



NEPAL ELECTRICITY AUTHORITY  
Transmission Directorate  
Grid Development Department  
New Modi Lekhnath 132kV Transmission Line Project



Kharipati  
Kathmandu, Nepal  
Phone : 977-1-6614606

Letter Ref. No. 074/75-10

Date: 2<sup>nd</sup> August, 2017

To  
All Prospective Bidders

Subject: Issuance of Clarification-2 and Addendum-2

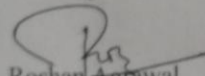
Ref: Package ML1: Procurement of Plant Design, Supply, and Installation of New Modi Lekhnath 132kV Transmission Line (IFB No: ML/TL/073/74-1)

Dear Sirs/Madams,

In reference to the captioned Tender Published on 3 July, 2017, we are hereby attaching the clarification-2 sought by the bidders pursuant to clause 7.1 and addendum-2 pursuant to clause 8.1 of Volume-1 of the bidding Documents.

It is hereby requested you all to acknowledge the receipt of the same.

With regards

  
Roshan Agrawal  
Project Manager

**NEPAL ELECTRICITY AUTHORITY**  
**Transmission Directorate**  
**Grid Development Department**  
**New Modi-Lekhnath 132 kV Transmission Line Project**

**IFB No. ML/TL/073/74-1 : Procurement of Plant Design, Supply, and Installation of New Modi- Lekhnath 132 kV Transmission Line**

**Clarification : 2**

S.No	Description/Clause of Reference for the required clarification	Bidder's Request	NEA Response
1	<b>Volume – 3 of Tender, Section 8 Clause GC 9.10</b>	<p>The Contractor shall make all necessary or required provisions concerning any interference with the operation or maintenance of traffic or service of any transmission, telegraph or telephone lines existing on the date of receiving bids, caused by the work of the Contractor under this Contract, all in a manner satisfactory to the owners or operators and to the Employer. The Contractor shall notify the Employers of such facilities of any damage, which is his responsibility and shall promptly settle proper claims. Pending settlement of such claims by the Contractor, an appropriate sum as determined by the Employer may be withheld from payments due to the Contractor until the matter is settled. The cost of providing and maintaining all necessary or required watchmen, signals, guards and temporary structures, of making any necessary repairs, replacements, or similar operations and all or any other costs required by this Sub-Clause shall be borne by the Contractor.</p> <p>From above we understand that Contractor shall be held responsible for any damage to any facility, which is due contractor negligent works, however necessary removal or shifting of any kind of facility, which need to be shifted or removed for proper execution of works shall be in scope of employer. Kindly conform if our understanding is correct.</p>	Will be as per the relevant clause of the bidding documents
2	<b>Volume – 3 of Tender, Section 8 Clause GC 9.15&amp; 24.3</b>	<p>The Contractor shall provide at least one operating and maintenance expert at the site for a continuous period of three (3) months or any extension required thereof because of serious breakdown or any extensions of warranty period, from the commencement of the Defect Liability Period to train the local staff on the operation of various equipment. And The Contractor is responsible for providing operating and maintenance personnel for Pre Commissioning of the facilities. The Employer shall provide operating staff to receive training from the Contractor during Pre commissioning. Also, NEA staff training pertains to the equipment maintenance and operation conducted at the manufacturer facilities of OPGW. The maximum number of staffs to receive training on OPGW at the manufacturer facilities shall be 3 (Three). The Contractor shall provide any material required for PreCommissioning. The maximum number of NEA (ten). Staffs to receive the pre-commissioning training from the contractor shall be 10.</p> <p>From Above we understand following:-</p>	Will be as per the relevant clause of the bidding documents and no extra cost for the same shall be provided

