

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
SBI Capital	1	2	Service Required	“The RFP is for the selection of an Applicant to, inter-alia, advise AERA and render services in the following core areas (collectively the ‘Consultancy’)”	Would only one consultant be appointed or there could be a panel of consultants amongst whom the different mandates could be allocated?	AERA proposes to appoint only one Consultant for the instant assignment.
	2	4.1 i	Scope of Work	Assist the Authority in reviewing the tariff proposals received from the regulated entities for identification of information gaps	Tariff Proposals as referred to here would only mean the proposals mentioned in clause 1.6.1 or it will include any new proposals as may be filed with AERA in due course?	The tariff Proposals referred in para 4.1.i include multi-year and annual tariff proposals received from each of the following airports: a) Bangalore b) Hyderabad c) Cochin d) Airports Authority of India Airports - Ahmedabad, Calicut, Chennai, Guwahati, Jaipur, Kolkata, Lucknow, Thiruvananthapuram.
	3	19.8	Financial Proposal	“The Applicants shall submit the Financial Proposal in the formats at Appendix – II, Form I clearly indicating the total cost of the Consultancy assignment in both figures and words, in Indian Rupees, and signed by the Applicants authorized signatory/”	The fees quoted would be based on the tariff proposals as mentioned in clause 1.6.1. Is it confirmed that there would not be any new tariff proposals to be covered under this RFP/ assignment? Bidder would like to quote fees on per tariff proposal basis	It is further clarified that in case the Authority decides to refer tariff

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
						proposal in respect of any independent service provider, (presently estimated to be three in number), which needs to be determined under price cap mechanism, then the payment in respect of the same will be made on pro rata basis of the accepted bid. Further it is clarified that, the total cost of the Consultancy assignment be quoted on lump sum basis only, as stated in the RFP.
	4	7	Bid Security	The Applicant shall submit, along with their bids a Bid Security of Rupees 10 lakhs (Rs. Ten Lakhs only) in the form of a Demand Draft issued by a Nationalized Bank in India in favor of the	We have worked on a large number of Government transactions where the bid security was required, the same was either relaxed or the amount was in the range of Rs. 1 lakh. We request	Bid Security amount has been fixed taking into account all relevant facts, and it is in accordance with the normal commercial practices.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				“Airports Economic Regulatory Authority of India” payable at New Delhi.	you to reduce the bid security to Rs. 1 lakh.	
	5	15	Proposal Due Date	The Proposal should be submitted at or before 1500 hrs on 2 nd December, 2011 at the designated address in the manner and form as detailed in this RFP.	At least 2 weeks should be allowed from date of clarifications on pre-bid queries post pre-bid conference for submission of the Proposal.	It has been decided to extend the proposals submission date by two weeks and the last date for submission is now 16.12.2011 (up to 1500 hrs)
PWC	1.	Clause 4.2	Scope of Work	During the period, the Selected Applicant shall assist AERA in the practical implementation of the systems and procedures finalized. The training support shall	As per our understanding, the main purpose of the assignment is assisting AERA in tariff determination. When clause 4.2 talks of “..... Implementation of the systems and procedures.....”, does AERA want the consultant to implement some IT solutions.	As stated in Clause 4.2 the Selected Applicant should assist AERA in practical implementation of system and procedures finalized. The same may be through training of personnel and/or development of software model in respect of the system and procedures finalized by the Authority. Thus, the Selected Applicant shall assist the Authority in project

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
						implementation of system and procedures in the manner required by the Authority.
	2.	Clause 7.1	Bid Security	The Applicant shall submit, along with their bids a Bid Security of Rupees 10 lakhs (Rs. Ten Lakhs only) in the form of a Demand Draft issued by a Nationalized Bank in India in favour of the "Airports Economic Regulatory Authority of India "payable at New Delhi. Bid Security in any other form shall not be entertained. The bid security	AERA is requested to allow Bid Security in form of a Bank Guarantee.	Position stated in the RFP document is reiterated.
	3.	Clause 7.4(a)	Bid Security	The Applicant, by submitting its proposal pursuant to this RFP, shall be deemed to have acknowledged that without	AERA is requested not to forfeit Bid Security for non-responsive Proposal. A proposal can be declared non-responsive for a	The proposal shall be treated non-responsive if it does not satisfy any of the conditions laid down vide clause 19.3 (a) to (g) of the RFP. Further,

