



GOVERNMENT OF SINDH SUKKUR MUNICIPAL CORPORATION



ADDENDUM NO. I

FEASIBILITY STUDY AND TRANSACTION ADVISORY SERVICES

REHABILITATION AND DEVELOPMENT OF WATER DISTRIBUTION SYSTEM IN SUKKUR UNDER PUBLIC PRIVATE PARTNERSHIP MODE

Reference: RFP notice bearing reference number SMC/XEN/PPP-MODE/RFP/790 of 2023 floated by the Sukkur Municipal Corporation ('**Procuring Agency**') through publishing in the dailies Express Tribune, Express, and Kawish (INF/KRY/4564/2023) and posting the same along with the RFP Document on the websites of the Procuring Agency and SPPRA <https://smc.gos.pk/>, <https://www.pppunitsindh.gov.pk/>, <https://ppms.pprasindh.gov.pk/PPMS/> at ID # T00150-23-0007 dated 30th November 2023 for solicitation of Bids from the Eligible Bidders in respect of the feasibility study and transaction advisory services for rehabilitation and development of water distribution system in Sukkur under public-private partnership mode ('**Assignment**') in accordance with the SPP Rules, 2010.

Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the RFP Document.

It is for the information of all concerned that the Procuring Agency, pursuant to the prospective bidders' written requests for clarification/ comment on the RFP Document, has issued an addendum to the RFP ('**Addendum Document No. I**') and responses to the prospective Bidders' queries document ('**Response Document No. I**') following Rules 21(2), 21(4) & 23(1) of the SPP Rules, read together with ITC Clause 10 of the RFP Document.

The prospective Bidders may access and download the Addendum Document No. I and Response Document No. I from the websites mentioned above or obtain a copy of the same free of cost from the Procuring Agency's office as per the extended schedule for issuance of the RFP Document and submission/ opening of the Bids given below:

Issuance of Addendum Document and Response Document	29 th December 2023 to 16 th January 2024
Deadline for the submission of the Bids	17 th January 2024 – 16:30 Hrs. (PST)
Opening of the Bids (Technical Proposals)	17 th January 2024 – 16:45 Hrs. (PST)

All the other terms and conditions set out in the RFP Document, except those mentioned in the above documents, shall remain the same/ unchanged.

**Executive Engineer (Civil)
Sukkur Municipal Corporation**

Address: Executive Engineer, Sukkur Municipal Corporation, Sukkur.

Phone: +92 71 9310307 **Fax:** +92 71 9310307 **Email:** ppp.fsta@gmail.com smc.sukkur786@gmail.com



**GOVERNMENT OF SINDH
SUKKUR MUNICIPAL CORPORATION**



**FEASIBILITY STUDY AND TRANSACTION ADVISORY SERVICES
REHABILITATION AND DEVELOPMENT OF WATER DISTRIBUTION SYSTEM IN SUKKUR
UNDER PUBLIC PRIVATE PARTNERSHIP MODE**

ADDENDUM DOCUMENT NO. I

29th December 2023

Address: Executive Engineer (Civil), Sukkur Municipal Corporation, Sukkur.
Website: <https://smc.gos.pk/> **E-mail:** ppp.fsta@gmail.com; smc.sukkur786@gmail.com
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IMPORTANT NOTICE

The addendum to the RFP Document dated 29th December 2023 (**'Addendum Document No. I'**) is in furtherance of the Bidding Process relating to the feasibility study and transaction advisory services for rehabilitation and development of water distribution system in Sukkur under public-private partnership mode (**'Assignment'**), being conducted pursuant to the Request for Proposal document dated 24th November 2023 (**'RFP Document'**) floated by Sukkur Municipal Corporation, Government of Sindh (**'Procuring Agency'**) following the Sindh Public Procurement Rules, 2010 (**'SPP Rules'**).

In case of ambiguity, discrepancy, inconsistency, and/ or contradiction between this Addendum Document No. I and the responses to prospective bidders' queries document dated 29th December 2023 (**'Response Document No. I'**), this Addendum Document No. I shall prevail.

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

This Addendum Document No. I is being circulated by the Procuring Agency, subsequent to the consultant selection committee's approval, in pursuance of the Instructions to Consultants (ITC) Clause 10.2 of the RFP Document. Neither any of these entities nor their employees, personnel, or agents make any representation (expressed or implied) or warranties as to the accuracy or completeness of the information contained herein or in any other document made available to a Person in connection with the Bidding Process for the Assignment, and the same shall have no liability for this RFP Document or any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Proposals or Bids. Neither any of these entities nor their employees, personnel, agents, consultants, advisors, contractors, etc., will be liable to reimburse or compensate the recipient for any costs, fees, damages, or expenses incurred by the recipient in evaluating or acting upon the RFP Document or otherwise in connection with the Assignment as contemplated herein.

The Bids submitted in response to the RFP Document by any of the Bidders shall be upon the full understanding and agreement of any and all terms of the RFP Document, the Addendum Document No. I, and the Response Document No. I (the **'RFP Documents'**) and such submission shall be deemed an acceptance to all the terms and conditions stated in the RFP Documents. Any Bid submitted by a Bidder in response to the RFP Documents shall be construed based on the understanding that the Bidder has done a complete and careful examination of the RFP Documents and has independently verified all the information received (whether written or verbal) from the Procuring Agency (including from its employees, personnel, agents, Consultants, advisors and contractors, etc.).

Any Bid in response to the RFP Documents submitted by a Bidder shall be construed based on the understanding that the Bidder acknowledges that prior to the submission of the Bid, the Bidder has, after a complete and careful examination, made an independent evaluation of the RFP Documents, scope and requirements of the Assignment, the applicable standards, the Project site and all information

provided by the Procuring Agency 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 instant Assignment's scope. The Procuring Agency (including its employees, personnel, agents, consultants, advisors, 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 Procuring Agency in this regard.

The RFP Documents do not constitute a solicitation for transaction advisory or otherwise participation in the Assignment, nor shall it constitute a guarantee or commitment in any manner on the part of the Procuring Agency that the Assignment's Contract will be awarded. The Procuring Agency reserves its right, in its full discretion, to further modify the RFP Documents and/ or the Assignment at any time to the fullest extent permitted by law, and shall not be liable to reimburse or compensate the recipient for any costs, taxes, expenses or damages incurred by the recipient in such an event.

ADDENDUM DOCUMENT NO. I

The Sukkur Municipal Corporation, Government of Sindh ('**Procuring Agency**') hereby issues this addendum to the RFP Document dated 29th December 2023 ('**Addendum Document No. I**') to set out changes and amendments to the RFP Document dated 24th November 2023 circulated in respect of the Bidding Process relating to the feasibility study and transaction advisory services for rehabilitation and development of water distribution system in Sukkur under public-private partnership mode ('**Assignment**'), and such changes, amendments, and additions shall stand incorporated in the RFP Document. Notwithstanding anything to the contrary, all relevant provisions of the RFP Document shall stand amended to the extent required to give effect to the matters set out in this Addendum Document No. I. Except as otherwise expressly set out in this Addendum Document No. I, all other provisions of the RFP Document shall remain unchanged.

The following amendments shall stand incorporated in the RFP Document:

SECTION II – INSTRUCTIONS TO CONSULTANTS

ITC References Clauses available in the **Bid Data Sheet** shall stand amended to be read as under:

ITC Reference	Description
ITC 9.1	The bid validity period shall be ninety (90) days effective from the Technical Bids' opening date, valid up to 15th April 2024 .
ITC 16.4	<p>For Bids' submission and opening purpose only, the Procuring Agency's address is:</p> <p>Attention: Executive Engineer (Civil) Address: Sukkur Municipal Corporation City: Sukkur Phone: +92 71 9310307</p> <p>The deadline for proposals submission and opening is:</p> <p>Date: 17th January 2024 Time: 16:30 Hrs. and 16:45 Hrs. (PST) (for submission and opening of the Bids, respectively)</p> <p>Bidders shall not have option to submit Bids electronically. However, a Bidder, in case of any query or seeking further information relating to the RFP Document or Bidding Process, may communicate the same via email following the ITC Clause 10.1 of the Data Sheet.</p>

ITC 18.1 **Eligibility Criteria (Mandatory Documents):** Bidder (in the case of a Consortium, each member as applicable) must enclose, along with
ITC 13.1 Technical Proposal, copies of the following documents including but
ITC 6.1 not limited to (refer to the Eligibility and Technical Evaluation Criteria
ITC 2.2 for further details):

- ix. Qualification record indicating contracts scope and references proving completion of requisite number of contract(s) / deliverables in last fifteen (15) years.

ITC 18.1 **1.Firm's Experience**

1.2 Relevant Experience

1.2.4 Bidder's (in case of a Consortium, legal member) experience in ascertaining the legal viability of an unsolicited proposal for an infrastructure project under the PPP modality completed during the last fifteen (15) years;

or

Bidder's (in case of a Consortium, financial member) experience in developing financial model and project structuring / fund arrangement for a water-related utility project with a minimum capacity of 20 MIGD or an estimated cost of PKR 3 billion project, completed during the last fifteen (15) years either from public side / private side. **[4.0 points for each project]**.

