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CORRIGENDUM NOTICE FOR INTERNATIONAL COMPETITIVE e-BID

Tender No: **KSIDC/W2E/10/2019**

Date:-10th October 2019

The Corrigendum with respect to the RFP for "Integrated Solid Waste Management with a Waste to Energy (WTE) Project of minimum 200 TPD Processing capacity each on Design, Build, Finance, Operate and Transfer (DBFOT) basis at Kureepuzha in Kollam district in the State of Kerala under Public Private Partnership", raised during pre-bid meeting on 10th October 2019, at KSIDC Corporate Office, Keston Road, Kowdiar, Trivandrum (Tender Nos. KSIDC/W2E/10/2019, dated 26th September 2019)

S. No.	RFP Ref	Clarification Requested	Response to Bidders queries and clarification of the clauses in the RFP
1.	Project Title and related Clauses 3.1, 6.2, 8.1 DCA- Article 2, Clause 2.2(j), Page No. 25	It is mentioned in the Title and related clauses that the Project is with a Waste to Energy Plant of minimum 200 TPD capacity. We bring your kind attention that Waste to Energy Plant in general across the globe are ideal when the minimum assured tonnage is 300 TPD or above. As it is mentioned in Clause 8.4 that the selected private	The process of Bio-methanation is permitted. However, conversion of non bio degradable waste to RDF shall be permitted only when the third party procurement commitment is provided in writing by the bidder.

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		<p>partner scope includes processing of waste with appropriate technology, we request Authority to consider Bio-methanation and RDF Plant in Kollam instead of Waste to Energy.</p> <p>This will enable technically feasible project to setup in Kollam and will also enable competitive bidding.</p> <p>Please make suitable modifications accordingly.</p>	
2.	Bid Security, Section B 6.5, Section C 28	The Bid Security value mentioned in RFP is Rs. 50 Lakh and is very high for the waste management project of 200 TPD size and will restrict many capable players to participate. So we request to please reduce the EMD value to Rs. 25 Lakh.	Conditions in the RFP remains un changed
3.	Performance Security	<p>The SPV shall furnish Performance Security of Rs. 100 Million.</p> <p>The Performance Security mentioned in RFP is very high and also this project is on a PPP mode with the full capital investment being bought in by the selected private partner. Hence, any failure to do the Project will lead to huge financial loss to the partner themselves. Also the project for a 200 TPD size, the performance security demanded in not feasible and will restrict participation in general.</p> <p>We request the performance security to be reduced to Rs. 10 million and the EMD submitted may also be adjusted against the performance security and balance amount to be furnished.</p>	The Performance Security is reduced to Rs 50,000,000/- (Indian Rupees Fifty Million) within 45 (forty five) days of acceptance of LOI, till the COD and post COD to Rs 25 million till the end of Concession Period or till the Termination Date, as the case may be.
4.	Site Investigation Report, Page 8,	It is mentioned in the Site Investigation Report that the Site/SLF is just few meters away from Asthamudi River,	EIA of the site has not been carried out. The successful

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	Site Compliance Table	<p>Resident Ponds are within 200m and also falls under Flood Plains. However it is mentioned in the status that they are complied with EIA requirement.</p> <p>We request you to please confirm if the EIA is cleared for the site to setup a waste management plant and since there would be requirement for SLF, will we be able to get it complied through State Pollution Control Board given the hindrance mentioned above w.r.t. River, Resident Pond and Flood Plains.</p> <p>Also it is learnt that there is a litigation over the site which has a bearing on the Project. Kindly provide the details of the pending litigation and its impact to the Project.</p>	<p>bidder is required to obtain necessary clearances from SPCB or carryout EIA & get the project cleared (if required).</p> <p>There is no litigation on the site and land shall be provided to the selected bidder free of any encumberances.</p>
5.	Site Investigation Report, Page 15	<p>It is mentioned in the report that the current site has a tipping and suggested area with few old machineries and half of the area consist of old waste where capping is going on.</p> <p>Kindly confirm if the machineries are in working condition and will the selected partner be allowed to use them if working. Also, please confirm the status of capping work, if completed.</p>	<p>The prospective bidder should do the due diligence. They shall visit site & make their own assessment related to site condition and machineries available.</p>
6.	Draft Concession Agreement Page 46, Article 7, Cl. 7.1(f)	<p>Revenues of the Project are directly linked to the waste supplied to the Plant and any shortfall in quantity will drastically affect viability. We, therefore, request the Authority to consider 100% of the corresponding year tipping fee for each ton of shortfall of minimum guaranteed waste supply.</p> <p>Please modify the clause as below: In case LSGI fails to ensure the minimum assured quantity as set under this Agreement, as evidenced by measurement at the weighbridge checked daily by PMU and/or</p>	<p>RFP remains unchanged.</p>