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				prejudice to AERA's other right or remedy hereunder or in law or otherwise, the Bid Security shall be forfeited and appropriated by AERA as (a) If an Applicant submits a non – responsive Proposal;	whole host of reasons (including things as minor as wrong page numbering etc.)	forfeiture of Bid Security for non-responsive proposal is a standard practice. Therefore the position stated in RFP is reiterated.
	4.	Clause 7.4(b)	Bid Security	The Applicant, by submitting its proposals pursuant to this RFP, shall be deemed to have acknowledged that without prejudice to AERA's other right or remedy hereunder or in law or otherwise, the Bid Security shall be forfeited and appropriated by AERA as..... (b) If an Applicant	AERA is requested not to forfeit Bid Security in case the Applicant does not want to extend the bid beyond original validity period	The subject provision is applicable to original validity period as well as any extension which the Applicant may have offered/agreed to. The position stated in RFP is reiterated.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				withdraws its proposal during the period of its validity as specified in this RFP and as extended by the Applicant from time to time;		
	5	Clause 10.1.5	Eligibility Criteria	Definition of "Eligible Assignment"	AERA is requested to clarify the meaning of "Eligible Assignment" in Clause 10.1.5	The Eligible Assignments are (as stated in clause 10.1.1) as under : i. Assist and/or advise in the capacity building of a Regulatory Authority ; ii. Assisting a minimum of 2 Regulatory Authorities in any infrastructure sector in evaluation of multi-year tariff proposals and submissions and fixation of tariffs;
	6.	Clause 12.1.3	Technical Proposal	Requirement of Database Management Expert	AERA is requested to clarify the role and responsibilities of the Database Management Expert. Kindly clarify whether the expert is only required to support the tariff	The Database Management Expert is required to support the Tariff determination exercise. In this process the Selected Applicant will be required to validate the models as may

