

Question 1: According to Clause ITA 4.2, section II, the maximum number of JV members shall be three. This limitation of JV members up to three further restricts the competition. Therefore, we request and propose as under: this limitation to three JV members must be deleted to open the competition.

Answer 1: Disagree. Bidders can form a joint venture which implies that each partner is jointly-and-severally liable for the bid. There is no limitation on the number of subcontractors which each bidder acting alone or forming part of a joint venture can subcontract. If several bidders wish to lodge a bid together they may do so together as a joint venture or by electing a leading party to lodge a bid with the support of subcontractors. See Section I, clause 4.3.

Question 2: As per clause 3.2 of Section III the Average annual turnover for each of the other partner of the JV is 25% which is not reasonable, because a member who has been involved in HVDC project as an engineering design company, it may be difficult for it to meet this criteria, in order to attract more bidders and carry out a wide competition among the bidder we suggest that this turnover should reduce to 20%.

Answer 2: Under the circumstances which you describe, the engineering design firm not meeting the minimum requirements to participate as a bidder in a joint venture could do so as a subcontractor of a single bidder or of a joint venture. The qualifications of subcontractors are not judged on the same criteria as the bidder. See section I, clause 25.4 (“Only the qualifications of the Applicant shall be considered. In particular, the qualifications of a parent or other affiliated company that is not party to the Applicant under a JV in accordance with ITA 4.2 (or participating as a sub-contractor as per ITA 25.2) shall not be considered.”).

Question 3: As per clause 4 of section III related to Experience, it is mentioned here that each member as well as lead member of JV must meet the entire experience requirement. Here the question raises that if each member as well as lead member has to individually meets the entire requirement then why they will go for JV? Then, he will participate in tender as a single entity. The basic theme of JV is that more than one firms having experience/expertise in different disciplines/fields (i.e. manufacturing, designing, testing, commissioning and installation etc.) collaborate with each other and jointly meet the PQ requirements. In this PQ document the very purpose of making JV is completely defeated.

Answer 3: Disagree. A party having the capacity to execute the project may not wish to do so independently. In other words, the party may prefer to limit its role to one part of the project and may rely on a joint venture party for the balance of the works. Alternatively, the same party could act as a subcontractor to a bidder rather than lodge a bid in its own name even if it were capable of doing so.

Question 4: There is a contradiction that in ALT I and ALT II, at least three years' experience of the applicant is required to qualify as a single entity or as JV lead partner but on the other hand to meet the PQ requirements each JV member must have at least five years' experience.

Answer 4: Disagree. In Section III, clause 4.3, the members of the JV must have a minimum of three (3) years of experience in HVDC; however, their work must be on a HVDC project which has been in operation for five (5) years. The project could have been in operation prior to the entry into the market for HVDC of the bidder; in other words, the bidder could have provided repairs or expansion works on a pre-existing project.

Question 5: The condition required in above said clause limits the spectrum of competition and hardly there is one or two or maybe three bidders/firms in this world which can meet this criterion and all others will be disqualified. By the monopoly of these firms they will quote exorbitant price and there is no competition. It is not in the largest interest of employer because it will cause to hear huge and unreasonable cost, only due to such unreasonable & unusual PQ criteria. We have participated in many turnkey projects worldwide but never found such criteria which require the same qualification requirement for lead partner as well as for each JV member. We understand that this PQ criterion is design only for two or three firms which can further make JV to get the whole project. Moreover, according to standard international tenders the EPC contractor as a single entity or as a JV, participates in a tender and procure the different equipment from different manufacturers which are the subcontractors of the EPC contractor and these subcontractors specializes in one field, not a single firm manufacturer all the equipment and do all other things (i.e. designing, testing, commissioning and installation, etc.) related to EPC contract at the same time. All over the world except ABB/Siemens/Areva manufacturer are not EPC contractors but according to these PQ documents the core requirement for specific experience is that EPC contractor should also be simultaneously manufacturer of following three items (i) HVDC transformers, (ii) Thyristors valves, and (iii) AC-DC harmonics filters, which is no one in the world except above said three firms. Therefore, it is unjustified and unfair requirement, prompting them to offer manipulated prices and makes JV among themselves and pool together. There will be no competition during the bidding which is against the guidelines / instructions of leading funding agencies like the World Bank, ADB etc. as well as international tendering.

This PQ criteria is not meeting the requirement of "International Competitive Bidding" by the World Bank guidelines, rather it is "limited international bidding" by making the specific experience criteria so strict and selective for above said firms to meet it.

Moreover, World Bank guidelines emphasis to only need for economy, giving equal opportunity to developed and developing countries to compete whereas this concept has totally been neglected in these PQ document.

Therefore, we request and propose as under:

- (a) For single entity, it must be manufacturer of any one equipment, civil works, designing, testing, commissioning and installation etc. of HVDC system and do an EPC contract as whole.
- (b) For JV, each JV member must have the experience of manufacturing of any one equipment or civil works or designing or testing or commissioning or installation etc. related to HVDC business are eligible to qualify and their experience may be counted in their specialized over/more than one field.
- (c) The lead member must have the experience of design or manufacturing or supply for testing, commissioning of at least one HVDC project.
- (d) All JV members with subcontractors collectively meet the entire experience requirement and not individually.

Answer 5: Disagreed. As a practical matter, more firms than three companies have participated in the bidders' conference stated their intention to lodge applications for pre-qualification. Amongst the companies stating their interest in the project are some from developed countries and others from developing countries. All of these firms claim to have experience with HVDC projects. The pre-qualification criteria allow for firms with different sources of expertize and levels of experience to subcontract or to form joint ventures. Therefore, World Bank guidelines on "International Competitive Bidding" are met.