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**BUS RAPID TRANSIT SYSTEM(BRTS) BLUE LINE PROJECT  
(INFRASTRUCTURE DEVELOPMENT)  
RESPONSES TO QUERIES RAISED DURING AND SUBSEQUENT TO THE  
PRE-BID MEETING HELD ON FEBRUARY 22, 2018**

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**RESPONSES TO QUERIES RAISED BY BIDDERS DURING & SUBSEQUENT TO THE PRE-BID  
MEETING HELD ON FEBRUARY 22, 2018  
BRTS – BLUELINE BUS OPERATIONS**



**Sindh Mass Transit Authority  
Transport & Mass Transit Department  
Government of Sindh**



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

**MARCH 2018**



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**IMPORTANT NOTICE / DISCLAIMER**

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This 'RESPONSES TO BIDDERS' QUERIES DURING & SUBSEQUENT TO THE PRE-BID MEETING DOCUMENT' (the **Pre-Bid Queries & Responses Document**) is being issued by the Transport and Mass Transit Department, in association with the PPP Unit, Finance Department, Government of Sindh and is further to the 'REQUEST FOR PROPOSAL' (the **RFP**) and the 'DRAFT CONCESSION AGREEMENT' circulated earlier dated February 08, 2018 (**RFP Documents**) as amended by Pre-Bid Queries & Responses Document, is being provided to the recipient solely for use in preparing and submitting its Proposal for participation in the competitive bidding process to design, build, finance, operate and transfer, on Public Private Partnership (**PPP**) mode, the Project Corridor, the same being an approximately 10.1 kilometre long dedicated corridor from Gurumandir to Al-Asif Square as more particularly described and indicated in Schedule F (Project Site) of the Draft Concession Agreement, including bridges, culverts and other appurtenances thereto, which shall form part of the Concession Assets and shall be developed in accordance with the Applicable Standards (the **Project**).

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

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

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

Any Bid / response to the RFP Documents submitted by a Bidder shall be construed based on the understanding that the Bidder has done a complete and careful examination of the RFP Documents and has verified all the information received from the GoS (including from its employees, personnel, agents, consultants, advisors and contractors etc.).

Any Bid / 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/Proposal in response



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

The RFP Documents do not constitute a solicitation to invest, or otherwise participate, in the Project, neither shall it constitute a guarantee on the part of the GoS that a Concession will be awarded.



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**RESPONSES TO QUERIES RAISED BY THE BIDDERS DURING& SUBSEQUENT TO  
THE PRE-BID MEETING HELD ON FEBRUARY 22, 2018  
IN RESPECT OF THE  
REQUEST FOR PROPOSAL ISSUED BY  
THE GOVERNMENT OF SINDH  
IN RELATION  
TO THE  
BRTS – BLUE LINE BUS OPERATIONS**

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**INTRODUCTION**

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The GoS hereby issues this Pre-Bid Queries & Responses Document dated March 21, 2018 for responding to various queries raised by the Bidders during and subsequent to the Pre-Bid Meeting held on February 22, 2018. Notwithstanding anything to the contrary and unless notified otherwise by the GoS, all relevant provisions of the RFP (including Volume 1 and Volume 2) shall stand clarified and amended to the extent required to give effect to the response matters set out in this Pre-Bid Queries & Responses Document.

*Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the Glossary of Volume 1 (Instruction to Bidders) of the RFP or, in case of queries related to the Draft Concession Agreement, the meaning ascribed thereto in the Draft Concession Agreement.*



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**QUERIES RAISED & RESPONSES**

<b>PRELIMINARY KEY COMMENTS IN RELATION TO THE DRAFT CONCESSION AGREEMENT</b>				
<b>SR. No.</b>	<b>SECTION NO.</b>	<b>SECTION</b>	<b>COMMENT</b>	<b>RESPONSE</b>
<b>1.</b>	<b>A.1.2, ANNEXURE C, RFP</b>	<p><b>Financing conditions – Loans</b></p> <p>The bidders should assume that the 6 month KIBOR to be 6.25% (for the purposes of uniformity) and the spread should be assumed at 2%.</p> <p>If the Bidder is able to close the project at a rate lower than the assumed rate in its model then the Authority's interest during construction (IDC) savings would be shared equally between the Preferred Bidder and the Authority while if the spread turns out</p>	<p>The preferred bidder will be responsible to achieve financial close based on the project cost presented in its financial model.</p> <p>a) If the bidder is able to achieve financial close at a spread lower than the assumed spread of 2%. Then there will be savings in IDC as a whole which will be allocated to all parties (i.e. GoS, developer and Lenders) based on their respective proportions. Please confirm our understanding?</p> <p>b) We suggest to increase the assumed KIBOR to 7.5% so that some cushion is built-in if the KIBOR increases.</p> <p>c) The GoS has agreed that, half of the GoS savings of IDC (if actual spread is lower than the assumed spread) will be shared</p>	<p>a) Yes the understanding is correct.</p> <p>b) Agreed. It is clarified that the following shall form part of Section A.1.2;</p> <p>“The bidders should assume the 6-month KIBOR to be <u>7.5%</u> (for the purposes of uniformity) and the spread should be assumed at 2%.</p> <p>During the Construction Period, if KIBOR increases beyond 7.5%, then the increased IDC shall be funded on pari passu basis by the Authority, Concessionaire and Lenders. Such funding shall be construed as part of Total Project Cost of the Concessionaire and the</p>



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		to be greater than 2% then the Preferred Bidder shall be responsible for covering such excess.	<p>with the developer. Please confirm our understanding.</p> <p>d) If the spread is lower than the assumed spread of 2%, will the government share its savings during operations phase?</p>	<p>equity injected by Concessionaire shall be construed as Class A Shares Invested Equity.</p> <p>c) Yes. The understanding is correct.</p> <p>Please note that the following concepts will be reflective in the Concession Agreement;</p> <p><b>Spread Savings</b> means “accumulated portion of savings in IDC attributable to decrease in spread, if the actual spread is below 2%”</p> <p><b>Authority Spread Savings</b> means “Authority’s share of Spread Savings which will be equivalent to its share in the Total Project Cost”</p> <p>If the bidder is able to achieve financial close at a spread lower than the assumed spread of 2%, then the GoS shall share 50% of the Authority Spread Savings with</p>
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				<p>the Concessionaire at Final Construction Completion Date in the form of bonus payment to the Concessionaire net of any unpaid liquidated damages.</p> <p>d) During the Operations Period, the Authority will pass on 50% of spread savings (i.e. 50% of difference between assumed spread and the actual spread as per the approved financing term sheet) to the Concessionaire in the Annuity Amount Payments. The Debt Component of the Annuity Amount Payments shall be computed based on KIBOR + actual spread + 50% of the difference between the spread mentioned in the RFP (i.e. 2%) and the achieved spread as per the approved financing term sheet. For example, if the actual spread is 0.5%, then the total spread savings will be 1.5% and out of that, 50% i.e. 0.75% will be added to the actual spread for computation of</p>
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				<p>Annuity Amount Payments.</p> <p>However, if the spread is greater than 2%, then the Concessionaire will be responsible for covering such excess and the Authority will only pay the Debt Component of Annuity Amount Payments based on KIBOR + 2%.</p>
2.	1.1	<p><b>Annuity Amount Payments</b> means the semi-annual payments that the GoS shall make to the Concessionaire on a semi-annual basis in accordance with Article 17 (<i>Annuity Amount Payments, GoS Financial Instrument and Related Matters</i>) of this Agreement;</p>	<p>The savings component (on account of the Concessionaire obtaining financing at a lower rate or for any other reason) should be added in Annuity Amount Payments (unless Annuity Amount Payments will continue to be paid on the basis of the Pre Estimated Project Cost).</p>	<p>Please refer to response Sr. No. 1.</p>
3.	1.1	<p><b>Annuity Payment Account Funding Date</b> means in respect of each Annuity Amount Payment Date, the</p>	<p>Funding of the first two (2) Annuity Amount Payments should be made by the GoS at least three (3) months before the Scheduled Substantial Completion Date.</p>	<p>The Authority will fund the Annuity Amount Payments in accordance with the RFP Documents. However, timing of funding of Annuity Amount Payments will be finalized at Financial Close.</p>





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		date falling fifteen (15) days following issuance of an Annuity Amount Payment Certificate relating to the Annuity Amount Payment Date falling immediately prior to such Annuity Amount Payment Date;		
<b>4.</b>	1.1	<p><b>Annuity Amount Payment Evaluation Period</b> means:</p> <p>(a) in respect of the first Annuity Amount Payment Date, a period equal to zero (0) days;</p> <p>(b) in respect of each other Annuity Amount Payment Date, the period between the two (2) Annuity Amount Payment Evaluation</p>	There should be no Annuity Amount Payment Adjustment in respect of the second (2 <sup>nd</sup> ) Annuity Amount Payment Date.	In respect of the first Annuity Amount Payment, the adjustment will not be made as the payment will be made in advance. However, all subsequent Annuity Amount Payments shall be subject to evaluation for adjustments.



