

Build, Operate and Maintain the Water Supply and Sewerage System of Shimla City, Himachal Pradesh (India) on Public Private Partnership (PPP) Mode

**Clarifications to the Queries Raised By the Prospective Bidders during the Pre-Bid Meeting
Addendum-4 to the RFP Document**

S.No.	Reference Clause	Query	SMC's Response
1	RFP, Calculation of Volumetric Rate	The authority is requested to provide an example for calculation of volumetric rate for Nth year	<p>Assuming the following values for the parameters in the given formula:</p> <ul style="list-style-type: none"> • R0 - INR 15 per kilolitre • Vbc0 - 35000 kilo litre • Vbcn - 40000 kilo litre • E0 - INR 30 lakh • En - INR 32 lakh • T0 - INR 3.15 per unit • Tn - INR 3.20 per unit • WPIO (All commodities, Monthly Average Apr 2012)- 152.1 • WPIIn (All commodities, Monthly Average Apr 2013) - 163.5 <p>Based on these values, the Volumetric Rate for the N th year (Rn) is arrived at as INR 19.23 per kilolitre.</p> $R_n = 15*(0.4+0.6*163.5/152.1)+(3000000/35000-(3200000/40000)*(3.15/3.20))*0.5$ <p>It must be noted that if $(E(0)/Vbc0 - En/Vbcn *To/Tn)$ is less than 0 (zero) then</p> $R_N = R_{(0)}*(0.4+0.6* WPI_{(N)}/WPI_{(0)}) + (E_{(0)}/Vbc0 - En/Vbcn *To/Tn)$

S.No.	Reference Clause	Query	SMC's Response
2	3.1.2, The Agreement	The authority is requested to clarify the status of employees of SMC who will not be absorbed by the concessionaire	The services of SMC / I&PH employees during operation period will be subject to the options offered by these employees to serve in the project operation. In that case, it will be mandatory for the concessionaire to bear all the cost and expenses of the employees as assigned by the Authority.
3	4.1.2, Condition Precedent	The authority is requested to compensate the concessionaire for increase in project cost on account of its delay in achieving the condition precedent. The base cost for the concessionaire should be those provided by the concessionaire in its DPR. The cost escalation to be reimbursed to the concessionaire to be independently validated by the independent engineer.	No Change
4	7.2, Representation and warranties of the authorities	Please insert the following clause - "Authority represents that all debt and liabilities are known at the same time of the appointed date or have materialized on account of events that have prior to the appointed or are directly attributable due to the acts of the authority will be paid by the authority."	All the debt to the authority, which is reflected in Authorities financial statements, up till the appointed date shall not be transferred to the concessionaire. All the expense incurred by the authority till the Appointed date shall be paid by the authority and shall not be transferred to the Concessionaire as liability on the SPVs books. All the bills raised by the authority in lieu of water charges till the appointed date shall not come in the receivables of the project SPV. If the payment against such bills is realized post appointed date, that shall be submitted to Authorities account separately.
5	10.3.5, Procurement of the site	The Authority is requested to equate the quantum of damages to the escalation in capital costs on account of the delay receiving Right of Way. In respect of any land included in the appendix. The concessionaire will assess the escalation in the capital costs and submit the same to the independent engineer. The independent engineer certify the extent by which the capital costs have escalated on account of delay in provision of the Right of Way and the same be compensated by the authority	Damages will be calculated according the calculations mentioned in Clause 4.2.2 of the Draft Concession Agreement
6	10.3.6, Procurement of the Site	The authority is requested to clarify whether the cost of land acquired by the concessionaire will be compensated as per the mechanism specified in clause 15.3 payment for change of scope.	Yes, all payments with regards to Change of Scope shall be reimbursed as per clause 15.3