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		Concessionaire, the Concessionaire shall be liable to claim penalties for non-fulfilment/ damages, calculated at 100% of the corresponding year Tipping fee per ton for each ton of shortfall.	
7.	Draft Concession Agreement Page 46, Article 7, Cl. 7.1(f)	The minimum waste quantity is 200 TPD, we request the Authority to delete the statement wide reference clause, which would otherwise ensure only 180 TPD of minimum guarantee waste.	RFP remains unchanged.
8.	Draft Concession Agreement Page 27, Article 2, Cl. 2.6.2	The PLB should not be disposing any of the current waste generated during the construction period at this identified site. Please add this also as condition precedent for the PLBs.	No waste is dumped in the 7 acres of land earmarked for the project.
9.	Draft Concession Agreement Page 28, Article 2, Cl. 2.6.5	It is mentioned in this Clause on event of non-fulfilment Conditions Precedent by the Concessionaire, Authority shall forfeit and encash the Performance Security; whilst the event of non-fulfilment Conditions Precedent by the Authority/PLBs extension of time on mutual consent is allowed. To balance such act of non-fulfillment of Concession Agreement by any of the parties to the agreement a provision for extension of time on mutual consent should be permitted in particular for concessionaire also in line with the clause 2.6.5 (c)	RFP remains unchanged.
10.	Draft Concession Agreement Article 13, Cl. 13.1 (b)	Any change in law is beyond the control of the Concessionaire and any additional cost to be incurred if any shall be reimbursed. So we request you to modify the clause accordingly. Subject to change in Law resulting in Material Adverse Effect and subject to the Concessionaire taking necessary measures to mitigate the impact or likely impact of Change in Law on the Project, if as a result of Change in	RFP remains unchanged.

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		Law, the Concessionaire suffers an increase in costs or reduction in net after-tax return or other financial burden (“Additional Cost”), in any Accounting Year, the Concessionaire may so notify the PMU/ Authority and provide the information’s as provided in Article (c) below and propose amendments to this Agreement so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in increased costs, reduction in return or other financial burden as aforesaid. The said remedial measures would be discussed and consequences arising therefrom shall be dealt with as per terms of Article (d) below.	
11.	Draft Concession Agreement Article 14, Cl. 14.2 (b)	<p>Some of the un scheduled maintenance/ repairs may include importing spare parts of unforeseen weather conditions including heavy rainfall in monsoon period, we request to increase the period to consecutive 7 days (exclusive of the scheduled/ un-scheduled maintenance period). You may also note that the site facilities can handle storage up to consecutive 7 days.</p> <p>Please modify: The Concessionaire has failed to process the Solid Waste at the proposed site for a continuous period of 7 (seven) days in any Month; This period shall be exclusive of the maintenance schedule of the Processing Facility;</p>	RFP remains unchanged.
12.	Draft Concession Agreement Article 5, Cl. 5.2 (m)	<p>The plant will not be operational during planned and unplanned shutdown period. The plant design rating will be suitably increased such that the annual quantity of waste generated based on 200 TPD waste input will be processed in any year of operation.</p> <p>Please confirm.</p>	RFP remains unchanged.
13.	Draft Concession Agreement	For achieving Financial Closure, Banks/FIs require compliance of all the Conditions Precedent including DPR,	RFP remains unchanged.

