

The Punjab Masstransit Authority

MINUTES OF CLARIFICATION MEETING

Agenda	TENDER FOR OPERATION & MAINTENANCE SERVICES FOR METRO RAIL TRANSIT SYSTEM ON THE ORANGE LINE IN LAHORE (FROM ALI TOWN TO DERA GUJRAN)		
Date:	30-07-2019		
Venue	Committee Room, Punjab Metrobus Authority	Chair:	Mr. Ozair Shah, General Manager Operations ,PMA.

List of Participants:

1. Mr. Ozair Shah, General Manager Operations, PMA
2. Mr. Rizwan Aziz, Manager Operations (Technical), PMA
3. Mr. Obaidullah Jan, Financial Specialist, PMA
4. Mr. Adil Mumtaz, Assistant Manager (Operations), PMA
5. Mr. Suilman Majeed, Transport Department
6. Mr. Guo Kaiyong, Deputy General Manager, M/s Norinco International
7. Mr. Fahad Farooq, CEO, M/s Al –Karam International
8. Mr. Zahid Khan, Director, M/s Al –Karam International
9. Mr. Ahsan Fayyaz, GM (Operation), M/s Daewoo Pakistan Express Service
10. Mr. Yemen Yamenoglu, CFO, M/s Platform Turizm
11. Mr. Amir Akhtar, Manager Coordination, M/s Habib Rafique (Pvt.) Ltd
12. Ms. Maryam Tariq, Business Executive Manager, CRCC
13. Mr. Abdur Rahman, COO, M/s VEDA Transit Solutions
14. Ms. Qin Hue Lian, M/s CRCC16

DECISIONS / DISCUSSIONS

The meeting started at 1100 hours. The General Manager Operations, PMA formally welcomed the participants and started the meeting with recitation of Holy Quran. GM PMA then gave presentation to the participants which included main features of the project, core tender requirements, scope of work and other features of the tender. (**Annex-A**) Question and Answer session was conducted afterwards. Detailed Minutes of Meeting are attached at **Annex B**. The list of participants is attached as **Annex C**. During the Question and Answer session, certain minor corrections to be made in the RFP were highlighted. The Erratum is attached at **Annex-D**. The meeting ended at 11:00 Hours with a note of "Thanks"

Sr. No	QUERIES / COMMENTS	PMA'S RESPONSE
A	M/s NORINCO	
1.	Discrepancy about payment of customs duties Reference: Section 1-INVITATION TO THE BID: Bidder should undertake customs duties, Page No 5	In the said reference, the prospective bidders are only being advised to obtain on their own all information which is required for preparation of their bids, a part of which includes custom duties also. However, this is not a binding clause on the bidder.
2.	Discrepancy about payment of customs duties Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE- Page 81, Clause 39.1	There is no discrepancy in Clause 39.1. It clearly states that the custom duties shall be reimbursed by the Employer and such amounts are to be billed as part of the monthly contract Price.
2.	How do you define "the amount so disbursed as advance payment shall be adjusted at the rate of 25% per month"? Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 46, Clause 10.22.2	The Mobilization Advance disbursed shall be adjusted at the rate of 25% of the regular monthly payment during the consecutive months starting with first full service month from the commencement date. The relevant clause has been modified and reflected in the erratum.
3.	Clerical error of 11 years Reference: Section 2-INSTRUCTIONS TO THE BIDDERS, Page 21, Clause 22.1.5	The relevant clause has been corrected and reflected in the erratum
4.	AFC is not the L2SP1's scope of work. L2SP2 should be responsible for procurement, management and insurance of the related AFC token and cards. Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 68, Clause 29.1	Disagreed. L2SP1 shall be responsible for complete insurance of AFC equipment including tokens and cards.
5.	For function of ITMIS, the scope of this bidding just covers L2SPs? If services of other lines should be covered, please provide detail scope of work. Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 88, Clause 54.4 (8)	ITMIS shall have standard functionality for all lines, therefore, no separate scope of work is required for other lines. L2SP1 just has to make provisions in the ITMIS for number of users as indicated in the referred clause.
6.	For failure of infrastructure / equipment provided by EPC contractor and is under the defect liability, L2SP1 shall not be held liable. Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 94, Clause 54.4 (40)	L2SP1 shall be held responsible only for a reason attributed on the part of L2SP1. The mechanism to establish the extent of responsibility is explained in Clause 54.4 (12).

7.	<p>As-Built drawings and functional specification should be provided by EPC contractor.</p> <p>Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 97, Clause 54.4 (65)</p>	<p>Agreed. The relevant clause has been modified and reflected in the erratum.</p>
8.	<p>Will the cost for replacing extinguishers in depot, stabling yard, stations and metro cars reimbursed by the employer?</p> <p>Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 111, Clause 58.4 (7)(c)</p>	<p>Yes. Fire extinguishers are accepted as equipment.</p>
9.	<p>The Performance Security shall be returned to the L2SP1 within fourteen (14) days of the issuance of the full Hand Back Certificate. How do you define "full Hand Back Certificate"? Under what circumstances full HBC will not be issued?</p> <p>Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 41, Clause 10.3</p>	<p>Full Hand Back means when entire process of handing over / taking over is complete. For clarity the relevant clause has been modified and reflected in the erratum.</p>
B	M/s PLATFORM TURIZM	
1.	<p>With reference to above-mentioned subject, please apprise that we are Operators of Metro Bus Services in Lahore and Islamabad.. This RFP is restricted to only those operators who have metro lines operations and maintenance experience, which we don't possess. We want to participate in this RFP alone based upon our Transport experience without involving any other partner. Kindly amend RFP to facilitate us to do this bidding alone without being dependent on some other partners having required Metro Train Operation and maintenance experience.</p> <p>We have Metro train Construction experience in Turkey and we knowing the business/operation nature of project and we can do this "Operation and Maintenance" Project independently.</p>	<p>Disagreed. Bidder shall comply to the requirements of bid in all respects.</p>
C	M/S DAEWOO PAKISTAN EXPRESS SERVICE	

