

PMC for 400 MLD SWRO Desalination Plant at Perur, Chennai

Consortium Partners

SMEC International Pty. Ltd. (ACN-065440619/FCRN-F01483)

NJS Engineers India Pvt Ltd, India (CIN - U74210PN2007PTC129798)

Tata Consulting Engineers Limited, India (CIN- U74210MH1999PLC123010)

SMEC (India) Pvt. Ltd. (CIN: U93000DL1997PTC088574)



Ref: SMEC/ CMWSSB / 5061185/024

Date: 09th March 2020

To,
The Superintending Engineer (Desalination)
6th floor, Chennai Metropolitan Water Supply and Sewerage Board,
No.1, Pumping Station Road,
Chintadripet, Chennai 600 002
Tamil Nadu, India



Sub: Consultancy for "Design, Preparation of Bid Documents & Evaluation of Bids for the Proposed Construction of 400 MLD Capacity Seawater 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"

Reply to your letter for Readjustment of Man-month allocation of Dr.Uday Kelkar (NJSEI Pvt. Ltd.) – Reg.

- Ref:
1. Your Lr.no.CMWSSB/SE(Desal)/400 MLD Plant / PMC-002/2020, dated 02.03.2020
 2. Our Letter no. Ref: SMEC/ CMWSSB / 7061563/012, dated 21.02.2020
 3. Your Letter no. Lr.no.CMWSSB/SE(Desal)/400 MLD Plant / PMC/2020, dated 13.01.2020
 4. Our Contract Agreement with CMWSSB, dated 09.01.2020
 5. Kick-off meeting held at CMWSSB on 10.12.2019
 6. Kick-off meeting held at JICA Headquarters, New Delhi on 27.11.2019
 7. Our Letter no. Ref : 1600991/LOA/07, dated 08.11.2019
 8. Your Letter no. Lr.no.CMWSSB /CNT/CON/DESAL/ICB/Gol/016/2018-19, dated 06.11.2019

Dear Sir,

With reference to above, kindly find enclosed the reply to your letter cited in reference no.1 dated 02.03.2020 for the subject project. The reply letter from NJSEI Pvt. Ltd. and copy of Minutes of Kick-off Meeting held at JICA Headquarters, New Delhi on 27.11.2019 is enclosed herewith for your ready reference.

Thanking you assuring you of services at all times.

Yours truly,

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

S.Srinivasa Rao
Project Coordinator,
SMEC India Pvt. Ltd.

Encl: Reply letter from NJSEI Pvt. Ltd. and copy of MoM with JICA

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Fax : 020-25459533, Email: puneoffice@njsei.com,

CIN: U74210PN2007PTC129798

Ref : NJSEI/Chennai/002/2019-20

Dated : 06.03.2020

To
The Superintending Engineer (Desalination)
Chennai Metropolitan Water Supply and Sewerage Board
No. 1 Pumping Station Road, Chintadripet,
Chennai 600 002

Subject: CMWSSB – SE (Desal) – Project for Construction of Chennai Sea Water Desalination Plant (I) in Tamil Nadu (Setting up of 400 MLD SWRO Desalination Plant at Perur & its allied works with JICA fund assistance – Project Management Consultant – Letter of Acceptance issued – Work Commenced – Necessity of Additional International Expert Member – Requested – Reg.

Ref: 1. Lr. No. CMWSSB/SE(Desal)/400 MLD Plant/PMC-002/2020 Dt. 02.03.2020
2. Lr. No. CMWSSB/CNT/CON/DESAL/ICB/GOI/016/2018-19, Dt. 06.11.19
3. Lr. No. SMEC/CMWSSB/7061563/012, dated 21.02.2029

Dear Sir,

We as NJSEI are in receipt of your letter referenced above (ref 1), through the lead partner of the consortium M/s. SMEC International Pty Limited, Australia, for the subject project. Please find herewith our point wise response to your questions/queries raised in the reference 1, letter.

- 1) First and foremost, we bring to your kind attention that proposal of adding the name of Dr. Uday G. Kelkar as part of additional expert for 2.5-man months by adjusting with input MMs of Dr. Ghulam Mustafa (Desalination Expert) with remuneration equal to that of the Desalination Expert was done to reflect JICA's directive based on the kick-off meeting held at JICA Delhi office on 27.11.2019, to which your goodself was also present. A copy of the said kick-off meeting minutes is attached herewith for your reference.

It is to be noted that JICA's directive to include the name of Dr. Uday Kelkar in the project is for the benefit of CMWSSB as Dr. Kelkar has extensive knowledge of JICA projects and procedures since he has been involved in JICA projects over the past 15 plus years. The objective of JICA in giving such directive was for the benefit of CMWSSB as CMWSSB is implementing its first large scale JICA funded project and it would help CMWSSB in properly coordinating between JICA and CMWSSB for approvals and clarifying issues (if any).