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		Dates falling immediately prior to such Annuity Amount Payment Date;		
<b>5.</b>	1.1	<p><b>Annuity Account Funding Amount</b> means, in respect of an Annuity Amount Payment Account Funding Date relating to an Annuity Amount Payment Date, an amount equal to (as set out in the Annuity Amount Payment Certificate):</p> <p>(a) in respect of the first Annuity Amount Payment Date, an amount equal to the sum of the Annuity Amount Payments relating to the first Annuity Amount Payment Date;</p> <p>(b) in respect of any other Annuity Amount</p>	As above.	Please refer to response Sr. No. 4.



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		<p>Payment Date,X,</p> <p>Where:</p> <p>X: the Annuity Payment Accounting Funding Amount, being A-(B-C)</p> <p>A: the Annuity Amount Payment relating to such Annuity Amount Payment Date</p> <p>B: the funds standing to the credit of the GoS Annuity Amount Payment Account on the Annuity Amount Payment Evaluation Date relating to the Annuity Amount Payment Date falling immediately prior to such Annuity Amount</p>		
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		<p>Payment Date</p> <p>C: the Payable Annuity Amount Payment relating to the Annuity Amount Payment Date falling immediately prior to such Annuity Amount Payment Date</p> <p>provided, that in the event X is negative, the Annuity Payment Account Funding Amount shall be nil/zero;</p>		
6.	1.1	<p><b>Bus Operator Concessionaire</b> means the party or parties granted the concession or contracts to procure, operate and maintain the bus operations along the Project Corridor;</p>	<p>The GoS should be obligated to indemnify Concessionaire in respect of any loss, damage and/or adverse impact caused to the Project as a result of the operations of all other concessionaires.</p>	<p>The Concessionaire will be indemnified to the extent of the net of insurance proceeds as certified by the Independent Engineer/Independent Auditor and any indemnification extended by any third party in relation to the Project as contemplated under Section 9.1.2 of the Draft Concession Agreement.</p>



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7.	1.1	<p><b>Cure Period</b> means:</p> <p>(a) in respect of a Concessionaire Event of Default:</p> <p>i. during any period when any Debt Due is outstanding, the period commencing on the date of receipt by the Concessionaire of the GoS Preliminary Notice and expiring on the date falling ninety (90) days thereafter;</p> <p>ii. during any period when any Debt Due is not</p>	<p>From a bankability perspective, the cure period in respect of the period when the Debt Due is outstanding should be as set out in the Concession Direct Agreement, as such Cure Period has a direct bearing on the timing of encashment of the GoS Financial Instrument.</p>	<p>Proposed new definition:</p> <p><b>Cure Period</b> means:</p> <p>(b) in respect of a Concessionaire Event of Default:</p> <p>i. during any period when any Debt Due is outstanding, the period commencing on the date of receipt by the Concessionaire of the GoS Preliminary Notice and expiring on the date falling ninety (90) days thereafter <u><b>or such other time period as may be agreed in the Concession Direct Agreement;</b></u></p> <p>ii. during any period when any Debt Due is not outstanding, the period commencing on the date of receipt by the Concessionaire of the GoS Preliminary Notice and expiring on the date falling forty-five (45) days thereafter;</p>
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		outstanding, the period commencing on the date of receipt by the Concessionaire of the GoS Preliminary Notice and expiring on the date falling forty-five (45) days thereafter;		
<b>8.</b>	1.1	<p><b>Debt Due</b> means the aggregate of the following sums expressed in Pak Rupees outstanding and payable to the Lenders up to the date immediately preceding the Termination Payment Date pursuant to the Financing Documents:</p> <p>(a) the principal amount of</p>	The GoS should be liable to pay penal interest and charges in case of a Termination occasioned by any risk allocated to the GoS (such as Change in Law, Political Events etc.).	The GoS will be liable to pay penal interest in case of GoS Event of Default. Please refer to the definition of Debt Due.



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		<p>the debt provided and disbursed by the Lenders under the Financing Documents for financing the Project (the Principal) in accordance with the Financing Terms Sheet and Financing Amendment Term Sheets (if any) delivered to and not objected to by GoS and the Independent Auditor in accordance with Section 27.3 (Financing Term Sheet &amp; the Financing Amendment Term Sheets);</p> <p>(b) the interest or mark-up (or any other term connoting the return paid to the Lenders on debt) accruing on the</p>		
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		<p>Principal in accordance with the Financing Term Sheet and the Financing Amendment Term Sheets delivered to and not objected to by GoS and the Independent Auditor in accordance with Section 27.3 (Financing Term Sheet &amp; the Financing Amendment Term Sheets);</p> <p>(c) only in the event of Termination due to GoS Event of Default, penal interest or charges payable under the Financing Documents to the Lenders;</p>		
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<b>9.</b>	1.1	<b>Escalable Items</b> means:  (a) cement;  (b) bitumen;  (c) steel; and  (d) POL for construction machinery and equipment;	Labour should also be included in the definition of Escalable Items.	Not agreed.
<b>10.</b>	1.1	<b>First Major Maintenance Expiry Date</b> shall mean the earlier of (a) the date falling two (2) years from the First Major Maintenance Commencement Date; and (b) the date of completion of the First Major Maintenance, as certified by the Independent Engineer;	Is the two (2) year period for undertaking the First Major Maintenance set in stone? Technical teams are requested to confirm if two (2) years is an adequate time period for the First Major Maintenance.	As per section 4.3 of Schedule A (Page 151) i.e. Scope of Works given in the Draft Concession Agreement, the Project should not require a Major Maintenance before 10 years of Substantial Completion Date. The time limit for undertaking Major Maintenance activity is two years maximum.



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11.	1.1	<p><b>Independent Auditor Payment Account</b> means the account to be established by the Concessionaire and Notified to the GoS, in accordance with the terms of this Agreement and the Independent Auditor Contract;</p> <p><b>Independent Auditor Payment Account Bank</b> means a banking company mutually agreed between the Parties for the purposes of establishing and maintaining the account pursuant to the terms of the Independent Auditor Contract, the GoS Agreement and the Project Agreements;</p> <p><b>Independent Auditor Payment Account Standing Instructions</b></p>	Commercial teams to comment.	Query is unclear.
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		shall bear the meaning ascribed thereto in Section 6.6.2 ( <i>Independent Auditor Payment Account</i> );		
<b>12.</b>	1.1	<p><b>Independent Engineer Payment Account</b> means the account to be established by the Concessionaire and Notified to the GoS, in accordance with the terms of this Agreement and the Independent Engineer Contract;</p> <p><b>Independent Engineer Payment Account Bank</b> means a banking company mutually appointed between the Parties for purposes of establishing and maintaining the account pursuant to the terms of the Independent Engineer Contract, the GoS agreement and the Project</p>	Commercial teams to comment.	Query is unclear.



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		<p>Agreements;</p> <p><b>Independent Engineer Payment Account Standing Instructions</b> shall bear the meaning ascribed thereto in Section 5.6.2 (Independent Engineer Payment Account);</p>		
<b>13.</b>	1.1	<p><b>Project Construction Completion Schedule</b> means the schedule attached herewith as <b>SCHEDULE E</b> (Project Construction Completion Schedule) setting out:</p> <p>(a) the Scheduled Project Construction Completion Date;</p> <p>(b) the Scheduled</p>	<p>Concept of Early Completion Bonus as in the case of Karachi Thatta Dual Carriageway Project should be introduced.</p>	<p>Not agreed.</p>



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		Substantial Completion Date;  (c) the Project Construction Milestones;		
<b>14.</b>	1.1	<b>Provincial Support Agreement</b> means the agreement entitled the Provincial Support Agreement entered into between the Government of Sindh (through Secretary Transport and Mass Transit Department, Government of Sindh or any other department and/or government agency designated by the GoS), the Sindh Mass Transit Authority and the Concessionaire for the purposes of providing various supports including collateral in respect of GoS Properties for this Project	The Finance Department of the Government of Sindh should also be a signatory to the Provincial Support Agreement.	The Provincial Support Agreement will be entered between the Government of Sindh (through Secretary Transport and Mass Transit Department, Government of Sindh <b>or any other department and/or government agency designated by the GoS</b> ), the Sindh Mass Transit Authority and the Concessionaire.



