the</p> | Please refer to the response to query No. 58 in Response Document No. 1.     |

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|     |                      | cost of work each year for the work delayed in construction for many years so the same factor to be used here while working the cost of the project completed by the JV Partner many years back.   |  |
| 29. | General              | The eligibility criteria for specific work experience of JV partner of EPC contractor is mentioned as completed minimum 2 works having cost of Rupees 01 Billion Each. This amount is on higher side, as in Karachi there are few works completed in last 10 years having cost over to Rupees 01 Billion. Therefore, this amount may be reduced to 2 works of Rs. 500 Million each or one work of Rupees 01 Billion in last 10 years | Please refer to the response to query No. 59 in Response Document No. 1.   |
| 30. | Other Clarifications | Rounding Off of Toll Rates   | The escalated Toll rates applicable on each consecutive two (2) year anniversary of the Commercial Operations Date shall be rounded off to the nearest PKR 5. However, the base amount on which the two (2) yearly escalation shall be made shall not be so rounded off and shall be the precise number arrived at by applying the fifteen percent (15%) escalation. |
|     |                      | Calculation of Minimum Revenue Guarantee Amount  | The Minimum Revenue Guarantee Amount for each Calculation Period shall be calculated in accordance with the following formula:<br><br>A= B - C<br><br>Where:<br><br>A: Minimum Revenue Guarantee Amount<br><br>B: Benchmark Revenues for such Calculation Period   |

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|  |  |   | <p>C: Actual Revenues (other than Revenues in relation to the Additional Development Rights) collected by the Concessionaire for such Calculation Period</p> <p>provided, however, that in the event the Actual Revenues of the Calculation Period are equal to or more than the Benchmark Revenues of such Calculation Period, the Minimum Revenue Guarantee Amount shall be equal to nil/zero</p> <p>provided, further, that the Minimum Revenue Guarantee Amount for each Calculation Period shall be up to and have a ceiling equal to the Calculation Period MRG Threshold</p> <p>provided, further, that the aforesaid shall only apply to the extent the Preferred Bidder seeks Minimum Revenue Guarantee Amount support in its Financial Bid.</p> |
|  |  | <p><b><u>Query No. 6(a) in Response Document No. 1</u></b></p> <p>Accrual of interest during construction period will unnecessarily increase the project cost, as well as the VGF required.</p> | <p><b>The following response shall replace/supersede the response to query No. 6 in Response Document No. 1:</b></p> <p><i>“Given that payment of mark-up on the Subordinated Financing is to be made after the Financing Repayment Date, accrual of such mark-up has a <b><u>nominal</u></b> impact on the Total Project Cost. Any impact on the lifecycle cost is also nominal in the context of the Link Road Project.”</i></p>  |

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**THE END**