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					determination exercise or is also expected to implement some IT solution.	be submitted by regulated entities, which may also include development and implementation of some IT solutions as well.
	7.	Clause 14.1	Conflict of Interest	AERA requires the Consultant to provide professional, objective and impartial advice and at all times hold AERA's interests paramount and avoid conflict of interest with any other assignment. Without limitation on the generality of aforesaid the Consultant or any of their associates shall not take up any assignment that by its nature will result in conflict with present assignment i.e., during the period of this assignment and for a period of two years thereafter.	Our understanding of the clause is that the consultant shall not support any entity other than AERA, in assignment specific to tariff determination during the period of this assignment and for a period of two years thereafter. We further understand that Consultants that already provide services such as IT, tax and audit advisory etc. to companies that file for tariff review would not be debarred from the bid.	AERA cannot comment upon/opine on the specific assignments. It is the responsibility of the Selected Applicant to ensure that they remain strictly within the RFP requirements. However, it is clarified that a similar engagement for any service provider or any other stakeholder shall be construed as a conflict of interest. Whereas a similar engagement for any other regulator (viz. Central Government in the case of airports other than major airports) may not be so construed.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
	8.	Clause 19.8.3	Evaluation Process	The selected Consultant shall be paid professional fees for the services rendered in three equated installments payable on four months basis. However, the last and final installment shall be paid at the successful completion of consultancy work.	AERA is requested to have one installment of the professional fee linked to inception of the assignment. Under the current payment terms first payment would be 4 months after the inception of the assignment. Our view is that a large proportion of work would have been completed in the first 4 months of this assignment. Hence 4 equal installments with the first one being payable on inception may be considered instead of 3 equal installments.	The professional fees shall be paid in three "equal" (not "equated") installments. The RFP provision may be read accordingly.
	9.	NA		NA	AERA is requested to provide the Draft Contract to be signed between Consultant and AERA if	Accepted. The indicative draft agreement is being uploaded alongwith these clarifications.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					possible.	
	10.	12.1.3	Technical Proposal	The Key Personnel should be available for the entire duration of the assignment and if the availability is not fulfilled at any stage, he shall be liable to be debarred for any further assignment of AERA for a period of 5 years.	This clause has invited serious questions that if in case the individual is unavailable due to a posting or any other personal reason, would that result in the individual being debarred for 5 years.	This condition has been kept to ensure accountability of key personnel. Hence, the position stated in the RFP document is reiterated.
CRISIL	1.	4.1	Scope of Work	Assist the Authority in reviewing the tariff proposal received from the regulated entities for identification of information gaps.	We request the Authority to please confirm if the proposals would be limited to those mentioned in Section 1.6.1 of the RFP document.	Refer reply to query No. 2 of SBI Capital.
	2	10.1.4	Availability of Key Personnel	The Proposed Team Leader and Sector Experts must be the employees of the Applicant or any of the Consortium members (in case the Application is made by a	We request that this condition be relaxed for the Database Management Expert as financial consulting firms may not have a database expert on its payroll.	This condition has been kept to ensure accountability of expert through the Selected Applicant. Hence, the position stated in the RFP document is reiterated.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				Lead Member on behalf of a Consortium)		
	3	10.1.4	Availability of Key Personnel	The proposed Team Leader and Sector Experts must be the employees of the Applicant or any of the Consortium members (in case the Application is made by a Lead Member on behalf of a Consortium)	We request that individual Associates be allowed for experts other than the Team Leader so that senior aviation experts can lend valuable insights into the assignment.	Eligible Individual(s) can also be member(s) of a Consortium.
	4	22.1 & 22.2	Corporate Guarantee/ Performance Security	The Selected Applicant shall furnish a corporate Guarantee or Bank Guarantee equal to 10% (ten percent) of all the amounts due and payable to the Consultant, to be appropriated against breach of contract or for recovery of	We request the Authority to please confirm if the Corporate Guarantee specified in 22.1 and the Performance Security mentioned in 22.2 are the same.	The Corporate Guarantee specified in 22.1 and the Performance Security mentioned in 22.2 are not the same.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				liquidated damages.....		
	5. dt.23.11.2011	4.2	Capacity Building / Training Support	During the period, the Selected Applicant shall assist AERA in the practical implementation of the systems and procedures finalized. The training support shall be extended on a continuous basis.	We request the Authority to please confirm the minimum training requirement in terms of man-days per month or for the entire assignment and also to clarify the meaning of "implementation of the system and procedures finalized".	It is clarified that the training will be provided by the Selected Applicant as and when required by the Authority. Further, regarding meaning of "implementation of the systems and procedures finalized", refer to reply in respect of Query No I of PWC.
Delloitte	1.	2	Services required	Assist AERA in scrutinizing the proposal submitted by regulated entities, <u>undertake due diligence in respect of various assumptions / projections / forecast made in each proposal...</u>	It is our understanding that the Scope of Work / due diligence require studies / review of assumptions/ forecast/ projections of building blocks / elements like operating and maintenance expenditures, traffic forecast, forecast capital expenditure, forecast fair rate of return	Each proposal needs to be considered separately based on the submissions made therein as well as other factors that the Authority is mandated to consider while determining aeronautical tariffs etc. The querist has given a certain list which is illustrative. However, it would not be practicable to list the individual tasks