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		as contemplated in the RFP;		
<b>15.</b>	1.1	<b>ROE Component</b> means the component of the Annuity Amount Payment, as set out in the Financial Model, that relates to the return on the Equity of Class A Shares based on the Base Case Equity IRR and the repayment of the Equity of Class A Shares in accordance with the Financial Model;	The quantum of the ROE Component should be linked with the Annuity Amount Payment Agreement.	The quantum of the ROE will be in accordance with the Financial Model which shall be updated from time to time in accordance with the relevant agreements that may be executed in relation to the Project.
<b>16.</b>	1.1	<b>Relief Costs</b> means the increase in such capital expenditures and costs and/or the operating costs, in each case, that are set out in the Financial Model and which directly result from a Relief Event (excluding such Relief Events that are set out in Section 15.2.1 (d) and (e)), as determined by	Definitions of Additional Costs, Relief Costs and Force Majeure Costs should be harmonized.	Whilst there is an overlap between the Force Majeure Costs and Relief Costs when it comes to a Political Event, please refer to Section 21.4.1(b) whereby upon occurrence of a Political Event the GoS shall fund and bear the Force Majeure Costs (as set out in the Relief Order) and all references to Relief Costs shall be referenced to Force Majeure Costs.  Additional Costs are for the Change of



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		the Independent Engineer and the Independent Auditor pursuant to Article 15 ( <i>Relief Orders</i> ) and which are set out in the Relief Order; provided, however, for the purposes of determining such costs, information contained in the Financial Model shall be relied upon by the Independent Engineer and the Independent Auditor;		Scope or the Change in Law, if any. Therefore, no change required for it.
<b>17.</b>	1.1	<b>Revenue and ITS Concessionaire</b> means the party or parties granted the concessions or contracts to procure, operate and maintain the intelligent transport system, carry out station branding along the Project Corridor and collect and/or earn revenue from station nomenclature;	The GoS should be obligated to indemnify Concessionaire in respect of any loss, damage and/or adverse impact caused to the Project as a result of the operations of all other concessionaires.	Please refer to response Sr. No. 6.



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<b>18</b>	1.1	<b>Second Major Maintenance Expiry Date</b> shall mean the earlier of (a) the date falling two (2) years from the Second Major Maintenance Commencement Date; and (b) the date of completion of the Second Major Maintenance, as certified by the Independent Engineer;	Is the two (2) year period for undertaking the Second Major Maintenance set in stone? Technical teams are requested to confirm if two (2) years is an adequate time period for the Second Major Maintenance.	As per section 4.3 of ScheduleA (Page 151) i.e. Scope of Works given in the Draft Concession Agreement, the Project should not require a second Major Maintenance before 10 years after the first major maintenance. The time limit for undertaking Major Maintenance activity is two years maximum.
<b>19.</b>	1.1	<b>Termination Dividend Amount</b> means the aggregate return on Equity for Class A Shares for each of the 3 (three) Accounting Years of the Concessionaire falling immediately after the Termination Date, the same being an amount equal to the aggregate of Base Case Equity IRR applied to the Equity (Class A Shares) for each of the 3 (three) Accounting Years	<p>The Termination Dividend Amount should be for at least six (6) Accounting Years falling after the Termination Date. In addition, Termination Equity should also be payable in the event of a Concessionaire Event of Default. In event of Termination due to Concessionaire Event of Default, the Concessionaire should be paid a pre-agreed percentage of the Termination Equity.</p> <p>In event of Termination due to risk allocated to the GoS, the Concessionaire should be paid such Equity IRR that it would have generated from the Project had the Concession Agreement</p>	Not agreed.





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		falling after the Termination Date;	not been Terminated.	
<b>20.</b>	1.1	<b>Termination Equity</b> means, as of the Transfer Date occurring due to Termination, the aggregate of the Class A Shares Invested Equity reduced on a straight-line basis from the SubstantialCompletionDate throughthetermofthisAgreementtozeropercentoftheClassA Shares InvestedEquity;	This underscored percentage was twenty percent (20%) in the Karachi Thatta Dual Carriageway Concession Agreement. Commercial teams to comment if this is acceptable.	Not agreed.
<b>21.</b>	1.1	<b>Termination Payment Date</b> means the date falling ninety (90) days following the Termination Date;	This period described in the definition should be reduced to thirty (30) days.	Not agreed.
<b>22.</b>	1.1	<b>Vacant Possession</b> means delivery to the Concessionaire by the GoS of possession of the Project Site in accordance with this Agreement, in accordance	Timely delivery of Vacant Possession of the Project Site is crucial. GoS to confirm status of land acquisition. The entire Project Site should be delivered to the Concessionaire as a Condition Precedent.	Agreed. Vacant Possession of the entire Project Site (excluding Bus Depot) will be delivered to the Concessionaire as a Conditions Precedent.  Corresponding changes to be made



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		with Applicable Laws, and in accordance with Schedule F-II ( <i>Delivery of Project Site</i> ) free from all Encumbrances, encroachments, existing trees, existing structures and utilities etc; and the grant of all Easementary Rights and all other rights appurtenant thereto, so that the Concessionaire enjoys complete uninterrupted and quiet possession and control of the Project Site throughout the Concession Period;		accordingly.
<b>23.</b>	2.4	Section 2.4 ( <i>Co-Existence of this Agreement with other concessions</i> )	Technical team to review and comment.	Query not clear.  For the sake of clarification please note that for successful implementation and subsequent operation of BRTS Blue Line it is essential that during infrastructure design and construction phase, the requirements of bus operations and ITS being handled by other concessionaires are



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				evaluated and incorporated by the infrastructure concessionaire.
<b>24.</b>	3.1.4	The GoS shall satisfy the following Conditions Precedent to the satisfaction of the Concessionaire, the Independent Auditor and the Independent Engineer prior to the Scheduled Commencement Date (the GoS Conditions Precedent).	The Concessionaire should be compensated in terms of Article 15 ( <i>Relief Extensions &amp; Relief Compensations</i> ) in event the GoS has delayed fulfillment of any GoS Conditions Precedent.	Not agreed.  Please refer to Section 3.5.2 of the Draft Concession Agreement which sets out the measures to be undertaken by GoS in the event of non-fulfillment of CPs due to reasons attributable to GoS.
<b>25.</b>	4.1.1	The GoS shall, as a condition precedent hereby agrees to achievement of Commencement Date, license the Project Site for the Concession Period to the Concessionaire, pursuant to the Project Site License for the purposes set out herein in the Concession Agreement, for use (the License) and Vacant Possession of all in accordance with the land	Timely delivery of Vacant Possession of the Project Site is crucial. GoS to confirm status of land acquisition. The entire Project Site should be delivered to the Concessionaire as a Condition Precedent.	Please refer to response Sr. No. 22.



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		and rights comprising the Concession Assets mechanism set out in <b>SCHEDULE F PART - II</b> ( <i>Delivery of Project Site (the License)</i> ). The Project Site License Agreement shall be duly executed by the Parties and, to the extent required by Applicable Laws, registered by the Concessionaire with the relevant Government Authority and all costs, fees, expenses, duties, charges and taxes (including charges relating to the registration of the Project Site License Agreement) relating to the same shall be borne by the Concessionaire.		
<b>26.</b>	4.2.1	The GoS represents and warrants that it has good and valid right to the Concession Assets Project	Provisions with regard to clean title and absolute ownership of the GoS to the Project Site should be incorporated in the Concession Agreement.	Section 4.2.1 of the Draft Concession Agreement addresses GoS representations and warranties i.e., GoS has powers and authority to grant the license in respect of



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		Site and that it has the power and authority to grant the License in respect thereto of the Project Site to the Concessionaire and that there is no litigation, claim, demand or any proceeding pending before any authority in respect of the title of the land constituting the Concession Assets Project Site that impinge on the ability of the Concessionaire to undertake, or interferes with the Project Works.		the Project Site.
27.	4.10.1	Notwithstanding anything to the contrary contained herein, the Concessionaire shall ensure that the respective entities owning the existing roads, right of way or utilities on, under or above the Project Site are enabled by the Concessionaire to keep	The mechanism for relocation of utilities by the GoS should be expressly set out in the Concession Agreement. Such utilities must be relocated by the Scheduled Commencement Date.	Agreed, such utilities will be relocated by the Scheduled Commencement Date.  However, Section 4.10 of the Draft Concession Agreement will be amended to provide clarity regarding the mechanism for relocation of utilities.



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		<p>such utilities in continuous satisfactory use, if necessary, by providing suitable temporary or permanent diversions with the authority of the controlling body of that road, right of way or utility, and the GoS shall, upon written request from the Concessionaire (as certified by the Independent Engineer), initiate and undertake, at the GoS's cost, legal proceedings for acquisition of any right of way necessary for such diversion. The Concessionaire shall be responsible for not damaging the existing utilities and roads and in the event of breach by the Concessionaire of its obligations under this Section 4.10.1, the Concessionaire shall be</p>		
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		responsible for rectification of the same at its own cost, risk and expense.		
<b>28.</b>	5.6.1	The Concessionaire shall establish and maintain the Independent Engineer Payment Account from the Commencement Date and until the Trigger Date. Subject to the rights of the Lenders in terms of the Financing Documents, the GoS may create a lien over the funds standing to the credit of the Independent Engineer Payment Account.	The GoS should not be able to create a lien over this account. This is perhaps an oversight.	Not agreed.
<b>29.</b>	6.6.1	The Concessionaire shall establish and maintain the Independent Auditor Payment Escrow Account from the Commencement Date and until the Trigger Date. Subject to rights of Lenders in terms of the Financing Documents, the	The GoS should not be able to create a lien over this account. This is perhaps an oversight.	Please refer to response Sr. No.28.