S.No.	Reference Clause	Query	SMC's Response
7.	14.2, Completion Certificate	<p>The authority is requested to specify the period within which the independent engineer should issue the Completion Certificate in the following manner, "Upon completion of construction works and the independent engineer determining the tests to be successful, it shall forthwith issue to the concessionaire and the authority a certificate substantially in the form set forth in Schedule-I (the "completion certificate") within 7 (seven) days of determining that the tests are successful."</p>	No Change
8.	14.3, Provisional Certificate	<p>The authority is also requested to insert the following clause in the Concession Agreement, "The independent engineer may, at the request of the Concessionaire, issue a provisional certificate of completion substantially in the form set forth in Schedule-I (the "Provisional Certificate") if the Tests are successful and the water supply and Sewerage System can be safely and reliably placed in commercial operation though certain works or things forming parts thereof are outstanding and not yet complete, within 7 (seven) days of determining that the tests are successful."</p>	No Change
9.	14.7, Damages for Delay	<p>We request the authority to modify Clause 14.7 in the following manner, "Subject to the provisions of Clause 12.3, if system upgradation is not achieved prior to the 91st (ninety first) day from the Scheduled Completion Date, unless the delay is on account of reasons solely attributable to the authority or due to Force Majeure, or on account of:</p> <ul style="list-style-type: none"> (a) Delay in the concessionaire receiving permits; (b) Delay in the shifting of utilities (such as gas pipes, telegraph poles etc.) impeding construction of the Works; (c) Non-provision or reduced provision of essential utilities for use as inputs in the project such as power and water; (d) Suspension of the works on the recommendation of the engineer as defined in clause 13.5; <p>Other than as specified above, the concessionaire shall pay damages to the authority in a sum calculated at the rate of 0.1% (zero point one percent) of the amount of Performance Security for delay of each day until system up gradation is achieved.</p>	<p>No Change. Authority will provide required support in getting necessary permits and essential utilities for the project.</p>

S.No.	Reference Clause	Query	SMC's Response
10.	16.11, Excuse from performance of obligations (inclusion of 'Water Shortage Period' in Clause 16.11)	<p>We request the authority to include "Water Shortage Period in Clause 16.11". Water shortage period being defined as. "A water shortage period shall commence when adequate quantity of raw water is not made available to the Operator at the inlet of intake works for reasons not attributable to the concessionaire and the commencement of period has been independently certified by the independent engineer. The concessionaire will be required to notify SMC and the independent engineer of the commencement of the water shortage period. The independent engineer based on its assessment of the situation will certify the existence of the water shortage period and proportionately reduce the performance obligations of the concessionaire. During the prevalence of the water shortage period, the concessionaire service fee payments will be set equal to the average monthly tariff.</p>	No Change
11.	22, Due Date for Payment of Service fee	<p>The authority is requested to insert Clause 22.5 which states,</p> <ul style="list-style-type: none"> a) The concessionaire will intimate the authority of service fee to be paid by way of an invoice. Each invoice shall be submitted within 10 days of the end of each month ("invoice period") beginning from end of the calendar month in which the completion certificate of Provisional Certificate is issued, as the case may be, occurs. b) The invoice shall contain the following details as specified in Schedule –K: Monthly Fee Statement c) SMC shall pay the invoice raised by the concessionaire within 15 (fifteen) days If the submission of the invoice. In the event SMC fails to pay an invoice within 30 (thirty) days of its submission, then the same shall be a SMC Event of default. 	<p>No Change. For further clarification please refer to Clause 24.3.1 of the Draft Concession Agreement</p>
12	24.4.4.1, Withdrawals upon Termination	<p>We request the Authority to modify this clause in the following manner, "Notwithstanding anything to the contrary contained in this Agreement, all amounts standing to the credit of the Escrow Account shall, upon Termination, be used for paying the concessionaire all amounts that have fallen due to the concessionaire, post such reimbursement the balance amount will be appropriated by the authority".</p>	<p>The Clause of the draft Concession Agreement shall be dealt as per clause 24.4.4.1 and 30.3.1 of the draft concession agreement.</p>