1.	<p>Bid Submission Date</p> <p>As you are aware that one complete week shall be spent of EID and INDEPENDENCE holidays, therefore we request the extension of BID SUBMISSION Date by 2 week.</p>	Disagreed
2.	<p>Joint Venture</p> <p>It is suggested that in case of Joint Venture, the JV members shall incorporate a SPV that shall enter into the Contract with the Employer. Further, the JV members shall have the shareholding in the SPV in accordance with the percentage mentioned in the MOU submitted by the Bidder in accordance with the requirements of the RFP.</p>	Disagreed
3.	<p>Contract Type and Duration</p> <p>Please clarify whether contract term is 8 years or 11 years. And if 8 years then why performance security for 11 years is required?</p>	Contract is for 8 years. The performance security is also required for 8 years. The relevant clause 22.1.5 in Section 2-INSTRUCTIONS TO THE BIDDERS has been modified and reflected in the erratum.
4.	<p>Technical Eligibility - Operations of Train</p> <p>Does it mean that a total of six years of experience of operating metro line is required irrespective of the number of metro lines? Further, if the Bidder has mentioned one metro line experience of six years would he be qualified w.r.t. Technical Eligibility in Operations of Trains?</p>	It is clearly mentioned in the Section 2, Clause 6.2, Serial No 1 that Technical Eligibility is based on minimum 06 Metro Line-Years. According to the formula given, any combination of number of Metro lines and number of years of experience which yields 06 Metro Line-Years or above shall fulfill technically eligibility.
5.	<p>Technical Eligibility - Maintenance of Rolling Stock</p> <p>Does it mean that a total of six years of experience of maintenance of rolling stock is required irrespective of the number of metro lines?</p>	It is clearly mentioned in the Section 2, Clause 6.2, Serial No 2 that Technical Eligibility is based on minimum 06 Metro Line-Years. According to the formula given, any combination of number of Metro lines and number of years of experience which yields 06 Metro Line-

	Further, if the Bidder has mentioned one metro line experience of six years would he be qualified w.r.t. Technical Eligibility in Maintenance of Rolling Stock?	Years or above shall fulfill technically eligibility.
6.	<p>Technical Eligibility - Maintenance of Track</p> <p>Does it mean that a total of six years of experience of maintenance of track is required irrespective of the number of metro lines?</p> <p>Further, if the Bidder has mentioned one metro line experience of six years would he be qualified w.r.t. Technical Eligibility in Maintenance of Track?</p>	It is clearly mentioned in the Section 2, Clause 6.2, Serial No 3 that Technical Eligibility is based on minimum 06 Metro Line-Years. According to the formula given, any combination of number of Metro lines and number of years of experience which yields 06 Metro Line-Years or above shall fulfill technically eligibility.
7.	<p>Performance Security</p> <p>Internal approvals from the banks usually require 2.0 to 3.0 months. Therefore, duration for submission of Performance Security should be increased to 90 days from the receipt of acceptance letter.</p>	Disagreed
8.	<p>SAFETY, HEALTH AND ENVIRONMENT</p> <p>Reference: Section 3-DRAFT AGREEMENT & TERMS OF REFERENCE, Page 38, Clause 5.1.5</p> <p>This means that Employer shall arrange for the security of Chinese even at accomodation.</p>	No. The Employer shall not arrange any accommodation for the Chinese or any other foreign resources brought by the Successful Bidder / Operator. The referenced clause is corrected and reflected in the erratum.
9.	<p>Electricity Water & Sewerage Gas Wireless and Phones</p> <p>Please clarify that Employer shall directly make payment to distribution company (LESCO) for the consumption of electricity on the corridor or operator is obligated to pay electricity bill and then Employer shall reimburse the bill paid to the Operator?</p>	Employer shall directly make payment to the distribution company (LESCO) for the consumption of electricity on the corridor. Operator by no means is obligated to pay the electricity bill.
10.	<p>Advance Payment Guarantee</p> <p>Does this mean that no payment shall be released against the</p>	Please refer to the PMA's response at A(3)

	Monthly Bill till the settlement of Advance Payment or advance payment shall be adjusted at the rate of 25% per annum? Please clarify.	
11.	<p>Mobilization Services and Advance Payment</p> <p>Kindly clarify the mechanism for calculating advance payment including number of years for which total contract value shall be considered?</p>	<p>Assuming Bid Value to be A. Then the total amount of Mobilization Advance would be $(0.12 \times 60 \times A) = (7.2 \times A)$ in PKR. This is already elaborated in the Section 03: Preamble as under:-</p> <p><i>"The advance payment no greater than 12% of the total contract amount calculated for five years (5) of Services may be released to the L2SP1 upon submission of a Advance Payment Guarantee for the equivalent amount".</i></p>
12.	<p>Insurance</p> <ol style="list-style-type: none"> 1. L2SP1 is responsible only to arrange all kind of insurances mentioned in para 29.1 of the RFP and all premiums paid by L2SP1 shall be reimbursable by the employer. 2. And if any sum insured is less than the total value then L2SP1 shall be responsible for any loss suffered by the Employer? 3. Also clarify the mechanism for reimbursement of insurance premium paid by the Operator. Will the frequency and value of reimbursement shall match with the frequency and payment made by the Operator to the Insurance Company? 4. What is the value / sum insured to be insured? 5. Whether Operator would be responsible to purchase the parts in case NICL does not settle the insurance amount? 	<ol style="list-style-type: none"> 1. Yes. 2. Yes. 3. The insurance premium paid by the operator in any month shall be reimbursed along with payments of regular monthly invoices which are submitted and paid in the proceeding month . 4. The true equipment value is not known. The bidder must apply his own professional judgment. 5. The mechanism to establish the extent of responsibility of the Operator is explained in Clause 54.4 (12).
13.	<p>Payment of Taxes</p> <p>It is suggested that the increase should be 100% born by the Employers as this comes under regulatory risk and the operator is working with the Government organization where the regulatory risk should be minimized</p>	Disagreed.