2. Key Professional Staff:

2.2 Technical Team

i.	Technical Team Leader	3.0 points
ii.	Water Resources Management Specialist	2.5 points
iii.	Structural Design Engineer	2.0 points
iv.	Mechanical Design Engineer	2.0 points
v.	Infrastructure Engineer	2.0 points
vi.	Civil Engineer	1.5 points
vii.	Quantity Surveyor	1.5 points
viii.	Material Engineer	1.5 points
ix.	GIS Expert	1.5 points
x.	Architect	1.0 point
xi.	Electrical Engineer	1.0 point
xii.	Environmental Expert	1.0 point
xiii.	Social Safeguard Specialist	1.0 point
xiv.	Geotechnical Expert	1.5 points

Key Professional Staff (Points Weightage Assigned to Each Individual based on Qualification and Experience)					
Sr.	Key Professional Staff	Maximum Weightage (Qualification 25% and Relevant Experience 75%)			
2.	Technical Team	Qualification	Weight	Relevant Experience	Weight
2.9	GIS Expert	Master in Geo-Informatics/ Earth Sciences/ Computer Engineering/ Geology or equivalent	25%	≥ 15 years' experience in developing and/ or managing and analyzing the GIS database	75%
				≥ 10 years and < 15 years	60%
				≥ 7 years and < 10 years	40%
		Bachelor in Geo-Informatics/ Earth Sciences/ Computer Engineering/ Geology or equivalent	15%	≥ 5 years and < 7 years	20%
2.14	Geotechnical Expert	Master in Geotechnical Engineering or equivalent	25%	≥ 15 years' experience in geotechnical works, including assessing the physical, mechanical, and chemical properties of soil and rock to design foundations, retaining structures and earthworks	75%
				≥ 10 years and < 15 years	60%
				≥ 7 years and < 10 years	40%
				≥ 5 years and < 7 years	20%
		Bachelor in Civil Engineering/ Geology or equivalent	15%		

SECTION V – TERMS OF REFERENCE

Terms of Reference shall stand amended to be read as under (**updated considering the Bidder’s queries/ comments and Assignment’s scope**):

NOTE: The relevant changes are underlined to this section only.

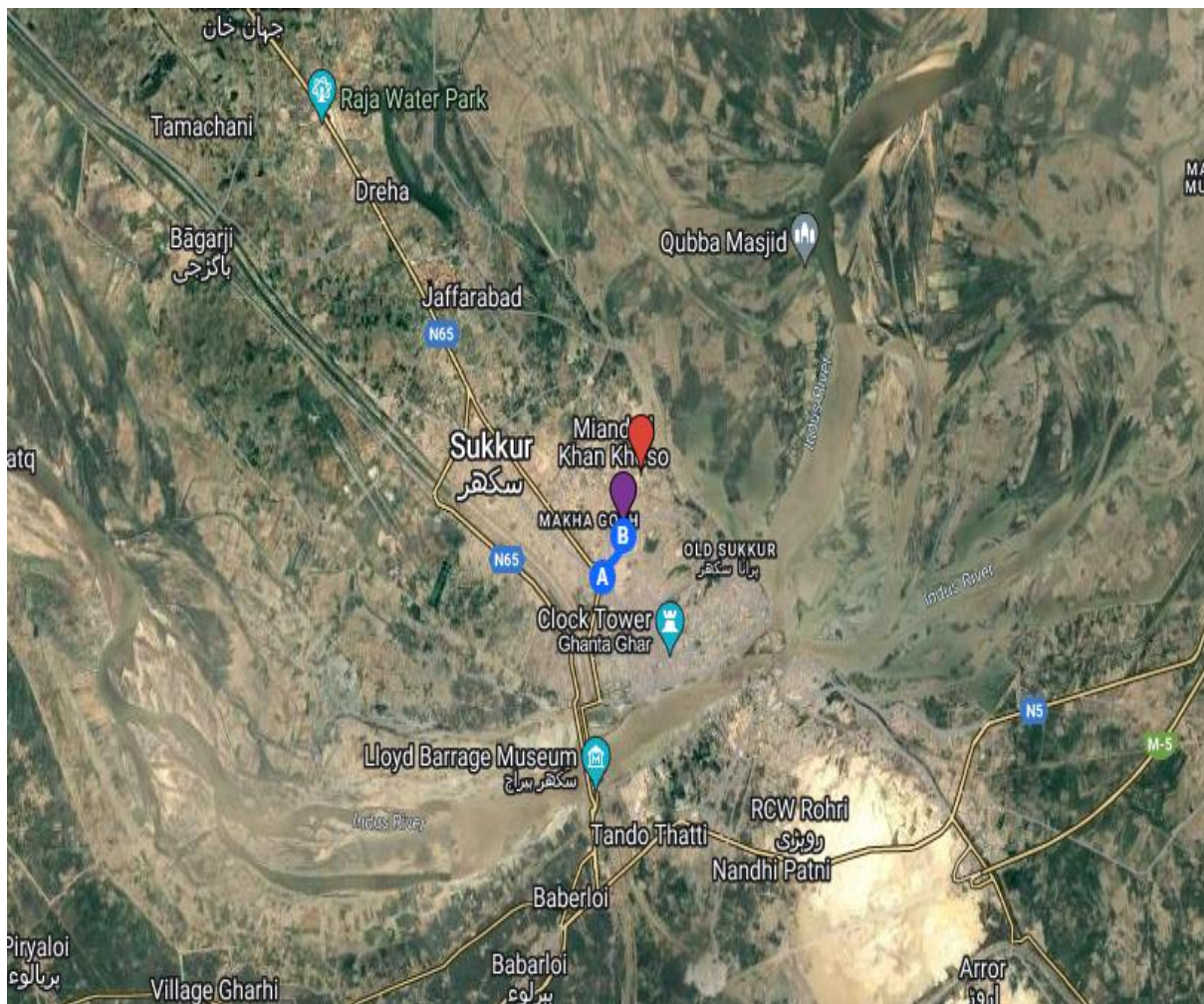
SUMMARY/ OVERVIEW OF THE ASSIGNMENT	
Procuring Agency	Sukkur Municipal Corporation
Assignment Title	Feasibility study and transaction advisory services for rehabilitation and development of water distribution system in Sukkur under public-private partnership mode
Assignment Description	<p>Under this Assignment, the Consultant shall be required to undertake the activities in three dependent and sequential phases: <i>i. Transaction Preparation, ii. Bid Management; and iii. Transaction Negotiation & Achievement of Financing Close</i> subject to the approval of Competent Authority, i.e., the PPP Policy Board, at each phase.</p> <p>The initial phase shall require the Consultant to independently and objectively review and assess the Project’s legal viability considering the USP and standalone basis based on available and collected information (master plan, reports, existing and proposed facilities/ plant & machinery, infrastructure requirements, demand, facilities/ utilities), review institutional and regulatory framework, undertake the legal assessment, and submit recommendations with next course of action in line with applicable laws to the Procuring Agency. In case of the Project’s legal viability and upon satisfaction of the Procuring Agency, the Consultant shall undertake and validate Project’s technical, financial, environmental assessment and devise a plan to undertake Project with the most preferred PPP option considering the factors, such as value for money, cost-benefit, SWOT, risk analysis at all stages of Project’s development.</p> <p>Subsequently, upon satisfactory completion of the first phase, the Consultant will require to develop a marketing strategy to sensitize potential investors’ participation in the Project’s procurement, assist the Procuring Agency while undertaking the procurement, including biddings, transaction negotiations, and then achieve financial closure as further detailed in the TOR’s Assignment Scope.</p>
Contract Duration	Fourteen (14) months
Contract Type	Lump-sum or fixed
Procurement Framework	Sindh Public Procurement Act, 2009, including the SPP Rules, Regulations, Orders or Instructions framed thereunder.

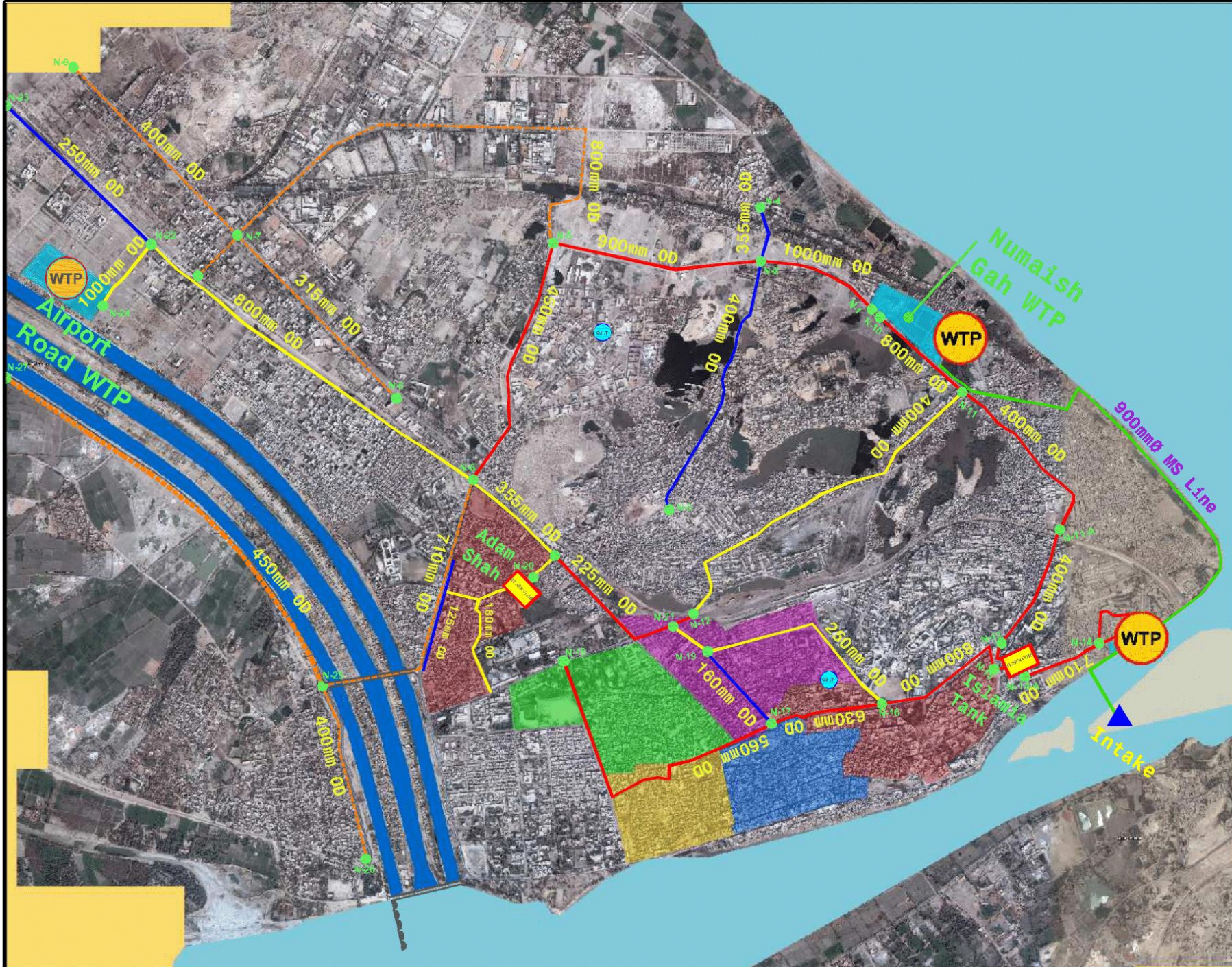
Market Approach	National competitive bidding
Selection Method	Quality cost-based selection
Commencement Date (Expected)	14 th March 2024 or immediately after signing Contract.