S.No.	Reference Clause	Query	SMC's Response
13	22, Service fee	We request the Authority to modify the formula used to calculate the Rn as below: $RN = R(0) * (a * CPI(N) / CPI(0) + b * WPI(N) / WPI(0)) + (E(0) / Vbco - En / Vbcn * To / Tn) * 0.5$ Where a = weightage for employee costs borne during the previous year, b = Weightage for O&M expenses like Maintenance, Consumables, and Administration borne during the previous year	No Change
14	Energy Charges	The Authority is requested to Clarify whether it will also reimburse the electricity costs incurred in the operation facilities such Bill collection Centres, Customer care centers, Concessionaire's Office at Shimla among others.	The electricity costs for the Concessionaire's facilities shall be completely born by the Concessionaire.
15	Calculation of Service Fee in the Nth year	We request the Authority to clarify whether the cost of raw water will be used for calculation of volumetric rate.	Please refer to Clause 22.4 of the Agreement
16	Meter, connection charges and repair costs thereof	We request the Authority to allow the cost of meter and connection charges to be collected from the users and paid to the Concessionaire. Any repair cost for meters should also be borne by the users. It is also requested to provide for a mechanism to escalate the cost of meter and connection charges. We suggest that Concessionaire propose the revised cost and post approval by the Independent Engineer, the cost is applicable from 1 st of April every year.	For this Project, the Concessionaire shall be required to provide the household water connections to the end users once during the Construction Period. However, the expenditure in relation to the repair and replacement of meters/house service connection after the 1st installment shall be borne by the individuals.
17	Sewer connection charges and repair costs thereof	We request the Authority to allow the sewerage connection charges to be collected from the users and paid to the Concessionaire. Any repair cost should also be borne by the users. It is also requested to provide for a mechanism to escalate the connection charges. We suggest that Concessionaire propose the revised cost and post approval by the Independent Engineer, the cost is applicable from 1 st of April every year.	No Change

S.No.	Reference Clause	Query	SMC's Response
18	Schedule J Annex 2 (Performance Benchmarks) S.No. 1 Coverage of Water Supply	The target performance benchmark of Coverage Supply is 100%. We request the Authority to define coverage in terms of distribution pipelines to be laid and the number of connections to be provided to households and commercial establishments. It is also requested that a fixed number of assigned for the number of connections as on Appointed date which can be assessed to measure 100% benchmark.	100% target coverage of water supply shall imply completion of upgradation work across all 25 wards so as to provide full coverage to all households / commercial developments within the service area. Network design should be made in a manner which can incorporate potential future development within the service area for the entire concession period. Any new application for water supply, within the service area, shall be addressed and connection provided against, as per the timeframe envisaged under the Agreement. The performance indicators against the coverage shall also include any such additions from time to time.
19	Schedule J Annex 2 (Performance Benchmarks) S.No. 2 Coverage of Sewerage Services	The target performance benchmark of Coverage Supply is 100%. We request the Authority to define coverage in terms of sewage pipelines to be laid and the number of connections to be provided to households and commercial establishments. It is also requested that a fixed number of assigned for the number of connections as on Appointed date which can be assessed to measure 100% benchmark.	100% target coverage of sewerage services shall imply completion of upgradation work across all 25 wards so as to provide full coverage to all households / commercial developments within the service area. Network design should be made in a manner which can incorporate potential future developments within the service area for the entire concession period. Any new application for sewerage services, within the service area, shall be addressed and connection provided against, as per the timeframe envisaged under the Agreement. The performance indicators against the coverage shall also include any such additions from time to time.
20	Schedule J Annex 2 (Performance Benchmarks) S.No. 4 Extent of Metering of Water connections	The target performance benchmark for Extent of metering of water connections is 100%. We request the authority to assign a fixed number of meters as on Appointed date which can be assessed to measure 100% benchmark.	No changes
21	Schedule J Annex 2 (Performance Benchmarks) S.No. 7 Quality of Water	We request the Authority to define the quality parameters and their benchmark values.	Quality parameters of treated water will be as per the guidelines of CPHEEO

S.No.	Reference Clause	Query	SMC's Response
22	Schedule O of the Concession Agreement – Escrow Agreement	<p>We request the authority to include the following clauses:</p> <p>2.1.3: The Authority shall send a letter to the Escrow Bank by the 15th April of every year, for the duration of the concession, intimating the minimum balance to be maintained in the Escrow Account. The minimum balance to be calculated as (3* Average Monthly Service Fee) over the previous period. Failure on part of the Authority to intimate the Escrow Bank shall be considered Escrow Default under clause 6.1.1 of the Escrow Agreement.</p> <p>2.1.4: The Escrow Bank shall maintain a minimum balance equal to the electricity charges paid/payable by SMC to HPSEB over the last 12 months for the period when service fee is not payable.</p> <p>2.1.5: Where any withdrawal required under this Agreement cannot be made in its entirety, the Escrow Bank shall promptly notify the Parties of that fact and provide details of the payment not made, the date on which it should have been paid and the amount unpaid. The Authority shall make good any shortfall in the Escrow Account within 30 days from the Escrow Account.</p> <p>2.1.6: Each amount from time to time standing to the credit of the account shall bear interest at the rate agreed between the Escrow bank and SMC from time to time, such interest to be credited to the account in respect of which such interest has accrued in accordance with the relevant mandate.</p>	The Escrow agreement remains as mentioned in Appendix H to the Addendum 1 of the RFP document
23	6.2 Maintenance obligations prior to Appointed Date	If there are any major expenses i.e. greater the Rs. 1,00,000 incurring towards repairs during the Development Period then the Concessionaire along with SMC will jointly supervise the repairing of these expenses.	No Change
24	9.1 Performance Security	The Authority is requested to clarify when does the O&M Security need to be provided by the Concessionaire	Please Refer to Schedule S of the Agreement
25	9.3.1 Release of Performance Security	The Authority is requested to clarify the requirements that need to be fulfilled for release of Performance Security	The release of Performance Security will be undertaken as per the guidelines mentioned in Clause 9.3 and Schedule S to the Agreement

