

RESPONSE DOCUMENT No. III



**KARACHI WATER AND SEWERAGE BOARD
LOCAL GOVERNMENT & HOUSING TOWN PLANNING DEPARTMENT
GOVERNMENT OF SINDH**

TP1 WASTEWATER RECYCLING PROJECT

**DATED
14TH MAY 2022**

IMPORTANT NOTICE/DISCLAIMER

This Response to Questions Document (the 'Response Document') is further to the Prequalification Document and the various queries received from the Prospective Bidders in respect of the prequalification process relating to the TP1 Wastewater Recycling Project (the 'Project').

This Response Document is being circulated by the Authority, solely for use by the recipients in preparing and submitting their Prequalification Applications for participation in the prequalification process in relation to the Project.

Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the Prequalification Document.

This Response Document is not an agreement; its sole purpose is to provide interested parties with information that may be useful to them in preparing their Prequalification Applications in respect to the RFQ. The RFQ and this Response Document includes statements which reflect various assumptions and assessments arrived at by the Authority in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Prospective Bidder may require. This Response Document may not be appropriate for all persons, and it is not possible for the Authority (including its employees, personnel, agents, consultants, advisors and/ or contractors etc.) to consider the investment objectives, financial situation and particular needs of each party, that relies on, reads or uses this Response Document.

Neither the Authority nor its employees, personnel, agents, consultants, advisors and contractors etc., make any representation (express or implied) as to the accuracy or completeness of the information contained herein, or in any other document made available to any person in connection with the prequalification process for the Project and the same shall have no liability for this Response Document or for any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Project. Neither the Authority, nor their employees, personnel, agents, consultants, advisors and contractors etc., will be liable in any manner whatsoever to reimburse or compensate the recipient for any costs, fees, damages or expenses incurred by the recipient in evaluating or acting upon this Response Document or otherwise in connection with the Project.

The Authority or any of its advisors has no liability for any statements, opinions or information provided in the RFQ. Each Prospective Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in the RFQ. The Prospective Bidders are required to undertake their independent assessment and to seek independent professional advice on any or all aspects of the RFQ. No decision should be based solely on the basis of the information provided in the RFQ and this Response Document.

The Authority expressly disavows any obligation or duty (whether in contract, tort or otherwise) to any Prospective Bidder. No Prospective Bidder is entitled to rely on the Authority's involvement in the preparation of this Response Document or in the prequalification process as a basis for preparing the Prequalification Application.

RESPONSES TO PROSPECTIVE BIDDERS' QUERIES

SR.	SECTION	PROSPECTIVE BIDDER'S QUERY	AUTHORITY'S RESPONSE
1.		<p>In the page 3 of Prequalification Document, "Control or Controlled" is defined as "Having the right to appoint, approve or remove a majority of the Board of Directors of an entity by virtue of directly or indirectly holding a majority of the voting securities of such entity, or the ability or right, including a contractual right, (direct or indirect) to direct or cause the direction of the votes attaching to the majority of the issued shares or interests carrying voting rights of an entity". Does it mean that the Prospective Bidder should have more than 50% of the number of board of directors registered in the project company of the Eligible Project?</p>	<p>Please note that pursuant to QC1 of the Prequalification Document, the Prospective Bidder must Control the project company that developed and owned each project that is submitted in satisfaction of the Technical Criterion. The term 'Control' has been defined in the Prequalification Document as: <i>"having the right to appoint, approve or remove a majority of the Board of Directors of an entity by virtue of directly or indirectly holding a majority of the voting securities of such entity, or the ability or right, including a contractual right (direct or indirect) to direct or cause the direction of votes attaching to the majority of the issued shares or interests carrying voting rights of an entity."</i></p> <p>Based on the above, in order to satisfy the Technical Criterion, the Prospective Bidder must have the right to appoint, approve or remove a majority of the Board of Directors (i.e., more than 50% of the directors on the Board of Directors) of the project company, which right may arise, either directly or indirectly:</p> <ul style="list-style-type: none"> (a) by holding a majority of the voting securities of such entity; or (b) possessing the ability or right to direct or cause the direction of votes attaching to the majority of the issued shares or interests carrying voting rights of an entity.
2.		<p>Is it possible that those who do not submit Prequalification Application participate TP1 project by having consortium with Prequalified Bidder at RFP stage if the prequalified Lead member holds above 50% shares?</p>	<p>Please note that pursuant to Section 7.1.2 of the Prequalification Document, the Prospective Bidder (and where the Prospective Bidder is a Consortium each Consortium Member) undertakes, <i>inter alia</i>, that without the prior written consent of the Authority for the period set out in the RFP, there shall be no change of the Consortium Members of a Consortium, provided that, if the Authority consents to such change, then following such Authority consent, the Prospective Bidder (and where the Prospective Bidder is a Consortium each</p>

			<p>Consortium Member), Financial Nominee and Subsidiary Company or the Parent Company shall comply with the eligibility and other requirements set out in the Prequalification Document.</p> <p>The above is further subject to Section 7.2 of the Prequalification Document which provides that, in case of each Prequalified Bidder (including where the Prequalified Bidder is a Consortium) following prequalification and until the Concession Agreement becomes unconditional, any change set out in Section 7.1.2 (a) to (g) shall be subject to:</p> <ul style="list-style-type: none">(a) the prior written consent of the Authority; and(b) such Consortium or Prequalified Bidder continuing to fulfil the requirements (including the evaluation and qualification criteria) under the Prequalification Document.
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