1. PROJECT BACKGROUND

Sukkur is a city in the province of Sindh, Pakistan, located on the west bank of the Indus River. It is one of the economic hubs of Sindh Province. The city is spread over about 9,000 acres with a population of about six lacs. The city's water situation has been a concern for some time due to various factors, including a growing population, water scarcity, and inadequate infrastructure.

Sukkur is situated in an arid region of Pakistan where water resources are scarce, and the Indus River is the primary source of water for the city. However, the river's water is often heavily contaminated due to industrial and agricultural runoff, which poses a severe threat to public health. In addition, city's population has been increasing rapidly in recent years, putting additional pressure on the already limited water resources.





Sl No.	Description	Length in Meters
1	Replacement of Chlorinator Main (Cl) Sub main & Main (Sub main)	200.00
	Replacement of 1000mm OD Pipe (Sub main)	200.00
	Replacement of 800mm OD Pipe (Sub main)	200.00
	Replacement of 600mm OD Pipe (Sub main)	200.00
	Replacement of 400mm OD Pipe (Sub main)	200.00
	Replacement of 300mm OD Pipe (Sub main)	200.00
	Replacement of 200mm OD Pipe (Sub main)	200.00
	Replacement of 150mm OD Pipe (Sub main)	200.00
	Replacement of 100mm OD Pipe (Sub main)	200.00
	Replacement of 75mm OD Pipe (Sub main)	200.00
	Replacement of 50mm OD Pipe (Sub main)	200.00
	Replacement of 25mm OD Pipe (Sub main)	200.00
	Replacement of 15mm OD Pipe (Sub main)	200.00
	Replacement of 10mm OD Pipe (Sub main)	200.00
	Replacement of 5mm OD Pipe (Sub main)	200.00
2	Supply & Laydown of New Ring main of (Submain & Main Building)	400.00
	Supply & Laydown of New Ring main of (Submain & Main Building)	400.00
	Supply & Laydown of New Ring main of (Submain & Main Building)	400.00
	Supply & Laydown of New Ring main of (Submain & Main Building)	400.00
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	Supply & Laydown of New Ring main of (Submain & Main Building)	400.00
	Supply & Laydown of New Ring main of (Submain & Main Building)	400.00

- Raw Water Intake
- Raw Water Pipeline
- Water Treatment Plant
- Reservoir
- Over Head Water Tank
- Replacement or New Pipe Line
- Replacement or New Pipe Line
- Ring Main

PROPOSED NEW/REPLACEMENT MAINS & RING MAIN PIPE LINE IN SUKKUR (B-2 & B-3)

Drawing Title:-

PROPOSED NEW/REPLACEMENT MAINS & RING MAIN PIPE LINE IN SUKKUR

DATE	REVISION	Designed.	Scale:-
		Drawn.	Drawing No:
		Checked.	JOB NO.

According to a report by the Pakistan Council of Research in Water Resources (PCRWR), the water quality in Sukkur is generally poor, with high levels of total dissolved solids (TDS) and bacteria. The report also found that many of the city's drinking water supply schemes were either non-functional or not meeting the World Health Organization's (WHO) drinking water quality standards.

To address the water crisis in Sukkur, the Government has undertaken several initiatives, including the construction of new water treatment plants and the rehabilitation of existing ones. The Government is also working to improve the efficiency of the city's water supply and distribution systems, as well as promoting water conservation and public awareness campaigns.

Despite these efforts, the water situation in Sukkur remains challenging, and the city's residents continue to face water shortages, poor water quality, and inadequate access to sanitation facilities. As such, there is a need for continued investment in the city's water infrastructure and management to ensure sustainable and equitable access to water for all residents.

The current need for a filtered water supply is 22.91 MGD (millions of gallons per day), against which the Procuring Agency can produce only 7.5 MGD filtered water; the same is true for the transmission and treatment of domestic wastewater. On the other water distribution network is old and intermixing with sewage is widely reported as old pipe bodies and joints are perforated. Several old pipes used are made of asbestos cement that has been banned from being used for drinking water. The world has set several successful models to address similar situations through various PPP models.

In line with the above, the Procuring Agency received an Unsolicited Proposal ('USP') from a private party ('USP Developer') for the rehabilitation and development of the water distribution system, with the following facilities, in Sukkur under public-private partnership mode. The USP Developer proposed that it will not only aid in the overall objective of upgrading the existing system but also simultaneously provide the new system as per the requirements ('Project'):

- Rehabilitation of existing water treatment plants with a cumulative capacity of 7.5 MGD at Numaish Gah and Bunder Road with a total of 2.5 MGD and 5 MGD, respectively;
- Establishment of three new water treatment plants with a cumulative capacity of 42 MGD at Numaish Gah, Airport Road, and Bachal Shah with a capacity of 18 MGD, 18 MGD, and 6 MGD, respectively;
- Establishment of advanced filtration beds with a capacity of 3 MGD at the Bunder Road waterworks facility;
- Construction of settlement tanks on Bukkur Island spanning across 3 acres, as well as near the Numaish gah water works covering an area of 2 acres;
- Construction of new overhead tanks with a capacity of 200,000 gallons each in 8 distribution zones to improve the water distribution system;
- Comprehensive restoration of roads and pavers within the designated area, addressing their deterioration and ensuring their optimal functionality;

- Replacement of the old water mains and secondary water supply distribution network with new ones (along with flow meters) to ensure efficient water supply to the end consumers, etc.

2. PROJECT CONCEPTUALIZATION AND OBJECTIVES

The Project had been conceived by the USP Developer, which approached the Procuring Agency via the USP under Rule 15(A) of the SPP Rules. While unsolicited bids are permitted under the Sindh Public Procurement Act, 2009, and the SPP Rules framed thereunder, which prescribes a mechanism to initially ascertain the Project's USP viability through a Technical Committee and then, subject to the Project's viability, initiating procurement process through open competitive bidding to achieve the competitive bid (**'Best Evaluated Bid'**) for the Government. Under the SPP Rules, the USP Developer will, in case of bidding competition, have the first right of refusal or match and seek other benefits, including exemption from the prequalification process.

In compliance with the SPP Rules, the Procuring Agency formulated a Technical Committee that recommended engaging an independent firm having adequate capacity and capability in the relevant field to objectively ascertain the Project's viability in terms of legal, technical, financial, and other parameters, as applicable, considering the objectives for undertaking the Project's USP or standalone basis.

In this regard, the Procuring Agency now invites the sealed proposals from Eligible Bidders or Consultants (individual firms or Consortia, as the case may be) to conduct the feasibility study and transaction advisory services for Rehabilitation and Development of Water Distribution System Sukkur Under Public-Private Partnership mode (**'Assignment'**) in accordance with the SPP Rules.

3. PROJECT RATIONALE AND OBJECTIVES

The Procuring Agency is exploring opportunities to address the water supply challenges in Sukkur by leveraging private sector expertise, improving infrastructure, ensuring financial sustainability, and delivering positive social, economic, and environmental outcomes for the community. In line with the objectives, the Procuring Agency has received a USP developed by a private sector entity, highlighting the Project's indicative objectives mentioned below:

- To ensure potable grade water provision to the water-starved areas of Sukkur;
- To upgrade and rehabilitate existing water distribution infrastructure in Sukkur to improve its efficiency, reliability, and performance in a sustainable manner;
- To minimize water losses due to leakages and inefficient distribution systems;
- To foster a collaborative and sustainable partnership between the public and private sectors to ensure the continued success of the water distribution;
- To make the city cleaner and greener in line with environmental requirements.

The Consultant/ Bidder, whose bid found and declared as the Most Advantageous Bid, shall provide transaction advisory support to the Procuring Agency in:

- Review the USP objectively and independently, considering the best practices;
- Structure a viable and bankable private sector concession;
- Select an experienced and credible private sector developer, through a transparent and competitive process, for undertaking Project and associated infrastructure in a financially, technically, environmentally sustainable manner.

The Consultant will assist the Procuring Agency in structuring and implementing the Project in a manner that achieves its objectives and provides the framework for a fair and transparent selection process for a private developer in line with good international industry practices and applicable Rules. The Bidder (in the case of a Consortium, the Lead Member) will perform the functions by mobilizing a team of specialized consultants, including financial, legal, and technical, in the Assignment's preparation and execution.