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		GoS may create a lien over the funds standing to the credit of the Independent Auditor Payment Account.		
<b>30.</b>	7.1.1(j)	the Sponsor has the Concessionaire's Ownership And Management Control as of the Effective Date; and shall continue to do so till the expiry of the Trigger Date;	The Sponsor(s) should be able to divest its/their shares in the Concessionaire in accordance with the criteria set out in the Concession Agreement.	7.1.1 (j) shall be read as follows:  the Sponsor has the Concessionaire's Ownership and Management Control as of the Effective Date; <b><i>and subject to the terms of this Agreement</i></b> , shall continue to do so till the expiry of the Trigger Date;
<b>31.</b>	7.2.1(z)	submit from time to time to the GoS and the Independent Engineer its detailed design, (taking into account any comments received from the Revenue and ITS Concessionaire and Bus Operator Concessionaire), construction methodology and quality assurance procedures for implementation and	The comments given by the Bus Operator Concessionaire and the Revenue and ITS Concessionaire should not have an adverse financial impact on the Concessionaire or on any of the operations of the Concessionaire in respect of the Project.	All Bidders are instructed to incorporate all such risks and costs in their bids.  In addition, the Concessionaire is only obligated to take into consideration the comments received from the Bus Operation and ITS Consultants, Independent Engineer and the Authority.





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		completion of the Project in accordance with the Applicable Standards and the same shall be subject to the review and approval of the Independent Engineer;		
<b>32.</b>	7.4.1	<p>Within seven (7) days following the Effective Date, the Concessionaire shall:</p> <p>(a) appoint, with the prior written consent of the GoS (which consent shall be deemed to be accorded in case no response from GoS is received within fifteen (15) days of GoS's receipt of the Concessionaire's written request for such consent) and prior Notification to the Independent Engineer</p>	The appointment of the Concessionaire Authorized Representative and Concessionaire Project Engineer should not be subject to the GoS approval.	Not agreed.



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		<p>and the Independent Auditor, its representative duly authorized to deal with the GoS in respect of all matters under or arising out of or relating to this Agreement (the <b>Concessionaire Authorized Representative</b>);</p> <p>(b)appoint, with the prior written consent of the GoS (which consent shall be deemed to be accorded in case no response from GoS is received within fifteen (15) days of GoS's receipt of the Concessionaire's written request for such consent) and prior Notification to the Independent Engineer</p>		
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		and the Independent Auditor, at its sole cost and expense one or more established consulting engineering firm to design and supervise the Construction Works and in particular to ensure that the Construction Works are performed and are in accordance with the Applicable Standards and Good Industry Practice (the <b>Concessionaire Project Engineer</b> );		
<b>33.</b>	7.5.1(c)	ensure that the GoS Assets created and/or constructed vest in GoS on the Substantial Completion Date;	The transfer of the GoS Assets to the GoS on the Substantial Completion Date should be done at the cost of the GoS.	Not Agreed, all such costs shall be borne by the Concessionaire.
<b>34.</b>	7.5.6	The execution of the EPC Contract(s) and/or the O&M Contract(s), or any	The EPC Contract and the O&M Contract should not be subject to review and/or approval by the GoS, in the presence of the Independent	Not Agreed.



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		<p>amendment thereof shall be subject to the prior approval of the Independent Engineer in respect of payment terms, payment milestones, scope of the relevant Project Works and technical matters. The Concessionaire shall deliver to the Independent Engineer copies of the proposed EPC Contract(s) and O&amp;M Contract(s) (with a copy to the GoS), or any amendment thereof. The GoS shall, within fifteen (15) days of its receipt of the proposed EPC Contract(s) and/or the O&amp;M Contract(s), provide its comments or observation on the same, if any, to the Independent Engineer. The Independent Engineer shall within twenty-eight (28) days of the delivery of the proposed</p>	<p>Engineer.</p>	
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		EPC Contract(s) and O&M Contract(s) and/or any amendments thereof by the Concessionaire, grant its approval or disapproval of the same. In the event no approval or objections to the proposed EPC Contract(s) and/or the O&M Contracts is granted by the Independent Engineer within twenty-eight (28) days of the delivery of the same by the Concessionaire, it shall be deemed not to have been objected to by the Independent Engineer.		
<b>35.</b>	10.3.1	The Concessionaire shall not undertake or permit and hereby undertakes to procure that the Sponsor does not undertake or permit any Change In Complete Control until the Defects Liability Period,	The Sponsor(s) should be limited from undertaking or permitting a Change in Complete Control till the Project Construction Completion Date.	Not Agreed.



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		unless such Change In Complete Control: ....		
<b>36.</b>	11.3.9	Notwithstanding anything to the contrary, the Concessionaire hereby undertakes and agrees that the O&M Performance Security shall remain valid:  (a) in case of Termination, at least for ninety days (90) days after the Termination Notice has been issued;  (b) in case of expiry of this Agreement on the Final Expiry Date, ninety (90) days after the Final Expiry Date.	The O&M Performance Security should only remain valid till the Trigger Date.	Not Agreed.
<b>37.</b>	14.3.2	The Independent Engineer shall, at the request of the Concessionaire, issue a	Concept of deemed issuance of Substantial Completion Certificate (and the Final Project Construction Completion Certificate) should be	Not Agreed.



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		Substantial Completion Certificate if the Completion Tests are successful though certain works or things forming part thereof are outstanding and not yet complete. In such an event, the Substantial Completion Certificate shall have appended thereto a list of outstanding items signed jointly by the Independent Engineer and the Concessionaire (the Project Construction Completion Check List); provided, that the Independent Engineer shall not withhold the Substantial Completion Certificate for reason of any work remaining incomplete if the delay in completion thereof is attributable to the GoS. The Independent Engineer shall set out the date in the	incorporated in the Concession Agreement.	
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		Substantial Completion Certificate on which the Completion Tests are successfully passed (the Substantial Completion Date) and Substantial Completion is achieved.		
<b>38.</b>	14.3.3	The Parties hereto expressly agree that a Substantial Completion Certificate under this Section shall, upon request of the Concessionaire to this effect, be issued by the Independent Engineer, if at least ninety-five percent (95%) of the Project Corridor has been completed, the Completion Tests are successfully passed and if the movement and safety of the Users is not affected, as determined by the Independent Engineer (the Substantial Completion). Upon issuance of such Substantial	The criteria for Substantial Completion should be safe, uninterrupted and reliable use of the Project Highway and not completion of a specific percentage of the works.	Not Agreed.





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		Completion Certificate in terms of this Section 14.3.3, the Substantial Completion shall be achieved.		
<b>39.</b>	17.2.2(b)(iii)	penalties imposed upon the Concessionaire in respect of Performance Criteria and Service Level Parameters in accordance with Schedule A ( <i>Scope of Project</i> );	In this case, there should be no double-counting. The amount of penalties should be adjusted from the Annuity Amount Payment.	<p>The present sub-section does not envisage any double-counting impact to which the Concessionaire may be exposed.</p> <p>The penalties are due to Non-Availability and Service Level Parameters, please refer to Schedule Q of the Draft Concession Agreement.</p>
<b>40.</b>	17.6.3(a)(i)	the GoS shall issue a standby letter of credit in the form and manner set out in Section 17.6.1 above (the <b>First GoS Financial Instrument</b> ) for an amount equivalent to the lower of Annuity Payments of first two (2) Operational Years or seventy-five (75) percent of the Principal as per the Base Financial Model as updated on Financial Close	The quantum and duration of the First GoS Financial Instrument is crucial from a bankability perspective and therefore requires the comment of the commercial teams. It should ideally cover the Debt Due for the entire debt servicing period.	<p>Not Agreed.</p> <p>The quantum and time period of GoS financial instrument has been set out in line with the term sheets received from leading banks for similar projects. Furthermore, the envisaged level of support has been approved by the competent authorities.</p>



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		(the <b>First GoS Financial Instrument Amount</b> ) as a Condition Precedent to the Commencement Date in accordance with Section 3.1.4(c) above;		
<b>41.</b>	17.6.3(a)(ii)	at least one hundred and twenty (120) days prior to the expiry of the GoS Financial Instrument (including any expiry date of the GoS Financial Instrument following its extension), the Concessionaire shall procure issuance by the Independent Auditor of a certificate (the <b>GoS Financial Instrument Extension Certificate</b> ) setting out the aggregate of the Annuity Amount Payments falling due in the GoS Financial Instrument Extension Period (the <b>GoS Financial Instrument Extension Amount</b> ). Ninety (90) days	As above. Please see our comment in Sr. No. 40.	Please refer to response Sr. No. 40



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		<p>prior to expiry of the GoS Financial Instrument and subject to receipt by the GoS of the GoS Financial Instrument Extension Amount Certificate, the GoS shall extend the validity of the GoS Financial Instrument for a period of two (2) years from the date of its expiry (the <b>GoS Financial Instrument Extension Period</b>) and shall adjust the value of the GoS Financial Instrument such that the value of the GoS Financial Instrument equals the GoS Financial Instrument Extension Amount equivalent to the lower of Annuity Payments of subsequent two (2) Operational Years or seventy-five (75) percent of Debt Due, as set out in the GoS Financial Instrument</p>		
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		Extension Certificate (the <b>Extended GoS Financial Instrument</b> ).		
<b>42.</b>	17.6.4(d)	The GoS hereby undertakes to establish, maintain and keep valid the First GoS Financial Instrument and each Extended GoS Financial Instrument in such a manner so that at all times, until the date falling on the eighth anniversary of the Substantial Completion Date or in case of early Termination of this Agreement, the Termination Payment Date (subject to the GoS making payment of the relevant Termination Payment to the Concessionaire on or prior to Termination Payment Date), the GoS Financial Instrument is valid and effective.	The Financial Instrument should be maintained till the Trigger Date.	Not agreed.