14.	<p>Change in Cost & Legislation</p> <p>This is suggested that indexation of CPI and USD shall be applicable from BID SUBMISSION DATE to reduce impact of economic uncertainty and eliminating the cushion built in the BID PRICE to cover the associated risks.</p>	<p>The indexation of CPI and USD is already applicable from the bid submission date. Please refer to the definitions of CPI_0 and USD_0 in Section 3 - Clause 38.1</p>
15.	<p>Change in Cost & Legislation</p> <p>This means that 80% of the Bid Price is indexed with CPI change and only 1% of the amount is indexed with USD variation. Since significant portion of the cost to be borne by the Operator shall be in FCY it is suggested to increase the VPRR\$ component to at least 15%.</p>	<p>It appears that the formula for adjustment provided in Section 3 - Clause 38.1 is being misunderstood by the prospective bidder. It is clarified that in the adjustment formula , 10% of the Bid Price is indexed with USD.</p>
16.	<p>License for Train Driver</p> <p>Is there any requirement by law that Train Driver shall have License to drive the train in Pakistan. And if yes who will be the issuing authority?</p>	<p>The Successful Bidder / Operator will develop a mechanism for PMA for testing the competence level of trained drivers for issuance of license. The issuing Authority shall be PMA.</p>
17.	<p>TERMINATION FOR CONVENIENCE</p> <p>Please clarify the meanings with respect to the cancelled services, an allowance as compensation for overheads and anticipated profits to the L2SP1 equal to the amount 10% of the rest of Contract value;</p>	<p>In case of termination for convenience, the Operator shall be given a fixed amount equal to 10% of the remaining Contract Value as a compensation for overheads and anticipated profits. Overheads include various costs such as cost of disengagement from the project, cost of demobilization etc.</p>
19.	<p>Whether accommodation is available at stabling yard or depot that will be at the disposal of the Operator?</p>	<p>No. There are only retirement rooms for the staff for the layover period.</p>

**OPERATION AND MAINTENANCE SERVICES OF
METRO RAIL TRANSIT SYSTEM ON ORANGE LINE
IN LAHORE (ALI TOWN TO DERA GUJRAN)**

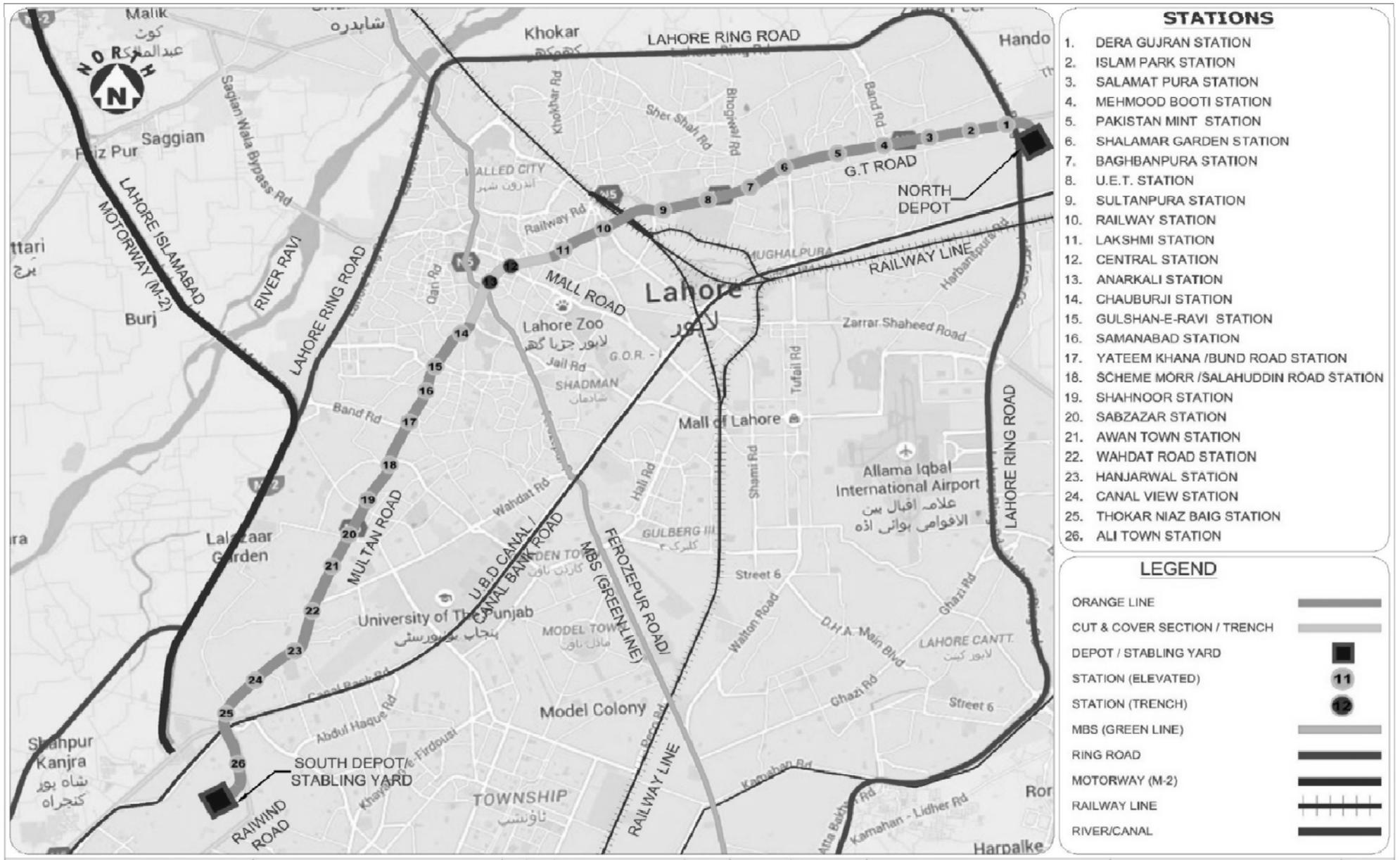
CLARIFICATION MEETING

DATED: JULY 30, 2019

MAIN FEATURES OF THE PROJECT

- Length = 27.12 KM (Underground/Cut and Cover Section = 1.72 KM; Elevated = 25.4 KM)
- Stations = 26 (Elevated = 24; Cut and Cover = 2)
- Rolling Stock = 27 Train sets (One train-set comprises of 5 train cars)
- Ridership = Approximately 245,000 passengers per day
- Benefits to the public = Annual Average PKR 39.38 Billion
- Train Speed (Max) = 80 Km/hr
- Journey Time = 45 Minutes.

