Petroleum & Natural Gas Regulatory Board, India

PETROLEUM AND NATURAL GAS REGULATORY BOARD

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Ref.: PNGRB/CGD/Bid/3

Date : 15/12/10

To All Prospective Bidders

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_____,
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Sub: Additional Clarifications related to 3rd round of CGD Bidding for following Bids

Bid No.: 1) PNGRB/CGD/Bid/R-3/1/GA- Asansol-Durgapur
2) PNGRB/CGD/Bid/R-3/2/GA- Bhavnagar District
3)PNGRB/CGD/Bid/R-3/3/GA- Kutch (East)
4) PNGRB/CGD/Bid/R-3/4/GA- Kutch (West)
5) PNGRB/CGD/Bid/R-3/5/GA- Jamnagar District
6) PNGRB/CGD/Bid/R-3/6/GA- Ludhiana
7) PNGRB/CGD/Bid/R-3/7/GA- Jallandhar
8) PNGRB/CGD/Bid/R-3/8/GA- Panipat

Dear Sir,

Whereas Clarifications on queries received during the Pre-Bid meeting held on 30/9/10 have already been issued on 18/10/10 and 3/11/10, some more clarifications have been sought by bidders. Clarifications on these are enclosed for information of all concerned.

These additional clarifications shall also constitute a part of respective Application-Cum-Bid Document and shall be duly signed and submitted along with the bid document by the authorized signatory of the entity.

Ratan P Watal

(Ratan P. Watal)
Secretary

Petroleum & Natural Gas Regulatory Board, India

Round - 3 of CGD Bidding - Additional Clarifications dt. 15 /12/10

S.No	Issue	Clarifications
1	Panipat GA: In order to maintain transparency and uniformity of bidding process, it is suggested that tap-off point from a single STPL for each notified GA may be considered by PNGRB to have level playing field for all bidders.	*Clause 1.1.3 of ITB is revides as : 'The natural gas transmission pipeline connectivity to this geographical area shall necessarily have to be considered from both the following : a) from the already commissioned IOC's Dadri-Panipat pipeline with tap-off point at SV-4 (Ch.92 Km ex-Dadri) & SV -6 (Ch 115.6 ex-Dadri). b) from Dadri-Bawana-Nangal pipeline of M/s GAIL, presently under construction with tap off point at TOP: Butrada taluka, Shamli village, Muzaffarnagar, Chainage 69.419 and the expected gas flow in this pipeline is scheduled by Dec 2011.'*
2	Will financials of the Group Company or Associate Company be regarded as a valid document in support of the financial eligibility criteria? Please note that the promoters are same in the bidding company and Group Company or Associate Company?	Subsidiary/ Group /Associate any other company will be considered as promoter only if they have equity holdings in the bidding entity.
3	As per clarifications issued, the total PNG connections quoted by a bidder from 1st to 5th year for a GA shall not exceed the total number of households as derived by dividing the Census 2001 population as indicated by PNGRB for that GA by average household size of 5. It is requested that PNGRB should only consider permanent households while applying this cap as connections to semi-permanent and temporary households shall create hazards in these areas. Data regarding permanent households is also provided in Census 2001.	No change.
4	Requested to give information on pressure of natural gas that will be available at these tap-off locations. This will help in optimizing the design of steel network	May contact pipeline transporters.
5	Can the bid bond in the form of bank guarantee be issued by any of the banks (PSU/ Private)? What is the amount of the Performance Bank Guarantee that needs to be furnished post winning the bid?	Refer Clause 1.4.4 of Instructions to Bidders regarding Bid Bond. Ref G.S.R. 295 (E) dt. 30/4/09 for relevant details. The amount of PBG shall be equal to the amount of bid bond.
6	Please clarify whether for the same GA, two parties can bid as part of two different consortia as follows : 1) First Consortia : Party A as lead partner with Party B as subordinate partner; and 2) Second Consortia: Party B as lead partner and party A being the subordinate partner.	No. An entity can participate only once for a particular GA on its own or through an unincorporated JV/ consortium. Otherwise, it shall be treated as multiple bids and all such multiple bids for the GA shall be rejected.
7	In the application form, Pg no 22, under the 3.1.1 (i), the marking of the envelope is written as "PNGRB/CGD/BID/R-3/ 7/GA- JALANDHAR". Will it be JALANDHAR or KUTCH (EAST)?	This may be read as KUTCH (East).

