

**Clarifications/Replies to Pre-bid Queries of RFP No.05/2019-20 dated 18.02.2020 “For Engagement of Consultants to assist Airports Economic Regulatory Authority of India (AERA) in Review of Regulatory Philosophy and Approach in Economic Regulation: Revision of the Guidelines for Determination of Tariff(s) for Aeronautical Services provided by Airport Operators and Independent Service Providers at Major Airports”.**

Name of Bidder	Query No.	RFP Clause			Bidders Query	Remarks/ Authority's response
		Clause No./ Para No.	Name	Text requiring clarification		
<b>M/s PKF Sridhar &amp; Santhanam LLP</b>						
<b>PKF</b>	1	2.6.1 (d)	Condition of Eligibility	The Applicant should have a minimum turnover of Rs.50,00,00,000/- (Rupees Fifty crores) per annum under the head of professional fees during each of the last three accounting years. For avoidance of doubt, professional fees hereunder refer to fees earned by the Applicant for providing advisory or consultancy services to its clients.	Specifies an annual turnover from Professional consulting services of Rs. 50 crores and above in last 3 years. The consulting industry is developing only in the last one or two decades and major players are only multinational firms. This condition will exclude even large Indian companies which only favour multinational firm.  <b>Suggestion:</b> While we understand that a size criteria has been chosen so that only established players with enough strength apply, we request that this limit may be	Original clause is retained with no change.

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					<p>brought down to a reasonable level of about Rs. 10 Crores.</p> <p>The Criteria for Evaluation in 3.1.1 Table 1. Item A.2: The scoring pattern also should be suitably revised to given equal points to all firm that meet the threshold of Rs. 10 Crores. Giving more marks for higher turnover does not have a direct impact of the consultancy service that get provided.</p> <p><b>Rationale:</b> Rs. 10 Crore Limit at an average annual billing of Rs. 40 Lakhs would mean a firm size of about 20 to 25 people. A firm of the size, would be able to meet the requirements of the consultancy and billing rate would also reflect the seniority of resources with the firm which would address Authority's concern.</p>	

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					This was also include many niche capable player would can provide a quality services.	
	2	2.9.1	Conflict of Interest	In case the bidder is currently dealing with the advisory services on tariff matter of the major airports(s), or Independent Service Providers(s), as applicable, it shall be treated as direct conflict of interest.	This seem to steam from the surmise that firms working on tariff matter with major airports can influence the philosophy in favour of the Airports Operators. To address this concern the team which is involved in the advisory can be excluded from the consultancy by building a Chinese wall and excluding the team that is providing consultancy on Tariff advisory to major airports from the current consultancy that is required by AERA.  <b>We request that:</b> a. Bidders who are	Original clause is retained with no change.

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					<p>directly performing advisory services to major airports, If they build a suitable Chinese wall between the team that is performing the services to those Airports and the team that would partake in the current consultancy to AERA, need not be considered as conflict of interest.</p> <p><b>Rationale:</b> This will ensure that the experiences of several firms are available to participate in the tender and at the same time it will address the concern of the Authority.</p>	
PKF	3	2.9.1	Conflict of Interest	Without limitation on the generality of the foregoing, the Consultant or any of its Associates shall not take up any assignment that by its	<p>The Restriction during the period of 3 months thereafter may be removed.</p> <p><b>Rationale:</b></p>	Original clause is retained with no change.

RFP Clause						
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				nature will result in conflict with the present assignment (tariff related) i.e. during the period of this assignment (till submission of the final report/notification of Guidelines) and for a period of 3 (three) months thereafter.	Once the consultancy is delivered, no concern that the consultant will be able to influence the advice is no longer valid and it is an unreasonable expectation to exclude the consultant from providing services to Airports when the opportunities for those consultants are only with the Airports.	
<b>M/s SBI CAPS</b>						
Name of Bidder	S.No.	Clause No./Para No.	Name	Text Requiring clarification	Bidders Query	Remarks/Authority's response
SBI CAPS	4	2.1	Scope of Work	The selected Applicant shall also assist AERA in 'Appeals' and 'Legal Cases' against the Orders of the Authority to the extent of the Scope of work under this RFP.	We request AERA to limit this assistance to providing necessary material utilized by the consultant at the time of Carrying out the scope limited to the preparation of revised guidelines, to the legal advisors of AERA as and when required. The above issue was	It is modified as under:  "The selected Applicant shall also assist AERA in 'Appeals' and 'Legal Cases' against the Orders <b>(Orders/Directions issued notifying the Revised Guidelines against this RFP)</b> to the extent of the scope of