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					including Cost of Equity, Cost of Debt etc., taxation, etc. We request the Authority to confirm the same.	in detail. Further, it is clarified that due diligence would include review of assumptions/ forecast/projections of regulatory building blocks.
	2.	3	Delivery Schedule	...the Selected Applicant shall be given a period of one year, from the date of award of the Consultancy to accomplish the task mentioned above. AERA may, however, in its discretion extend the delivery period by maximum six months.	Internationally, tariff determination exercises under a Price Cap regime take around 1.5 – 2 years for each Airport. Even in the India context, precedence indicates substantial time requirement for review of proposals received from airport operators / service providers, preparation of list of data gaps, receipt of additional information,	The Authority has already decided that the first Control Period for the airports (except Mumbai and Delhi) and other regulated entities has commenced w.e.f, 01.04.2011. Considering that the major part of first tariff year of the first control period is already over, it is imperative that the proposals received are considered and decided at the earliest. This may involve simultaneous determination of

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>analysis of tariff models / preparation of tariff (financial) models, receipt of certified information, review of projections of regulatory building blocks, assisting the Authority in preparation of draft / consultation papers, conducting of stakeholder meetings, <u>preparation of notes for proceedings before Appellate Tribunal, preparation of summary of responses received from stakeholders, assisting the Authority in preparation of final multi-year tariff order, etc.</u></p> <p>The Authority envisages to <u>simultaneously</u> undertake tariff determination of the proposals</p>	<p>various tariff proposals. Timelines have been indicated accordingly.</p>

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>listed in the RFP: 10 AAI Airports, 2 PPP Airports (Bangalore / Hyderabad), 1 Private Airport (Cochin), 2 Fuel Farm Operators and 1 Cargo Service Provider within a period of 1 year.</p> <p>The timelines for undertaking tariff determination for these 16 entities listed in the RFP seem extremely challenging. In view of numerous activities mentioned above being outside the control of the Consultant, it is requested that the Delivery Schedule be specified with reference to the tasks / outputs expected from the Consultant and not covering periods / activities on which the</p>	

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					Consultant has no control.	
	3.	4.1	Scope of Work	The scope of work to be undertaken by the Selected Applicant is given herein after. The same is merely illustrative and not exhaustive. The Selected Applicant shall thus have to consider the required output and include all further incidental activities that may be necessary for efficient and successful implementation and for achieving the ultimate purpose of the assignment...	<ol style="list-style-type: none"> As mentioned above, a number of activities are expected to be required towards determination of tariffs. It is requested that the Authority please specify the required outputs from the Consultants so that the incidental activities may be considered and appropriate proposals prepared and submitted. We expect that the outputs from the Consultants would include – lists of deficiencies in the proposals submitted, lists of information requirements, list of certification requirements, analyses of 	It is clarified that each tariff proposal needs to be considered separately based on the submissions made therein as well as other factors that the Authority is mandated to consider while determining aeronautical tariffs etc. Thus, it would not be practicable for the Authority to list the individual outputs in detail. However, the Selected Applicant may have to, inter-alia, undertake the stated tasks also. Further, the Selected Applicant would extend assistance in respect of all the tariff proposals mentioned in reply to Query No 2 of SBI Capital.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>various elements / regulatory building blocks, assistance in preparation of draft consultation / multi-year tariff order, preparation of tariff (financial) models, preparation of analyses sheets / models for Authority decision, preparation of notes for the Authority to assist the Authority in preparing final multi-year tariff orders.</p> <p>3. We expect that Consultant's Scope of Work would not extend to consideration of Annual Tariff Proposals, assisting the Authority in preparation of draft Annual Tariff Orders, summarization</p>	

