Petroleum & Natural Gas Regulatory Board, India

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CLARIFICATION

26 February 2009

Bid No.: PNGRB/EOI/CGD/BID/1/2008/GAs- Kota/ Sonipat / Mathura/ Kakinada/ Meerut/Dewas

GRANT OF AUTHORIZATION FOR LAYING, BUILDING, OPERATING OR EXPANDING CITY OR LOCAL NATURAL GAS DISTRIBUTION NETWORK IN THE GEOGRAPHICAL AREAS OF KOTA, SONIPAT, MATHURA, KAKINADA, MEERUT & DEWAS.

Clarifications related to the above referred bid documents has been issued and is available on the website of the PNGRB: www.pngrb.gov.in under the scrolling window **'what's new'**. The same is deemed to be part of the bid document & signed copy of the same should form part of the submissions.

Closing date of Bid Submission shall remain 3rd March 2009 (11.00 a.m) and no further clarifications shall be entertained.

Secretary, PNGRB

Clarifications to Queries on Application-cum-Bids
(Bid No. PNGRB/EOI/CGD/BID/1/2008-
Sonipat/Meerut/Kota/Mathura/Dewas & Kakinada)

S.No.	Query raised	Clarification issued
1	With respect to sub-regulation 10(3) of the PNGRB (Authorizing entities to lay, build, operate or expand city or local natural gas distribution networks) regulations 2008, 1) Restructuring of authorised entity may be allowed through formation of SPV during the first three years provided the authorised entity retains the majority stake in the newly formed JV. 2) The word `Assignment' may be defined. 3) Whether an entity so authorised can form a JV with any strategic partner for implementation of the CGD project in the authorised GA. 4) If so, whether such entity can offer shareholding to any of its strategic partner at par with its own equity in the proposed JV. 5) Whether authorisation can be assigned to existing JVC of the authorised entity to implement the project.	Grant of authorization cannot be used as a trading instrument. However, there are no restrictions on restructuring of the authorised entity through the formation of a SPV/JV during the first three years as long as the authorized entity retains the major controlling equity stake in the same.
2	Whether the bids purchased by a prospective bidder can be utilised for submitting the bid by the same bidder in consortium with other parties. If not, please specify the procedure for joint bidding	Bids purchased by an entity can be used by the consortium as long as the entity that purchased the bid document remains the lead equity partner. In case of bidding by a consortium, MOU/ JV agreement entered into by the parties of the consortium clearly stating the Lead Partner as well as Authorized signatory to the Application-cum-Bid shall be furnished. Documents/details as required in the bid must be furnished by each partner member of the consortium/joint venture complete in all respects along with the bid offer. Each qualifying criteria must be met by at least one of the partner clearly indicating so in the application-cum-bid.
3	(a) Since CGD business physically starts from the downstream of CGS, we presume that the inch kilometre shall be calculated from the downstream of CGS for all entities	Inch Kilometres shall also include sub-transmission pipeline in case this pipeline is laid after grant of authorization by the entity bidding for CGD network.
4	(a) Bank guarantee for bid bond could be in the name of any / either of the partners of the consortium submitting the bids	Bank guarantee for bid bond can be submitted by any of the partners of the Consortium / JV accompanied by an undertaking from the partner submitting

		the BG holding itself jointly and severally liable for any default of the Consortium which may lead to encashment of the Bank Guarantee.
5	(a)Bank Guarantee validity date	Clause 2.8.1 of the Instructions to Bidders clearly states the validity of the bid to be minimum 120 days. BG validity shall also correspond to this from the date of opening of technical bid.
6	(a) Scanned copy of the signature shall suffice for the digital signature (b)Financial bid not to be submitted in soft form.	Provision of scanned copy of signature is also acceptable. Soft copy of the priced Bid and un-priced bids shall be in different CD's to be submitted in respective envelopes. In case of any difference between the soft and the hard copies, information furnished in hard copy shall prevail.
7	(a) Consideration of nos. Of household connections charged or uncharged	Nos. of household connections where physical connection has been provided after registration notwithstanding gas supply shall be considered.
8	Since DFR is part of the technical bid and the financial bids are going to be opened later, DFR may not contain the financial numbers to preserve confidentiality.	Feasibility report required along with the technical bid must be in line with clause no. 5 of Schedule-C of PNGRB (Authorizing entities to lay, build, operate or expand city or local natural gas distribution network) Regulations 2008.
9	Levy of other charges as specified in PNGRB (Meetings of the Board & Levy of Fees and Other charges) Regulations 2007 shall be applicable per company and not per location (CGD project).	This shall be as per sub-regulation 4 of PNGRB (Meetings of the Board & Levy of Fees and Other charges) Regulations, 2007
10	(a) Evaluation of each parameter shall be based on levelled basis & bidders are required to quote year wise bid variables only and not weighted average /PV of weighted average/levelised bid variables. The calculation of weighted average bid variables if required would be done by the Board itself at the time of financial bid opening". (b) "Weighted average" of PV to be explained.	Sub-regulation 7 along with the Schedule C (1) of PNGRB (Authorizing entities to lay, build, operate or expand city or local natural gas distribution network) Regulations 2008 clearly explains the methodology for bid evaluation.
11	Present values have to be calculated at the time of the Authorization date(30 days from bid evaluation)	The same shall be done in line with sub-regulation 7 of PNGRB (Authorizing entities to lay, build, operate or expand city or local natural gas distribution network) Regulations 2008.
12	The status of existing consumers and entities in the GA being bid	It is the bidders' responsibility to obtain all information related to the present gas availability and connectivity and also existing customers if any in the specified

		geographical area.
13	Whether net worth of promoters or JV /Consortium partners shall be set off for those CGD networks where they are individually under consideration.	In case a JV/subsidiary/consortium bids for a CGD network seeking qualification on the basis of letter of comfort, the net worth of each of the partners/parent company shall be set off for the CGD networks where they are individually under consideration as stipulated in clause 1.4.2.1 of Instruction to Bidders.