4. ASSIGNMENT SCOPE

The Consultant shall be required to conduct the Assignment in three (3) dependent and sequential phases. However, the Government reserves the right to terminate the Contract at the end of any phase if it is satisfied that proceeding further will not help achieve the Government's objectives or other conditions as stipulated in the Contract.

4.1. Phase I – Transaction Preparation: Specific objective of this phase is to initially assess the Project's USP supported with studies by objectively and independently analyzing the Project's overall legal viability assessment considering the SPP Act, 2009, and the Sindh PPP Act, 2010, including rules, regulations, policies, instructions framed thereunder, or any other applicable laws/ case laws/ reports/ relevant studies/ master plans, etc. and submit a report with recommendations to the Procuring Agency.

Given the Consultant's report, the Procuring Agency's Technical Committee shall review it and offer its recommendations on the USP's viability to proceed ahead with a detailed study or assessment of the Project, which shall require the Consultant to conduct or re-assess baseline surveys/ studies, review the existing and previous relevant studies, prepare a conceptual plan while conducting feasibility assessment, develop & evaluate/ prioritize various options to achieve objectives of Project and to provide a clear cut way forward to the Government, with regard to master planning, institutional arrangement, transaction structure, financial viability and socio-economic & environmental viability of the proposed development.

Consultants shall collect relevant data from all concerned departments, other relevant authorities, utility agencies, records of ongoing litigations, and other relevant/ pertinent information which may become useable in later stages of the work. Based on the acquired data, prepare a detailed master plan and PPP project proposal with the most preferred option for undertaking the Project. The reports, submitted from time to time, shall also fully capture all the information as necessary or available from the Procuring Agency in the form of previous studies/ reports (such as pre-feasibility and/ or feasibility studies concerning the water distribution system).

Specially, this phase shall include but not be limited to the following components:

4.1.1 Inception Report: The Consultant under this stage would be required to provide work breakdown structure, schedules with timelines along with critical milestones and methodology, team details, logistics plans, requirements from the Procuring Agency, and anticipated issues of the initiation of work for the Project. The report shall be prepared after conducting a detailed visit of the Project's sites by the successful Bidder's Key Professional Staff and Procuring Agency's representatives. However, the Consultant shall prepare a detailed analysis and plans for the Project's existing and proposed infrastructure facilities during the technical feasibility.

4.1.2 Unsolicited Proposal Preliminary Review: This shall require Consultant to conduct:

I. Legal Viability Assessment or Due Diligence

- Legal review of the Project's USP submitted by the USP Developer, based on available information. The review would include but not be limited to the evaluation of the USP from the perspective of private entity credibility, legal deal breakers, documentation, technical capability, technical and environmental aspects of the Project along with deal breakers/ red flags, financial strength to undertake the Project, cost estimates and robustness of financial proposal along with appropriate risk allocation for both public and private sectors. Under the SPP Rules, USP Developer will have the right of first refusal/ match and other benefits during the bidding stage (including pre-qualification). The Consultant will evaluate such provisions and analyze the options to limit these to enhance competition while keeping in view international best practices while ensuring compliance with Rules.

II. Review Technical Qualification/ Experience of the USP Developer, EPC & O&M Contractor, as applicable. Such review may include the following:

- Review of rehabilitation and/or construction of treatment plants and water distribution system experience
- Review of PPP experience;
- Review of similar projects' operations experience;
- Review of planned human resource deployment.

III. Review of preliminary design & whole life cycle cost estimates

- Review of preliminary design documents, drawings, and reports (site reports, project implementation plan, work schedule, etc.) submitted as part of the USP, especially regarding their adequacy towards fulfilling the stated Project objectives. Review of cost estimates, bill of quantities, rate analysis, and comparison with international & local

benchmarks. This review would cover capital investment and operating cost estimate;

- Review of planned facility development costs proposed in the USP;
- Review of the technical solution of infrastructure, including the proposed equipment and machinery available for the realization of the Project;
- Review viability and definition of the scope of the Project along with other technical due diligence aspects of the Project in USP.

IV. Review of Construction and Operating Performance Standards

- Review and compare proposed construction and operation performance standards to international standards and standards set out in national and local laws and regulations.

V. Preliminary Review for the Fatal Flaw in the Project Documents (draft Concession Agreement/ Head of Terms), including

- Review and identify any gaps in the technical bankability aspects of the draft Concession Agreement, including proposed performance/ output indicators, responsibilities, and risk allocation between the private entity and the Procuring Agency;
- Review the Project implementation plan, if or as available, especially regarding its robustness, proposed construction completion period, and segregation of Project milestones.

VI. Preliminary Review from Environmental & Social Aspects

- Preliminary review from environmental and social perspective in comparison to SEPA and IFI(s) Performance Standards on Social & Environmental Sustainability and local laws, as applicable.

4.1.3 Technical Feasibility Study: This shall require the Consultant to conduct the activities, which include but are not limited to the following:

I. Technical Due Diligence/ Feasibility

- Carry out surveys of the related infrastructure/ facilities for preparing the required interventions;
- Assess the existing available land and water resources at Project site;
- Conduct the baseline survey for water availability and water consumption of the public in the Project area and develop suitable alternative options for the public to fulfil shortfall of water consumption during the upgrade/rehabilitate existing water distribution infrastructure.
- Recommend options for the most favorable and suitable water treatment solution for the Project;
- Review all material/ documents, including construction drawings, maps, workplans, completion status, or other departmental studies/ reports;

- Carry out necessary water testing through renowned and accredited water testing labs to identify quality of existing water resources. Also, carry out a preliminary hydro-geological study using the available data;
- Carryout requisite topographical survey at suitable scale of identified sites to finalize the most suitable site and auxiliary components, including transportation mains storage sites, plant locations, etc.;
- Prepare GIS based mapping of identified sites containing existing and proposed infrastructure along with available water sources and all relevant data before proceeding to the detailed design stage;
- Carryout preliminary and detailed engineering design of the most suitable treatment technology for the identified sites, keeping under consideration but not limited to following factors such as available and freshly conducted water sampling, soil investigation studies, topographic survey, land availability/suitability and socio-economic conditions/requirements of the target serving areas;
- Categorize the Project on the standard requirements of SEPA and the relevant safeguards of International Financial Institutes (IFIs);
- Describe facilities in detail with the nature of installations and provisions of such facilities as part of the master plan;
- Prepare complete preliminary drawings, layout plans, and cost estimates for facilities proposed to be constructed and upgrading existing structures while focusing on feasible and economical technical solutions with high-end modern options;
- Prepare land acquisition folders along with a detailed compensation plan for the acquisition of Right of Way for each Project, separately considering the land acquisition & resettlement plan as mentioned below in B-IV;
- Prepare utilities/ infrastructures folders which include identification of all the utilities encountered along and/ or across the Right of Way along with the estimated cost associated with it for each Project, separately, in consultation with the relevant stakeholders;
- Prepare and submit a detailed plan leading to Project implementation (existing and proposed master plan to be scored against four characteristics, i.e., resilient, inclusive, attractive, and active);
- Outline the benefits that may be gained from the use of new technology;
- Propose modular development so the required interventions may be considered in terms of those that are considered essential. A comparative evaluation of all facility development options, including the 'Do-Minimum' scenario', where applicable, be carried out for each such alternative, considering operational, engineering, and other factors;
- Review a similar nature of a minimum five (5) successfully executed projects in the developed and developing countries and incorporate the successful or key factors for incorporation, if appropriate, in this Project;
- Prepare and submit a detailed technical viability report of the Project. Technical viability assessment should comply with the technical

requirements as applicable under the regulatory standards and policy directives for the respective sector and should cover the following:

- Project's design and output requirements, including major civil works and structures for each option;
 - Minimum performance standards and specifications;
 - Cost estimate (for each development alternative that identifies all major elements, including engineering, environmental mitigation, service diversion, accommodation works, land, and resettlement);
 - Operational & maintenance costs should be determined for each element of the alternative technical solutions;
 - Project lifecycle costs, including service requirements (scope and minimum characteristics of verifiable preliminary output specifications; requirements for an effective performance evaluation system that will create adequate and effective incentives during the life of the concession);
- Advise on requirements, as applicable, about the service handover to the Procuring Agency at the end of the concession.

II. Environmental and Social Impact Assessment (ESIA)

Note: *Before commencing the ESIA study, the Consultant shall conduct the screening and categorization of the Project (by using ADB's standard Rapid Environment Assessment (REA), Indigenous People (IP), and Involuntary Resettlement (IR) checklists) to ascertain the environmental category and subsequent environmental study that needs to be conducted to fulfill the ADB and/or other applicable International Financial Institutions (IFI) standards. The ESIA study needs to be carried out by the Consultant with the scope of activities not limited to the following:*

- Conduct the ESIA study of the Project while considering all environmental and social aspects of the Project, as per national/provincial laws/ guidelines and requirements of IFIs;
- In addition to ESIA, other required instruments, e.g., Environmental Management Plan (EMP) and Stakeholder Engagement Plan (SEP);
- Review and information/documentation collection of relevant environmental and social laws, regulations and water environmental quality including environmental quality report, environmental monitoring data, previous studies for key environmental and social issues; surface and groundwater monitoring data and related information;
- Conduct on site environmental monitoring for water, groundwater, air, noise, and any other parameters as needed, in order to get the baseline of the environmental condition;
- Recommend (a) measures to safeguard the environment before, during, and after implementation of the Project; (b) mitigation measures and the monitoring program, including cost implications and an institutional setup for implementing the program; and (c) responsible agency for environmental monitoring during project implementation. Above mentioned shall be included in EMP;

- Identify and assess the positive socio-economic impacts of the Project in terms of satisfying basic needs, alleviating poverty, generating employment, and reaching large population segments;
- Identify and assess adverse socio-economic impacts such as physical displacement, changes in access to resources, disruption to livelihoods, changes in social or economic standing, inequitable distribution of benefits and costs among stakeholders, and changes to patterns of behavior that would not be consistent with prevailing gender perceptions, social norms, and religious or cultural values;
- Determine whether the Project has negative impacts on particular categories of stakeholders, such as women and ethnic minorities;
- Highlight factors impacting the Project during the procurement, development, and operations phases;
- Recommend mitigation measures such as special institutional arrangements, arrangement of alternative residences for affected societies, and modifications in Project design;
- Estimate the cost of the recommend mitigation measures;
- Through effective Stakeholders Consultations, identify key stakeholders of the Project;
- Conduct stakeholder consultation for awareness and feedback;
- Recommend mechanisms for the continued involvement of key stakeholders in monitoring and evaluating Project impacts during implementation and operation.