ORANGE LINE ALIGNMENT



- ### STATIONS
1. DERA GUJRAN STATION
 2. ISLAM PARK STATION
 3. SALAMAT PURA STATION
 4. MEHMOOD BOOTI STATION
 5. PAKISTAN MINT STATION
 6. SHALAMAR GARDEN STATION
 7. BAGHBANPURA STATION
 8. U.E.T. STATION
 9. SULTANPURA STATION
 10. RAILWAY STATION
 11. LAKSHMI STATION
 12. CENTRAL STATION
 13. ANARKALI STATION
 14. CHAUBURJI STATION
 15. GULSHAN-E-RAVI STATION
 16. SAMANABAD STATION
 17. YATEEM KHANA / BUND ROAD STATION
 18. SCHEME MORR / SALAHUDDIN ROAD STATION
 19. SHAHNOOR STATION
 20. SABZAZAR STATION
 21. AWAN TOWN STATION
 22. WAHDAT ROAD STATION
 23. HANJARWAL STATION
 24. CANAL VIEW STATION
 25. THOKAR NIAZ BAIG STATION
 26. ALI TOWN STATION

LEGEND

- ORANGE LINE
- CUT & COVER SECTION / TRENCH
- DEPOT / STABLING YARD
- STATION (ELEVATED)
- STATION (TRENCH)
- MBS (GREEN LINE)
- RING ROAD
- MOTORWAY (M-2)
- RAILWAY LINE
- RIVER/CANAL

CORE TENDER REQUIREMENTS

- Operation and Maintenance of Orange Line including Rolling Stock, Track, Signal and other allied systems
- Tender Security : PKR 18.5 Million as part of Financial Bid (Copy to be attached in Technical Bid)
- Single Bidder must be locally registered with SECP. In case of Joint venture, Lead partner must be locally registered with SECP.
- Bid must be substantially responsive. Substantial evidence required to be established for the General and Technical Eligibility.
- For Technical Evaluation, Bidder must score minimum passing points in each category with overall minimum total of 75 marks.
- Joint scoring in case of JV.
- Technically qualified bidder with lowest Financial Bid shall be the Successful Bidder.

CORE TENDER REQUIREMENTS

- Advertisement published on 17.07.19
- Clarification Meeting on 30.07.19
- Bid submission date – 20.08.19
- Minutes of Clarification meeting and Erratum if any shall make part of the RFP.

SCOPE OF WORK

1. Operations of Trains.
2. Maintenance of Rolling stock.
3. Maintenance of Track.
4. Operation and maintenance of Power Supply System including High and Low Voltage Power Supply, Third Rail Traction Supply and Illuminations.
5. Operations and maintenance of Signaling and Communication system including Radio Based System, Public Wireless System, Fiber Optic System, Fire Alarm System, Building Automation System, Clock System, Passenger Information System & Public Address System, CCTV Surveillance, Visual Control Panels for Train Operations, Access Control System, Telephone System and Audio Video Recording System.
6. Operations and maintenance of various other systems including Fire Fighting System, HVAC, Escalators, Elevators, Platform Sliding Doors / Automatic Passenger gates, Water Supply and Sewerage System.

OTHER FEATURES

- Contract period - 08 years (extendable)
- Payment schedule - On Monthly Basis
- Mobilization Advance = 12% of Contract value for 05 years against a Guarantee, will be deducted @ 25% of Monthly Invoice.
- Quarterly adjustment of Monthly Payments based on USD and Inflation (CPI). In Monthly Payment, 10% portion is pegged with USD which will reduce to zero in 20 quarters while 80% portion is pegged with CPI for the entire Contract.
- Utility bills to be borne by the Client.
- Insurance expense to be reimbursed by the Client.
- Financial Bid inclusive of all taxes, but exclusive of Sales tax on Services.
- Penalties according to SLA for non-performance.

RESPONSE TO THE QUERIES

THANK YOU

CLARIFICATION MEETING ATTENDENCE OF BIDDERS

OPERATION & MAINTENANCE SERVICES FOR METRO RAIL TRANSIT SYSTEM ON THE ORANGE LINE IN LAHORE (FROM ALI TOWN TO DERA GUJRAN)

BIDDERS ATTENDENCE SHEET

Place: Committee Room, PMA Office, 5th floor,
Arfa Software Technology Park, Lhr

Date: 30/07/2019

Time 11:00 AM

Sr. No.	Name of Organization	Name of JV Partner (if any)	Representative's Name & Designation	Contact No.	Email Address	Signature
1	Norinco International	Guangzhou Metro	Guo Kaiyong Deputy General Manager	0310 5017888	43652476@qq.com	
2	Al-Karam	—	Fahad Farooq CEO	0302-8555-721	fahad@al-karam.com	
3	AL-Karam International	—	Zahid Khan Director	0333-4263882	Zahid@sunlight.com.pk	
4	Daewoo	—	Ahwan Fayyaz GM/IO	0334 8180195	ahwan.fayyaz@daewoo.com.pk	
5	Platform	Yemen Yemenoglu	CFO	0324 3707169	yemen.yemenoglu@bayrak.com.tr	
6	Habib Rafiq (PATA)	Aamir Akhtar	Mgr. coordination	0323 4257311	aamirakhtar@habibrafiq.com	
7	CREC	—	Maryam Business Executive manager	0331-4488628	maryam@crec.com.cn	
8	Veda Transit Solutions	—	Abdur Rehman COO	0333-400577	abdur.rehman@veda.com.pk	
9	CRCC16	—	Qin Xue Lian	0311-2856193	crcc16pak@hotmail.com	
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ERRATUM To RFP - 01