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<b>43.</b>	17.7.1(b)	in the event the funds standing to credit of the GoS Annuity Amount Payment Account are insufficient to fund the Unpaid Termination Payment Amount in full (the <b>Payable Termination Payment Amount Shortfall</b> ), as certified and set out by the Independent Auditor and the Independent Engineer in the Unpaid Termination Payment Amount Certificate, the Concessionaire shall be entitled to encash the GoS Financial Instrument in an amount equal to the Payable Termination Payment Amount Shortfall;	This certificate should be done away with. There should only be one certificate issued by the Independent Auditor calculating the Termination Payment and setting out the available amounts in the GoS Annuity Amount Payment Account, the GoS Financial Instrument and the Outstanding Termination Payment.	There is no reference to two certificates. The Unpaid Payment Termination Amount Certificate will ascertain the amount of the Unpaid Termination Payment Amount, whilst Payable Termination Payment Amount Shortfall and Outstanding Termination Payment will be computed in the event where GoS Annuity Amount Payment Account has insufficient balance which will trigger (b) and/or (c), as applicable.
<b>44.</b>	19.11.1	The Parties acknowledge that based on the requirements of the Applicable Standards, the	Major Maintenance Costs should not form part of the Annuity Amount Payments, as in the case of the Karachi Thatta Dual Carriageway Project, especially since payment of Major Maintenance	Agreed.



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	<p>Concession Assets should not require the first (1<sup>st</sup>) Major Maintenance before the date falling ten (10) years following the Substantial Completion Date, and thereafter the Second Major Maintenance should not be required before the date falling ten (10) years following the First Major Maintenance Commencement Date. The Parties acknowledge and agree that the costs of each of the Major Maintenances (the <b>Major Maintenance Costs</b>) are expressly set out in the Financial Model and shall be adjusted for inflation in accordance with the Financial Model. The Parties further acknowledge and agree that the Major Maintenance Costs shall form part of the Annuity Amount Payments and shall</p>	<p>Costs is a function of the Major Maintenance. This issue was negotiated in detailed and agreed by the GoS.</p>	
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		be paid by the GoS in accordance with the terms of Article17.		
<b>45.</b>	19.11.2	-	The appointment of the Major Maintenance Contractor nor the terms of contracts relating to Major Maintenance should be subject to the approval of the GoS and/or the Independent Engineer.	Not agreed.
<b>46.</b>	22.2.1	-	Additional GoS Event of Default need to be added in view of the final transaction structure. In any case, GoS Events of Default should include, <i>inter alia</i> , failure of the GoS to hand of Vacant Possession of the Concession Assets Project Site, failure of the GoS to meet such other Conditions Precedent, and failure of the GoS to fund the Major Maintenance Reserve Account.	<p>Currently Concessionaire's protection in case of failure to handover Vacant Possession is catered for under Section 15 (<i>Relief Events</i>). Please note that handing over of Vacant Possession of the Initial Project Site shall be a Condition Precedent. However, in the event of a delay by the GoS in handing over of the Vacant Possession of the Subsequent Project Site, in terms of this Agreement, the Concessionaire shall be entitled to compensation in accordance with Section 15 (Relief Events).</p> <p>Conditions Precedent – Not Agreed.</p> <p>In addition, please refer to Section</p>



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				22.2.1(b) of the Draft Concession Agreement which states that failure by the GoS to pay such payments that are due and payable to the Concessionaire under the terms of the Concession Agreement, which remain unpaid for a period of ninety (90) days shall constitute a GoS Event of Default. The payments contemplated under Section 22.2.1(b) would include the obligation to fund the Major Maintenance Payment Account in accordance with the terms of Section 19.11.14 ( <i>Funding and Payment</i> ) of the Draft Concession Agreement.
<b>47.</b>	22.2.1(a)	any Material Breach by the GoS of any GoS Agreement and the same has not been cured within forty-five (45) days from the date of written notice thereof by the Concessionaire, or within such time period as provided in the relevant GoS Agreement, respectively;	Cure period should be reduced to <u>fifteen (15) days</u> .	Not agreed.





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<b>48.</b>	-	<p><i>Inter alia</i>, the following additional concepts need to be discussed and added in the Concession Agreement:</p> <p>(a) penalties on all late payments;</p> <p>(b) treatment of project savings (such as KIBOR and margin savings) during the Construction Period and the Operations Period; and</p> <p>(c) disputed termination.</p>	-	<p>a. Not agreed.</p> <p>b. Please refer to response Sr. No.1.</p> <p>c. Please refer to Section 30 of the Draft Concession Agreement (Dispute Resolution).</p>
<b>49.</b>	7.5.1(a)	<b>The EPC and O&amp;M Contractor:</b> Please clarify the intent of this sub-clause and how it will relate in case the concessionaire consortium intends to		Concessionaire consortium members shall undertake EPC or O&M works. The intent of this sub-clause is to ensure that the terms of the contracts shall be in a fair and transparent manner in accordance with the RFP.



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		construct and operate/maintain itself.		
<b>50.</b>	10.5.1	Price Escalation: What will be the Escalable Items other than steel, cement, bitumen, diesel, labor as substantial component of construction cost shall be used in Bus Stations and Bus Depot Items.		List of Escalable Items has been provided in the RFP Documents and it is clarified that the list is exhaustive.
<b>51.</b>	10.7.2	<b>Transaction Advisory Fee:</b> Is the 0.3% fee inclusive of applicable taxes, and if not, what will these taxes amount to?		The Transaction Advisory Fee is inclusive of all applicable taxes.
<b>52.</b>	15.2.1 (h)	Please specify the relief in this case.		In the event of a delay by the GoS in handing over of the Vacant Possession of the Project Site, in terms of this Agreement, the Concessionaire shall be entitled to compensation in accordance with Section 15 (Relief Events).
<b>53.</b>	16.1.1	Change of Scope: Please provide a copy of "Applicable Laws" referred		Kindly consult your legal advisors.



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		to.		
<b>54.</b>	Schedule I – Insurances	Please list the insurances required by the GoS during the Construction and O&M Periods.		The Bidders need to identify the types and level of insurances required to undertake the project, as per the risk allocation laid down in the Draft Concession Agreement.
<b>55.</b>	5.2.1 and 6.2.1	<p>The appointment of the Independent Engineer shall be for an initial term of two (2) years from the date of the effectiveness of the Independent Engineer Contract; and</p> <p>The appointment of the Independent Auditor shall be for an initial term of two (2) years from the date of the effectiveness of the Independent Auditor Contract.</p>	As the Independent Engineer and Independent contracts are signed before commencement date i.e. before the official start of construction, hence the restriction of 2 year term for both will fall before the substantial completion. It is suggested the initial term of Independent Engineer and Independent Auditor contract shall be linked with Final Construction Completion Date of the project.	Agreed. To be amended.
<b>56.</b>	10.5	<p><b>Price Escalation:</b></p> <p>In the event at any time, the amount allocated for an Escalable Item in the Pre</p>	a) At which date the Base price will be linked?	a) The Base Price of all the Escalable Items will be linked with the date 28 days prior to the Bid



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		Estimated Project Cost (as determined by the Independent Engineer) exceeds the amount allocated for such Escalable Item in the Pre Estimated Project Cost due to an increase in the cost of such Escalable Items over and above ten (10) percent of the Base Price (the Escalation Cost) (as determined by the Independent Engineer), the GoS shall bear and fund hundred (100) percent of such Escalation Cost and, in each case, only upon the Independent Engineer and Independent Auditor duly verifying such Escalation Cost, as further detailed in the Price Escalation Agreement.	b) If the prices of one escalable item (lets say "A") does not increase and price of another escalable item (lets say "B") increases beyond 10%, in such event, can the amount allocated to ecalable item A be used to fund increase of any other escalable item like B?	Submission Date.  b) Yes. The GoS will only fund Escalation Cost in the event all the amounts allocated for all the Escalable Items in the Pre-Estimated Project Cost have been utilized.
<b>57.</b>	Schedule A: Scope of Work	Rest areas and other facilitations will be	Rest Areas are not required in this project.	Rest area for drivers along with staging facility for temporary parking of buses will