III. Land Acquisition and Resettlement Plan (LARP)

***Note:** Based on the identification and findings of the IR&IP categorization exercise at the inception report stage, the Consultant may be required to develop the LARP that fulfils ADB and/ or other applicable International Financial Institutions (IFI) standards. The scope of activities envisaged in LARP will include but not be limited to the following:*

- Prepare a detailed land acquisition plan, including the scope of land acquisition; description of land ownership and availability; discussion of legal issues (if any); implementation schedule and procedure for land acquisition, and cost estimates;
- Prepare an estimated cost for compensation of land acquisition in accordance with all the requirements in line with applicable laws; and
- Prepare a detailed resettlement plan, including a list of affected people; entitlement policy and compensation policies, institutional arrangements, public participation, consultation, grievance mechanisms, implementation schedule, cost estimate, and a monitoring and evaluation system.

IV. Financial Viability Assessment

- Viable Transaction Structure:
 - Prepare viable transaction structures for implementation of the Project;
 - Identify possible Government support that may be required by the developer, both financial and other;

- Explain the rationale and form of viability gap funding (if any);
- Based on the financial modelling, the Consultant shall determine the appropriate tariff levels and structure for the Project in the feasibility study. The tariff design should balance the following objectives and factors against each other:
 - Stipulated service standards and associated costs;
 - Customers' willingness and ability to pay;
 - Need for and availability of subsidies.
- Financial Model:
 - Develop financial models of the Project covering projected revenues and costs estimates of construction/ development (EPC), non-EPC, interest during construction and operations & maintenance cost estimates over the life of the Project;
 - Must cover the entire term of the proposed concession agreement;
 - Financial model must be properly constructed in a standard spreadsheet program such as MS Excel;
 - Inputs and assumptions may include:
 - Inflation, discount rate, and tax rates;
 - Construction data such as initial capital expenditures over the period;
 - Future capital expenditures, both maintenance and growth-related;
 - Residual value of capital assets at the end of the concession period, constituting a revenue of the Projects;
 - Funding levels and types such as equity, loans, bonds and subsidies or types of Islamic financing, if applicable;
 - Financial data such as the terms of the various financing instruments;
 - Recurrent operating and maintenance costs;
 - Recurring administrative costs;
 - Operating revenues with the underlying data such as demand forecasts and user charges;
 - Sheets with cash flow statement, profit and loss account and balance sheet of the Projects company;
 - Results and summary sheets demonstrating the impact of different assumptions on the Project's cash flow. The results should be presented in the form of the following financial indicators (at least):
 - Project internal rate of return (IRR);
 - Equity IRR;
 - Debt service cover ratio, which shows the project company's ability to repay debt;
 - from its annual cash flow;
 - Loan life cover ratio, which shows the project company's ability to accommodate;
 - an occasional shortfall of cash;
 - Other applicable/ relevant ratios or indicators
 - The Consultant should prepare a manual so that the model can be used throughout the PPP process to continually assess the impact

- of different pricing, financing, and service scenarios, update or confirm decisions about Project structure; and
- The financial model should allow sensitivities and scenario analysis based on various parameters.

V. Options Analysis

- PPP Options Analysis
 - List all reasonable options available, including alternative to the PPP model if found viable for the Project's implementation;
 - Evaluate the advantages and disadvantages of each option, together with its risks, benefits and potential impacts for each option;
 - Assess which options are likely to attract private sector investment;
 - Recommend the preferred option with its impact on the financial and commercial viability, financial model and transaction structuring;
- Project Risks:
 - Identify the project risks;
 - Make assessment of each risk;
 - Allocation of each risk to the party that can best able to manage it;
 - Develop risk matrix;
 - Comment on project viability under PPP modality;
- Economic Analysis:
 - Thorough analysis of the viability of the proposed Projects including a complete economic analysis, identifying economic risks associated with the Projects and undertaking sensitivity and risk analysis;
 - Value for Money analysis based on public sector comparator model;
 - Comprehensive economic cost benefit analysis,
 - Identify contingent costs and risks;
 - Economic IRR;
 - Economic NPV;
 - Sensitivity and scenario analysis with impact on payback and IRR.
- Demand-Supply Analysis
 - Conduct demand and affordability analysis.
- Legal and Regulatory Assessment (in case of further additions only)
 - The Consultant shall review laws, policies, rules and regulations related to forests, environment, climate change, carbon regimes and ascertain what laws, rules, regulations will be involved in the Projects implementation;
 - What kind of district, provincial, and federal approvals will be required in the Projects implementation;
 - Prepare draft bills, rules and regulations or any amendments in existing laws, rules, and regulations, if required for implementation of the Project;

- Identify sector institutions and government entities relating to the Project.

VI. Unsolicited Proposal Detailed Review¹:

- Review of USP documentation
 - Assist in reviewing and confirming that the USP documents (including head of terms and risk allocation), developed by the USP Developer, are an appropriate starting point for Project and generally conform to the risk allocation contemplated in regional and global precedents. Review to include a summary of technical issues which might impede the implementation of the Project based on the USP documentation or the bankability of the Project, along with proposed solutions;
 - Recommend specific amendments and/ or adjustments to the USP Developer Project documentation to be used for the Project. In case the Project documentation does not conform to the bankable global standards, then the Consultant will develop the head of terms and Project Agreements based on regional/ global precedents following the applicable laws.
- Review and Coordinate the USP submission:
 - Based on the USP preliminary evaluation, provide feedback to USP Developer for deal breaker/ red flag items;
 - Based on transaction structure, risk allocation and other due diligence parameters (as per the Project's scope of work), the Consultant will develop a detailed response/ report ('**USP Feedback Report**') for the USP Developer;
 - Review the revised submission of the USP Developer based on the USP Feedback Report (if submitted or applicable). Review to include (but not limited to) deviation from expected bankable transaction structure and requirements under the regulation for USP.

Note: Under Phase I, the Consultant shall be responsible for undertaking all related surveys needed for preparation of feasibility study reports. In addition, the Consultant shall be responsible for preparing and delivering presentations before the PPP Policy Board or Technical & Financial Evaluation Committee (TFEC) or any other forum for seeking approvals or inputs as required during the Assignment.

4.2. Phase II – Bid Management: If the Procuring Agency decides to proceed with Phase II, the Consultant shall require performing functions including, but not limited to, the following:

4.2.1 Marketing and Bidding Document: The Consultant shall be required to:

¹ The Consultant may carry out the USP detailed review at any stage or in parallel with other activities of Phase-1, subject to the Project's USP legal viability assessment as accepted by the Procuring Agency and its Technical Committee.

- I. Develop a marketing and communication strategy for the Project to sensitize potential investors and other project stakeholders;
- II. Sensitize potential investors, operators and financiers for the Project and seek their feedback for incorporation in the Project structures;
- III. Seek investor interest/ feedback on the Project prior to the launch of official solicitation;
- IV. Arrange investor conferences/ road shows and visits to market the Project;
- V. Assist the Procuring Agency in establishing a data room which will include all the relevant documents and information on the Project for investors' due diligence;
- VI. Provide input on marketing documents and support in marketing efforts;
- VII. Devise quantitative and qualitative KPIs along with deduction mechanism;
- VIII. Preparing bidding documents, including RFQ (if applicable or found suitable) and RFP, concession agreement, Provincial Support Agreement and direct agreement and any other agreements required for the Project in compliance with the procurement laws, regulations, policy and international best practice;
- IX. Develop and finalize evaluation criteria and the terms of the bid documents;
- X. Assist the Procuring Agency in the preparation, population, hosting, and management of an online data room to facilitate bidders' due diligence, including by drafting procedures governing the use of the data room.

4.2.2 Bidding Process: The Consultant shall require to assist Procuring Agency:

- I. Prepare annual procurement plans;
- II. Prepare responses to the prospective bidders' queries;
- III. Attend and respond to the prospective bidders' queries at pre-bid meetings as and when scheduled by the Procuring Agency;
- IV. Amend the bidding documents to reflect material issues raised by bidders and accepted by the Procuring Agency and other stakeholders prior to the deadline for bids submission the applicable laws, rules and regulations;
- V. Assist the Procuring Agency and its TFEC during the bid evaluation (including analysis of any amendments to the Project documents proposed by bidders and the legal and financial proposals of qualified bidders) and preparing the evaluation reports;
- VI. Update cost estimates concerning the Project, taking into account the impact of inflation and other factors (based on the rates prevailing 28 days prior to the bids submission date) during the bid evaluation stage;
- VII. Prepare and deliver presentations on bid evaluation outcomes to the TFEC and other authorities (if needed) for necessary approvals;
- VIII. Assist the Procuring Agency in the issuance of a letter of award/ acceptance to the preferred bidder against the Proposed Concessions;
- IX. Advice on bid-related correspondence with bidders during the entire bidding process relating to the Project.

