



CLARIFICATION#3

FOR

Request for offers for Recycling Pilot Works Contract – Dhan Khola Lamahi 40km Road Section
(MCA-N/RMP/CB/008)

(ISSUED ON 9 DECEMBER 2024)

SN	Reference to the Request for Offers	Questions from Offers	Response of Millennium Challenge Account Nepal (MCA-Nepal)
1.		<p>FDR, being a new and evolving technology, is typically used in government bids limited to amounts between ~30-40 crore. Accordingly, few agencies are likely to meet the eligibility criteria for Annual Average Turnover, Similar Experience, and Specific Experience in Key Activities under this bid. This reduces the likelihood of competitive bidding, potentially favoring one or two large players. To encourage competition and minimize the financial burden on the exchequer, the following options should be considered:</p> <p>(a) Reduce the project cost by limiting the scope to smaller road stretches, or</p> <p>(b) Relax the eligibility criteria across all factors.</p>	The Bidding Document provision shall not be amended.
2.	<p>Qualification and Evaluation Criteria: <i>Eligibility: Factor: Financial Situation 112: Sub Factor: 11. Annual Average Turnover</i></p>	<p>The minimum annual construction turnover requirement has been set at USD 21.06 million, or 81.28% of the project cost, for either a single entity or all members combined (in case of a joint venture). Additionally, each JV member must meet at least 25% of this turnover requirement within the last three years, equating to USD 5.265 million or 20.32% of the project cost. By comparison, major agencies in India, such as NHIDCL under the Ministry of Road</p>	The Bidding Document provision shall not be amended.

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		<p>Transport & Highways, set these thresholds at 15% and 3% of the total project cost, respectively. Furthermore, government departments in India allow for an annual indexation of up to 10% on past turnover to account for inflation when calculating the average annual turnover.</p> <p>We request a modification or relaxation of this indicative requirement to make it more reasonable.</p>	
3.	<p>Qualification and Evaluation Criteria > Eligibility: Factor: Experience <i>:Sub Factor: 13. Similar Experience</i></p>	<p>The requirement mandates a single work value of USD 15.80 million (60.98% of the project cost) within the last IO years for a single entity or all N members combined. Each N member must meet a threshold of USD 5.27 million (20.34% of the project cost) for one contract. By comparison, Indian agencies like NHIDCL under the Ministry of Road Transport & Highways set this requirement at 20% of the project cost for any JV member. Additionally, Indian government departments up to 10% annual indexation to account for inflation when determining similar work experience.</p> <p>We request a review and relaxation of this requirement to ensure fairness.</p>	<p>The Bidding Document provision shall not be amended.</p>
4.	<p>Qualification and Evaluation Criteria >Eligibility> Factor: Experience <i>> Sub Factor: 14. Specific Experience in Key Activities</i></p>	<p>Please clarify if the experience of the proposed specialized sub-contractor in executing Soil Stabilization, CTSB (Cement Treated Sub-Base), and CTB (Cement Treated Base) will be considered equivalent to FDR (Full Depth Reclamation) experience?</p>	<p>Yes. Experience in executing Soil Stabilization, CTSB (Cement Treated Sub-Base), and CTB (Cement Treated Base) shall be considered equivalent to FDR (Full Depth Reclamation) experience subject to the submission of an execution procedure showing how the pulverization process is performed before stabilization is performed including the equipment for pulverization.</p>
5.	<p>Volume 1 of Bidding Document> Part 1: Bidding Procedure> Section IV Submission</p>	<p>The bidders have to undertake that - "We are not participating, as an offeror or as a subcontractor, in more than one offer in this bidding process in accordance with ITO Sub-clause 5.8 (d)." whereas</p>	<p>ITO clause 5.8 (a) to (h) lists the cases under which the Offeror will be considered under Conflict of Interest.</p>