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S.No	Issue	Clarifications
8	Point 4.5.1 of Instructions to Bidders states that the validity of the bank guarantee shall be three years initially, extendable to the economic life of the project in a block of minimum three years. Hence, point 5 a) of the PBG format should be modified accordingly.	Point 5 a) of the PBG format (Annexure 7) is modified as: *`The guarantee herein contained shall remain in full force for three years from the date of issue and will be extendable in a block of minimum three years upto the economic life of the CGD network as specified in the PNGRB regulations'.*
9	What is the volume for which firm gas tie up is to be furnished?	Refer GSR 196(E), sub-regulation 11(2) and GSR 605 (E), amendment to regulation 11
10	If an entity quotes more than 20% variation w.r.t. domestic PNG connections taken in the FR, will the bid be rejected or will the quoted numbers be reduced pro-rata in line with clarifications given earlier.	Financial bid quotes for any biddable parameters namely network tariff, compression charge for CNG, PNG domestic connection and inch kms of steel pipelines shall not have variation more than ± 20% in any year w.r.t. numbers considered for the corresponding year in the FR. Bids with yearwise variation beyond ± 20% w.r.t. FR shall be rejected and no pro-rata reduction of the numbers quoted for domestic PNG connection shall be done in such cases.
11	Amendment to CGD Regulation vide GSR 295 (E) provides for PBG to be furnished in the form of DD/ pay order also, whereas the bidding document is at variance with this. Pl. clarify.	Clause 4.5.3 of Instruction to Bidders is modified as *`Performance Bond shall be submitted by way of Demand Draft or Pay order or Bank Guarantee from any scheduled bank. DD/ Pay order shall be in the joint name of PNGRB and the entity, payable to either. Bank guarantee shall be as per proforma of Performance Bank Guarantee prescribed at Annexure 7.' Accordingly, the words `Performance Bank Guarantee'* in Clause 4.7.3 of Instructions to Bidders are substituted with *'Performance Bond'*
12	Can a bidding entity withdraw its bid during the extended period and re-apply through a JV/ consortium.	No. If an entity withdraws its bid (whether submitted in its own name or as part of a JV/ Consortium) from a particular GA during such extended period, it can no longer participate in the bidding though another bid document bought either in its own name or through subsidiaries or jointly with other entities for that GA.
13	The assumptions stated in Note of Annexure 15 regarding conversion factors may be defined in order to ensure comparability of bids,	For bid evaluation purpose, the following shall be considered : a) 1MMBTU = 29.65 SCM b) 1KG CNG = 1.28 SCM c) GCV of NG = 8,500 KCal/SCM It may be noted that tariffs quoted in the bid shall not be varied on account of changes in GCV.
14	For qualification under regulations 5 (6) (c) (iii), when the entity intends to operate and maintain the proposed CGD network through an appropriate technical assistance agreement with another party, what documentation is needed to be submitted?	The bidding entity needs to submit certified copies of exchange of correspondence with the other party demonstrating the intention of both to enter into such a technical assistance agreement.
15	Are LMC charges for domestic connection admissible in addition to security deposit as stipulated in the regulations?	No. These are not admissible. Refer Regulation 14 of G.S.R. 196 (E).
16	The maps provided by PNGRB indicate names of villages, towns, and mandal headquarters in a given charge area. Is it mandatory to reach all mandal headquarters in a charge area or any part of the charge area can be reached?	It is mandatory to reach all charge areas and not necessarily mandal headquarters.
17	Is reaching a charge area without having any connection there admissible?	Yes.

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18	Annexure 10 requires information not older than the last available quarter. For bids due for opening in Jan'10, can this be Sep '09?	In case the results for Dec'10 are not available till then, information based on results of Sep'09 needs to be furnished.
19	If the ultimate parent company has the capabilities as required under Clause b & c of sub regulation 6 of regulation 5 of CGD regulations through its subsidiaries, then would it be qualified under the minimum eligibility ctriteria?	Refer Clause 1.5 & 1.6 of ITB. The capability of the parent company alone and not its other subsidiaries/ JVs or the ultimate parent company shall be considered.
20	Disclosure on existing entities and their activities in the GA: It is a fact that certain entities have significant presence in the GAs (without being `centrally authorized' or any authorization from PNGRB) for which the bids have been invited. It is extremely important to understand status of such entities and their infrastructure today and in future to ensure that bidding entity's investments do not turn sour because of continuation of activities of existing entities.	Pl. refer list of all cases under consideration for authorization under section 17/ section 18 of CGD regulations on PNGRB's web-site. An advisory has also been issued to all concerned that no further activity related to CGD network is to be undertaken in any of the areas for which bidding has been initiated. An entity not following this advisory is liable to be prosecuted under the PNGRB Act.
21	Requirement of CA certificate in Annexure 13 may be amended as we understand that it does not fall in purview of a CA to ascertain the manpower.	No change.