

MINUTES OF KICK-OFF MEETING HELD ON 27.11.2019 AT 2.00 PM IN THE CONFERENCE HALL OF JICA HEADQUARTERS, NEW DELHI FOR CHENNAI PERUR 400MLD DESALINATION PROJECT

CONTRACT NO: CNT/ CON/DESAL /ICB/GoI/ 016/2018-19. LOAN AGREEMENT No. ID-P267 JICA FUNDED PROJECT

The following members participated in the meeting:

1. Mr. M. P. Singh, Chief of Development Operations, JICA India Office
2. Ms. Charu Sharma, Additional Lead Project Officer, JICA India Office
3. Mr. Anudeep Koniki, Development Specialist, JICA India Office
4. Ms. Kaori Honda, Program Specialist
5. Mr. Gnanasekaran, Superintending Engineering (Contracts & Monitoring), CMWSSB, Chennai
6. Mr. P. Rajaram, Superintending Engineering (Desal), CMWSSB, Chennai
7. Mr. Andrew Mckune, Managing Director, SMEC India Pvt. Ltd.
8. Mr. S. Srinivasa Rao, Zonal Operation Manager, SMEC India Pvt. Ltd.
9. Dr. Uday, Managing Director, NJS Engineering Consultants Pvt. Ltd.
10. Mr. Sudil Mani, Business Development, Tata Consulting Engineers.
11. Mr. R. Senthil, Senior Engineering Manager, SMEC India Pvt. Ltd.

The following points discussed during the meeting:

A. General

1. After Introduction of participants, JICA has briefed about the funding pattern of the project and also informed that funds are available
2. JICA informed that the project is to be completed by March'2025.
3. Yen 30 Billion has been released for the project and 43.404 Billion (2nd fund) to be approved in 2020 and made available from 2021
4. Only authorized person to sign a document from CWSSB for submission to JICA.
5. Any change in the authorized persons of CMWSSB are to be communicated to JICA.
6. JICA clarified that Bank of India, Tokyo is the selected bank for this loan and all the LCs are to be processed through this bank. JICA clarified that no change in Bank is possible in response to CMWSSB request for HDFC Bank.
7. GoI to open LC on behalf of CMWSSB and CMWSSB to make payment for LC charges.
8. Four LC's to be opened for four JV partners of the Consultants. For this CMWSSB has to send the request letter.
9. The Third-Party Agency / Consultant to be arranged by CMWSSB for all the packages.
10. Consultant Payment made based on invoice raised by each participant of JV with a covering letter from the TL. The TL in his letter to state that he has verified the content of the invoices and is true and factual.
11. JICA also suggested CMWSSB to share the MoD with consultant to get them familiar with agreed terms of the project.

B. Procurement / Bidding

12. The competitive bidding procedures to be followed for all the packages as per JICA 2012 guidelines. SBD for Information to Bidders (ITB) and then GCC from FIDIC Gold for DBO contracts and FIDIC Yellow for Item rate contracts. Two stage bidding to be followed - PQ followed by Main Bid.
13. Must follow the JICA evaluation criteria. No relaxation of criteria once bids are closed as per JICA SBD.
14. Loan agreement adopts JICA procurement. Therefore no procurement to be via State or CVC guidelines to be followed – only JICA procurement guidelines to be adopted.
15. JICA Concurrence are to be obtained at every stage of bidding procedure i.e. Pre-Qualification, Technical Proposal, Technical bids Evaluation, Price Bid Opening, Price Bid Evaluation until Award of Contract works. Also obtain concurrence for any addendums.
16. Two exceptions for not requiring initial concurrence from JICA are bid validity extension and price escalation. However, it is to be informed to JICA.
17. Package-4(Water Distribution system) and Package-5 (Power Transmission) will go for tender through Local Competitive Bidding. Package-5 will be directly procured through deposit work by Tamil Nadu Electricity Board (Generation / Distribution).
18. Operation & Maintenance (O&M) period for Desalination plant shall be 20 years and is to be included in the bid documents.
19. Due to delay in procurement process, CMWSSB can take a decision on the change of key staff replacement except for TL and DTL. For these two positions JICA concurrence is required.