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					of stakeholder responses on draft Annual Tariff Order, assisting the Authority in preparation of Final Tariff Order. We request the Authority to confirm the same.	
	4.	4.1 (i)	Scope of Work	Assist the Authority in reviewing the tariff proposals received from the regulated entities for identification of information gaps.	<p>We understand that the review of tariff proposals shall cover the below mentioned activities. We request the Authority to confirm the same.</p> <ol style="list-style-type: none"> 1. Reviewing the proposals for completeness as per requirements of the Guidelines for tariff determination as issued by the Authority 2. Reviewing the proposals for consistency check as per the Guidelines for tariff 	The Selected Applicant is required to assist the Authority in reviewing and finalizing the tariff proposals and in all related activities thereof, including the stated activities. However, as stated in sl. no. 1, it may not be practicable for the Authority to list the individual activities in detail.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>determination as issued by the Authority</p> <p>3. Reviewing in detail various supporting documents such as attendant agreements, plans, etc.</p> <p>4. Preparing information requirement list for clarifications/ additional information/ certifications etc. based on the tariff proposals</p> <p>5. Reviewing the further submissions made by the service providers</p> <p>6. Attending meetings with the service providers to understand their submission for the proposal as well as additional information</p>	

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
	5.	4.1 (ii)	Scope of Work	Assist the Authority in analyzing the Tariff proposals received from the regulated entities with respect to determination of Aggregate Revenue Requirements (Comprising various Regulatory Building Blocks) and yield.	We understand that under the Scope of Work, the Consultants would be required to prepare financial models for the tariff determination for various service providers. We request the Authority to confirm the same.	As stated in response to Query no. 6 of PWC, the Selected Applicant may have to develop and implement financial model for tariff determination, if the Authority requires the same.
	6.	4.1 (iii)	Scope of Work	Assist the Authority in identifying key aspects/ observations on the proposals for consideration of the Authority.	We understand that this task would entail the below mentioned activities. We request the Authority to confirm the same. 1. Work under the task will require the Consultants to prepare notes on regulatory building blocks / elements like traffic, rate of return, etc. 2. The Consultants will be required to perform analyses to study various drivers and	Refer to reply in respect of Query No 3 above.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>their impact as well as historical trends on various elements.</p> <p>3. The Consultants will be required to assist the Authority in reviewing the tariff proposals with respect to compliance / application of various provisions of the Orders and Directions mentioned under point 1.5 of the RFP.</p> <p>4. The Scope of Work with respect to tariff determination for Airport Operators would also include provision of assistance to the Authority for assessment of revenues from Regulated Services subject to</p>	

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					Separate Control at such Airports.	
	7.	4.1 (iv)	Scope of Work	Assist the Authority in reviewing impact of change(s) in assumptions/incorporation of Authority's decisions on various aspects of the proposals submitted by the regulated entities in the financial models, sensitivity analysis etc.	We understand that, the Consultants will be required to prepare additional financial model/ analysis for conducting various analyses required by the Authority. We request the Authority to confirm the same.	Refer to reply furnished at Query no.6. of PWC.
	8.	4.1 (vi)	Scope of Work	Assist the Authority in the Stakeholder Consultations, in evaluating the stakeholders' responses and in Authority's decisions thereon.	We understand that this task would entail the below mentioned activities. We request the Authority to confirm the same. 1. The Consultants will be required to support the Authority in preparing Consultation Paper / draft	Refer to reply furnished at sl. no. 3 above.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>Order, through preparation of select sections/ notes on the analysis undertaken.</p> <p>2. The Consultants will be required to analyse and prepare notes on stakeholder responses as well as prepare Authority's responses to such stakeholder's comments.</p> <p>3. The Consultants will be required to support the Authority in preparing notes towards preparation of the Draft and Final Multi Year Tariff Orders, through preparation of select sections/ notes on the analysis undertaken.</p>	
	9.	4.2	Capacity	During the period, the Selected	Please advise the Scope of Work in	Refer to reply furnished at sl. no.1 & 5