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	5.5	operated and maintained by the Concessionaire.		be required at terminal point near Al-Asif Square Station.
<b>58.</b>	Schedule A: Scope of Work  5.7	Operation methodology:  Emergency and rescue response system  Maintaining fire fighting systems	Is the emergency and rescue response system required separately for each BRTR line in the presence of central command and control system already in place?  Will the Authority provide land for the development of such system?  Where will be the fire fighting system be implemented ?	All BRTS lines will be integrated with the central command and control center to be timely aware of any emergency rescue and fire-fighting requirements along the BRT corridor. Therefore, every BRT station should have a fire-fighting system installed.  Emergency vehicles like ambulance, bus towing vehicles, fire trucks, etc. should have well planned access in case of emergency.  In relation to the parking or storage of emergency vehicles, adequate space available at the bus depot, below elevated corridors in median or at Al-Asif Square station, may be utilized.
<b>59.</b>	Schedule H: Part B) Facilities	<ul style="list-style-type: none"> <li>The Concessionaire shall provide furnished, equip and maintain site office for the Independent Engineer</li> </ul>	a) Will the Authority provide land for developing IE and IA offices?	A building on rental basis will be acquired by the Concessionaire along the corridor, for the site office and the offices of the Independent Engineer and Independent Auditor. The location will be finalized as



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	<p>and their staff. Office provided shall be maintained by the Concessionaire at all times during the duration of the Concession Period including extension period if any.</p> <ul style="list-style-type: none"> <li>• The Concessionaire shall provide following facilities for the Independent Engineer Independent Auditor, the Project Director of Client and their staff : <ul style="list-style-type: none"> <li>○ Provide, furnish, equip and maintain site office</li> <li>○ Provide, furnish equip and maintain accommodation</li> <li>○ The office shall be constructed, furnished, equipped (Add from RFP) and maintained</li> </ul> </li> </ul>	<p>b) Will the Authority provide land for developing site office?</p> <p>c) As the project is located within Karachi, hence there is no need for providing accommodation. Please consider.</p> <p>d) Survey equipment will be procured during the construction period. However, these equipments will not be required after the construction period. Please consider.</p> <p>e) The vehicles requirements presented in the RFP is above what is actually needed. This will increase the project cost which can actually be avoided without significant disruption of the project.</p>	<p>mutually agreed between the Parties.</p> <p>Agreed, no need for accommodation.</p> <p>Survey equipment will be required for major rehabilitation and maintenance activities of BRT corridor during Operations Period.</p> <p>The vehicle requirements given in the RFP must be met by the Concessionaire.</p>
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		<p>by the Concessionaire, at all times during the duration of the Concession Period including extension period if any.</p> <ul style="list-style-type: none"><li>○ The accommodation shall be rented, furnished, equipped and maintained by the Concessionaire, at all times during the duration of the Concession Period including extension period if any.</li><li>○ Survey Equipment:  The survey equipment shall be provided and maintained by the Concessionaire along with survey helpers and all consumable, at all times during the</li></ul>		
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		<p>duration of the Concession Period including extension period if any.</p> <p>o Vehicles</p> <p>The vehicles shall be provided with driver, fuel, maintenance, insurance, registration etc by the Concessionaire at all times during the duration of the Concession Period including extension period if any.</p> <p>o 1 Revo (double cabin) o 4 Suzuki Cultus o 2 Honda CD-70</p>		
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**KEY COMMENTS AND QUERIES IN RELATION TO  
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<b>SR. No.</b>	<b>SECTION NO.</b>	<b>SECTION</b>	<b>COMMENT</b>	<b>RESPONSE</b>
<b>60.</b>	GLOSSARY	<b>Annuity Payments</b>	It is requested that annuity Payment should include the Cost of Consultants, Financing Charges during repayment period, SPV Cost, Miscellaneous Expenses. Or should the same may be included in O&M Cost?	All the expenses of the SPV including the cost of consultants, SPV cost, miscellaneous expenses shall be included in the O&M Component of the Annuity Amount Payment, whereas the Financing charges during repayment period will be part of the Debt Component of the Annuity Amount Payments.
<b>61.</b>	GLOSSARY	<b>Construction Performance Security</b>	It is requested that this security shall be converted into Insurance Bond and the validity of the same will be linked with Substantial completion or 6 months after as this will improve the project cashflows.	Not Agreed. This is in accordance with the Applicable Laws.
<b>62.</b>	1.20		Kindly elaborate on the financial instrument. It is requested that GoS is currently handling various other BOT projects, how will such a large exposure be dealt through the Viability Gap Fund or any other commercial security? It is recommended that 100% outstanding Principal should be securitized by the revolving SBLC to allow the concessionaire in negotiating better terms	Please refer to response Sr. No. 40.



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			of financing.	
<b>63.</b>	<b>2.1.2 - Project Description</b>		There are roads which have to be rehabilitated by the Concessionaire. As per our understanding concessionaire cannot work outside its concession limit so confirmation is requested in regards to the treatment of these road which are currently regulated by other Government departments. Please Explain how the Concessionaire will be securitized in this regard?	<p>It will be the responsibility of the Concessionaire to rehabilitate / reconstruct those areas of the adjacent carriageway / roads which have been deteriorated <i>due to</i> the construction activities undertaken by the Concessionaire, as determined by the Independent Engineer (an existing road condition survey will be the base document to determine such deteriorations). At no time, the adjacent roads should be left in such deteriorated condition so as to hamper, endanger or obstruct the flow of traffic.</p> <p>In addition to the above, following works are added in the current scope (according to the cross sections as included in the RFP):</p> <ol style="list-style-type: none"> <li>1) Complete reconstruction of road from Gurumandir upto and including Teen Hatti bridge(over Lyari Nallah)</li> <li>2) Complete reconstruction of road from Liaquatabad Station to Karimabad station adjacent to the proposed elevated BRT flyover</li> </ol>



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<b>64.</b>	3.2.4 -		In case of non-agreement on Letter of Intent due to any additional requirement it would be unfair to forfeit the security. It is recommended that if the proposal is as per the Concession and Letter of Intent have no additional requirement than in that case Bid Security may be en-cashed only.	Please refer to Annexure A of this Pre-Bid Queries & Responses Document.
<b>65.</b>	4.15		Just for clarification purposes will Major Maintenance be considered an Operational Expenditure or Capital Expenditure? If it is treated as Capital Expenditure then what will be the salvage value of the initial investment at the time of first major maintenance? The purpose of this question is to understand the depreciation policy to be built in the financial model for uniformity purposes	The Bidders are instructed to treat the Major Maintenance as capital expenditures.  Further the salvage value of the initial investment at the time of First Major Maintenance will depend upon the depreciation policy applied by the Bidders. All the Bidders are advised to apply straight line depreciation method for all capital expenditures keeping in view the remaining life of Concession Period.
<b>66.</b>	ANNEXURE C – A.12		Minimum 10 years loan. Can the loan be greater than 10 years, if yes how will uniformity be ensured?	No, for the purposes of uniformity, all the bidders are instructed to build in the commercial loan with the tenor of ten years and no variability in the tenor will be accepted.



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<b>67.</b>	ANNEXURE L		Considering the highly congested area it will be very difficult for the concessionaire to conduct the Environmental Impact Assessment. It is requested that GoS conducts this itself.	Not agreed. Environmental Impact Assessment (EIA) will be the responsibility of the Concessionaire.
<b>68.</b>	1.17		BRT Corridor longitudinal Gradient 3% to 4% does not match with gradient shown in Table 1 Point 9 i.e. 4% to 6%.	Agreed, for BRT Corridor (Convertible to LRT), the maximum gradient should be limited to 3% to 4%.
<b>69.</b>			<b>Road improvement Plan:</b> Please clarify whether “rehabilitation” means restoration of the facilities to “pre-project” conditions or is general rehabilitation required, and if so, to what extent and standards and how it can be quantify?	Please refer response Sr. No. 63.  The rehabilitation/reconstruction should be carried out after proper design following AASHTO standards and NHA Specifications.
<b>70.</b>	PARA 1		Seismic Analysis should also be in accordance with AASHTO-LRFD instead of AASHTO DIV. 1A	Agreed.
<b>71.</b>	7		The Concrete Strenght of Girders Pile Caps and Transoms are kept very high; it needs to be reduced in line of NHA Specifications or commonly available Concrete Mix.	The concrete strengths to be followed as per RFP.



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			Secondly, such a high grade in Flexure members will not be beneficial to reduce the member sizes.	
72.	9		The term "Post-tensioned" should be deleted to allow design of pre-tensioned type Girders also.	Agreed.
73.			We understand that Concrete section shapes of Bridges and Stations are indicative, the Bidder can design their own sections and Shapes. Please clarify.	The Bidders are instructed to keep into consideration the aesthetics while reducing the cost.
74.	4.5		In the presence of IE Resident Staff, there is no need for tests to be done at handing over stage again. Please clarify.	Please refer to Section 4.5 of the RFP.
75.	ANNEXURE A PARA 1		It is mentioned that Construction firms of the Consortium must be registered with PEC in year 2017, it is requested that this condition be restricted for the leads Construction Firm only who will be responsible for Construction not less than 60% Construction work. Because in Bus Station construction other medium size construction firm for imported item may be hired as main contractor firm which may need PEC registration at that time of	Please refer to the "Basic Eligibility Criteria" given in Annexure A of RFP.