S.No.	Reference Clause	Query	SMC's Response
26	13.2 Inception	The Authority is requested to modify Clause 13.2 as follows, "and the Concessionaire within such days of inspection and upon receipt of the Inspection Report as would be required to rectify the defects using good industry practice remedy the defects or deficiencies, if any, stated in the Inspection Report. Such inspection or submission of Inspection Report by the independent Engineer shall not relieve or absolve the Concessionaire of its obligations and liabilities hereunder in any manner whatsoever..."	No Change
27	13.3 Tests	The Authority is requested to modify Clause 13.3 as follows, "In the event that results of any tests conducted under the Clause 13.3 establish any defects or deficiencies in the Construction Works, the Concessionaire shall carry out remedial measures within such a period as would be required if the measures would be undertaken as per good industry practice and furnish a report to the Independent Engineer in this behalf."	No Change
28	14.2.1 Completion of Punch List Items	The Authority should delete the reference to the pre-defined period of 90 days. It is suggested that the period for completion of the Punch List Items should be determined by the Independent Engineer in accordance with Good Industry Practice.	No Change

S.No.	Reference Clause	Query	SMC's Response
29	F / 14.5.1 &2, Withholding of Provisional Certificate	We request the Authority to include in Clause 14.5.1 the following: "If the Independent Engineer determines that the Water Supply and Sewerage System or any part thereof does not conform to the provisions of this Agreement and cannot be safely and reliably placed in commercial operation, it shall forthwith make a report in this behalf within 7 days from the completion of Tests and send copies thereof to the Authority and the Concessionaire. Upon receipt of such a report from the Independent Engineer and after conducting its own inspection within 7 days , if the Authority is of the opinion that the water Supply and Sewerage System is not fit and safe for commercial service. it shall, within 7 (seven) days of receiving the aforesaid report, notify the concessionaire of the defects and deficiencies in the Water Supply and Sewerage System and direct the Independent Engineer to withhold issuance of the Provisional Certificate. Upon receipt of such notice, the Concessionaire shall remedy and rectify such defects or deficiencies within time limits as per Good Industry Practice and thereupon Tests shall be undertaken in accordance with this Article 14. Such procedure shall be repeated as necessary until the defects or deficiencies are rectified."	No Change
30	15.5, Power of the Authority to undertake works	We request the Authority to include in Clause 15.5 the following, "If work is undertaken by a Third Party then the Concessionaire will along with the Independent Engineer conduct tests to determine if performance of the work /services meets the Specifications and Standards. Further if there are any disputes between the Independent Engineer and the Concessionaire with regard to the test results, then the same shall be resolved as per the Dispute Resolution process. The work undertaken by the Third Party will have no bearing on the issuance of the Completion Certificate / Provisional Certificate."	No change
31	16.8.2, Overriding powers of the Authority	We request the Authority to include in Clause 16.8.2 the following, "In the event that the Concessionaire, upon notice under Clause 17.10.1, fails to rectify or remove any hardship or danger within a reasonable period, reasonable period will assessed considering the time required to remove the hardship or danger using Good Industry Practice, the Authority may exercise overriding powers under this Clause 16.8.2."	No Change