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	<i>Forms> 1. Letter of Offer> Point No. 11</i>	<p>ITO-sub-clause 5.8 (d) contradicts this which reads - " Without limitation on the generality of the foregoing, an Offeror or Contractor, including all parties constituting the Offeror, or Contractor and any subcontractors and suppliers for any part of the Contract, including related services, and their respective personnel and affiliates, may be considered to have a conflict of interest and (i) in the case of an Offeror may be disqualified or (ii) in the case of a Contractor, the Contract may be terminated if they: "participate in more than one Offer in this process; participation by an Offeror or any party constituting the Offeror in more than one Offer will result in the disqualification of all Offers in which the party is involved; however, this provision does not limit the inclusion of the same subcontractor in more than one Offer;"</p> <p>The provisions in the undertaking and ITO Sub-clause 5.8(d), as described above, appear contradictory. Please clarify.</p>	<p>5.8(d) is one of the conditions under which the Offeror will be considered in Conflict of Interest.</p> <p>The language clarifies the provision as follows:</p> <p>All Offerors who will participate in more than one Offer in this procurement process; that is participation by an Offeror or any party constituting the Offeror in more than one Offer will result in the disqualification of all Offers in which the party is involved.</p> <p>However, this provision does not limit the inclusion of the same subcontractor in more than one Offer.</p> <p>Accordingly, (i) if you participate in one Offer as Contractor, you can not participate in any other offer as a subcontractor and (ii) you may participate in more than one Offer only as a subcontractor.</p>
6.		<p>It may please be clarified that how much percentage of total project cost shall be allowed for subletting.</p>	<p>Please refer AE PPG (https://mcanp.org/wp-content/uploads/2024/01/Accountable-Entity-Procurement-Policy-Guidelines.pdf) provisions specially “5.13 Solicitation Documents: Subcontracting” and General Conditions of Contract with Particular Conditions of Contract provisions specially “Sub-Clause 4.4 Subcontractors”.</p>

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			These provisions address your query regarding % that can be subcontracted and required approvals for appointing subcontractors.	
7.		As per TCS (Drawing ID: SD, Sheet No. 01), shoulders are shown to be finished with 'Double Bituminous Surface Treatment' (DBST) in Hilly Region as well as in Plain Region. But in BoQ there isn't any mention of the term 'Double Bituminous Surface Treatment' or any specific item outlining reference of pertaining to shoulder. Please clarify.	The DBST works as shown in the drawings shall come under Item no. 4.09 Surface Dressing Works. We believe this is clear for the bidders as it details both the binder and the chippings needed. See below.	
4.09	1302, 1303	Surface Dressing Works		
a	1302	Providing and applying Bituminous Binder (VG-30) by Mechanical Means at specified rate i) over the non-bituminous base course including cleaning as per design drawings, technical specification and to the satisfaction of Engineer all complete.	ltr	458,762.00
b	1303	Providing and laying 19 mm nominal size chipping on a recently applied layer of bituminous binder on prepared surface as per drawing and technical Specifications	sqm	201,212.00
c.	1303	Providing and laying 10 mm nominal size chipping on a recently applied layer of bituminous binder on prepared surface as per drawing and technical Specifications	sqm	201,212.00
8.	Referring the Section III: Qualification and Evaluation Criteria, 13. Similar Experience: <i>"Participation as contractor, management contractor, or subcontractor, in at least One contract within the last ten (10) years, with a value of at least US\$ 15.80 Million or equivalent, that have been successfully or substantially completed and that are similar to the proposed Works. The</i>	Should that above project constructed with FDR technology or can be any other ASPHALT Pavement road project? Please clarify.	Please read the requirements, it clearly states “any road project with asphalt pavement experience” . Thus, experience from large-scale bituminous concrete works such as major road or airfield projects is considered as similar in nature.	

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	<p><i>similarity shall be based on physical size, complexity, methods/technology (any road project with asphalt pavement experience) or other characteristics as described in Section V. Employer's Requirements."</i></p>		
9.		<p>We would like to seek clarification regarding whether experience in Cold In-Place Recycling (CIPR) works can be considered equivalent to the required experience in FDR for this tender.</p> <p>As you may be aware:</p> <ul style="list-style-type: none"> • Full Depth Reclamation (FDR): Involves recycling the full thickness of the pavement along with a portion of the underlying base, stabilizing the material to form a new base layer. This technique is known for its ability to enhance road strength and durability. • Cold In-Place Recycling (CIPR): Focuses on milling and recycling the upper layers of the pavement, stabilizing them with agents such as emulsified asphalt or foamed bitumen, and laying them back to improve road functionality. <p>Both methods involve recycling existing pavement materials, stabilizing the layers, and enhancing the road's structural integrity. While the depth of treatment may vary, the principles and objectives of these processes are closely aligned, making the skills and expertise required for both techniques largely transferable.</p> <p>In light of these similarities, we kindly request clarification on whether a substantial experience in CIPR works can be deemed equivalent to the required FDR experience for this tender.</p> <p>We would appreciate your guidance on this matter to ensure compliance with the bidding requirements.</p>	<p>CIPR will be considered equivalent to the requirement for relevant FDR experience. However, the bidder will be required to provide a detailed execution procedure on how the pulverization and stabilization processes will be performed along with personnel who have executed FDR works previously.</p>