OPERATION AND MAINTENANCE SERVICES FOR METRO RAIL TRANSIT SYSTEM ON THE ORANGE LINE IN LAHORE (ALI TOWN TO DERA GUJRAN)



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ERRATUM to the RFP - 01

Due to some clarifications required in the RFP document, the following erratum is hereby issued; which shall form a part and parcel of the original document titled

" OPERATION AND MAINTENANCE SERVICES FOR METRO RAIL TRANSIT SYSTEM ON THE ORANGE LINE IN LAHORE (ALI TOWN TO DERA GUJRAN)"

advertised internationally on July 17, 2019. The changes are highlighted. The contents of this erratum shall supersede/replace pages 21, 38, 41, 46, 52, 80, 90, 97, 171 and 219 of the original RFP document, and shall be read as part of the RFP document uploaded on the following website:

www.pma.punjab.gov.pk

20.2.12. the Bidder submits any financial conditions as part of its bid which are not in conformity with tender document.

21. Acceptance Letter (Letter of Intent)

The Client shall, send the Acceptance Letter (Letter of Intent) to the successful Bidder, prior to the expiry of the validity period of the Tender, which shall be made part of the formal contract.

22. Performance Security

22.1. The successful Bidder shall furnish Performance Security as under:

22.1.1. within 21 working days of the receipt of the Acceptance Letter from the Client;

22.1.2. in the form of a Bank Guarantee, issued by a scheduled bank operating in Pakistan, as per the format provided in the Tender Document or in another form acceptable to the Client;

22.1.3. denominated in Pak Rupees;

22.1.4. Have a minimum validity period of one year from the date of Award Notification or until the date of expiry of yearly support period.

22.1.5. The successful Bidder shall submit a Bank Guarantee of 10% of the annual contract value for a period of ~~11~~ 08 years, on a yearly basis, with an undertaking to renew the Bank Guarantee before the end of each year on yearly basis, one month before the expiry period of the submitted bank guarantee.

22.1.6. The proceeds of the Performance Security shall be payable to the Client, on occurrence of any / all of the following conditions:

22.1.6.1. If the Service Provider commits a default under the Contract;

22.1.6.2. If the Service Provider fails to submit the bank guarantee for the next year one month before the expiry of already submitted bank guarantee in stipulated timeframe.

22.1.6.3. If the Service Provider fails to fulfill any of the obligations under the Contract

22.1.6.4. If the Service Provider violates any of the terms and conditions of the Contract.

The Service Provider shall cause the validity period of the performance security to be extended for such period(s) as the contract performance may be extended.

The L2SP1 shall after Commencement Date execute the scope of services stipulated in Annexures A-1, A-1.1, A-1.2, A-1.3, A-1.4, A-1.5, A-2, A-3 and A-4.

5. SAFETY, HEALTH AND ENVIRONMENT

5.1. The Employer shall be responsible for:

- 5.1.1. directly regulating any interventions within the right of way owned by the Employer. In case any intervention, which is outside the Employer's right of way, but is preliminarily judged that it may affect the safety of OLMRTS, or cause interference or potential hazard to L2MCS, are spotted or planned, the Employer shall interface with relevant local authorities to ensure that such interventions are either stopped or carried out after proper evaluation with respect to safety of OLMRTS.
- 5.1.2. coordination and implementation of emergency responding mechanism, making emergency rescue plans, organizing periodic rehearsals; coordination of competent departments of the government, such as agencies for firefighting, police, medical aid, meteorology, disaster management, environment, to handle situations/incidents of emergency;
- 5.1.3. **protection** and security of the Corridor, except non-public areas, through trained personnel;
- 5.1.4. coordination with relevant government authorities/agencies in the event of an accident leading to damage of property, injury or death;
- 5.1.5. **safety** and security of the Chinese employees of the L2SP1 and their accommodation in Lahore;

5.2. The L2SP1 shall be responsible for:

- 5.2.1. the security related work with respect to the scope of L2MCS such as train operation, dispatching and controlling, passenger services with ticketing, health of employees and using machineries, equipment and internet information etc. ;
- 5.2.2. setting up a safety department consisting of expert level staff to implement safety rules/plans in handling safety issues; the safety department shall
 - a) ensure that relevant safety training is mandatorily provided to all personnel of the L2SP1 engaged in OLMRTS;
 - b) maintain a safety awareness program through frequent distribution of relevant briefs and brochures to implement the safe operation of the Services;
 - c) co-operate with the Employer's fire, security and safety advisors and their reasonable instructions;
 - d) comply with the lawful directions of the Employer in response to any accident or emergency;
 - e) ensure safe execution, provision, control, and performance of the Services;
 - f) maintain first aid kits for the employees of the L2SP1 at depot, stabling yard, stations and HV substations.

6. SERVICE-LEVEL PARAMETERS

10.1 General Obligations

The L2SP1 shall commence the L2MCS on the date specified in the Preamble to Conditions of Contract and shall proceed with the same expeditiously and without delay. The Scopes of Services of the Service Provide are detailed in Annexure A-1, A-1.1...A-1.5, A-2, A-3 and A-4.

The time period available between the date of issuance of the Letter of Award and commencement date, i.e. the Mobilization Period, shall be effectively used by the L2SP1 to recruit necessary human resource to meet the delivery of Scope of Services of L2MCS and to generally store adequate quantities of operation materials i.e. consumables, spare parts, maintenance equipment, repair tools etc. for ensuring delivery of uninterrupted L2MCS.