4.3. Phase III – Transactions Negotiations & Financial Closure: This phase shall include, but not be limited to, the following:

4.3.1 Transaction Negotiation & Financial Closure

- I. Support in negotiations and finalization of the Project agreements between the Procuring Agency, other stakeholders and the winning bidders/ SPVs;
- II. Assist the Procuring Agency in the execution of Project agreements with the winning bidders and ensure that all pre-conditions and requirements set forth in bidding documents and applicable legislation are compiled by the winning bidders/ SPVs;
- III. Coordinate with Procuring Agency in correspondence with various stakeholders and managing various processes with other members throughout the transaction and facilitate the post-bid process in the award of the Project;
- IV. Draft and negotiate further project agreements, including but not limited to independent engineer agreements, independent auditor agreements, project site license agreements, annuity agreements, shareholding agreements, if required, equity funding & utilization agreements, price escalation agreements, concession direct agreement and escrow agreements;
- V. Provide legal opinion to the Procuring Agency on any matter relating to the Project during the Assignment's entire course of the Contract;
- VI. Advise the Procuring Agency on an ongoing basis to ensure compliance with applicable procurement and other laws, rules and regulations throughout the bidding process and on any legal issues which may arise.

4.3.2 Financial Closure

- I. Review and provide feedback on the draft financing term sheet and assess compliance with the Concession Agreement and other procurement parameters of the Project in the financing term sheet;
- II. Review and finalize concession direct agreement;
- III. Review and provide feedback on the fulfilment of CPs of the concession agreement and those related to financial close;
- IV. Assist the Government in achieving financial close;

NOTE: *The Bidder shall be required to provide the Services to the Procuring Agency for the Project's Proposed Concession. At any stage or during any phase given above, the legal, technical, and financial consultants being members of the Consortium, on request of the Procuring Agency, shall require furnishing legal, technical, and financial opinions or assistance on any matter (including litigation)/ document/ agreement with regards to the Project. The internal coordination of the Consortium shall be the sole responsibility of the Lead Member.*

After the Contract's execution, the Bidder shall submit a softcopy of the report using the standardized reporting template provided by the Procuring Agency via emails. The Bidder shall submit such a report to the Procuring Agency at the start of each month showcasing the detailed description of the tasks planned, completed, challenges, recommendations, etc., for record purposes. The Procuring Agency will

check the Bidder's compliance with this reporting requirement before releasing each payment.

5. ASSIGNMENT DELIVERABLES & PAYMENT SCHEDULE

The Consultant shall achieve the Assignment's milestones and deliverables in three phases within a cumulative duration of fourteen (14) months, effective from the Contract signing expected in the second week of March 2024. The first phase will begin as soon as possible and will be completed within four (4) months, following the Agreement's signing. **The Assignment's proposed implementation schedule with indicative deliverables under all the phases is tabulated below:**

Sr. #	Deliverable	Timelines	Payment ²
5.1	Phase I – Transaction Preparation (T1 = Effective from the Contract Signing Date)		
5.1.1	Inception Report	T1 + ½ Month	5%
5.1.2	USP Preliminary Review Report	T1 + 1½ Months	5%
5.1.3	Technical Due Diligence <ul style="list-style-type: none"> • Institutional & Legal Assessment Report • Land Acquisition Report • Environment Social Impact Assessment • Economic Financial Viability Assessment • PPP Option Analysis with Risk Matrix • Market Viability Assessment 	T1 + 3½ Months	40%
		<u>(7% after each milestone is completed, except the last milestone of market viability assessment, at which the 5% will be released)</u>	
5.1.4	USP Detailed Review	T1 + 4 Months	5%
5.1.5	Transaction Structure & Approval	T1 + 4 Months	5%
5.2	Phase II – Bid Management (T2 = Effective from Transaction Structure & Approval)		
5.2.1	Marketing and Submission of Bidding Packages (Proposed Packages)	T2 + 1 Month	10%
5.2.2	Submission of Bid Evaluation Reports	T2 + 3½ Months	5%
5.2.3	Issuance of Letters for Award of Contracts	T2 + 4 Months	5%
5.3	Phase III – Transaction Negotiation(s) & Financial Closure(s) (T3 = Effective from the Issuance of Letters for Award of Contracts)		
5.3.1	Transaction negotiation and signing of Concession(s)	T3 + 1 Month	10%
5.3.2	Financial Closure(s)	T3 + 6 Months	10%
Total Contract Duration		14 Months	100%

NOTE: In case the Project is found unviable or unfeasible, considering either USP or standalone basis, during the USP Preliminary Review Report, as ascertained by the Consultant or decided by the Procuring Agency, then the Procuring Agency in such a case shall release the Consultant 15% of the Contract Price by terminating the Assignment's Contract. The Procuring Agency shall not offer any mobilization advance to the Consultant. The Procuring Agency shall ensure to release the payments to the Bidder (in case of the Consortium, the Consortium respective member) within thirty (30) Days following the payment schedule mentioned above subject to the satisfactory completion of the respective milestones for the Project as verified and recommended by the Procuring Agency's authorized representative(s).

² Payment schedule is mentioned as a percentage (%) of the total Contract Price

6. ASSIGNMENT RFP INQUIRIES/ CLARIFICATION

Requests for clarification shall always be made in writing at least five (5) calendar days prior to the date of opening of bids and must be addressed or sent via mail or fascimile and e-mail **(both)** mentioned below:

Attention: Executive Engineer (Civil)

Address: Sukkur Municipal Corporation Sukkur

Phone: +92 71 931037

Email: ppp.fsta@gmail.com; smc.sukkur786@gmail.com

7. RELEVANT INFORMATION

For more information relating to the Bidding Process, **please keep visiting the websites:** www.smc.gos.pk/ and <https://www.pppunitsindh.gov.pk/>.



**GOVERNMENT OF SINDH
SUKKUR MUNICIPAL CORPORATION**



**FEASIBILITY STUDY AND TRANSACTION ADVISORY SERVICES
REHABILITATION AND DEVELOPMENT OF WATER DISTRIBUTION SYSTEM IN SUKKUR
UNDER PUBLIC PRIVATE PARTNERSHIP MODE**

RESPONSE DOCUMENT NO. I

29th December 2023

Address: Executive Engineer (Civil), Sukkur Municipal Corporation, Sukkur.

Website: <https://smc.gos.pk/> **E-mail:** ppp.fsta@gmail.com; smc.sukkur786@gmail.com

Telephone: +92 71 9310307

Fax: +92 71 9310307

IMPORTANT NOTICE

The responses to prospective bidders' queries document dated 29th December 2023 ('**Response Document No. I**') is in furtherance to requests for queries/ clarifications received from the prospective bidders in respect of Bidding Process relating to the feasibility study and transaction advisory services for rehabilitation and development of water distribution system in Sukkur under public-private partnership mode ('**Assignment**'), being conducted pursuant to the Request for Proposal document dated 24th November 2023 ('**RFP Document**') floated by Sukkur Municipal Corporation, Government of Sindh ('**Procuring Agency**') following the Sindh Public Procurement Rules, 2010 ('**SPP Rules**').

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

This Response Document No. I is being circulated by the Procuring Agency, subsequent to the consultant selection committee's approval, in pursuance of the Instructions to Consultant (ITC) Clause 10.1 of the RFP Document. Neither any of these entities nor their employees, personnel, or agents make any representation (expressed or implied) or warranties as to the accuracy or completeness of the information contained herein or in any other document made available in connection with the Assignment's Bidding Process, and the same shall have no liability for this RFP Document or any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of Proposals. Neither any of these entities nor their employees, personnel, agents, consultants, advisors, contractors, etc., will be liable to reimburse or compensate the recipient any costs, fees, damages, or expenses incurred by the recipient in evaluating or acting upon the RFP Document or otherwise in connection with the Assignment as contemplated herein.

The Bids submitted in response to the RFP Document by any of the Bidders shall be upon the full understanding and agreement of all terms of the RFP Document, Addendum Document, and Response Document ('**RFP Documents**') and such submission shall be deemed as an acceptance to all the terms and conditions stated in the RFP Documents. Any Bid submitted by a Bidder in response to the RFP Documents shall be construed based on the understanding that the Bidder has done a complete and careful examination of the RFP Documents and has independently verified all the information received (whether written or verbal) from the Procuring Agency (including from its employees, personnel, agents, Consultants, advisors, and contractors, etc.).

This Response Document is not an agreement; its sole purpose is to provide interested bidders with information that may be useful in preparing their Bids or Proposals. The Procuring Agency reserves its right, in its full discretion, to modify the RFP Documents and/ or the Assignment at any time to the fullest extent permitted by law and shall not be liable to reimburse or compensate the recipient for any costs, taxes, expenses or damages incurred by the recipient in such an event.