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			Construction. This relief will save double taxation on Concessionaire.	
<b>76.</b>	PAGE 109, C		For Drainage Design, what is Design Storm or maximum Rain Fall.	10 years return period with maximum rainfall of 5.27 inches is to be considered for drainage design.
<b>77.</b>	PAGE 110, 3.1 & 3.5		For BRT Corridor (At grade & elevated) & Underpass NHA General Specifications 1998 shall be followed, please clarify which Construction specifications shall be used for Bus Stations, Bus Depot and other item of work.	<p>BRT stations are typically constructed of pre-fabricated steel structure which is covered under NHA specs. Bus depot will primarily have RCC buildings and maintenance sheds of steel which are covered under GoS and NHA specs, respectively.</p> <p>For item of works not available in NHA specs, Government of Sindh (GoS) specifications shall be followed. Moreover, for items of work not available in GoS specs, reputable and approved vendor's / supplier's specifications shall be used.</p>
<b>78.</b>	VOL III DWG NO: 2950-01-01- 02-205&208		There are two types of elevated stations shown in the mentioned drawings, for the uniformity in Construction and to save cost, it is suggested that one type of elevated station be proposed.	For restricted ROW, split type station shall be followed and where sufficient ROW is available centre type station shall be followed. Please follow the suggested type of stations as per RFP Volume III - Preliminary



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				Design Drawings.
<b>79.</b>	-		Are ICT and CCTV designed to be specialist or will it be done by Concessionaire.	ICT and CCTV design will be the responsibility of IITS Consultants. However, the infrastructure concessionaire shall coordinate with ITS consultants to provide conduits for OFC and handholes as per their requirements.
<b>80.</b>			For elevator & escalators, is European/American/Japanese origin equipment manufactured and shipped from these countries to be specified or equipment manufactured elsewhere also acceptable?	Elevators and escalators of reputable and approved brands with European / Japanese / American origin duly manufactured and shipped from these countries will be acceptable.
<b>81.</b>	-		Are Blue Line Stations to be integrated with OCC (Command & Control Center) building which is currently under construction for Green Line BRTS?	Yes.
<b>82.</b>			Is standby diesel generator to be designed for 100% backup?	Yes, the standby diesel generator should be designed for 100% backup. It is recommended to provide two standby generators, one for daytime use and the other one for night time use considering the additional requirement of street lighting as



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				well as station lighting.
83.	-		Location of Bus Depot to be indicated. Is the road between Bus Depot and Blue Line first station to be considered for street lighting design?	<p>The Authority is still in the process of finalizing the location of the bus depot.</p> <p>There is no need to consider the access road from bus depot to BRT Corridor until the location of the Bus Depot has been finalized.</p>
84.	-		Two separate 11kV feeders from K-Electric are envisaged for Blue Line BRTS power supply including substations for K-Electric	Running two separate 11 kV feeders will be an expensive affair. It is recommended to provide pad mounted transformer at each station and supply from nearest K-Electric 11 kV feeder be provided to the transformer for power supply needs of BRTS Blue Line.
85.			Is a separate Public Address System required in each bus station?	We understand that Public Address System will be required at each station. However, the same may be consulted and coordinated with ITS Consultants based on their proposed design.
86.	RFP SECTION 1.19.1	—	<b>Foreign Exchange Hedging:</b> Please provide a copy of the Sindh Foreign Investment Hedging Policy of PPP Projects.	Noted. GoS has uploaded the document on <a href="http://www.pppunitsindh.gov.pk">www.pppunitsindh.gov.pk</a> . All arrangements related to Foreign Exchange Hedging shall be governed by the Sindh Foreign Investment Hedging Policy of PPP Projects.





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87.	2.6.12 (B)		List of submittals comprising technical proposal is very elaborate and unwarranted at the time of submission of the bids, as many items will not exist at bid time.	Query is unclear, please clarify which items that have been requested as part of the technical proposal are not available on the Bid Submission Date.
88.	4.9.1		<b>Specific Taxation Framework for the Concession:</b> Please confirm is applicable GST and Tax on Services shall be priced. If so, we suggest these be shown separately to enable fair evaluation of bid when comparing any entity exempt from any or all such taxes.	Yes, applicable GST and tax on services should be priced.  If any entity is exempt from tax and passes on the benefit to the GoS then when comparing bids from non-exempt entities, this element will not be priced out.
89.	3		<b>Commitment Form:</b> In para (3) Pricing, requires the GST amount not to be included. Please confirm, and if so, please clarify how such costs will be reimbursed to the Concessionaire.	The prices should be inclusive of GST.
90.	3.2.1		It is suggested to obtain Bid Security of a fixed amount.	In accordance with the Rule 37 (1) of the Sindh Public Procurement Rules, 2010 (Amended 2017), the Bid Security cannot be set as a fixed amount, but rather can only be set above one (1%) percent and not exceeding five (5%) percent of the bid price.



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<b>91.</b>	3.6		In format of Financial Proposal, EPC Cost Item is missing.	EPC Cost Item is not required to be presented separately in the financial proposal.  However, the bidders will be required to present the EPC Costs and related cost items in the financial model in accordance with Annexure C of the RFP.
<b>92.</b>	-		<b>Specific Work Experience for Construction:</b> Please confirm whether the prescribed condition is satisfied if at least one member involved in construction in the consortium complies or whether each member involved with construction within the consortium must meet the given criteria.	Specific work experience for construction can be satisfied by at least one member of the consortium.
<b>93.</b>	-		<b>Specific Work Experience for Design:</b> Please confirm whether the prescribed condition is satisfied if at least one member involved in design in the consortium complies or whether each member involved with design within the consortium must meet the given criteria.	Specific work experience for design can be satisfied by at least one member of the consortium.
<b>94.</b>	1.1	<b>O&amp;M Component</b> means the component of the	What will be the basis of these adjustments in respect of inflation?	Please refer to Section A2.5 of Annexure C of the RFP.



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		Annuity Amount Payment that relates to the operations and maintenance expenses, as set out in the Financial Model and as adjusted from time to time for inflation in accordance with the Financial Model;		<p>For the purposes of the Financial Model, indexation of inflation should be calculated on the following basis;</p> <ul style="list-style-type: none"> <li>- The operations expense of the O&amp;M Component shall be linked with Consumer Price Index (CPI);</li> <li>- The maintenance expense (including routine, periodic and major maintenance) of the O&amp;M Component shall be linked with Wholesale Price Index (WPI)</li> <li>- For the purposes of uniformity, CPI and WPI are to be assumed at 5%, and the same shall be actualized based on actual inflation numbers released by Government of Pakistan</li> </ul>
<b>95.</b>	ANNEXURE C (A.2.2)	The discount rate applied to arrive at all the present values in the financial model is 5%	In view that (a) the proposed discount rate should, ideally, be equal to the cost of funds/borrowing for the government, as the annuity payments are the future cash outflows for the government; (b) form the	Agreed. The discount rate to be used by the bidders to calculate all the present values in the financial model is 10%.



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			bidders' perspective, the discount rate should closely corresponds to the interest/financing costs applicable to the underlying cashflows; and (c) this approach is prone to a bias towards bidders who are inclined to risky or speculative tendencies (e.g., those who are very 'optimistic' and substantially backend their payment demands).	
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GENERAL COMMENTS AND QUERIES IN RELATION TO THE BRTS BLUE LINE BUS PROJECT				
Sr. No.	SECTION NO.	SECTION	COMMENT	RESPONSE
96.			Can the Bidders change the alignment configuration to optimize infrastructure operational costs?	The alignment configuration of the BRT Corridor has been fixed after detailed study.
97.			Utilities relocation should be responsibility of GoS and they should provide a clear right of way for construction to start.	Please refer to response Sr. No. 27.
98.			It is suggested that another Pre- Bid meeting shall be held for detailed discussion on the Concession Agreement.	Agreed. The second pre-bid meeting is scheduled on March 26, 2018 at 10 30am at the SMTA office (Doctors Plaza).



