



17th March 2010

**Chairman,
Port Qasim Authority,
Port Qasim.**

Fax: 4730108

Sub: Capital Dredging Tender, Bid Validity Period

Dear Sir,

We refer to PQA Letter dated 16 March 2010, in response to TIP letter of same date. Seriatim comments are given as under, which are based on the Public Procurement Rules 2004 and the terms and conditions of the Capital Dredging Tender Documents of PQA.

PQA. In view of the Board Meeting on 17th March, 2010, it is requested to please confirm the following:-

- a. Under PPRA Rules we can not give another extension to Consortium. As financial arrangements may not be in place by 31st March, 2010, does this mean tender has to be scrapped?
 - b. If tender has to be scrapped, can we under PPRA rules, due to urgency of work, hold a negotiated tender, and invite those technically qualified under existing tender. Or do we have to hold a fresh tender, which may result once again in a higher bid.
 - c. Can we still let a consortium participate in a future tender or not, in view of CCOP's actions?
3. In the case the Board is forced to scrap this tender, as financial arrangements can not be in place within next 14 days, do we have to advice the present party of our predicament prior scrapping tender?



TIP, PQA has already been given TIP recommendations o 16.3.2010, which is repeated again.

LOI can be issued by PQA within the validity of Bid Security, which is binding on the bidder as per tendered conditions. The clause states "Our Financial Proposal shall be binding upon us subject to modifications resulting from the Contract negotiations, up to expiration of the validity period of the proposal, i.e. [date]".

The Tender conditions for issue of LOI as given in the PQA Bid Documents Volume I, page 17, and arte quoted below for the understanding of PQA,

3.19 AWARD AND SIGNING OF THE CONTRACT

- A. Award of Contract will be given to the lowest evaluated Tenderer judged to be most responsive.
- B. The Employer reserves the right to waive any informality, minor deviation or any omission that is in the interest of the Employer.
- C. The successful Tenderer shall be issued a Notice of Selection by the Employer.
- D. At the appropriate time, the selected Tenderer will be given a Letter of Intend. The selected Tenderer shall then be required to execute and submit all required Certificates of Insurance, Securities and/or Guarantees to the Employer within 14 calendar days of signing of the Contract Agreement.
- E. The Employer shall promptly determine that such agreement, certificates of insurance, securities and/or guarantees are as required by this document, and upon such determination shall forward a fully executed copy of the Contract to the successful Tenderer. The Tenderer shall be responsible for the payment of all duties and taxes required by this Contract under the laws of the Pakistan.
- F. Employer's Right
 - i) Employer reserves the right to accept increase or decrease by up to 20% in volume of work and services over and above, determined after the submission of design, without any change in the unit price or other terms and conditions.
 - ii) The Employer reserves the right to accept or reject any Tender, and to annul the Tendering process and reject all Tenders, at any time prior to award of Contract, without thereby incurring any liability to the affected Tenderers or any obligation to inform the affected Tenderers of the grounds for the Employer's action.