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
			Building /Training Support	Applicant shall assist AERA in the practical implementation of the systems and procedures...	terms of implementation assistance of the systems.	above.
	10.	10.1.5	Eligibility Criteria for Key Personnel	Length of Professional Experience: Team Leader	The requirement currently specifies the length of professional experience to be "10-15 years". We understand that the minimum professional experience for the Team Leader shall be 15 years. We request the Authority to confirm the same.	The minimum length of professional experience required for the team leader shall be 10 yrs. RFP provision may be read accordingly.
	11.	10.1.5	Eligibility Criteria for Key Personnel	Length of Professional Experience / Experience in Eligible Assignments: Database Management Expert	The experiences required in Eligible Assignments from the Database Management Expert seem to pertain to use software based analytical tools and undertaking of analysis. In this, the Database Management Expert has a support role to the	Accepted. RFP provision may be read accordingly.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					Financial Expert under the assignment. In view of the same, the Authority is requested consider the length of professional experience for such Sector Expert at 5 years – essentially at par with the length of professionals experience specified for the other similar Sector Expert of Economist.	
	12.	19.8.1 (i)	Financial Proposal	The Authority has specified that the lump sum professional fee quote by the Consultants should be inclusive of all costs associated with the assignment and covering remuneration for all Personnel, <u>accommodation, air fare, equipment, printing of documents, surveys, etc</u>	1. In view of the proposed scope of work, it is not expected that the Consultants would be required to undertake travel to various Airports / Service Providers or undertake any technical surveys, etc. We request the Authority to confirm the same.	The Selected Applicant will not be required to organize any Stakeholders Consultations meetings. However, he may be required by the Authority to be present to assist it during the same as and when organized by the Authority, at the place decided by the Authority. As far as possible, the Authority may not hold such meetings outside Delhi.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>2. Further, it is not envisaged by us that the Consultants would be required to bear any expenses for organising of meetings / stakeholder consultants / Authority meetings / tours, etc. Our understanding in this regard may please be confirmed.</p> <p>3. During the process of undertaking stakeholder consultations, the Authority may conduct such meetings at various Airports / cities. Since the number of such meetings or presence of Consultants towards the same has not been</p>	<p>However, in case AERA organizes such a meeting outside Delhi, it will reimburse to the selected applicant the actual fare paid or Economy class return airfare, for the shortest route from Delhi to the station of such meeting (whichever is less), in respect of a maximum of two representatives of the Selected Applicant. The RFP provision may be read accordingly.</p>

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					specified upfront, it is submitted that the Authority may please reimburse - at actual, the out-of-pocket expenses required to be borne by the Consultants for attending such meetings if required by the Authority.	
	13.	19.8.3	Financial Proposal / Payment Schedule	The selected Consultant shall be paid professional fees for the services rendered in three equated installments payable on four monthly bases. However, the last and final installment shall be paid at the successful completion of consultancy work.	1. In view of the continuous nature and significant quantum of work, simultaneously required to be undertaken by the Consultant across a number of tariff proposals, it is sincerely submitted that a monthly payment schedule be accepted. This would be important to prevent acute mis-matches between	Refer to Reply in respect of query No. 8 of PWC.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>significant efforts required to be expended by the Consultant and the proposed payment schedule.</p> <p>2. We submit that the Authority invite the Financial Proposals in terms of monthly professional fee rates which can be evaluated across bidders based on the involvement specified in the RFP.</p>	
	14.	21.4	Execution of Agreement	After acknowledgement of the LOA as aforesaid by the Selected Applicant, it shall execute the Agreement within fifteen days. The Selected applicant shall not be entitled to seek any deviation in the Agreement.	The Authority may please provide contractual terms and conditions, to the extent not already incorporated in the RFP, that are proposed to be incorporated in the Agreement that the Authority plans to execute with the successful Consultant.	Refer to reply in respect of query No. 9 of PWC.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
	15.	22.1 and 22.2	Corporate Guarantee and Performance Security	<p>22.1. Corporate Guarantee: The Selected Applicant shall furnish a Corporate Guarantee or Bank Guarantee equal to 10% of the value of the Contract.</p> <p>22.2. Performance Security: AERA shall retain by way of performance security, 10% (ten percent) of all the amounts due and payable to the Consultant, to be appropriated against breach of contract or for recovery of liquidated damages as specified in Clause 22.3 herein. ... The Consultant may, in lieu of retention of the amounts as referred above, furnish a Bank Guarantee.</p>	<p>As per typical practice, a single Bank Guarantee of 10% of the total contract value may be considered as Performance Guarantee.</p> <p>The additional BG of 10% towards Corporate Guarantee may please be dispensed with.</p>	The provisions at Clause 22.1 & 22.2 of the RFP are reiterated.
	16.	22.4	Liquidated	In case of delay in completion of	1. As highlighted earlier,	It will not be practicable for the