RESPONSE DOCUMENT NO. I

SR.	RFP REFERENCE	PROSPECTIVE BIDDER'S QUERY/ COMMENT	PROCURING AGENCY'S RESPONSE/ CLARIFICATION
SECTION II – INSTRUCTIONS TO CONSULTANTS (ITC)/ BID DATA SHEET (BDS)			
1.	ITC BDS Clause 16.4	The Bids Submission Deadline may be extended for two (2) weeks.	The Procuring Agency has extended the Bids Submission Deadline to 17 th January 2024. For further details, refer to Addendum No. I.
2.	ITC BDS Clauses 18.1, 13.1, 6.1 & 2.2	<p><i>Eligibility Criteria (Mandatory Documents): ix. Qualification record indicating contracts scope and references proving completion of the requisite number of contract(s) in the <u>last ten (10) years</u>;</i></p> <p>It is highlighted that the technical evaluation criteria provided within the RFP allow for work experience covering the last fifteen (15) years. The appropriate amendments may be made to the reproduced extract to reflect the fifteen (15) years' time frame.</p>	The relevant changes incorporated in the RFP Documents. For further details, please refer to the Addendum Document No. I dated 29 th December 2023.
3.	ITC BDS Clause 18.1	Relevant Experience: The requirement for legal members/ consultants under Section 1.2.4 of the Technical Evaluation Criteria may be omitted, and the legal members/ consultants be evaluated based on their experience providing legal advisory on infrastructure PPP projects.	The referred criterion is not mandatory for bidders to be eligible/ qualify; it is incorporated as part of the evaluation criteria to give due consideration to the quality of the Technical Proposal that is permissible under the SPP Rules. This criterion has been further amended with the flexibility to meet any of the given conditions by the Bidder (in the case of a Consortium, legal or financial member) to attain the points. For further details,

			please refer to the Addendum Document No. I dated 29 th December 2023.
4.	ITC BDS Clause 18.1	Key Professional Staff: Only two key experts are proposed to prepare ESIA and LARP. However, designing these studies requires experts comprising environmental engineers, ecologists, HSE experts, sociologists, GIS experts, general specialist RAP experts, etc., who should be considered non-key experts.	The Bidder's Key Professional Staff listed in the RFP shall lead, oversee, and manage the Assignment's activities. Further, the Bidder shall be liable to engage all the secretarial and non-key staff members to achieve the Assignment's milestones on time.
SECTION V – TERMS OF REFERENCE			
5.	Project Background	<p><i>Replacement of the old water mains and secondary water supply distribution network with new ones (along with flow meters) to ensure efficient water supply to the end consumers, etc.</i></p> <p>Please provide a Project area map along with the length of networks (main supply and distribution network).</p>	The Project area map is annexed with the Addendum Document No. I dated 29 th December 2023.
6.	Project Background	<p><i>Rehabilitation of existing water treatment plants with a cumulative capacity of 7.5 MGD at Numaish Gah and Bunder Road with a total of 2.5 MGD and 5 MGD, respectively;</i></p> <p>Please provide the number of existing water treatment plants.</p>	As mentioned in the RFP, there are two (2) water treatment plants located at Numaishgah (2.5 MGD) and Bunder Road (5.0 MGD).
7.	Project Background	It is highlighted that the proposed Project comprises various components/ subprojects, which include rehabilitation of existing water	The Bidder is required to identify the exact number of ESIA and LARP studies during the feasibility stage (preliminary design) for the

		<p>treatment plants, establishment of three (3) new water treatment plants, establishment of advanced filtration beds, construction of settlement tanks, construction of new overhead tanks, comprehensive restoration of roads and pavers, and replacement of the old water mains and secondary water supply distribution network with the new ones.</p> <p>The number of ESIA and LARP studies that need to be conducted should be clearly mentioned for these components/ subprojects.</p>	<p>Project's preparation as per the applicable laws.</p> <p>For further clarity, the Bidder may visit the proposed Project's site to check and confirm the existing facilities condition by submitting a request to the Procuring Agency via the email address provided in the RFP Document.</p>
8.	Assignment Scope 4.1 Phase I – Transaction Preparation	<p><i>Given the Consultant's report, the Procuring Agency's Technical Committee shall review it and offer its recommendations on the USP's viability to proceed ahead with a detailed study or assessment of the Project, which shall require the Consultant to conduct or re-assess baseline surveys/ studies, review the existing and previous relevant studies, prepare a conceptual plan while conducting feasibility assessment, develop & evaluate/ prioritize various options to achieve objectives of Project and <u>to provide a clear cut way forward to the Government, with regard to master planning, institutional arrangement, transaction structure, financial viability and socio-economic & environmental viability of the proposed development.</u></i></p> <p>Further to submission of the relevant deliverables in accordance with the Terms of</p>	<p>The Bidder may provide such multiple options, prioritizing each with pros and cons, during the Assignment's feasibility stage for further consideration by the Procuring Agency.</p>

		Reference, including inter alia, the relevant feasibility studies, the Consultants shall provide options for the Procuring Agency rather than recommending a specific way forward. Any act or decision of any person, including the Procuring Agency, taken based on the information, discussions, comments, analysis, and observations and/ or proposals provided by the Consultants shall be considered as independent acts and decisions of such person.	
9.	Assignment Scope 4.1 Phase I – Transaction Preparation	<p><i>Consultants shall collect relevant data from all concerned departments, other relevant authorities, utility agencies, records of ongoing litigations, and other relevant/ pertinent information which may become useable in later stages of the work.</i></p> <p>Consultants may provide the Procuring Agency with a list of required documentation, and it shall be the Procuring Agency's responsibility to collect data and provide it to Consultants. Since data collection requires sourcing the same from third parties, Consultants cannot be expected to perform such a function.</p> <p>The appropriate amendments may be made to the reproduced extract</p>	The Procuring Agency shall ensure the provision and accessibility of information/ documents, as readily available or in possession of the Procuring Agency, to the Bidder in terms of the RFP Document's ITC Clause 2.5. The information required for collection from other departments or agencies as part of the Assignment's scope shall be the responsibility of the Bidder; nevertheless, the Procuring Agency will endeavor to extend the necessary reasonable support to the Bidder during such data collection from the relevant department/ agencies.
10.	Assignment Scope 4.1 Phase I – Transaction	<i>Based on the acquired data, prepare a detailed master plan and PPP project proposal with the most preferred option for undertaking the Project</i>	The Bidder shall prepare the preliminary design after completing the feasibility study as part of the Assignment's scope in accordance with the

	Preparation	<p><i>(Page # 70) and carry out preliminary and detailed engineering design of the most suitable treatment technology (Page # 72);</i></p> <p>The title shows that the scope of work is related to a "Feasibility Study". Please clarify the actual requirements of work under this TOR.</p>	applicable laws.
11.	Assignment Scope 4.1 Phase I – Transaction Preparation	<p><i>4.1.3 – Technical Feasibility Study (II. Environmental and Social Impact Assessment): Before commencing the ESIA study, the Consultant shall conduct the screening and categorization of the Project (by using ADB's standard Rapid Environment Assessment (REA), Indigenous People (IP), and Involuntary Resettlement (IR) checklists) to ascertain the environmental category and subsequent environmental study that needs to be conducted to fulfill the ADB and/or other applicable International Financial Institutions (IFI) standards. The ESIA study needs to be carried out by the Consultant with the scope of activities...</i></p> <p>It needs to be confirmed that environmental approval/ NOC from the Sindh Environmental Protection Agency is not the Consultant's responsibility; hence, it will be managed by the Client/ Procuring Agency.</p>	The Bidder shall inter alia be responsible for getting the required approval(s)/ NOC(s) from SEPA and other authorities as required for the Project's preparation in accordance with the Sindh Public Private Partnership Act, 2010. The Procuring Agency will endeavor to extend the necessary reasonable support to the Bidder to get such approvals for the Project's preparation.
12.	Assignment Scope 4.1 Phase I –	<p><i>4.1.3 – Technical Feasibility Study (III. Land Acquisition and Resettlement Plan): Prepare a</i></p>	The Bidder shall be required to arrange and conduct field surveys, including visits or meetings

	Transaction Preparation	<p><i>detailed land acquisition plan, including the scope of land acquisition; description of land ownership and availability; <u>discussion of legal issues (if any)</u>; implementation schedule and procedure for land acquisition, and cost estimates.</i></p> <p>It may be noted that the legal advisor shall only assist the technical advisor in preparing the land acquisition and resettlement plan by conducting a desktop review of the land documentation provided by the procuring agency/ technical advisor in relation to the Project. Please confirm.</p>	<p>with the Government's other departments or offices or the Project's stakeholders, to review and confirm the land-related record and prepare land acquisition folders along with a detailed compensation plan as part of the Assignment's scope.</p> <p>The Bidder (in the case of a Consortium only) shall delineate the Assignment's duties, responsibilities, and scope of work to be undertaken by each member in the Consortium Agreement in terms of the RFP Document's ITC Clauses 13.1(a), 1.1(n) & 1.1(bb), which shall form the Bid part in terms of the applicable laws. Please note that the Consortium members shall be severally liable to the Procuring Agency for the performance of the services.</p>
13.	Assignment Scope 4.1 Phase I – Transaction Preparation	<p><i>4.1.3 – Technical Feasibility Study (IV. Financial Viability Assessment): Explain the rationale and form of <u>viability gap funding</u> (if any);</i></p> <p>It may be noted that under the second proviso to Section 22(1) of the Sindh Public Private Partnership Act, 2010, “no support from Viability Gap Fund shall be provided to any new projects after December 31, 2021”. The underlined language may be rephrased to “financial support”.</p>	<p>The form of viability gap funding denotes here the essence of balanced financing or other support required from the Government to ensure the Project's viability and value for money, which the Bidder shall assess and recommend while considering the risks, rewards, and other associated factors as part of the Project's preparation to achieve the intended objectives.</p>
14.	Assignment Scope 4.1 Phase I –	<p><i>4.1.3 – Technical Feasibility Study (VI. Unsolicited Proposal Detailed Review): In case</i></p>	<p>The Bidder shall submit the Project's draft bidding documents, including the RFQ, to the Procuring</p>