10.2. Performance Security

The L2SP1 shall provide a Performance Security under the Contract in the prescribed Form. The said Security shall be furnished by the L2SP1 within twenty one (21) working days from the issuance of the Letter of Award from the Employer.

The required performance security shall be renewed annually and kept valid for twenty-eight (28) days beyond the L2MCS Contract Period under intimation to the Employer. The cost of complying with the requirements of this Sub-Clause shall be borne by the L2SP1. The L2SP1 shall ensure such performance security is renewed one month before its expiry such that there is no time during contract duration in which the L2SP1 has no cover of the performance security. No payment shall be made to the L2SP1 for duration during which the performance security is invalid/ineffective.

Provided that in case of any variation in the Contract Price, the L2SP1 shall ensure that performance security amount is adjusted such that it meets the requirement for threshold under this Sub-clause.

10.3. Period of Validity

Unless otherwise the Contract stands extended subject to mutual agreement of both parties, no claim shall be made against the Performance Security after the conclusion of the Operation Period and the Performance Security shall be returned to the L2SP1 within fourteen (14) days of the issuance of the **full** Hand Back Certificate.

10.4. Claims under Performance Security

Whether or not the Performance Security is stated by its terms to be payable upon the demand of the Employer, a claim shall not be made under the Performance Security unless one of the following conditions is satisfied:

- a) The L2SP1 is in breach of the Contract and fails to remedy the breach within thirty (30) days after receiving written notice from the Employer requiring him to do. The notice shall state the intention to claim under the Performance Security, the amount claimed and the breach relied upon, or
- b) the Employer and the L2SP1 have agreed in writing that the amount demanded is payable to the Employer, and the amount has not been paid within thirty (30) days thereafter, or

In carrying out the Services the L2SP1 shall act at all times in compliance with the Scope of Services under ure A-1.1... through A-4.

10.22. Advance Payment Guarantee

10.22.1. The L2SP1 shall provide to the Employer a bank guarantee, at least 7 days prior to the advance payment by the Employer, as notified by the Employer. The advance payment guarantee shall be valid for the period from the date of advance payment until 48 months after the commencement date or termination of this Agreement or full recovery of the mobilization advance, whichever occurs earlier.

10.22.2. The Advance Payment Guarantee shall be furnished by L2SP1 in the amount stated in the Preamble to Conditions of Contract under Mobilization Services and Advance Payment. The Employer shall disburse the advance payment amount upon written request furnished by L2SP1 in four equal installments to be issued on monthly basis at the start of each month after signing of the contract and before the commencement date. The L2SP1 shall submit a report showing the accomplished portion of the Operation Preparation Schedule (under Clause 10.8) and details of costs incurred together with the request and justification for each subsequent installment issued after the first installment. The amount within such a Guarantee may be accordingly reduced each month by refunding relevant amount. The amount so disbursed as advance payment shall be adjusted at the rate of 25% of the regular monthly payment per month during the consecutive months starting with first full service month from the commencement date.

10.22.3. The Advance Payment Guarantee shall come into full force and effect upon the date when the L2SP1 receives Advance payment, and shall be encashable in accordance with the terms thereof.

10.23 When it is shown through an evidence to the Employer that there are deliberate practices which restrict free competition or which imply abuse of the dominant position which the L2SP1 could have obtained as a result of this contract, or of this Contract in conjunction with other contracts related to the functionality of the Mass Transit System, in such cases, the L2SP1 shall immediately terminate the employment of the person(s) responsible according to evidences, and the consequences, if any, shall be settled between the L2SP1 and the Employer.

11. OBLIGATIONS OF THE EMPLOYER

11.1. System Handover

11.1.1. Initial System Assets

11.1.1.1. Initial system assets include OLMRTS civil Works, E&M Works, interface Works, listed in the System Handover List, required by the L2SP1 in order to perform the L2MCS or undertake its obligations under this Agreement (to the extent not under the possession and control of the L2SP1), which are to be handed over to the L2SP1 by Employer in accordance with the System Handover Arrangement pursuant to Clause 11.1.2; System Handover Procedure. Such a list shall be determined between both Parties at least two (2) months prior to the Commencement Date.

- a) On or before the Fifth Workday of each calendar month, the L2SP1 shall submit to Employer,
 - i. Its Application for Payment for the preceding calendar month, and
 - ii. any Special Applications for Payment under Clause 22.3 and 22.4 along with supporting documents, i.e. work orders, verified receipts from the Customs, claimsetc.
 - iii. any evidence of claims/settlements paid by the insurance company for previous month, and/or any difference amount due to the L2SP1 to be paid by the Employer, or previously paid by the Employer to be returned to the Employer;
 - iv. any payment due to the L2SP1 caused by damage attributable to other service provider(s) employed by the Employer.
 - v. Average monthly repayment of advance payment (as per Clause 10.22.1) during 58 months from the commencement date, to be repaid in Pakistan Rupee.;
- b) In case the Employer reasonably determines that the L2SP1 has not met its Contractual Requirement/Obligation, other than those pertaining to the E&M equipment, during the applicable period, the Employer may withhold under Clause 12.11 an amount equal to the value of the deficiency/inadequacy in conduct of the Contractual Requirement/Obligation until such contractual requirement is completed.

In the event of any such withholding, the Employer shall deliver to the L2SP1, not later than the Payment Due Date for the payment from which such withholding is being made, a written Notice specifying the basis for the withholding. The L2SP1 shall be paid such withheld amount, without interest, on succeeding Payment Date(s) or earlier when and to the extent the L2SP1 demonstrates and the Employer reasonably agrees that the L2SP1 has performed the Contractual Requirement/Obligation satisfactorily.

If the Employer and the L2SP1 agree before the next Payment Due Date that any amount withheld was wrongly withheld, the Employer shall pay such amount on the next Payment Due Date or earlier. In the event of any withholding dispute that is not resolved by the next Payment Due Date, the L2SP1 shall have the right to pursue the matter as per Clause 31 of the condition of contract on Arbitration. If the arbitrator concludes that the withholding was justified, then L2SP1 shall not be entitled to be paid the withheld amount unless and until it addresses any reasons for withholding that are confirmed by the arbitrator. If the arbitrator concludes that the withheld payment was wrongly withheld, then the Employer shall, on the next Payment Due Date or earlier, pay to L2SP1, the wrongly withheld amount.