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
			damages for delay	the work as specified in the delivery schedule, the consultant shall be liable to pay liquidated damages not exceeding an amount equal to 0.5% (zero point five percent) of the total value of the contract per day, subject to a maximum of 5% (five percent) of the total value of the contract.	internationally the tariff determination exercise under a Price Cap regime takes around 1.5 – 2 years. The timelines for undertaking tariff determination for these 16 entities seem extremely challenging. In view of numerous activities mentioned above being outside the control of the Consultant, and in absence of the Delivery Schedule being specified with reference to the tasks / outputs expected from the Consultant – eliminating periods / activities on which the Consultant has no control	Authority to remunerate the Selected Applicant for the extension of duration of the assignment, if any. Further, the position as stated in the RFP in respect of liquidated damages, is reiterated. However, it is clarified that the Authority will also take into consideration the reasons for delays, if any, while imposing liquidated damages on the Selected Applicant.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>– the criteria for liquidated damages for delay should be outright dispensed with, given the duration and scope of the assignment.</p> <p>2. Also, in view of the above mentioned activities required to be undertaken for each of the proposals, the delivery period may most likely be required to be extended by AERA by the specified duration of 6 months for reasons beyond the control of the Consultant. For instance, based on time required by operators / service providers to provide correct information / time required by technical</p>	

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<p>consultants tasked by the Authority to undertake technical audits of the projects, etc. or even a decision of / case before the Appellate Tribunal.</p> <p>By symmetry to the above provision (if retained with a substantially reduced rate), the Consultant should be remunerated for the extension to the assignment duration on a pro-rata basis. This aspect may please be clarified as it presents a very serious risk to the Consultants.</p>	
	17.	10.1.3 / Appendix 1; Form 5	Financial Capacity of the	This is to certify that (name of the Applicant) has received the	It is earnestly requested that the certification wording may please be modified as follows "This is to	Accepted. Certificate from statutory Auditor be submitted accordingly.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
			Applicant	payments shown above against the respective years on account of professional fees for providing advisory or consultancy services to its clients.	certify that (Name of the Applicant) had a turnover from Professional Fees as shown above against the respective years on account of professional fees for providing advisory or consultancy services to its clients.” The above request is being critically highlighted in view of the fact that accounts for Consulting companies would be maintained on accrual basis.	
	18.	14.1	Conflict of InterestWithout limitation on the generality of aforesaid the Consultant or any of their associates shall not take up any assignment that by its nature will result in conflict with present	The scope of work for proposed assignment relates to assisting the Authority for tariff determination of various Airports / Service Providers. Hence, on completion of the assignment and	It is the responsibility of the Selected Applicant to ensure that they remain strictly within the RFP requirements. For the sake of clarity, it is clarified that a similar engagement for any service provider or any other

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				<p>assignment i.e., during the period of this assignment and for a period of two years thereafter.</p>	<p>determination of tariffs by the Authority, no possible conflict of interest is envisaged with the present assignment.</p> <p>Accordingly, it is suggested that the condition for Conflict of Interest may please be modified as - <u>“during the period of this assignment and for a period of one year thereafter”</u>.</p> <p>Alternatively, this clause may please be altered as below -</p> <p><i>“.....Without limitation on the generality of aforesaid the Consultant or any of their associates shall not take up any assignment that by its nature will</i></p>	<p>stakeholder shall be construed as a conflict of interest. Whereas a similar engagement for any other regulator (viz. Central Government in the case of airports other than major airports) may not be so construed. Position stated in RFP is reiterated.</p>

