

Ref: SMEC/ CMWSSB / 7061563/003

08<sup>th</sup> January 2020

To,

**Superintending Engineer (Contracts & Monitoring),**  
4<sup>th</sup> Floor, Chennai Metropolitan Water Supply & Sewerage Board,  
No.1 Pumping Station Road,  
Chintdaripet, Chennai 600 002

**Sub:** Consultancy for Design, Preparation of Bid Documents & Evaluation of Bids for the proposed construction of 400 MLD capacity Sea Water Reverse Osmosis Desalination Plant at Perur along East Coast Road, South of Chennai, Tamil Nadu and Construction Management & Supervision for the Proposed Desalination Plant and its Product Water conveyance Pipeline from the Plant and upto Porur and all allied Works – **Submission of Observations on Draft Contract Agreement - Reg.**

**Ref:**

1. Our Letter no. Ref : SMEC/CMWSSB/1600912/002, dated 07.12.2020
2. Kick-off meeting held at CMWSSB on 10.12.2019
3. Kick-off meeting held at JICA Headquarters, New Delhi on 27.11.2019
4. Our Letter no. Ref : 1600991/BG/08, dated 20.11.2019
5. Our Letter no. Ref : 1600991/LOA/07, dated 08.11.2019
6. Your Letter no. Lr.no.CMWSSB /CNT/CON/DESAL/ICB/Gol/016/2018-19, dated 06.11.2019

Dear Sir,

With reference to the above, the following are our observations on the Draft Contract Agreement on the subject project:

1. Once the document is final, the page numbers are to be inserted with Index page.
2. In **SCC 6.5 (b)**, the frequency of invoicing has been indicated as 2 months. We request you to kindly consider monthly invoicing as discussed with JICA meeting vide our letter reference no.3, dated 27.11.2019 and it is for easy disbursement, to improve the cash flow and GST issues.
3. **Appendix E : Form FIN-5:** In the breakdown for Reimbursable Cost, the word “**Fixed**” has been removed at all places. We have used fixed cost for some items in the reimbursables for hassle free claim as per the standard practice. Hence, we request you to reinstate the same as per our Financial Proposal.
4. **Appendix C : Form Tech-7** as per RFP: Kindly incorporate the following notes in the **Form Tech-7** Expert Schedule:
  - a. For Key Experts, the input should be indicated individually for the same position as required under Clause 14.2 of the Data Sheet; for Non- Key Experts, it should be indicated individually, or, if appropriate, by category (e.g. economists, financial analysts, etc.).

- b. Months are counted from the start of the assignment. For each Expert indicate separately the input for home and field work.
  - c. One (1) month equals twenty two (22) working days. One (1) working day shall be not less than eight (8) hours. National holidays and holidays are locally recognized days as per the CMWSSB observed holidays.
  - d. Field work means work carried out at a place other than the Expert's home office; i.e. normal place of business.
5. As discussed, and agreed during the JICA Kick off meeting held on 27/11/2019, we request you to include the following additional notes in the **Form Tech-7** Expert Schedule, to provide more clarity during the payment process:
  - a. For International Expert, one travel day will be considered as working day for each travel, as this is a duty travel.
  - b. The partial month calculation is based on 22 working days in a month i.e. 1/22th for each working day.
  - c. Due to the work pressure, if the staff works during the holiday, it is to be paid as working day.
6. **Appendix E : Form FIN-5: Transportation (Reimbursable) – Fixed** : The client has to pay for the vehicle as fixed reimbursable charges based on Car Month used by the Consultant depending upon the project requirements. We request you to kindly reinstate the word "Fixed" as per our submitted Original Financial Proposal.
7. **Retention Money : SCC 6.5 in Page no. 44** : The payment amount of 5% of the contract value will be retained as Retention Money from each payment due to the contractor which will be paid to the consultants without interest on completion of the work including Defect Liability Period. We request you to release the retention money at the end of every financial year ( 31 March) to improve the cash flow and requested to amend this clause accordingly.

We request you to kindly consider and incorporate the above points in the Main Contract Agreement for the subject project.

Thanking you assuring you of services at all times.

Yours truly,

For Consortium of SMEC International-TCE-NJSEI-SMEC (India) Pvt Ltd.



**S.Srinivasa Rao**

(Project Coordinator)