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		Please let us know if further documentation or details about our CIPR projects are needed for your assessment.	
10.	<p>Clarification # 2 -SNO- 53 - Response of MCA "This information is contained within the pavement design report and summarized. We consider the information in the appendices to volume 5 which details the pavement design should be carefully reviewed."</p> <p>Minutes of Site Visit-Annex C-SN0-6- Response of MCA "This can be contrasted to that in the DCP test sheets – which generally provides provide the same information but in a little less detail. This information is all within the appendices to the pavement design volume of information."</p>	<p>We are unable to locate the pavement design details based on the documents shared by your office, specifically:</p> <ul style="list-style-type: none"> • 241029 Bidding Doc - FDR Works Volume I Part 1 and 3 • 241029 Bidding Doc - FDR Works Volume II Part 2 • Guide to Full-Depth Reclamation with Cement <p>Could you please provide clarification or guidance on this matter?</p>	<p>This information will be double-checked by MCA-Nepal and if applicable, an addendum to the Request for Offers to clarify the information would be issued.</p>
11.	<p>Clarification # 2 -SNO- 53 - Response of MCA : Fig 36 - "Variation in thickness of pavement layers from trial pits"</p>	<p>The pavement thickness, as indicated in the graphs, ranges from 350 mm to 800 mm, with the majority of stretches having an approximate thickness of 400 mm. The existing carriageway width varies between 5.5 m and 7 m, while the proposed Full-Depth Reclamation (FDR) width is 12 m, with a thickness ranging from 250 mm to 300 mm.</p> <p>Based on our analysis, we have identified a deficiency in the existing crust across most stretches, which may affect the construction of the FDR within the proposed 12 m width. Could you please advise whether new materials should be incorporated, or if subgrade soil will be used for the FDR construction?</p> <p>We understand that additional materials should only be added if necessary to create a homogeneous mix for</p>	<p>New materials will need to be incorporated to achieve the grades, since only 100 mm for the width of the existing pavement can be used for the shoulder construction, plus what materials already exist. The subgrade soils are generally not suitable for stabilization.</p>

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		the FDR process. Kindly provide clarification on this matter.	
12.		<p>This is in reference to your email dated 4 December 2024, regarding Clarification #2 Sr. No.47 -the “Recycling Pilot Works Contract – Dhan Khola Lamahi 40km Road Section (MCA-N/RMP/CB/008).”</p> <p>Please find attached the Work Done Certificate for the Khambataki Ghat Tunnel Project. The total road works including Culvert, Widening and repair of Culvert cost is ₹50.81 Cr (Certificate Enclosed for your Reference). Kindly confirm whether this certificate will be considered for meeting the eligibility criteria.</p>	<p>The evaluation of the submitted certificates shall be carried out by the evaluation panel.</p> <p>It is the Offeror’s responsibility to assess their own experience and submit an Offer which meets the required criteria.</p> <p>Please note that the Offeror must provide similar experience as per the requirements of the Bidding Document.</p>
13.	<p>Participation as contractor, management contractor, or subcontractor in at least one contract within the last ten (10) years, with a value of at least USD 15.80 million or equivalent, that has been successfully or substantially completed and is similar to the proposed works.</p> <p>The similarity is based on physical size, complexity, methods/technology (any road project with asphalt pavement experience), or other characteristics described in Section V of the Employer's Requirements.</p> <p>We have the following details: Contract Value: NPR 2,000,000,000 (including VAT and PS) Contract Award Date: 23rd July 2017</p>	<ol style="list-style-type: none"> 1. Is this calculation correct as it stands? 2. Should we adjust the calculation by excluding VAT/CPA from the contract value? 3. Should we further calculate only 75% of the adjusted value based on our JV share? 	<ol style="list-style-type: none"> 1. The Offeror is required to carry out the calculations and be responsible for it. However, please take note of the following: <ol style="list-style-type: none"> a. As per Clarification # 2, answer to question #2 the exchange rate to be used for conversion from NPR to USD shall be the Mid-rate (average of buying rate and selling rate) appearing on the website of Nepal Rastra Bank on the date of contract signing. b. As per Clarification # 2, answer to question # 65 the amount of VAT shall be excluded from your calculations. c. As per Clarification #2, answer to question #2, an individual JV Partner can claim that it has the experience in proportion to the share in the Joint Venture work. Thus, your experience

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	<p>JV Ratio: 75%</p> <p>Exchange Rate: 1 USD = NPR 103.24 (as of 23rd July 2017)</p> <p>Final Contract Value: NPR 2,300,000,000 (including VAT and CPA)</p> <p>Project Completion Date: 15th May 2021</p> <p>Our calculation:</p> <p>Final Contract Value (NPR) ÷ Exchange Rate (103.24) = USD 22,278,186.74</p> <p>Final Contract Value (NPR) ÷ Exchange Rate (103.24) = USD 22,278,186.74</p>		<p>under the sample provided is equivalent to only 75% of the contract amount.</p>