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	Article 6, Cl. 6.1.2	statutory approvals before sanctioning the debt for the Project Financing. Thus, the Financial Closure shall be achieved within 180 days from the Compliance Date. We request you to amend the Clause.	
14.		EMD is very steep	Please refer to reply to query no. 2
15.		We would like to be excused from the pre bid tender meeting as we have an investor meeting on 10/11 oct.	-
16.		As a PPP model what are the counter guarantees provided by the Government.	The draft Concession Agreement provided all details related to obligations and assurance provided by the Authority.
17.		Layout of Site showing area details and plot boundary may please be provided	Please refer to the site assessment report. However Cad drawings will be furnished as per request.
18.		We are considering the min. 200 TPD for process and minimum tipping fee shall be provided for 200 TPD from the date of commissioning (COD)	RFP remain unchanged.
19.		Whether any legacy waste at the proposed site to be handled by the bidder and how much volume, area occupied and height it is?	No. The 7 acres of land identified for setting up of the WtE project is free of legacy waste. However, the removal of the legacy waste lying beyond the 7 acres area is the responsibility of the Kollam Municipal Corporation.
20.		Maximum distance for the secondary collection may please be limited to 25km from the process area	Secondary collection to be done in the LSGIs identified in the cluster. RFP remains unchanged.
21.		Secondary collection timings shall be as per the route map prepared by the Concessionaire and bidder may be allowed to choose fixed time for lifting the waste	RFP remains unchanged.
22.		Any current tolls or future tolls in the designated routes are currently not considered in the estimation and shall be waived off if any for future also.	Conditions in the RFP remains un changed.
23.		We understand and consider that any land development will be carried out by us within the Plant battery limit/ allocated 7.1 acres. Any other enabling works such as approach road to site and right of way for heavy vehicles / solid waste transportation should be provided by KSIDC.	The development of the Approach road to the site to handle the heavy equipments and heavy duty trucks will be the responsibility of Kollam Municipal Corporation.

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24.		We suggest a source segregation of the hazardous wastewill KSIDC suggest the way to dispose it off, as suggested in the MSW Rules 2016 clause 15J (as below). Also the charges levied by common hazardous waste mangement facility may be please be paid by KSIDC directly to the facility (concessionaire can store these wastes at the dsignated site and transport to the designated facility every week shall be arranged by KSIDC).	Hazardous waste, C&D, Bio medical waste and e waste shall not be allowed to mix with the municipal waste. Kollam Municipal Corporation will make necessary arrangements for the management of such waste if found in the bin system of the concessionaire.
25.		C&D, Biomedical and E-waste shall be source segregated and should not be allowed to be mixed in Muncipal Waste. If found in the proposed collection bins/system the concessionaire shall store it seperately and KSIDC will arrange to pick up the same to designated facility every week.	
26.		Construction Period may be considered from the date of final approvals from KSIDC and other government / regulatory authorities.	RFP remains unchanged.
27.		Pertaining to Clause 8.4 we understand that the sub vendors for non core areas and secondary facilities shall be appointed by concessionaire under the umbrella contract	Clause 8.4 of RFP, allows the selected bidder to undertake non-core / secondary activities by itself or through sub-contractor but at its own risk and costs. However, the DPR should clearly cover all such activities and necessary and statutory clearances shall be obtained by the concessionaire prior to development.
28.		Kindly elaborate what role is envisaged for independent engineer that is being appointed by KSIDC	All Project Monitoring and Supervision functions may be transferred to Independent Engineer to facilitate in inspection of the project and taking actions to ensure that the project is in line with signed Concession Agreement.
29.		We understand that water supply and power take in / off will be provided at the plant boundary	Authority shall provide power and water connection at the boundaries of the project site. Cost to the Power and water used by the plant shall be borne by the concessionaire. Power evacuation will be the responsibility of the concessionaire.
30.		May kindly let us know what is land lease fee that will be	Please refer clause 3.1 (c) of DCA, the land lease shall be

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		charged to the Concessionaire ?	Rs. 100 per acre per annum .
31.		With reference to clause 2.2 J of Concession Agreement, we understand that other forms of energy will also be considered apart from just electrical power (as mentioned in the clause)	Yes, other forms of energy will also be considered apart from just electrical power
32.		With reference to Clause 6.2 of Joint Bidding Agreement, request you to allow lead member and member fulfilling financial capacity to have 26% stakes and the technology partner should be allowed to have liability to the JV for the performance of the technology. JV would be responsible for the successful commissioning with performance guarantee from the technology partner.	RFP conditions remains unchanged.
33.		With reference to clause 5.10 of Concession Agreement we request you to limit the equity lock in period for 5 (five) years after successful commissioning of the Plant.	RFP conditions remains unchanged.
34.		We request you to provide extension by 45 days from the proposed date of 30 th October 2019 due to following reasons: a. JV member (especially from abroad will be required certain time with reference to this bid for internal approvals). b. also, secondary collection details and estimate for preparatory (enabling works) have to be prepared c. Financial matters related to banks and BG will also take some more time. Hence we request an extension of bid till 30 th November 2019	The last date for the submission of bids may be extended up to 20 th November 2019.
35.		Page no. 17 under Section B project details and scope of the project (PDS), Point No. 8.6 The income of the SPV from the project will be the monthly payable Tipping fee, power Charges for the net exportable power generated at the tariff, as approved by KSERC and the income from sale of all by-products, the details of which	The option of CBG generation from MSW plant and their sale to OMCs is permitted, subject to the concessionaire meeting all the statutory and mandatory norms prescribed by the relevant Government agencies.

