

MECHANICAL ENGINEERING DEPARTMENT
ELECTRICAL DIVISION

Grant of License for Supply, Installation, Commissioning, Operation and Maintenance of 6 Nos. of 100 MT or above owned / hired Mobile Harbour Cranes at Berth No.7 to 9 (panels 46-75) inside Kandla Port for a period of 10 years for handling the cargo on common user basis

REPLY TO QUERIES

Sr. No.	Condition No.	Condition of the tender	Queries of the prospective bidder	Reply of KPT
1	4.1 of Section III	KPT may provide place for parking of the cranes, other than operational area on berth, subject to availability on applicable tariff of KPT.	Since the tender is based on revenue share, it is proposed that no other charges such as plot charges etc. be charged from crane provider.	Not agreed. Tender condition will prevail.
2	18.1 of Section IV	The licensee is required to maintain the minimum per day handling rate for the respective categories of the cargo i.e. bulk, break bulk and other cargoes as prescribed in the reference tariff. In case, the handling rate is found to be less as applicable for the categories of the cargoes i.e. bulk, break bulk and other cargoes handled by the licensee, for every reduction of 1 MT or part there of binding.....	Per day performance envisaged in the tender is considered beyond the capability of 100 MT cranes. Further, the performance is influence by various other factors like labour force provided by the customer, evacuation/feeding of cargo below the crane book, (on board stevedoring, jetty operations & movement to backup storage) etc. which are beyond the control of crane providers. Hence it is suggested that the performance be only considered for tariff rates and no penalties be charged.	Agreed. Condition no. 18.1 of Section IV is removed.
3	12.1 of Section IV	The licensee shall collect the charges from users of the HMC in accordance with the reference tariff and also fulfills the conditions mentioned in the reference tariff.	Tender document suggests that crane licensee will collect payment from crane users directly, whereas TAMP document suggests that the payment be collected by KPT from crane user and then be remitted to crane provider (license). Kindly clarify on this. If these charges are to be collected by KPT and paid back to the crane providers, it is suggested that these payments be made within 7 days of completion of vessel. In case of delays interest rates, as being charged by KPT on delayed payments be also paid to the crane provides.	Condition no. 12.1 of Section IV is replaced with the condition that a separate account will be opened by KPT for this project wherein the port user before availing the services will deposit crane hire charges and service tax through CDC. Bank will be instructed by way of an agreement signed by KPT and the bank that the percentage share of royalty rate quoted by the licensee and the service tax on such royalty amount will be electronically transferred to KPT's designated bank account and then remaining amount will be transferred to licensee's designated bank account. In order to avoid any delay in payment, such electronic transfer will be made on real time basis.

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4	Not applicable	Not applicable	Model proposed for revenue generation in the tender shows that revenue generated will be equivalent to the total expenses including ROCE. This revenue generation does not cater for payment of royalty (to KPT), as well as interest cost of project i.e. Rs. 5.40 Cr. (Calculated @ 12% interest rate on Rs. 45.00 Cr.). Suggest this point be considered and suitable amendment for sufficient revenue generation be made.	Not agreed.
5	Not applicable	Not applicable	Cargo considered in the model is for one crane, whereas tender envisages for utilization of two KPT cranes and six cranes under this tender. This means 8 cranes will be operating on CJ 7-9. Hence, there will not be sufficient cargo for each crane and the crane provider will not be able to generate required revenue. Further it is suggested that KPT either gives guarantee of cargo for each crane or make minimum payment to match the revenue required. Please refer KPT's letter Ref. EL/AC/HMCHIRE/2015-A/1120 dated 05.02.2016 where, entire costing calculation/working of HMC's has been evaluated basis the required volume.	Not agreed.

