

**Response of MPUIF
on the queries on RFP for selection of private sector partner as
Project Development Company**

The response of MPUIF to the queries raised in the pre-bid meeting held on 28-07-2011 and the queries subsequently received via e-mail is as under:-

Question 1	Kindly clarify whether PDC arrangement under MPUIF will debar holding company/group companies/associates of the Private Sector Partner (bidding entity) from participating in financing the projects for implementation/ construction etc. developed by PDC.
Answer	<i>Provision of the clause relating to "Conflict of Interest" shall be attracted in such cases.</i>
Question 2	For Payment of Success fee for projects, it has been mentioned that 20% will be paid on achieving the financial closure and 50% of success fee after achieving 50% & 70 % of construction respectively and final 30% payment will be paid by developer only after Commercial Operation Date. It is felt that this will be very long process since for achieving financial closure period of 6 months is given from agreement date and commercial operation may take 2-3 years. Since PDC will not be involved in project construction and it will be responsibility of developer to start commercial operation, It is proposed that payment of success fee be made on issue of letter of award and before signing the agreement. Further as a guarantee from developer side in the form of performance security may be availed for development of project.
Answer	<i>No change. The payment conditions for success fees given in the RfP stands.</i>
Question 3	Kindly clarify whether the Success Fee would be paid to PDC by developer directly. It is not clear from the document.
Answer	<i>All fees will be paid to the PDC by MPUIF</i>
Question 4	The fixed payment of Rs 84 lacs per year i.e Rs 7 lacs per month appears to be too less in comparison to the manpower deputation as per the experience and qualification indicated in RFP and amount of OPE assumed to be incurred for the assignment. Since as per RFP, senior level personnel will be required for the project, hence we request you to increase the upper ceiling from Rs 84 lacs to at least Rs 1.50 crore.
Answer	<i>The fixed cost is support from MPUIF to the PDC towards its establishment cost. There is no scope for change in the fixed cost.</i>
Question 5	The qualification for Managing Director as prescribed in RFP is MBA in Operations /Finance/ Business Management or equivalent with more than 20 years of Post qualification experience. We request you to include Post Graduation in any discipline with more than 20 years of experience. And further personnel mentioned in the list, the experience criteria may be relaxed to 5 years.
Answer	<i>The qualification for Managing Director is changed as per following: Qualification: MBA in operations/finance/business management or equivalent with more than 15 years of experience.</i>
Question 6	Do we have to nominate a separate Team Leader or the team leader should be a person from the indicative team structure
Answer	<i>Managing Director would be the team leader</i>
Question 7	Out of pocket Expenses are considering excluding / separate from the fixed fees (annual).
Answer	<i>The fixed cost and quoted success fee are inclusive of out of pocket expenses.</i>
Question 8	The entire amount of success fees should pay only to project development

	company (PDC) and should not share between PDC and MPUIF.
Answer	<i>Success fee shall be paid to the Project Development Company jointly promoted by the Private Partner and MPUIF.</i>
Question 9	The authority should pay the cost of preparation of DPR as it includes huge cost
Answer	<i>The cost of preparation of DPR and all other documents related to the project shall be borne by the Project Development Company (promoted jointly by the Private Partner and MPUIF). Subsequently, the cost (on actual basis) may be recovered from the selected/successful bidder/developer.</i>
Question 10	The office furniture which is to be established by PDC should be returned to MPUIF post the project period. Kindly clarify whether we should return the furniture?
Answer	<i>Yes, the furniture and all other related assets in possession by the PDC should be returned to MPUIF on termination of contract period.</i>
Question 11	Provision should be given to replace the personnel as retaining the same personnel for 5 years may not be feasible
Answer	<i>This can be done on reasonable grounds with mutual agreement duly approved by MPUIF subject to the conditions that any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and must be submitted to the Client for consideration and approval. Frequent changes to the team will not be permitted.</i>
Question 12	Request to kindly relax the criteria of the experts to a maximum experience of 5 years per expert.
Answer	<i>No change except for Managing Director as clarified in point 5 above.</i>
Question 13	The procurement expert qualification to be relaxed and the qualification could be MBA finance/engineering
Answer	<i>The qualification for Procurement Expert is changed as per following: Qualification: MBA Finance / Engineering graduate with requisite experience.</i>
Question 14	Suggest that the 100% success fee should be paid to the PDC at the time of signing the agreement and bidders deliverables should not be linked with the PDC's payment terms
Answer	<i>Rejected.</i>
Question 15	What is the tentative budget for projects to be taken up in future
Answer	<i>There are 360 ULBs in Madhya Pradesh comprising of 14 Municipal Corporations, 96 Municipal Councils and 250 Nagar Parishads. Bidder is expected to assess the tentative business at its own that he proposes to generate during the period of Agreement. It is the basic responsibility and scope of work of the PDC.</i>
Question 16	Should be success fee quoted on the fixed cost or the project cost?
Answer	<i>Success fee should be quoted as a percentage of project cost.</i>
Question 17	How will you evaluate if there is tie among the L1?
Answer	<i>In case of tie among L1, preference will be given to the firm with which has secured more technical score.</i>
Question 18	Success fee may vary depending on the project budgets? Should we quote separately depending on the cost of the projects?
Answer	<i>Success fee to be quoted as a percentage of project cost which will be applicable to all projects irrespective of cost of the projects.</i>
Question 19	Can central/state govt. funds be treated as capital raised for funding a specific project?
Answer	<i>Yes, the Central/State govt. funds can be treated as capital raised, however, the PDC will not be entitled for the success fee on such capital raised. If the PDC has mobilised the ULBs share through some other sources, it will be eligible to get success fee on such capital.</i>
Question 20	Is the fixed cost of Rs. 84 Lakh same for next 5 years?
Answer	<i>Yes.</i>