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		<p>A. Contract has to be provide only one training personnel for 3 months after taking over certificate &amp; cost of same will be included in quoted price. Please confirm if our understanding is correct.</p> <p>B. Total maximum number of personnel need to be trained is ten (10). Out of which 3 personnel shall be trained at OPGW manufacturer's facility i.e. overseas &amp; remaining 7 shall be trained on site. Please confirm if our understanding is correct.</p> <p>C. Also we understand that cost of 3 personnel's training at OPGW manufacturer's facility i.e. in overseas shall be included in quoted price. Also Travelling, Boarding, Lodging &amp; Daily allowance shall be in scope of contractor. Please confirm.</p>	
3	<p><b>Volume – 3 of Tender, Section 8 Clause GC 13.2.1&amp; 13.1.1</b></p>	<p>From these clauses we understand that Advance Payment guarantee shall remain valid till 90 Days after Operational Acceptance Certificate i.e. total validity of advance guarantee shall be minimum <b>Contractual period + Defect Liability period + 90 Days</b>. Please confirm if our understanding is correct,Also we understand that performance bank guarantee shall remain valid till 60 days beyond defect liability period. Please confirm</p>	<p>Will be as per the mentioned clause of the bidding Documents</p>
4	<p><b>Volume – 3 of Tender, Section 8 Clause GC 14.2.1&amp; 14.2.2</b></p>	<p>Unless otherwise specifically declared in the contract documents, the prices bid by the Contractor and its suppliers and subcontractors shall include business taxes and other taxes except VAT and Custom duty that may be levied in accordance with the laws and regulations in force or in effect in Nepal as of 28 days prior to the closing date for submission of tenders in the Employer's country on the Equipment, Plant, Materials and Supplies (permanent, temporary and consumables) acquired for the purpose of the Contract and on the services performed under the Contract. Whatsoever provisions made in the Contract document shall not relieve the Contractor, its suppliers and subcontractors from their responsibility to pay income tax that may be levied in the Employer's country on profits made by the Contractor, its suppliers and subcontractors in respect of the Contract. The Project is entitled for concessional 1% custom duty and VAT exemption for the import Plant &amp; Mandatory Spare Parts to be supplied from abroad in Price Schedule No. 1. The Contractor has to follow all the procedures to import Plant &amp; Mandatory Spare Parts to be supplied from abroad in Price Schedule No. 1. The Contractor shall pay all the taxes and duties applicable at the point of entry (custom). Employer will refund such amount to the Contractor upon submission of the related original documents. However, Employer will not be responsible for any demurrage charges applicable due to delay in custom clearance.</p>	<p>Confirmed</p>
		<p>From this clause we understand that, bidder need to include business &amp; other taxes in their CIP prices, which are levied in employer's country except VAT &amp; Custom Duty. i.e.</p>	
		<p>Prices in schedule – 1 shall be quoted exclusive of Custom Duty, VAT &amp; TDS. Hence Custom Duty &amp; VAT shall be bourn by employer. Also there will not be any TDS deduction from contractor's invoice against schedule – 1 in form of TDS. Please confirm if our understanding is correct.</p>	<p>TDS shall be deducted</p>