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Sr. No.	Condition No.	Condition of the tender	Queries of the prospective bidder	Reply of KPT
6	Not applicable	Not applicable	The cost given in tender does not include the cost of scrap and timber handling grabs. Further for handling of timber a rotator is required. Therefore, the capital cost of the project for procuring two each of scrap and timber grabs & rotators is likely to increase by Rs. 6.00 Cr. This needs to be considered in the total cost of operation.	The revised tariff proposal will be submitted to the TAMP for consideration and approval. The outcome of the same will be uploaded on KPT, (n) procure and CPP Portal.
7	Not applicable	Not applicable	The HMC charges as per SOR proposed by KPT for break bulk and other cargoes which covers timber, bagged cargoes and project cargoes is not a workable hire rate including the average daily crane performance criteria as laid down in the work sheet since it is not practically possible to fulfill owing to the nature of cargo. Specially project cargoes and timber come in various forms, sizes, ODCs, Heavy lifts etc. and are required to be handled with UTMOST PRECISION and is not considered as a productive cargo globally.	The revised tariff proposal will be submitted to the TAMP for consideration and approval. The outcome of the same will be uploaded on KPT, (n) procure and CPP Portal.
8	Not applicable	Not applicable	The volume ratio of Foreign to Coastal cargo as mentioned in KPT's letter ref. EL/AC/HMCHIRE/2015-A/1120 dated 05.02.2016 mentions 2056 MT of foreign and about 0.1 MT coastal cargo and as such, the hire costs have been evaluated. If the same ratio is not assured and in the even if any deviations in the volume ratio is observed, to mitigate the losses to the HMC supplier, the same should be compensated by the Port as deemed fit.	Not agreed.

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9	18.1 of Section IV	Kindly read sr. no. 2.	Minimum handling rate of the cranes – Section IV Sr. 18.1 of the tender: The condition as stated in this clause is extremely rigid and hence, need to be reviewed.	Kindly read reply of KPT at sr. no. 2.
10	25.1 (4) of Section II	In case the crane (hire or owned) should not be older than 10 years on the date of submission of tender.	To calculate the age of the MHC with the cutoff date of 31.03.2016 as due date of submission of tender has undergone changes from time to time and it may create confusion for the bidding purpose as well as evaluation.	Condition no. 25.1 (4) of Section II is modified as “In case the crane (hire or owned) should not be older than 10 years on the last date of submission of tender.
11	Form I of Section VI	Grant of license to port users for deployment of 6 nos. of owned/hired Mobile Harbour Cranes at Berth no. 7 to 10 inside Kandla Port for a period of 10 years for handling the cargo on common user basis.	To issue clarification that MHCs shall be deployed at berth no 6 to 9 (4 berths) because there is inconsistencies in the tender documents and corrigendum as certain places it has written as berth no. 7 to 10.	May be replaced with “Grant of License for Supply, Installation, Commissioning, Operation and Maintenance of 6 Nos. of 100 MT or above owned / hired Mobile Harbour Cranes at Berth No.7 to 9 (panels 46-75) inside Kandla Port for a period of 10 years for handling the cargo on common user basis” wherever applicable in agreement.

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12	Not applicable	Not applicable	Change in the format of Price Bid in Section V of the tender document pursuant to corrigendum VIII issued by KPT since no changes is permitted in the format of the Price bid. For e.g. if bidder submits royalty rate (in percentage terms) offered per crane over and above minimum royalty rate of 32% per crane per ton of (say) 5%, then the result would be 37% instead of 30%.	The Price bid in Section V of the tender is in order.
13	18.1 of Section - III	It is a standard clause	Change in the arbitration clause wherein the Arbitration Tribunal should consist of 3 arbitrators, one appointed by KPT, one appointed by the licensee and the two appointed arbitrators should nominate the Presiding Arbitrator.	Not accepted. The tender condition will prevail.
14	7.1 of Section-III	“The contract may be terminated by either party by giving written notice to other before expiry of license period, at least 120 days in advance and either party shall not have any right of any claim on other on account of such termination	Change in the termination clause to the effect that in case of such early termination, KPT shall not withhold the MHCs and the licensee shall have unfettered rights to remove the MHCs from KPT.	Condition no. 7.1 of Section III may be read as ““The contract may be terminated by either party by giving written notice to other before expiry of license period, at least 120 days in advance and either party shall not have any right of any claim on other on account of such termination <i>and the licensee can remove the cranes after clearing all outstanding dues, if any, with the written permission of Traffic Manager.</i>
15	Sr. 9 of NIT – Section II	Joint venture not allowed	Allowing consortium also to bid as Section 10 item 3 of the Integrity Pact mentions “If the contractor/bidder is a partnership concern or a consortium, this agreement must be signed by all partners or consortium members”.	Not agreed. Tender condition will prevail.

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16	Not applicable	Not applicable	They will be having first right to use the crane in our own stevedoring work in Kandla and only if our crane is free same can be utilized in common users' stevedoring and they will charge them rates approved by TAMP. They will pay Royalty to Kandla port as fixed by port same like common users' stevedoring.	Not agreed.
17	Not applicable	Not applicable	They will be having option of bringing second crane on need basis in future.	Not agreed.

(Shri A. Ramasamy)
Dy. CME

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