- c) In the event that the L2SP1 owes the Employer any amounts under the Contract and such amounts remain unpaid for 30 Calendar Days after Notice thereof, the Employer may offset such amounts from the following payment(s) until the amount receivable is exhausted.
- d) The L2SP1 shall not cease or reduce the rate of its performance under the Contract on account of any withholding under Clause 12.11.

damages etc. arising out of any dispute between the L2SP1, his Sub-L2SP1 or permitted assigns and the labour employed by them.

38. CHANGE IN COST AND LEGISLATION

38.1. Quarterly Adjustment to Contract Price After Commencement of Operations

The Contract Price shall be adjusted on Quarterly (N) basis. Quarters will be calculated sequentially from start of next month after the effective date; by taking consideration of changes of inflation rate and exchange rate as under:-

$$V_{PKR I} = V_{PKR} * \left(\frac{CPI_{N1}}{CPI_0} * 0.8 + 0.2 \right) - V_{PKR}$$

$$V_{PKR \$} = V_{PKR} * 0.01 * \left(\frac{USD_{N2}}{USD_0} * (10 - (0.5 * N2)) + (90 + (0.5 * N2)) \right) - V_{PKR}$$

$$V_{PKR N1} = V_{PKR} + V_{PKR I} + V_{PKR \$}$$

Where:-

V_{PKR} : Monthly Financial Bid Amount (to be paid in Pakistan Rupee, repayment of advancement payment is not included) ;

CPI_{N1} : General CPI Number for the last Month of N1th quarter; published by Pakistan Bureau of Statistics;

CPI_0 : General CPI Number for the start of month after the month of Bid submission, published by Pakistan Bureau of Statistics;

$V_{PKR I}$: Adjustment in O&M fee due to inflation (to be paid in Pakistan Rupee, repayment of advance payment is not included) applicable after the N1th Quarter;

USD_{N2} : USD to PKR Selling Exchange Rate value on the first working day after the N2th quarter; published by State Bank of Pakistan at as read from the website <http://www.sbp.org.pk/ecodata/rates/war/WAR-Current.asp>

USD_0 : USD to PKR Selling Exchange Rate value published by State Bank of Pakistan on the date of Bid Submission as read from the website <http://www.sbp.org.pk/ecodata/rates/war/WAR-Current.asp>.

$V_{PKR \$}$: Adjustment in O&M fee due to variation in selling exchange rate of USD (to be paid in Pakistan Rupee, repayment of advance payment is not included) applicable after N2th Quarter;

N1 : Quarters from 1 to 32 or greater subject to extension of the contract;

N2 : Quarters from 1 to 20.

$V_{PKR N1}$: Applicable O&M fee (to be paid in Pakistan Rupee, repayment of advance payment is not included) after N1th quarter;

38.2. CHANGE IN LAWS

The Contract Price shall be adjusted to take account of any increase or decrease in Cost resulting from a change in the Laws of the Country (including the introduction of new Laws and the repeal

- 11) Provide adequate labour, required supplies, sufficient tools and measurement / test equipment required to keep the system in perfect working order. L2SP1 shall provide all allied equipment and consumables required to carry out the scope of work.
- 12) In fixing a faulty part(s) / equipment(s), the L2SP1 shall, with intimation to the Employer, be authorized to repair a part or replace it with new part, or issue to L2SP2 a new part, if available in inventory of all spare parts, before determination of whether or not a faulty part is covered under warranty/defect liability period. Follow up action by the L2SP1 shall be in line with and subject to situations as under:-
 - a. In case certain hardware equipment fails due to an accident/act for which the L2SP1 is fully responsible, the L2SP1 shall repair or replace such part, and remove the fault. Subsequently, L2SP1 shall replenish the inventory at his own cost.
 - b. In case certain hardware equipment fails due to manufacturing/performance defects and that such a faulty part is covered under warranty/defect liability, and/or if any part is used from the inventory to correct such failure, the L2SP1 shall subsequently liaison with the EPC Contractor to seek replacement and replenish the inventory accordingly.
 - c. If it is established that such failure of equipment is due to an accident/act for which the L2SP1 is partially responsible, the L2SP1 shall immediately strive to repair/replace such part to restore the system. However, within 7 days from the occurrence of such accident, the L2SP1 shall furnish to the Employer a written report of the accident establishing its own extent of responsibility and cost of parts. Both Parties shall mutually agree to finalize the report and the share of responsibilities. The L2SP1, after receiving a work-order from the Employer, shall replenish such part. The cost share to be paid by the Employer as per work-order, if not covered under the insurance clauses, i.e. Clause 29, shall be subsequently billed with the monthly invoice for payment by the Employer for replenishing the part in the inventory.
 - d. In case certain hardware equipment fails due to an accident for which one or more of other L2SP(s) is/are fully responsible, the L2SP1 shall arrange repair or issue replacement of such part (from the inventory) to remove the fault. Subsequently, L2SP1 shall intimate the Employer of equivalent adjustment against cost of parts from the invoice(s) of the relevant L2SP(s) against replenishing the inventory. The L2SP1, after receiving a work-order from the Employer, shall replenish such part.
 - e. If it is established that such failure of equipment is due to an accident/act for which any other L2SP is partially responsible, the L2SP1 shall immediately strive to arrange repair, or issue a replacement of such part from the inventory to L2SP2, to restore the system. However, within 7 days from the occurrence of
- 61) Keeping in view the maximum number of trains available for passenger service, verifiable

operational speed (maximum safe commercial speed) and layover time at terminal stations, the Employer shall issue operation schedule(s) for implementation by the L2SP1. The L2SP1 shall follow Operation schedule issued by the Employer for operation of trains. Such schedule will include at least daily assignment of Revenue Trips, Headways, Speed Limits, and Dwell Time Limits. The Employer intends to run the system at a headway of 5 minutes during Service Hours in the first few months after commencement and then adjust the headway as per peak passenger hours established through AFC reports.