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		<p>are elaborated in the Draft Concession Agreement</p> <p>There is Scheme from MoPNG (Ministry of Petroleum and Natural Gas) under SATAT (Sustainable Alternative towards Affordable Transportation) wherein CBG generation (Compressed biogas generation) from the MSW plant shall be off take by OMCs (Oil Marketing Companies), we hope the same shall be considered.</p>	
36.		We request Corporation to provide electricity and water supply to the site during construction and O&M. Please confirm.	Please refer to the reply given to query 30
37.		Please confirm the connection point distance from plant - HT power 11/22/33KV).	The bidder shall undertake the site study and find out the details from KSEB
38.		The proposed land should be free from any legacy waste. Hence, we request you to provide clear demarcated site along with layout and soil investigation report.	Please refer to the reply given to query 20 & 18
39.		For processing of waste minimum 90% of waste should be delivered by the Corporation. In case the same is not delivered there should be compensation to the concessionaire for the quantity of waste not delivered by the corporation. As the project viability is dependent on the quantity and quality of waste, the client shall give the guarantee for supply of measured quantity & quality of waste.	No change in RFP conditions
40.		How about Biomethanation, along with RDF or plastic recycling system/Unit? Biomethanation is the technology of the future in the circular economy being promoted globally	Please refer to the reply given to query 1

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		as it does not disrupt the rag pickers or recyclers which the thermal does and is environmentally friendly?	
41.		Please clarify the Scope of work for Civil as there are existing structures, half developed SLF.	The prospective bidder should do the due diligence. They visit site & make their own own assessment related to site condition and existing structures.
42.		The site consists of existing shed & other structures. Please clarify if we are supposed to use them. If yes, we would require Structural drawings and layout of the same	The prospective bidder should do the due diligence. It is up to the bidder to see whether they can use it. The bidder may contact Secretary Kollam Corporation for the layout and drawings.
43.		Balance site is covered by liners. Please clarify what purpose do they serve, is that the existing SLF area?	As the land beyond the 7 acres given to KSIDC is with Kollam Corporation, the Bidder may verify this with Kollam Corporation
44.		Legacy waste is dumped in shed & other areas of proposed site. Please clarify the scope of clearance of the legacy waste?	Refer to reply given to query 20
45.		Topographic details provided in pg-16 of investigation report needs to be verified as it shows 50 m level variation as compared to the photos which look like a fairly level plot.	The Bidder shall undertake necessary verifications and site investigations.
46.		Soil report provided in investigation report is not satisfactory as it does not mention safe bearing capacity of soil. Kindly clarify.	The Bidder is free to undertake necessary detailed soil investigations.
47.		Site is under SWM's Plant/SLF buffer zone of 100 & 200m for habitats and lake, as both are present nearby. Please confirm who will take the environmental clearance for the same.	
48.		NGT Orders	

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		<p>In the order dated 07th January, 2019 the NGT directs Kollam Corporation to find an alternative site for establishing a new plant.</p> <p>(Order of the National Green Tribunal in the matter of Chandran Pillai N & Others Vs Union of India & Others dated 07/01/2019 regarding disposal of solid waste in Kollam, Kerala.</p> <p>NGT expressed its dissatisfaction with the Status Report submitted by the Kollam Corporation and pointed out that there was no concrete proposal made out by the Corporation as to how the legacy waste is going to be removed as per the norms provided under the present rule. They have also not mentioned anything about the present quantity and time required for bio mining and also the manner in which they are going to remove the reject after bio mining.</p> <p>The National Green Tribunal directs the Kollam Corporation to submit a detailed affidavit showing the manner in which the legacy waste has to be disposed of and time required for disposal of the same and also the manner in which they intend to deposit the reject after bio mining and also the steps taken by them for finding out an alternative site for establishing the unit within a period of one month.)</p>	<p>There is no order from the NGT preventing the development of the waste management project at the 7 acre site allotted.</p>