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<b>99.</b>			Extension of Time for Bid submission for at least one month is requested	The date is extended to April 09, 2018.
<b>100.</b>			It is requested that a joint site visit be conducted and that GoS facilitates the potential bidders for conducting surveys and any other requirement for the site investigations etc.	Subsequent to the second pre-bid meeting scheduled on March 26, 2018 a joint site visit will be conducted. The field surveys and site investigations along the corridor will be the responsibility of the Concessionaire after signing of concession agreement and handing over of the concession area by GoS to the Concessionaire.
<b>101.</b>			As per our understanding various unsolicited proposals were submitted by Local & International Firms. Please provide clarity/current status and also confirm whether is there any arrangement of First Right of Refusal on these proposals. This declaration will be very crucial for all bidders to participate. Please also elaborate the mechanism.	<p>The present RFP is the consequence of a valid Unsolicited Proposal (USP) which was submitted to the TMTD. The USP was processed through the department's technical committee to ascertain the viability of the proposal in accordance with Rule 15A of Sindh Public Procurement Rules, 2010 (as amended from time to time) (<b>SPPRA Rules</b>). It was subsequently presented for consideration to the PPP Policy Board and was approved in the 23<sup>rd</sup> meeting of the Policy Board.</p> <p>Please note that pursuant to Rule 15A of SPPRA Rules, the initiator of the USP shall</p>



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				<p>inter alia:</p> <ul style="list-style-type: none"> <li>- Be exempted from the prequalification process;</li> <li>- Have the first right of refusal, in case the initiator of the Unsolicited Proposal does not emerge as the best evaluated bidder; and</li> </ul> <p>Further, in light of the approvals from the PPP Policy Board and the Sindh Public Procurement Regulatory Authority, the initiator of the USP is required to submit the technical and financial bids along with other bidders (as they are only exempted from pre-qualification process) and is also required to be evaluated based on the bidding criteria set out in the RFP Documents. Moreover, if pursuant to such evaluation, the initiator becomes a technically qualified bidder, it shall become entitled to the right of first refusal as delineated in Rule 15A.</p>
<b>102.</b>			Please provide the configuration of Buses and the traffic projections to enable potential	Please refer to page 34 of the RFP regarding information about the design vehicle.



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			bidders in submitting an optimal design	Articulated buses 60' (18.3m) long with <b>low entry - high floor</b> shall operate on Blue Line BRT corridor. It is expected that ultimately around 80 articulated buses will operate in the Blue Line corridor to cater for the estimated ridership of 357,000 by the year 2030.
<b>103.</b>			<p>As mentioned in RFP &amp; informed in the pre-bid meeting that the Authority has received an un-solicited bid for the Project It is also informed that JAICA has carried out study &amp; the project was conceived in year 2013.</p> <p>Now the question arises as how the un-solicited bid was accepted when the project was already in pipe line &amp; under consideration of Government of Sindh.</p> <p>In this regard, I will like to draw your kind attention towards the unsolicited bid submitted on 31-05-2017 to the Project Director, M-9 to N-5 Link Road Project of Works &amp; Services Department GoS for consideration. We were told by the PPP Unit, Finance Department that since the project has already been conceived by the</p>	<p>The proposal conceived in 2013 had different modalities compared to the scope of this project.</p> <p>With regards to the rationale for rejection of Unsolicited Proposal submitted for M-9 to N-5 Link Road Project, the same has been dealt with and communicated in the relevant transaction.</p>



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			GoS your proposal cannot be considered.  In light of above what is the status of the unsolicited proposal received by Mass Transit or PPP Unit, GoS.	
<b>104.</b>			There is a main Water Supply Line in the center of proposed corridor & other services like cables and sewerage lines. Whether cost for shifting of services is to be included in the project cost or the department concerned will clear the corridor at its own before start of work.	Please refer to clause 4.14 (Page 55) of the RFP document. Relocation of utilities will be the responsibility of GoS through various utilities agencies. However, drawings for relocation of various utilities in coordination with various utilities agencies / departments shall be the responsibility of the Concessionaire. Clear right of way (RoW) for construction shall be provided by GoS to the Concessionaire.
<b>105.</b>			During the execution of project the adjoining road will also be disturbed particularly At-Grade-Road. Who will repair such road & other necessary work after completion of the project?	Please refer to response Sr. No. 63.
<b>106.</b>			As shown in the RFP the proposed BRTS corridor can be used for LRT System in future. What will be the live load & dead load for design purposes for such proposal?	In the RFP, page 36, the information enquired is already mentioned and it repeated here for convenience. 1. Codes of Practice





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				<p>For the preliminary structural design of bridges and flyover following codes should be used:</p> <ul style="list-style-type: none"> <li>• AASHTO LRFD 2012</li> <li>• West Pakistan Highway Code 1967</li> <li>• NHA Standards and Specifications</li> </ul> <p>2. Service Loads The following service loads should be considered in the design:</p> <p>a) Vertical Loads The bridge structure should be designed for the following live and dead loads (in addition to self-weight of members).</p> <p>b) Live Loads For BRT, AASHTO - HL 93 TRUCK LOADS, section 3.6.2.1 of AASHTO LRFD Code. For LRT loading, refer to TCRP REPORT 155 and APTA J11-T20.</p>
<b>107.</b>			In RFP the corridor beyond Dak-Khana is proposed elevated in medians & then takes on left side of existing Liaquat Abad to	The alignment configuration of the BRT Corridor has been fixed after detailed study.



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			Karim Abad Flyover at Chainage 3+000 to 5+150. There are two elevated bus stations proposed at Liaquat Abad & Karim Abad.	
<b>108.</b>			<p>In our opinion there is sufficient space on existing Liaquat Abad Flyover &amp; one lane of existing flyover can be used for BRTS. However the two elevated bus stations can be constructed as additional structures. This type of arrangement has also been made in Orange Line Project where one lane of Banaras Flyover is being used for BRTS Project. Similarly the old existing bridges are used for the Corridor of Green Line BRTS Project.</p> <p>This type of arrangement for Blue Line can be made for BRTS Corridor on Liaquat Abad Flyover. This will save huge amount &amp; project will be completed easily.</p>	The alignment configuration of the BRT Corridor has been fixed after detailed study.
<b>109.</b>			Is the link road connecting bus depot and the corridor included in the project? The Authority can include such concept by demanding the quote of per km construction and maintenance cost of the road and built-in the cost of 3km (as an indicative left for uniformity purposes that will be actualized	Please refer to response Sr. No. 83.



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			after detailed design) in the financial estimates.	
<b>110.</b>			The design plan of bus depot to be included in the technical proposal should cater for 80 busses or 10 acres?	The planning of bus depot should be on 10 acres with provision for parking of 80 articulated buses at present. In case the corridor is extended in future, additional buses will also be using the bus depot. It is also expected that feeder buses to serve the corridor will also be using the same depot in near future.
<b>111.</b>			As per the requirement of RFP, the developer needs to develop 3 docks in each bus station. However, only 2 docks are required. The Authority may consider, to revise the requirement as follows:  Provision of 3 docks with actual construction and maintenance of 2 docks.	The number of docking bays at each bus station should be 3 for each direction considering the ultimate ridership requirements.



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**ANNEXURE A – DRAFT LOI**



No. SMTA/DIR-BUS-OPS/2017/  
TRANSPORT AND MASS TRANSIT DEPARTMENT  
GOVERNMENT OF SINDH

Tele. [●]

Fax. [●]

Dated: [●], 2018

To,

***[Name of the Preferred Bidder]. (hereinafter referred to as [●]).***



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SUBJECT: **LETTER OF INTENT TO DESIGN, BUILD, FINANCE, OPERATE AND TRANSFER, ON PUBLIC PRIVATE PARTNERSHIP (PPP) MODE, THE PROJECT CORRIDOR (THE 'PROJECT')**

Dear Sirs,

1. Reference is made to:

- (a) The request for proposal dated [●] (the **RFP**) and draft Concession Agreement (collectively the '**RFP Documents**') issued by the Transport and Mass Transit Department, Government of Sindh (the **GoS**) in accordance with the Applicable Laws;
- (b) The technical and financial bids (the **Bid**) submitted by [●] on [●] in respect of the Project in terms of the RFP Documents.
- (c) The various correspondence between [●] and the GoS in relation to the Bid.

*(All capitalized terms not defined herein shall bear the meaning ascribed thereto in the RFP Documents)*

- 1. Following evaluation of the Bid, it is notified in terms of the RFP Documents and this letter (**Letter of Intent**) that [●] has been considered as the **Preferred Bidder** (in accordance with the terms set out in the RFP Documents) for the execution of the Project.
- 2. For the purposes of finalizing the Concession Agreement, leading to the execution of the same, [●] is instructed to satisfy the following conditions:
  - (a) incorporation of a special purpose company under the applicable laws of Pakistan in accordance with the terms of the RFP Documents for the purposes of the Project;



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- (b) replacement of the Bid Security (submitted along with the proposal) with Performance Security (in accordance with the terms set out in the RFP Documents);
3. This Letter of Intent does not form a contractual or legal relationship under the Applicable Laws between the GoS and [●].
4. By acceptance of the terms of this Letter of Intent, [●] does not become an awardee of the Project unless a Concession Agreement is duly executed, subject to the final approval by the PPP Policy Board.
5. [●] is requested to confirm in writing, within seven (7) days from the date of receipt of this Letter of Intent, [●]'s acceptance of matters set out herein and its willingness to commence discussion for finalization of the Concession Agreement. All the discussions shall be strictly in accordance with Applicable Laws.

**PROJECT MANAGER  
BRTS BLUE LINE PROJECT  
TRANSPORT AND MASS TRANSIT DEPARTMENT  
GOVERNMENT OF SINDH**



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