- 62) Ensure that the Network Monitoring System (NMS) of each relevant system is operated and maintained at/near maximum possible uptime of at least 99% on monthly basis.
- 63) With respect to use of administration building in the depot and the Operation Control Center (OCC), it is clarified that a team comprising of senior and junior staff members of the Employer shall be resident in the administration building/OCC to manage/monitor all mass transit operations of OLMRTS in Lahore. The L2SP1 shall plan for his use of the administration building and OCC in coordination with the Employer in a manner that reasonably accommodates the nominated staff of the Employer.
- 64) Follow Operation schedule issued by the Employer for operation of trains.
- 65) Prepare and submit following documentation of Orange Line to Employer for approval in English language within one year from start of operation. The document shall be prepared based on best international practices and good industry practices.
 - a) Maintenance Manual for each equipment/system/subsystem
 - b) Operations Manual of equipment/system/subsystem
 - c) Duty of each staff deployed in Orange line for operation or maintenance
 - d) Rules for train operation
 - e) Training manual of all staff deployed in Orange line
 - f) ~~As-Built drawings of E&M System~~
 - g) ~~Functional specification of each system/equipment~~
- 66) With respect to maintenance requirements of Civil Works, whether under defect liability or otherwise, the L2SP1, upon observing such issues, shall give notice to the Employer with request to arrange rectification of the issues through Employer's own sources. Nevertheless, the L2SP1 shall not be held liable for such observations. The

STEP 2-4 - Computing value of 'B'

Compute value of 'B', according to the following table.

Factor	Average of Indices	Factor x Average of Indices
0.20	AVG_EI	0.20 x AVG_EI
0.20	AVG_LI	0.20 x AVG_LI
0.25	AVG_F1I	0.25 x AVG_F1I
0.25	AVG_F2I	0.25 x AVG_F2I
0.10	AVG_Tsl	0.10 x AVG_Tsl
		$B = \text{TOTAL } \Sigma (\text{Factors x Average of Indices})$

STEP 3 - FINDING VALUE OF 'C'

'C' will be taken as 1 if Bidder has international experience of maintaining the track of one or more Metro Lines or providing Technical support (consultancy / advisory / trainings) in this regard. Otherwise 'C' will be taken as 0. International experience means experience in a country other than the home country of the Bidder.

STEP 4 - COMPUTATION OF CATEGORY SCORE

Insert values of A, B and C, as computed from the above steps into the formula i.e. **(See para 1 of Category No 3)** $(A \times 0.2 + B \times 0.7 + C \times 0.1) \times 10$, to compute the score in this category

4. ORGANIZATION'S EXPERIENCE RELATED TO OPERATION AND MAINTENANCE OF POWER SUPPLY SYSTEM

The total score of this category is 10 out of which Bidder has to score at least 05 marks. The score shall be calculated according to Formula = $A \times 0.10$, where A = Total points scored in the Criteria Table given below. The Bidder has to score non-zero points in criteria at Serial No 1 to 4.

Sr No.	Criteria	Scoring Criteria
1	Number of years of experience in operation and maintenance of High Voltage Substations	More than 9 years = 20 Points
		More than 8 to 9 years = 18 Points
		More than 7 to 8 years = 14 Points
		More than 6 to 7 years = 10 Points
		5 to 6 years = 06 Points
		Less than 5 years = 00 Points
2	Total coverage area in acres supported by the High Voltage Substations operated and maintained by the Bidder so far.	More than 80 = 20 Points
		More than 70 to 80 = 16 Points
		More than 60 to 70 = 12 Points
		More than 50 to 60 = 08 Points
		40 to 50 = 04 Points
		Less than 40 = 00 Points

FORM FIN-5 TENDER SECURITY

WHEREAS [Name and Address of the Operator / Service Provider Bidder (hereinafter called "the Bidder")] has submitted Tender against Operation and Maintenance of Services for Metro Rail Transit System on the Orange Line in Lahore (From Ali Town to Dera Gujran) (hereinafter called "the Tender") to the Punjab Masstransit Authority 5th Floor, Arfa Software Technology Park, 346-B, Ferozpur Road, Lahore (hereinafter called "the Client") for the Total Tender Price of PKR (in figures _____) (in words _____));

AND WHEREAS [Name of the Bank] having registered office at [Address of the Bank] (hereinafter called "the Guarantor") has agreed to give the Operator/Service Provider Bidder a Guarantee;

THEREFORE the Guarantor hereby affirms to bind himself, his successors and his assigns to the Client, for the sum of PKR (in figures _____) (in words _____) and undertakes to pay to the Client, upon receipt of his written demand(s), any sum(s) as specified by him, not exceeding the above limit in aggregate, without cavil / argument and without the Client having to substantiate / prove or to show grounds / reasons for such claim(s), on the occurrence of any / all of the following conditions:

1. If the Operator/Service Provider Bidder withdraws the Tender during the period of the Tender validity specified by the Operator / Service Provider on the Tender Form; or
2. If the Operator/Service Provider Bidder does not accept the corrections of his Total Tender Price; or
3. If the Operator/Service Provider Bidder, having been notified of the acceptance of the Tender by the Client during the period of the Tender validity, fails or refuses to furnish the Performance Security, in accordance with the Tender Document.

Provided that the Client shall specify the occurred condition(s) owing to which the said sum is due to him.

Provided further that any demand(s) / claim(s) from the Client shall reach the Guarantor within thirty working days after the expiry of the maximum bid validity period of 180 days Guarantee.

This guarantee shall remain valid up to _____ or until furnishing of the Performance Security, whichever is earlier.

Date this _____ day of 20____.

GUARANTOR

Signature _____
CNIC # _____
Name _____
Designation _____
Address _____