S.No.	Reference Clause	Query	SMC's Response
32	16.9, Restoration of loss or damage to Water Supply and Sewerage System	We request the Authority to replace the phrase "any cause whatsoever" to "any cause that has occurred on account of an act undertaken by the Concessionaire."	No Change. It is expected that the Concessionaire shall procure insurance of all the assets under this Agreement. Force Majeure events shall be dealt as per the Article 27 of the Agreement.
33	Termination for Concessionaire Default	We request the Authority to modify the pre-defined Cure Period of 90 days to a period determined as per Good Industry Practice. Clause 30.1.(b) will should be, "Subsequent to the replenishment or furnishing of fresh Performance Security in accordance with Clause 9.2, the Concessionaire fails to cure, within a Period as would be required as per Good Industry Practice and determined by the Independent Engineer, the Concessionaire Default for which whole or part of the Performance Security was appropriated	No Change

S.No.	Reference Clause	Query	SMC's Response
34	Definitions - Adjusted Equity	The definition of Adjusted Equity is not given in the Concession Agreement. The S.No-37 of Addendum-1 to RFP specifies the definition but the last sentence is incomplete and the meaning is unclear	<p>Definition of Adjusted Equity is as under:</p> <p>"Adjusted Equity" means the Equity funded in Indian Rupees and adjusted on the first day of the current month (the "Reference Date"), in the manner set forth below, to reflect the change in its value on account of depreciation and variations in WPI, and for any Reference Date occurring: on or before COD, the Adjusted Equity shall be a sum equal to the Equity funded in Indian Rupees and expended on the Project, revised to the extent of one half of the variation in WPI occurring between the first day of the month of Appointed Date and the Reference Date; from COD and until the 4th (fourth) anniversary thereof, an amount equal to the Adjusted Equity as on COD shall be deemed to be the base (the "Base Adjusted Equity") and the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, revised at the commencement of each month following COD to the extent of variation in WPI occurring between COD and the Reference Date; after the 4th (fourth) anniversary of COD, the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, reduced by 0.505% (zero point five zero five per cent) thereof at the commencement of each month following the 4th (fourth) anniversary of COD, the adjusted equity here under shall be a sum equal to the base adjusted equity. Base Adjusted Equity, reduced by 0.505% (zero point five zero five per cent) thereof at the commencement of each month following the 4th (fourth) anniversary of COD and the amount so arrived at shall be revised to the extent of variation in WPI occurring between COD and the Reference Date;</p> <p>For the avoidance of doubt, the Adjusted Equity shall, in the event of Termination, be computed as on the Reference Date immediately preceding the Transfer Date; provided that no reduction in the Adjusted Equity shall be made for a period equal to the duration, if any, for which the Concession Period is extended, but the revision on account of WPI shall continue to be made.</p>

S.No.	Reference Clause	Query	SMC's Response
35	Definitions - Adjusted Debt	The definition of Adjusted Debt is not given in the Concession Agreement. The S.No-38 of Addendum-1 to RFP specifies the definition but the last sentence is incomplete and the meaning is unclear	<p>Definition of Debt Due is as under: "Debt Due" means the aggregate of the following sums expressed in Indian Rupees outstanding on the Transfer Date: (a) The principal amount of the debt provided by the Senior Lenders under the Financing Agreements for financing the Total Project Cost (the "principal") but excluding any part of the principal that had fallen due for repayment two years prior to the Transfer Date; (b) all accrued interest, financing fees and charges payable under the Financing Agreements on, or in respect of, the debt referred to in Sub-clause (a) above until the Transfer Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the Transfer Date, (ii) any penal interest or charges payable under the Financing Agreements to any Senior Lender, and (iii) any pre-payment charges in relation to accelerated repayment of debt except where such charges have arisen due to Government Default; and any Subordinated Debt which is included in the Financial Package and disbursed by lenders for financing the Total Project Cost; provided that if all or any part of the Debt Due is convertible into Equity at the option of Senior Lenders and/or the Concessionaire, it shall for the purposes of this Agreement be deemed to be Debt Due even after such conversion and the principal thereof shall be dealt with as if such conversion had not been undertaken;"</p>
36	Tests	Schedule-K is "Monthly Fee Statement" and does not specify Safety Audit requirements. We request the Authority to provide the necessary Schedule for Safety review Test.	<p>Reference to Schedule K shall be omitted. All Safety Review Tests shall be conducted in accordance to Schedule H to the Agreement.</p>
37	Schedule O of the Concession Agreement, add new Clause	The authority is requested to provide a guarantee from the government of Himachal Pradesh to fund any shortfall in the minimum balance in the escrow account if the authority is unable to fund the same within 30 days of the bank intimating the Authority and the concessionaire of a shortfall in the Escrow Account.	No Change