- 2) It is to bring to your kind attention, that since Dr. Kelkar is an international expert, his name was suggested under international Key Experts as he cannot be paid in INR, while taking into consideration of Contractual Clause 4.3 – Approval of additional Key Experts. He has extensive experience of large-scale projects, completed in USA and JICA funded projects in India (which are essentially important given his role envisaged by JICA). In many of the JICA funded projects he has been either part of the senior International key experts or been designated as Team Leader/Project Manager (International). Dr. Kelkar's primary responsibility would be to help CMWSSB in smoothly implementing the project while attaining to the details of specific JICA procurement guidelines for all components of the project as well as maintaining continued liaison with JICA, hence his CV was not specifically formulated for his Desalination / Reverse Osmosis/Experience.

Secondly instead of requesting CMWSSB to add the cost of Dr. Kelkar from the Provisional sums/Contingencies (which would be needed in the future) we suggested his MMs by adjusting 2.5

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MMs from that of Dr. Ghulam Mustafa, which is from NJSEI's share of costs. We know from our past experience that 29.5 MMs (2.5 years) of Dr. Mustafa would be sufficient to cover the design and construction period for the Project as his input for first year and half would be continuous while during construction period would be intermittent based on the progress of the construction of the plant.

For your reference, Dr. Kelkar's normal billable rate per MM rate in these types of large scale projects is in the range of 30,000 to 32,000 USD/Month, and instead of imparting this significant cost on the contingencies, we decided to use his costs from our own budget while maintaining the overall cost of the consultancy and hence considered to use 2.5 MMs of Dr. Ghulam Mustafa, with the same rate.

However, if CMWSSB is of the Opinion that we should not disturb the MMs of Dr. Ghulam Mustafa as it pertains to submission of our Bid document and requirement of RFP, we are more than happy to propose the new specific 2.5 MMs of Dr. Uday Kelkar at the rate of 30,000 USD per MM rate to be charged and paid from the Contingencies. If you would agree to this proposal, we can certainly request JICA for their approval and concurrence.

Since originally, we had not submitted Dr. Kelkar's specific experience in Desal for want of space limitation on the number of pages of CV and since his role was different, we are giving below his experience in Desal for want of satisfying your condition of him having large scale Desal experience. A couple of his selected projects over these years is presented below for your perusal and reference:

a. **NJS Consultants Co. Ltd., Japan, 2016-2019**

Sr. Process Engineer for Advanced water treatment process and Seawater Desalination – **World Bank Funded Project: Consulting Services for Studies, Basic Engineering Design, Detailed Engineering Design, Cost Estimates and Bidding Documents, Mekong Regional Water Security Project (Contract No. MOC-2C-01), Ministry of Construction, Administration of Technical Infrastructure, Government of Vietnam.** Responsibilities include designing and detailing of Conventional Water Treatment Plants with Combination of seawater desalination plants with Reverse Osmosis for capacities of 10 MLD, 50 MLD, 75 MLD, 150 MLD and 200 MLD – 2017 to 2019.

b. **CDM Smith (formerly known as Camp Dresser & McKee)- 1995 to 1997**

Detailed Design of 60 mgd high salinity Brakish Groundwater supplemental water treatment plant for the City of Newport News, VA. (12 months, FS, Pilot & DD) – Served as process design expert for a 60 mgd (227 MLD) high salinity (20,000 to 25,000 mg/L TDS and highly coloured) brakish groundwater (due to sea water intrusion), plant using reverse osmosis. (RO) process. As part of the process team developed bench-and pilot-scale feasibility study in determining specific process yields using RO members for Brakish-groundwater treatment. Once completing the FS and Pilot study, continued to work on the detailed process design, P&IDs, plant layout, equipment specifications and detailed cost estimates for the Project. The Project was successfully constructed and completed for the City as additional source of water.

c. **Arcadis Inc (formerly known as Malcolm Prinie Inc) – 1993 to 1995**

Process expert and project engineer, Design for removal of Arsenic from Groundwater – Vineland, NJ, USEPA Superfund site –served as the process expert and project engineer for the design of arsenic removal system from high TDS (12,000 to 18,000 mg/L TDS) arsenic contaminated (5 to 15 mg/L) groundwater. During the project Dr. Kelkar was involved in developing process layout, P&IDs, hydraulic flow diagrams, equipment specifications, piping diagram and MF and RO unit designs, for two plants, 55 MLD and 110 MLD, preparation of pre-bid documents, bid evaluation and partial construction supervision as when required by Client and the Project.



Based on the above detailed explanation given above, we hope we have answered to all queries regarding submission of Dr. Kelkar's CV for an additional position, his role and with adjusting MMs of that of Dr. Ghulam Mustafa. However, as depicted above, if CMWSSB prefers we could charge Dr. Kelkar's time to Contingencies from our Contract.

Looking forward to continually supporting CMWSSB for this important Project.

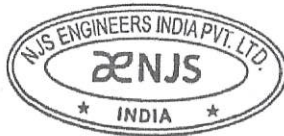
Thanking you in anticipation, with regards,

Very truly yours,

for NJS Engineers India Pvt Ltd (Member of Consortium)

Pradipto Sarkar

Pradipto Sarkar
Director



Enclosed : Copy of MOM with JICA

Cc: Shri M P Singh, COO, JICA India, for kind information

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/Gol/ 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. Gol 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.