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		<p><u>In a previous order dated 29th November, 2018 National Green Tribunal directs the State of Kerala and the Kollam Municipal Corporation to identify a site suitable for establishment of the integrated solid waste treatment plant.</u></p> <p>(“Order of the National Green Tribunal in the matter of Chandran Pillai N. & Others Vs. Union of India & Others dated 29/10/2018 regarding waste management in Kollam, Kerala. NGT in its previous order had directed the Kollam Municipal Corporation to quantify the waste generated in the municipal corporation area and the capacity of the decentralized treatment plant.</p> <p>State of Kerala and the Kollam Municipal Corporation submits that an area measuring about 2.85 acres has been identified for establishment of an integrated solid waste treatment plant at Kureepuzha. However, as per the applicant, the site is in the midst of thickly inhabited area and therefore, would not be suitable for establishment of the integrated solid waste treatment plant.</p> <p>National Green Tribunal directs the State of Kerala and the Kollam Municipal Corporation to identify a site suitable for establishment of the integrated solid waste treatment plant which should be in accordance with the siting criteria.”)</p>	

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		<p><u>In the original complaint lodged by Mr. Chandran Pillai and Manushyavakasha Paristhithi Samrakshana Samithy with NGT, there is a mention that the dump site is located between two temples. (Ref: Original Application No. 515/2018 (Earlier O.A. No. 439/2013 (SZ)) (W.P. (C) No. 3637/2012) And Original Application No. 516/2018 (Earlier O.A. No. 456/2013 (SZ)) (W.P. (C) No. 1367/2011).</u></p> <p>It would be great if we could get to know the response given by the corporation with regard to these orders. We also would like to know if authorities have taken further steps in this regard to avoid hindrances in initiating and establishing the proposed Integrated Solid Waste Management project.</p>	
49.		<p>Site Investigation Report</p> <p>Secondly, as per the Site Investigation Report provided by the KSIDC, the proposed site is quite environmentally sensitive as per criteria mentioned in MSW Rules 2016. The land parcel comes under the flood plain of Ashtamudi Lake, a few meters away the lake and with ponds around not less than 200 meters away. Moreover, habitation too is just a few meters away from the site. We are genuinely concerned how this will affect the project. On ground studies reveal that there has been protests from neighbourhood and environment activist groups against a waste management project coming up in this eco fragile and habitat areas.</p> <p>Prima facie, it seems that current instances of violation of coastal zone regulation leading to demolition orders from the Supreme Court along with the local protests could</p>	<p>Necessary clearances from all concerned agencies shall be obtained by the successful bidder prior to the commencement of construction. Necessary support for the same shall be given by the Authority.</p>

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		<p>hinder the execution of the project; and to obtain regulatory approvals including EC could not be easy. If at all the licences and approvals are obtained, the land being eco fragile protests, adversities and legal actions cannot be ruled out.</p> <p>We would like to know if any measures have already been taken by the Government /Corporation/ KSIDC to tackle this scenario. Could you please provide clarification to these concerns before we move further?</p>	
50.		<p>Regarding Performance Security</p> <p>The RFP says, the SPV should furnish the Performance Security of INR.100,000,000/- (Indian Rupees Hundred Million), which is more particularly described in the Draft Concession Agreement, by way of Bank Guarantee in the manner and form specified in the Draft Concession Agreement, within 45 (forty five) days of acceptance of LOI, till the COD. Post COD, the Performance Security shall be reduced to INR. 50,000,000 (Indian Rupees Fifty Million only) till the end of Concession Period or till the Termination Date, as the case may be. – This is on a higher end.</p> <p>As per the corrigendum notice for international competitive e-bid dated July 4, 2019 (Ref: File No. KSIDC/TVM/3606/2019) this clause was revised as “The SPV shall furnish the Performance Security of INR. 50,000,000/- (Indian Rupees Fifty Million), which is more particularly described in the Draft Concession Agreement, by way of Bank Guarantee in the manner and form specified in the Draft Concession Agreement, within 45 (forty five)</p>	Please refer to reply given to query 3

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		<p>days of acceptance of LOI, till the COD. Post COD, the Performance Security shall be reduced to INR. 25,000,000 (Indian Rupees Twenty Five Million only) till the end of Concession Period or till the Termination Date, as the case may be.”</p> <p>Is this revision applicable for this project too?</p>	