S.No.	Reference Clause	Query	SMC's Response
38	Metering Charges	Appendix-B provides the water tariff applicable. We request the Authority to provide the cost and specifications of meters to be deployed by the Concessionaire. It is also requested to provide the connection charges	For this Project, the Concessionaire shall be required to provide the household water connections to the end users once during the Construction Period or at any time during which the request comes to the Concessionaire from the end users. However, the expenditure in relation to the repair and replacement of meters/house service connection after the 1 st installment shall be borne by the individuals.
39	Sewerage Connection Charges	.Appendix-B provides the water tariff applicable. We request the Authority to provide the current sewerage connection charges	Sewerage cess being charged is 15% of the water billed.
40	Clause 3.1.2 (f), Page 16, Volume - II, DCA	It is not clear from the two clauses whether utilizing the services of the employees of the Authority by the Concessionaire is mandatory or optional. We request the Authority to modify Article 6.1.2e as under, "assign its employees to the Concessionaire, if required by the Concessionaire, to assist the Concessionaire in the discharge of its duties during the Concession Period. However, the Concessionaire shall be required to bear all the costs and expenses i.e. salaries etc. of the employees, as assigned by the authority."	Please refer to point 2 above.
41	Clause 7.2, Page 25, Volume - II, DCA	We request the Authority to add this clause under Article 7.2: (I) the quality and the quantity of the source of water shall remain unaltered through the Concession Period. Further we request the Authority to specify the mechanism for handling changes in water quality.	In case of changes in water quality, the Concessionaire shall inform the Authority to this effect at the earliest possible. In such case, the Independent Engineer shall conduct necessary tests to ascertain the changes in quality of water. In case of minor changes, the Concessionaire shall have to take necessary steps as recommended by the Independent Engineer. However, in any case, it should be ensured that the end-user water quality is not affected.
IL&FS Queries			
42	General	Please confirm the documents provided earlier (tender documents, Concession agreements, reply to queries, addendum etc) remains same for this retender	The RFP will be read in totality with Addendum-1, 2 & 3 already uploaded and subsequent Addendum 4 (this document).
43	General	Please provide the extension for at least two months from the date of submission	No Change

S.No.	Reference Clause	Query	SMC's Response
N	General	Electrical system: Due to up gradation of water treatment plants (WTPs), sewage treatment plants (STPs), pumping stations etc as per project scope of work, there would be a need for capacity enhancement of power supply from the present electricity supply board (HP state Electricity Board Ltd). The concessionaire will take up the enhancement work of power supply from the boundary limit of WTPs, STPs, pumping stations etc, the other infrastructure of electricity from the main sub stations to the project area (like WTPs, STPs, pumping stations campus) would not be considered as scope of Concessionaire. Please clarify	Provision of electricity till the boundary limit of the project area will not be under the scope of work of the concessionaire. However, the Concessionaire will have procure the permit for right to use the electrical power, from the competent authority
45	General	Please provide the ward wise number of water supply and sewer connections, and ward wise number of property assessments.	Three DPRs {w.r.t Water Supply, Sewerage System Phase I & II}, as prepared by the SMC, are enclosed as Appendix-A to the Addendum. However it must be noted that these DPRs are only for reference purpose wherein the bidders can get an initial idea of the project and the project facilities to be constructed/ upgraded and thereby, operated and maintained. However, the Bidders, before submitting the Proposals, shall be required to carry out their own due diligence w.r.t this Project.
46	General	Please specify that any new residential and commercial developments happened during the O&M Period within the SMC boundary limit, the same will be considered as an additional scope of work. Also specify that the change in the SMC boundary limit in the future by adding surrounding villages/towns etc, providing water supply, sewerage system for the same will be consider as additional scope of work with payment mechanism	Developments covered under the present scope of work are defined in the Schedule A to Agreement. All new connections required for residential / commercial developments within the service area shall be covered under this Agreement. The network design shall incorporate provisions to provide connections to such future developments. Any additional area due to change in the SMC boundary limit in the future (by addition of surrounding villages / towns etc.) shall be considered as an additional scope and shall be dealt with as per terms of the Clause 15.1 and 15.3 of the Agreement
47	General	Please provide the detailed scope of rain water harvesting system	To be decided by the concessionaire for optimum use of existing system
48	General	Please clarify whether the authority will extend the available time for JNNURM funding as per this retender status	The State Govt./ SMC has already taken up the matter with GoI to allow spillover of JnNURM funds after 31-03-2014. Decision awaited.

