

**RESPONSE DOCUMENT No. I**

---



**Karachi Water and Sewerage Board  
Local Government & Housing Town Planning Department  
Government of Sindh**

**West Karachi Recycled Water Project 1**

---

**Dated  
May 12, 2023**

## **IMPORTANT NOTICE/DISCLAIMER**

---

*This Response to Questions Document (the 'Response Document') is further to the Prequalification Document and the various queries received from the Prospective Bidders in respect of the prequalification process relating to the West Karachi Recycled Water Project 1 (the 'Project').*

*This Response Document is being circulated by the Authority, solely for use by the recipients in preparing and submitting their Prequalification Applications for participation in the prequalification process in relation to the Project.*

*Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the Prequalification Document.*

*This Response Document is not an agreement; its sole purpose is to provide interested parties with information that may be useful to them in preparing their Prequalification Applications in respect to the RFQ. The RFQ and this Response Document includes statements which reflect various assumptions and assessments arrived at by the Authority in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Prospective Bidder may require. This Response Document may not be appropriate for all persons, and it is not possible for the Authority (including its employees, personnel, agents, consultants, advisors and/ or contractors etc.) to consider the investment objectives, financial situation and particular needs of each party, that relies on, reads or uses this Response Document.*

*Neither the Authority nor its employees, personnel, agents, consultants, advisors and contractors etc., make any representation (express 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 prequalification process for the Project and the same shall have no liability for this Response 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 the Authority, nor their employees, personnel, agents, consultants, 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 Response Document or otherwise in connection with the Project.*

*The Authority or any of its advisors has no liability for any statements, opinions or information provided in the RFQ. Each Prospective Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in the RFQ. The Prospective Bidders are required to undertake their independent assessment and to seek independent professional advice on any or all aspects of the RFQ. No decision should be based solely on the basis of the information provided in the RFQ and this Response Document.*

*The Authority expressly disavows any obligation or duty (whether in contract, tort or otherwise) to any Prospective Bidder. No Prospective Bidder is entitled to rely on the Authority's involvement in the preparation of this Response Document or in the prequalification process as a basis for preparing the Prequalification Application.*

## RESPONSES TO PROSPECTIVE BIDDERS' QUERIES

SR.	SECTION	PROSPECTIVE BIDDER'S QUERY	AUTHORITY'S RESPONSE
1.	4.5	<p>We kindly request clarification on the appropriate submission location for the Power of Attorney (POA) document(s) as part of either Part III or Part IV of the bid process.</p>	<p>For avoidance of doubt, it is clarified as follows:</p> <p>(i) the power of attorney, in the form attached as Annexure L (<i>Power of Attorney to Authorize a Person to Sign the Documents</i>) of the Prequalification Document; and</p> <p>(ii) the power of attorney, in the form attached as Annexure D (<i>Power Of Attorney</i>) of the Prequalification Document,</p> <p>shall, in each case, be submitted as Part IV of the Prequalification Application.</p>
2.	<b>ANNEXURE E &amp; F</b>	<p>As part of the submission, the Prospective Bidder shall attach the confirmation letter to their technical experience and financial statements to confirm its compliance with the submission requirements.</p> <p>We would appreciate if the Authority can clarify if the Prospective Bidder shall hire an adviser for these purposes or the existing adviser can be utilized.</p>	<p>Technical Data Form (DQC1) is concerned the confirmation letter can be from any Independent Technical Adviser. An existing adviser is fine so long as it is an independent and technical.</p> <p>Financial Data Form (DQC2) requests two confirmation letters from an Independent Financial Adviser so likely to be a different adviser to the technical but could be the same if it has expertise in both, assuming it is an independent advisor as mentioned above.</p>
3.	5.4.2	<p>According to clause 5.4.2, when Prospective Bidder is converting numbers from a foreign currency to PKR, the relevant exchange rate to be used is the one provided by the Central Bank website. However, it is not specified which exchange rate should be utilized from the website, i.e. the Mark-to-Market Revaluation Exchange Rate, Bank Floating Daily Average Exchange Rates, or any other exchange rate.</p>	<p>Average of the buy and sell rate of "Weighted Average Customer Exchange Rates" will be used.</p> <p><a href="https://www.sbp.org.pk/dfmd/fem.asp">https://www.sbp.org.pk/dfmd/fem.asp</a></p>

		We would kindly request if the same can be clarified by the Authority.	
4.		Is there a minimum quantity requirement for the prequalification application enterprises? Is there any requirement on the number of enterprises participating in the RFP stage? What are the specific quantities	<p>There is no minimum requirement for the number of Prospective Bidders to participate in the RFQ Stage. Further, there is no minimum requirement for the number of Prequalified Bidders to participate in the RFP Stage.</p> <p>Moreover, in the event there are no Prequalified Bidders, either due to no bid(s) being received or due to rejection, following evaluation, of all received bids, the Authority may either: (i) enter into direct negotiations with the Original Proponent; or (ii) terminate the entire bidding process, in each case, in accordance with the applicable laws. Nothing set out herein shall affect, in any manner whatsoever, the Authority's right to, in its sole discretion, re-initiate and/or re-tender the bidding process and/or the Project, in each case, in accordance with applicable laws.</p> <p>Lastly, the minimum number of Consortium Members permitted within a Consortium is restricted to two (2), whereas, based on section 3.1.4 of the Prequalification Document, the maximum number of Consortium Members shall be restricted to five (5), with each Consortium Member holding not less than a five percent (5%) interest in the Concessionaire.</p>
5.		How to ensure that there is only one supplier in the water supply area? How to ensure that users in the industrial park pay water charges in full and on time?	<p>It will be the Authority's responsibility to ensure the single supplier once the area is identified.</p> <p>It will be the Concessionaire's responsibility to collect the user payment by entering into relevant legal arrangements with consumers to address non-payment risks.</p>

6.		Are there any preferential policies for supplying water to industrial parks as a foreign investor?	There are no preferential policies as such for foreign investors supplying water to industries located at S.I.T.E.
7.		Is the water bill paid in PKR or US dollars? If it is PKR, can the water price adjustment be linked to the dollar exchange rate?	<p>Water bill will be paid in PKR, and water tariff shall be annually increased with a fixed percentage as agreed with the US Proponent.</p> <p>As mentioned in the prospective bidders conference, bringing VGF through USD will further reduce the exposure to the foreign exchange risks.</p>
8.		What about the schedule of the project bidding? What details about the time arrangement of project bidding and bidding deadline have been determined?	<p>Please refer to the Project Information Document.</p> <p>RFQ Issued – 17 April 2023</p> <p>Prospective Bidder Conference(s) (Virtual) – 9 May 2023</p> <p>RFQ Responses are due – 12 June 2023</p> <p>Shortlisted bidders selected and announced – 21 July 2023</p> <p>RFP launch – 28 July 2023</p> <p>Preferred bidder announced – November 2023</p> <p>Negotiation and signing of concession agreement – December 2023</p>