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					<p>considered by AERA at the time of pre bid meeting for RFP 02/2019-20 dated 28.11.2019 and the clause was modified as part of AERA'S replies to pre-bid queries.</p> <p>AERA's response as part of replies to Pre Bid Queries was as below:            "It is modified as under:            The selected Applicant shall also assist AERA in 'Appeals' and 'Legal Cases' against the Orders <b>(Orders/Directions issued notifying the Revised Guidelines against this RFP)</b> to the extent of the scope of work under this RFP".            Request you to kindly modify this clause as per the above mentioned to provide clarity to the scope mentioned under the RFP.</p>	work under this RFP".

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During the Pre-Bid Meeting held on 04.03.2020, some other points were also discussed by the participating consultants companies and AERA after due considerations decided to make the following changes / modifications:						
	5	2.6.1(b) i	Eligibility Criteria – Conditions of Eligibility	'assisted a Regulatory Authority/Government Authority as mentioned above, in Regulatory philosophy - policy formulations for tariff(s), review of the Guidelines for regulation and preparing multi-year tariff regulations, <b>tariff reviews or tariff fixation;</b> '	-	The clause is modified as below: assisted a Regulatory Authority/Government Authority as mentioned above, in Regulatory philosophy - policy formulations for tariff(s), review of the Guidelines for regulation and preparing multi-year tariff regulations;'
	6	3.1.1 A, 3(a)	Technical proposal Evaluation -	'During the last 10 years, assisted a Regulatory Authorities/Government Authorities (refer clause 2.6.1) in Regulatory philosophy - policy formulations for tariff(s), review of the Guidelines for regulation and preparing multi-year tariff regulations, <b>tariff reviews or tariff fixation;</b> '	-	The clause is modified as below: 'During the last 10 years, assisted a Regulatory Authorities/Government Authorities (refer clause 2.6.1) in Regulatory philosophy - policy formulations for tariff(s), review of the Guidelines for regulation and preparing multi-year tariff regulations;'

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	7	3.1.1 C, 4.	Technical proposal Evaluation – Legal Expert	4. Legal Expert Total marks: 3 07-10 years: 1 10-15 years: 2 15 yrs plus: 3	-	The marking pattern of Legal Expert is modified as below: The clause is modified as below: <b>4. Legal Expert</b> <b>Total marks: 3</b> <b>07 - 10 years: 2</b> <b>above 10 years: 3</b>
	8	2.6.1 (g),	Eligibility of Key Personnel – Team Leader, (Experience part)	The Team Leader should have led teams or participated in assignments of a nature similar or related to that detailed in the TOR ( <b>schedule-1</b> ) of this RFP. The Team Leader should have sound understanding and experience (which may include operational experience) of the legal, economic and regulatory framework governing the airport and air navigation service sector in India or abroad or other infrastructure sectors as specified at para 2.6.1 (b).	-	The clause is modified as below: The Team Leader should have led teams or participated in assignments of a nature similar or related to that detailed in the TOR ( <b>schedule-1</b> ) of this RFP. The Team Leader should have sound understanding and experience (which may include operational experience) of the legal, economic and regulatory framework governing the airport and air navigation



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				<p>He should have participated in the process of assisting or advising in policy formulations for tariff, regulatory philosophy - framing/review of the Guidelines for regulation and preparing multi-year tariff regulations, tariff reviews or tariff fixation or evaluation of multi-year tariff proposals, annual tariff proposals and fixation of tariffs</p> <p><b>Preference shall be given to those who have participated in any of the above assignments specifically relating to airport infrastructure/aviation/airport industry.</b></p>		<p>service sector in India or abroad or other infrastructure sectors as specified at para 2.6.1 (b).</p> <p>He should have participated in the process of assisting or advising in policy formulations for tariff, regulatory philosophy - framing/review of the Guidelines for regulation and preparing multi-year tariff regulations, tariff reviews or tariff fixation or evaluation of multi-year tariff proposals, annual tariff proposals and fixation of tariffs</p>
	9	4.1.1- 3 & 4.1.2 - 3	Deliverables and Payment Schedule (Time schedule for module-3)	3. Assisting AERA in Stakeholder consultation and analysing/evaluating Stakeholders' responses	-	<b>Time schedule for module 3 of Deliverables and Payment Schedule for each assignment will be one and a half months now and</b>

		RFP Clause				
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						accordingly completion period for each assignment will be four and half months now. Other terms and conditions shall remain same.