S.No	Description/Clause of Reference for the required clarification	Bidder's Request	NEA Response
5	<b>Volume – 3 of Tender, Section 8 Clause GC 14.2.3 &amp; 14.2.4</b>	The unit bid price quoted in the Price Schedule Nos. 2 & 4 are exclusive of VAT. VAT in each supply/progress bill shall be paid to the Contractor and as per law of Nepal he will be responsible for depositing the same to the concerned Revenue office in Nepal.	Confirmed
		As per the law of Nepal the Employer will deduct TDS at the rate as applicable at the time of execution of the contract from each payment to the Contractor and deposit to the Revenue office. The Contractor shall be provided with all details in this regard promptly. The Contractor shall be responsible for obtaining tax clearance before issuance of Final Acceptance Certificate or before releasing the final 5% retention amount. All firms carrying out works in Nepal are required to be registered at Inland Revenue office. If registered in Nepal, TDS at the rate of 1.5% is applicable at present.	TDS shall be deducted as per the applicable rate of the Law of Nepal in all the schedules.
		<b>From Above we understand followings</b>	
		Schedule 2 : - Price shall be quoted exclusive VAT & if there is any applicable VAT then same shall be borne by employer. Also there will be TDS deduction as per applicable rates. Please confirm if our understanding correct.	Confirmed
6	<b>Volume – 3 of Tender, Section 8 Clause GC 14</b>	Schedule 4: - Price shall be quoted exclusive VAT & if there is any applicable VAT then same shall be borne by employer. Also there will be TDS deduction as per applicable rates. Please confirm if our understanding correct.	Confirmed
		We understand that VAT & Custom Duty shall be borne by employer on import Cement & Steel from India. Please confirm if our understand is correct.	Custom duty of Items under price schedule-1 shall be reimbursed to the contractor
7	<b>Clause No. ITB 5.1, Section 2 - Bid Data Sheet, Volume-1</b>	<p>“Goods and Services for minimum 75% value of the Contracts covered under this Contract must be sourced from India”.</p> <p>From the above clause, we understand that Goods and Services worth maximum 25% value of the Contracts will be allowed to source from outside India.</p> <p>In this regards, please find below our submittals for your kind review &amp; necessary considerations:</p> <p>Transmission line involved in this package required to be installed in Hilly Terrain.</p> <p>To install Transmission Line in Hills, huge head loading &amp; road making required to be executed with the help of local labours &amp; local sub-contractors for transportation upto site locations.</p> <p>Further, it's also required to engage local civil sub-contractors and other service providers, who are experts to work in Hills.</p> <p>Civil Materials like Sand, Metals, Cement &amp; Reinforcement Steel will also require to be sourced locally.</p> <p>Considering all above aspects, total value of locally procured Goods and Services, required to successfully complete this Contract will be far more than 25% value of Total Contract.</p> <p>Accordingly, we request you to kindly arrange to remove the minimum sourcing limits from India OR allow to source various Goods &amp; Services minimum worth 45-50% value of the Contract from outside India.</p>	Will be as per the relevant clause of the Bidding Documents

S.No	Description/Clause of Reference for the required clarification	Bidder's Request	NEA Response
		Considering criticality of the matter, we humbly request you to suitably take up the matter with EXIM Bank-India and arrange to relax above conditions to prepare more realistic & competitive bid.	
8	<b>Taxes &amp; Duties</b>	We request you to kindly arrange to reconfirm the rate of Tax deductible (TDS) by Employer (NEA) from each payment to the Contractor for this Contract. Whether is it 5% or 1.5% ? Please, reconfirm to avoid any confusion.	Refer to clause 2.4 GC14 Taxes and Duties, Section-8 PCC of Volume-III of Bidding Documents

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**ADDENDUM-2**

In accordance with the **ITB 8.1** of the Bidding Document for the " **Procurement of Plant Design, Supply and Installation of New**

S.No	Description/Clause of Reference for the required clarification	As in the Bidding Documents	To Be Replaced as
1	GC13.3.1,Section-8,Particular Conditions of Contract	The amount of performance security, as a percentage of the Contract Price for the Facility or for the part of the Facility for which a separate Time for Completion is provided, shall be: Ten (10) Percent with a validity up to Sixty (60) days beyond the Defect Liability Period.	The amount of performance security, as a percentage of the Contract Price for the Facility or for the part of the Facility for which a separate Time for Completion is provided, shall be: Performance Security Amount = $[(0.85 \times \text{Cost Estimate} - \text{Bid Price}) \times 0.5] + 5\%$ of Bid Price. with a validity up to Sixty (60) days beyond the Defect Liability Period.
2	Third paragraph of Clause 2.6(a),Chapter-1 ,Project Specific Requirement, Volume-II	NEA reserves the right to increase or decrease up to <b>15% (Fifteen percent only)</b> of Contract Value.The quantities of individual items may vary upto any extent after the final route plans and route profiles of lines covered in the packages are finalized	<b>Replace it by:</b> NEA reserves the right to increase or decrease up to <b>25% (Twentyfive percent only)</b> of Contract Value.The quantities of individual items may vary upto any extent after the final route plans and route profiles of lines covered in the packages are finalized