S.No.	Reference Clause	Query	SMC's Response
49	General	It is understood that the previous bid process has got cancelled twice due to single bid, accordingly the retender process has been initiated by SMC now. Please clarify the SMC's position if a single bid is received by this time also.	The matter will be decided as per the CVC guidelines subject to the approval of the Government
50	General	Please confirm the status of power supply to the project (dedicated power supply or uninterrupted power supply). Also confirm the requirement of DG.	Please refer to Appendix-A to the Addendum-1. Requirement of DG will have to be assessed by the Concessionaire based on their due-diligence.
51	General	Any likely add up area to the present municipal boundary. Please confirm	No change.
52	General	Our understanding on the scope of work for house service connections for water supply & sewerage is as below: <ul style="list-style-type: none"> i. One time connections will be made by the Concessionaire during construction period as per the property assessment list provided by SMC ii. During O&M, any repair and replacement and/or new house service connections including meter will be executed by the Concessionaire by means of reimbursement basis from SMC/Consumers 	For this Project, the Concessionaire shall be required to provide the household water connections to the end users once during the Construction Period or at anytime during which the request comes to the Concessionaire from the end users. However, the expenditure in relation to the repair and replacement of meters/house service connection after the 1 st installment shall be borne by the individuals
53	Addendum 1 (Part - 1) – Schedule J - Annexure-II: Performance Bench marks	Targeted Performance year (2015) mentioned for the following performance bench marks has to be changed as per this retender. Please specify, <ul style="list-style-type: none"> i. Coverage of water supply ii. Coverage of sewerage iii. Continuity of supply iv. Extend of metering of water connections v. Efficiency in treatment of sewerage 	Target performance year has been revised to 2016 The milestones for performance benchmarks will remain as per Annexure II to Schedule J of the Agreement
54	Addendum 1 (Part - 1) – Schedule J - Annexure-II: Performance Bench marks	As per Sr.no.5 in Schedule - J, it is mentioned that the benchmark to be achieved for NRW is 15% in 3rd year of construction, which may be practically difficult to achieve as per previous history in various municipal water supply projects in India. Hence we request you to consider at least 25% as benchmark	The performance benchmark for NRW, for 3rd year of construction, will remain as 15%.

S.No.	Reference Clause	Query	SMC's Response
55	Article 2 : Scope of the Project 2.1-Scope of the Project	Fire fighting system : Please elaborate the scope for firefighting system	To be decided by the concessionaire for optimum use / functioning of the existing system
56	Land and ROW	Please confirm that the land required for creating new assets / ROW for pipeline / land required approach to plants, pumping station etc. will be provided by SMC. Cost towards land acquisition and creating approach road will be borne by SMC, pl confirm	Cost towards land acquisition will be borne by the Authority. No commitment for creation of approach roads can be given by the Authority. The Concessionaire needs to make its own arrangements or use the existing services.
57	Addendum 1 (Part - 1) – Schedule J - Annexure-II: Performance Bench marks	Pl confirm the penalty for non fulfillment of performance benchmarks such as NRW, etc.	Please refer to Clause 16.6.1 and 16.7.1 to the Agreement and Clause 1.3 to Schedule J
58	Addendum 1 (Part - 1) – Schedule J - Annexure-II: Performance Bench marks	Pl specify, which are all the wards to be considered for year wise completion of wards under the performance benchmark 1 to 5.	Any additional area due to change in existing MCS boundary in future shall be considered as additional scope as per terms and clauses of the draft concession agreement.
59	General	Permission for cutting of roads and trees will be obtained by SMC, pl confirm	Please refer to Clause 4.13 of the Agreement and Clause 11.4 of Schedule D
60	General	SMC will provide the working space during the concession period for Office, material storage, storing & staging of pipes, etc, Pl confirm	Bidders are required to do their own due diligence and site visit to this effect.
61	General	Please provide the exact transfer point of electricity power from SMC to Concessionaire at various locations like intake, pumping station, WTP, STP etc., during the concession period.	The electricity supply is available at existing WTPs, Pumping stations and STPs. For the new STPs and for other new installments electricity along with transformers etc. are to be arranged by the Concessionaire within the scope of work of this project being executed on PPP mode.