C. Clearances / permissions

20. For Desalination CP-1 package, the Coastal Regulation Zone (CRZ) clearances were obtained.
21. CMWSSB will get the formal approval from Tamil Nadu Pollution Control Board (TNPCB) prior to proceeding the Desalination work.
22. The permission to be obtained from Tamil Nadu Maritime Board by CMWSSB for carrying out the work related to Intake and outfall structures. However, in principal agreement received two years ago.

D. Committee / Execution of works

23. CMWSSB to set up dedicated Project Implementation Unit (PIU) for this project and PIU set-up will be made by December 2019.
24. JICA officials requested CMWSSB to form “Co-ordination Committee” headed by Managing Director (CMWSSB) comprising of nine departments and also “Steering Committee” headed by the Chief Secretary, Govt. of Tamil Nadu. Steering committee shall meet every six months.

E. Strengthening of distribution and metering system

25. JICA officials requested CMWSSB, to give priority for installation of 100% water meters for all service connections as a part of water distribution system package improvement.
26. Must demonstrate 50% water meters by 2020 in the core area.
27. Consultant to mention the progress of water metering in the QPR and is one of the important parameters for grading of the project.

28. Important to submit the QPR to JICA and must be submitted by 10th day of succeeding quarter.

F. Payment

29. The Consultant has to submit to the Client Itemized Invoices at time interval of 1 Month instead of 2 months as mentioned in the RFP.
30. The Client shall pay 80% of the Consultant's invoices within 48 hours and balance 20% payment will be made within 28 days after verification of documents.
31. Create transparent checklist for invoicing so no delays occur
32. Payments are to be released at least once a month.
33. The advance payment has to be made by CMWSSB to the consultant after signing of Contract Agreement.

G. Safety measures

34. List of safety measures to be taken by Contractor during execution stage and the same to be included as a part the Bid document.
35. OHS to be included in the bid documents, include the compensation package. If any fatal case occurs, then usually work must be suspended for some days, until it recovers to normal. Also ensure the regular reporting to the JICA.

H. Project monitoring and evaluation by JICA

36. Min twice per year, JICA visit the project
37. Keep project progress and other records ready
38. After two years of project completion, there is an assessment for operational effect measures as per MoD. It should not drop below "C or D" grade.

I. Consultant Role

39. Consultants are to be treated as third party agency
40. Cooperate with client without comprising the principles
41. Shall always remain impartial
42. Follow the JICA guidelines and any issue can bring to the notice of JICA
43. Advised Dr.Uday of NJSEI to guide the team as per the JICA requirements/procedures and his inputs are to be adjusted/arranged by discussing with CMWSSB.
44. Ensure that all parties are represented at critical meetings so there is no dispute on agreed decisions and actions.

J. Main tendering stage

45. Need to ensure there are more than three bidders on each package.
46. Understand the cash flow crisis and ability to open up the bidding for as many as possible. Need to minimize PBG, EMD, etc for more participation.
47. No company in losses are eligible for bidding

48. Any companies blacklisted by JICA or International Funding Agencies at the time of bidding shall not be allowed.

K. Timeline

49. The Consultant has to complete the Registration Process in the 1st week of December 2019.
50. The Contract Agreement to be signed by Consultant and CMWSSB within 2nd week of December 2019.
51. The Consultant has to arrange for the team mobilisation on 2nd week of December 2019 with all available staff to expedite the progress.
52. The CMWSSB requested that works shall commence by end of March 2021 prior to Tamil Nadu Legislative Assembly Elections.

L. Japanese companies

53. Expecting a lot of Japanese companies' involvement during the bidding
54. Requested to co-operate with these companies
55. Appoint a relevant contact person from PMC and client

Post meeting: JICA also advised CMWSSB that the registration fee for registration of the JV/ Consortium agreement, which is part of original proposal should be reimbursed to the Consultant because any modification to the financial figures contained in the Consultant's Financial Proposal is against the JICA's procurement Policy and become noncompliance. CMWSSB officials responded that they will take up this issue with appropriate authorities and resolve. In this regard, consultant need to write a letter to CMWSSB requesting to reimburse the 1% registration fee.