Question 21	Whether the due date can be extended?
Answer	<i>No change in the due date</i>
Question 22	The cover letter indicates that the initial contribution of Rs. 2 crore has already been received from GoMP for mobilizing the activities of MPUIF?
Answer	<i>Contribution of Rs. 2 crore from State Government towards seed capital has been received in the MPUIF.</i>
Question 23	Finance expert can be part-time instead of full-time looking at the proposed role of the expert and vast experience requirement?
Answer	<i>Rejected</i>
Question 24	The selected private sector partner would be eligible to bid for any project of any Government Department in the State. Please clarify?
Answer	<i>Yes, Except for the projects of Local Bodies.</i>
Question 25	In case of a consortium/JV, please confirm that the minimum average annual turn over of Rs. 25 crore has to be satisfied by the consortium as a whole?
Answer	<i>Lead partner should have a minimum annual turn over of 80% (of 25 crore). The consortium/JV shall not be of more than 3 partners. Respective clause of the "Instructions to client" stands amended accordingly.</i>

The criteria for evaluation of technical proposals has been amended. Accordingly para-7 of "Instructions to consultants (Annex.-A)" stands Revised as under:-

Evaluation Criteria

Criteria	Original Marks	Revision proposed
1. Proposed business plan <ol style="list-style-type: none"> a. Approach and Methodology (50 Marks) b. Innovative financing mechanisms proposed (50 Marks) c. Market analysis (50 Marks) d. Financial analysis including funding, duration, returns, periodicity, turnover expected and any other (75 Marks) e. Phasing strategy (25 Marks) f. Service Levels proposed (50 Marks) <ul style="list-style-type: none"> • Excellent – 100% • Very good – 75% • Good – 50% • Average – 30% 	300	200 <ol style="list-style-type: none"> a. 30 b. 30 c. 10 d. 60 e. 20 f. 50 (break up is done proportionately)
2. Experience of project development <ol style="list-style-type: none"> a. Experience as project development company (10 Marks) b. Experience in managing urban infrastructure projects (30 Marks) c. Experience in lending (Kindly provide the firms experience in assisting the client in co-lending/facilitating funds from various sources to operationalize the project (20 Marks) <ul style="list-style-type: none"> • 3 projects – 100% • 2 projects – 60% • 1 project – 20% d. Experience in developing Urban Infrastructure Projects. <ul style="list-style-type: none"> 5 and above projects -100 3 projects -75 2 projects -50 1 project -25 	100	300 <ol style="list-style-type: none"> a. 100 b. 70 c. 30 d. Experience in developing Urban Infrastructure Projects. 100

3. Understanding of MPUIF, its roles, objectives etc.	100	No change
4. Understanding of financial health of ULBs in MP	100	No change
5. Management approach – a. Proposed organization - <i>(50 Marks)</i> b. Structure - <i>(50 Marks)</i> c. Quality of people – <i>(200 Marks)</i> Management approach 1. <i>The Management Approach should detail out the proposed organisational structure of the Project Development Company (PDC) with the details of roles and responsibilities of all each of the proposed positions.</i> 2. <i>It should detail out the modus operandi to interact with the various stake holders- Urban Administration and Development Department, municipalities and municipal corporations, development authorities and other service delivery agencies in the urban sector in the state.</i> 3. <i>A fund- flow and intra- agency responsibility allocation and inter- agency linkage should be depicted through a flow- chart. The chart should also depict and capture the possible sharing of risks between various stake- holders in the functioning of the mechanism."</i>	300	200 a. proposed organizatio nal structure- 50 b. quality of people-150
6. Presentation	100	100

U.K.Sadhav
Additional Director
Urban Administration & Development
Madhya Pradesh