	Transaction Preparation; and 4.2 Phase II – Bid Management	<p><i>the Project documentation does not conform to the bankable global standards, then the <u>Consultant will develop the head of terms and Project Agreements</u> based on regional/ global precedents following the applicable laws;</i></p> <p><i>4.1.2 – Marketing and Bidding Document: <u>Preparing bidding documents, including RFQ (if applicable or found suitable) and RFP, concession agreement, Provincial Support Agreement and direct agreement and any other agreements required for the Project in compliance with the procurement laws, regulations, policy and international best practice.</u></i></p> <p>Given the sequential nature of the work to be undertaken as per the Terms of Reference, there appears to be significant overlap in relation to the drafting of bidding documents/ Project documentation between Phase I and Phase II. Kindly clarify</p>	<p>Agency at the Assignment’s second phase as mentioned in the RFP Document (refer to the Assignment’s deliverables and payment schedule).</p> <p>The rationale requiring the Bidder to review the Project’s documentation (head of terms and agreements submitted by the USP Developer) during the first phase is to check and confirm the document aligns with the applicable legal and the best practices/ standards/ precedents prevailing at regional/ global level; and in the case of any amendments required in it, seek the USP Developer’s consent for such a change before proceeding to the Assignment’s next phase.</p>
15.	Assignment Scope 4.1 Phase I – Transaction	<p><i>4.1.3 – Technical Feasibility Study (VI. Unsolicited Proposal Detailed Review) - Footnote: The Consultant may carry out the USP detailed review at any stage or in parallel with other activities of Phase I, subject to the <u>Project’s USP legal viability assessment</u> as accepted by the Procuring Agency and its Technical Committee.</i></p>	<p>The USP’s detailed review encompasses assessing the proposed Project’s need analysis, data verification, proposed modality and other arrangements, risks, rewards, etc., where the Bidder has the flexibility to develop its plan and methodology. However, the Bidder shall conduct the Project’s USP legal viability assessment at the initial stage of Phase I to achieve the milestone of “USP Preliminary Review Report”.</p>

		Since the legal viability assessment is to be included within the USP Preliminary Review Report to be submitted to the procuring agency for review, it is requested to replace the underlined language with “ <i>USP Preliminary Review Report</i> ”.	
16.	Assignment Scope 4.2 Phase II – Bid Management	<p><i>4.2.1 – Marketing and Bidding Document: Assist the Procuring Agency in <u>establishing a data room</u> which will include all the relevant documents and information on the Project for investors’ due diligence.</i></p> <p>It is requested to clarify the scope of ‘establishing a data room’ and what documents may be required for such purposes.</p>	The Procuring Agency will establish a web-based data room to publish the documents that may be required or valuable for the bidders during the Project’s procurement or investor’s solicitation stage. The Procuring Agency, in consultation with the Bidder, will decide the exact nature of such documents for disclosure and terms & conditions to access those documents during Phase II of the Assignment.
17.	Assignment Scope 4.2 Phase II – Bid Management	<p><i>4.2.2 – Bidding Process: Prepare annual procurement plans;</i></p> <p>It is requested to clarify the scope of such a deliverable. Additionally, it is our understanding that the terms of reference only include undertaking the bidding process once. Please confirm.</p>	<p>The procurement plan covering the Project’s procurement procedure, estimated cost, and timelines will be prepared/ updated only once using the SPPRA’s standardized template for public disclosure in terms of the SPP Rules.</p> <p>The Bidder shall be responsible for undertaking the Project’s entire bidding process, including the procurement launch to the concession signing with the preferred bidder and performing other tasks satisfactorily as part of Assignment’s scope.</p>
18.	Assignment Scope 4.3 Phase III – Transaction	<i>4.3.1 – Transaction Negotiation & Financial Closure: Assist the Procuring Agency in the execution of Project agreements with the</i>	No change.

	Negotiations & Financial Closure	<p><i>winning bidders and <u>ensure that all pre-conditions and requirements set forth in bidding documents and applicable legislation are compiled by the winning bidder/ SPV;</u></i></p> <p>Consultants cannot be expected to enforce/ ensure compliance of the winning bidder/ SPV with requirements set out in the bidding documents. Procuring agency to confirm that assistance from the Consultants in this regard shall be limited to a purely advisory role only.</p>	
19.	Assignment Scope 4.3 Phase III – Transaction Negotiations & Financial Closure	<p><i>4.3.1 – Transaction Negotiation & Financial Closure: Draft and negotiate further project agreements, including but not limited to independent engineer agreements, independent auditor agreements, project site license agreements, annuity agreements, <u>shareholding agreements</u>, equity funding & utilization agreements, price escalation agreements, concession direct agreement and escrow agreements;</i></p> <p>It may be noted that as per precedent transactions, if an equity funding & utilization agreement is to be executed, there may not be a need to draft/ execute a separate shareholding agreement, to avoid any overlap. The appropriate amendments may be made to the reproduced extract.</p>	The relevant changes incorporated in the RFP Documents. For further details, please refer to the Addendum Document No. I dated 29 th December 2023.

20.	Assignment Scope 4.3 Phase III – Transaction Negotiations & Financial Closure	<p><i>4.3.1 – Transaction Negotiation & Financial Closure: Provide legal opinion to the Procuring Agency <u>on any matter</u> relating to the Project during the Assignment’s entire course of the Contract;</i></p> <p>The Procuring Agency requested to restrict ambit of legal opinion(s) to be sought to solely transactional advisory matters related to the bidding process, award of the contract and legal matters related to fulfilment of conditions precedent in respect of the concession agreement.</p>	The Bidder shall be responsible for furnishing financial, technical, and legal opinion(s) relating to the proposed Project only as and when required to the Procuring Agency or TFEC or any other forum during the Assignment’s Contract duration.
21.	Assignment Scope	<p><i>NOTE: The Bidder shall be required to provide the Services to the Procuring Agency for the Project’s Proposed Concession. At any stage or during any phase given above, the legal, technical, and financial consultants being members of the Consortium, on request of the Procuring Agency, shall require furnishing legal, technical, and financial opinions or assistance on any matter (<u>including litigation</u>)/ document/ agreement with regards to the Project. The internal coordination of the Consortium shall be the sole responsibility of the Lead Member.</i></p> <p>The scope of work may be limited to the deliverables assigned to each respective advisor and generic references to “any matter (including litigation)/ document/ agreement with regards to the Project” should be removed in order to</p>	<p>No change.</p> <p>As far as litigation matters are concerned, the Bidder is expected to provide its reasonable assistance to the Procuring Agency in relation to the Project’s related litigation matters (ongoing and arising), including reviewing and drafting comments/ replies, ancillary documents, and provide feedback on similar nature of documents in relation to the extent of the Project.</p>

		<p>ensure clarity on the scope required, leading to rationalized and competitive financial bids.</p> <p>Further, kindly: i) clarify the extent of assistance required for litigation matters; and ii) whether such assistance shall be required for ongoing litigation only or is expected to cover all potential litigation for the duration of the Consultants' engagement. In both cases (i) and (ii) above, it is assumed that litigation support shall be on a purely advisory basis and that any appearance in court, tribunal or any other forum shall constitute a separate engagement for the legal consultants. Please confirm this understanding.</p>	
22.	Assignment Deliverables & Payment Schedule	The duration of the Project's technical due diligence is 3.5 months. The time duration to complete this task is very short, which may be extended.	No change.
23.	Assignment Deliverables & Payment Schedule	<p><i>5.1.3 – Technical Due Diligence - 40% (10% at each milestone)</i></p> <ul style="list-style-type: none"> • <i>Institutional & Legal Assessment Report</i> • <i>Land Acquisition Report</i> • <i>Environment & Social Impact Assessment</i> • <i>Economic Financial Viability Assessment</i> • <i>PPP Option Analysis with Risk Matrix</i> • <i>Market Viability Assessment</i> <p>It is highlighted that under the Technical Due Diligence deliverable in the payment schedule,</p>	The relevant changes incorporated in the RFP Documents. For further details, please refer to the Addendum Document No. I dated 29 th December 2023.

		total milestones are stated to be six (6) in total, hence the stated payment percentage per milestone may be amended accordingly to reflect the same.	
GENERAL QUERIES			
24.	General	What kind of existing resources and datasets (maps, layout plans, drawings, work plans, etc.) are available with the Procuring Agency, and are they updated?	The minimum data sets (maps, layouts, drawings, reports, etc.) as readily available with the Procuring Agency will be shared with the Bidder in terms of the RFP Document's ITC Clause 2.5.
25.	General	Request inventory for the mapping of existing situation of infrastructure (datasets like pipelines, valves, water network, etc.).	Refer to the response at Sr. # 5.
26.	General	Is the GIS base map available with the Procuring Agency, or is a satellite image required to be purchased? Do they have geocoded available AOI maps, or are field surveys required for lat/ longs?	The Bidder shall be required to conduct the field surveys.
27.	General	The total project area is required for drone or conventional topographic survey.	The total project area is approximately 300 sq.km.
28.	General	The scope of work for geotechnical investigations/ soil investigation studies has yet to be mentioned in the TORs. Please clarify the scope of geotechnical investigations/ soil investigation studies.	Geotechnical investigations shall be required for pile work of filter plants, construction of tanks and new overhead tanks, and other works that proposed by the USP Developer or proposed by the Bidder during the Project's feasibility stage in accordance with the TORs.

29.	General	Details of various structures to be constructed have not been elaborated in the TORs. Please clarify the type and number of structures. Some structures/ facilities proposed by the USP Developer have been listed in the TORs. Should we consider the listed structure for the preparation of the proposal?	The type and number of structures are typical for filter plants, tanks, etc.
30.	General	Please clarify whether the rehabilitation of existing transmission/ main water supply lines carrying water from the Indus River to the existing treatment plants is included in the scope of work. Kindly provide the details of the existing transmission/ main water supply lines (length lines with diameter and material types).	Such transmission main pipeline has recently been done, and no major rehabilitation is foreseen except for any change occurring due to the water distribution existing pipeline capacity constraints identified by the Bidder during the feasibility stage.
31.	General	Key Professional List: The key positions, Geotechnical Expert/ GIS Expert, are two different key staff specialties and should be separated according to their roles in the Assignment. The Geotechnical Experts are responsible for executing geotechnical investigations of the projects.	Please refer to the Addendum Document No. I dated 29 th December 2023.