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
					<i>result in conflict with present assignment i.e., during the period of this assignment. Additionally, the Consultant shall not take up any assignment that by its nature challenges the tariffs determined under the present assignment for a period of two years thereafter."</i>	
BITES	1	19.7.3	Technical Proposal Evaluation	If more than three applicants secure the minimum score of 67, the first three ranked applicants shall qualify for the opening of financial bids.	Two level short listing for selection of Consultant post, opening of Technical Bid as per CVC guidelines that all the bidders who qualify the technical bid, their financial bid should necessarily be opened and considered.	Accepted. RFP document may be treated to have been modified to this extent.
Additional clarifications on RFP						
		1.6.1	Background	Airports Authority of India	-	The Clause 1.6.1(iv) may be read as

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
-	-			(Ahmedabad, Bangalore, Calicut, Chennai, Goa, Guwahati, Hyderabad, Jaipur, Kochi, Kolkata, Pune, Lucknow, Thiruvananthapuram) have been received by the Authority.		Airports Authority of India (Ahmedabad, Calicut, Chennai, Guwahati, Jaipur, Kolkata, Lucknow, Thiruvananthapuram) have been received by the Authority.
-	-	7.1	Bid Security	The Applicant shall submit, along with their bids a Bid Security of Rupees Ten Lacs (Rs 10 lacs only) in the form of Demand Draft issued by a Nationalized Bank in India in favour of the "Airports Economic Regulatory Authority" payable at New Delhi. Bid Security in any other form shall not be entertained. The bid security shall be returnable not later than 30 (thirty) days from the proposal due date, except in	-	The Applicant shall submit, along with their bids a Bid Security of Rupees Ten Lacs (Rs 10 lacs only) in the form of Demand Draft issued by a Nationalized Bank in India in favour of the "Airports Economic Regulatory Authority" payable at New Delhi. Bid Security in any other form shall not be entertained. The bid security shall be returnable not later than 30 (thirty) days from the proposal due date except in case of the Selected applicant. The Selected Applicant's

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				case of the two highest ranked Applicants as required in Clause 21.5. In the event that the first ranked Applicant commences the assignment as required in Clause 21.5, the second ranked Applicant commences the assignment as required in Clause 21.5, the second ranked Applicant, who has been kept in reserve, shall be returned its Bid Security forthwith, but in any case not later than 120 (one hundred and twenty) days from proposal due date. The Selected Applicant's Bid Security shall be returned, upon the Applicant signing the Agreement and completing the Deliverables assigned to it for the		Bid Security shall be returned, upon the Applicant signing the Agreement and completing the Deliverables assigned to it for the first 2 (two) months of the Consultancy in accordance with the provisions thereof.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				first 2 (two) months of the Consultancy in accordance with the provisions thereof		
-	-	21.1.1	Negotiations	The Selected Applicant may, if necessary, be invited by AERA for negotiations. The negotiations could be for reducing the price of the Proposal and for re-confirming the obligations of the Selected Applicant under this RFP. Issues such as deployment of Key Personnel, understanding of the RFP, methodology and quality of the work plan may be discussed during negotiations. In case the Selected Applicant fails to reconfirm its commitment, AERA reserves the right to designate the next ranked Applicant as the	-	The Selected Applicant may, if necessary, be invited by AERA for negotiations. The negotiations could be for reducing the price of the Proposal and for re-confirming the obligations of the Selected Applicant under this RFP. Issues such as deployment of Key Personnel, understanding of the RFP, methodology and quality of the work plan may be discussed during negotiations. In case the Selected Applicant fails to reconfirm its commitment, AERA reserves the right to call for fresh tender.

Pre Bid Conference held on 22nd November, 2011 - Queries received from prospective bidders in respect of RFP 01/2011-12 and Clarifications of the Authority

Prospective Bidders	Query No.	RFP Section			Bidders Query	AERA's Clarifications
		Clause	Name	Text requiring Clarifications		
				Selected Applicant and invite it for negotiations.		