

**THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
MINISTRY OF WATER SUPPLY AND DRAINAGE**

NATIONAL WATER SUPPLY AND DRAINAGE BOARD (NWSDB)

INVITATION

for

SUBMISSION OF EXPRESSION OF INTERSET (EOI)

for

DEVELOPMENT OF 5 NOS. OF PRIORITY WATER SUPPLY PROJECTS

with

FUNDING AGREEMENTS

1. Anuradhapura North Integrated Water Supply Project
2. Anuradhapura South Phase II Integrated Water Supply Project
3. Matara Water Supply Scheme-Stage IV
4. Anamduwa Integrated Water Supply Project
5. Makandura, Pannala & Kuliypitiya Integrated Water Supply Project

August 2011

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LETTER OF INVITATION



GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
MINISTRY OF WATER SUPPLY AND DRAINAGE

NATIONAL WATER SUPPLY AND DRAINAGE BOARD

EXPRESSION OF INTEREST (EOI)

IMPLEMENTATION OF PRIORITY WATER SUPPLY PROJECTS SUPPORTED WITH FUNDING AGENCIES

The Ministry of Water Supply & Drainage invites Expressions of Interests (EOIs) from Potential Investors or Project Developers for the Implementation of following Integrated Water Supply Projects on Design Built basis supported with funding arrangement.

Project Details

Name of the Project:-

Anuradhapura North Integrated Water Supply Project
Anuradhapura South Phase II Integrated Water Supply Project
Matara Water Supply Scheme-Stage IV
Anamduwa Integrated Water Supply Project
Makandura, Pannala & Kuliyaipitiya Integrated Water Supply Project

The Proponents are expected to submit relevant details as per the EOI document in a comprehensive manner supported by all necessary supporting documents to substantiate the Proponent's capacity to undertake the particular job and provide proof of availability and the accessibility of funding for the implementation of the Project.

The Proponents will be selected in accordance with the Screening Criteria specified in the EOI document.

Interested Proponents may purchase the document of Expression of Interest (EOI) from the Office of the Assistant General Manager (Tenders & Contracts), Tenders and Contracts Section, National Water Supply and Drainage Board, Galle Road, Ratmalana, Sri Lanka from 0900 hours to 1500 hours on normal working days up to 30th June 2011, upon payment of a non-refundable fee of **Sri Lanka Rupees Fifty Thousand (LKR. 50,000.00) plus Applicable VAT or United States Dollars Five Hundred (US\$ 500 inclusive of VAT).**

The NWSDB will promptly dispatch the documents by registered airmail or by courier service on request with an additional payment of US\$ 170.00 inclusive of VAT, but under no circumstances will the NWSDB be held responsible for late delivery or loss of documents so sent out. Payment could be made on Swift Transfer.

Swift Code - BCEYLK LX
IBAN - 7010-051-1994324
Bank of Ceylon, Dehiwala Branch, Sri Lanka.

The Proponent shall dispatch EOIs either by registered post or hand delivered to the Office of the Director (Procurement), Procurement Division, Ministry of Water Supply and Drainage, No. 35, "Lakdiya Medura", Sunil Mawatha, Pelawatta, Battaramulla, Sri Lanka on or before **10.00 hours on 15th October 2011.**

For further details please contact Additional General Manager (Policy & Planning) on

Telephone/ Facsimile Number: +94-11-2622913

or Assistant General Manager (Tenders & Contracts) on.

Telephone Number: +94-11-2605328

Facsimile Number: + 94-11-2635885

Secretary

Ministry of Water Supply & Drainage

SECTION 1

INSTRUCTIONS TO PROPONENTS

**THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
MINISTRY OF WATER SUPPLY AND DRAINAGE
NATIONAL WATER SUPPLY AND DRAINAGE BOARD**

**EXPRESSIONS OF INTERESTS (EOI)
FOR
IMPLEMENTATION OF 5 NOS. OF PRIORITY WATER SUPPLY PROEJCTS
SUPPORTED WITH FUNDING AGENCIES**

INSTRUCTIONS TO PROPONENTS

The Ministry of Water Supply & Drainage invites Expressions of Interests (EOIs) from Potential Investors or Project Developers for the implementation of following water supply Projects on Design Built basis supported with funding arrangement. The total project cost estimate has been arrived based on NWSDB adopted rates. The NWSDB estimated project value is given in schedule 5.

Project	* NWSDB Estimated Project Value
Anuradhapura North Integrated Water Supply Project	US\$ 60 Million
Anuradhapura South Phase II Integrated Water Supply Project	US\$ 70 Million
Matara Water Supply Scheme-Stage IV	US\$ 75 Million
Anamduwa Integrated Water Supply Project	US\$ 50 Million
Makandura, Pannala & Kuliypitiya Integrated Water Supply Project	US\$ 55 Million

The Proponent is expected to submit following details in a comprehensive manner supported by all necessary supporting documents to substantiate the Proponents capacity and the experience to undertakes the particular job and provide proof of availability and the accessibility of funding for the implementation of the Project. All supporting documents shall be certified as authentic.

1. Work experience
2. Financial capability

3. Funding commitment
4. Project Cost & Cost Indices

1.0 Work Experience

The Proponent shall exhibit sufficient experience both in designs and construction in drinking water supply field with previous experiences records. If the Proponent has participated as a partner of a JV the percentage of the contribution shall be indicated to claim experience. All necessary documents on previous experience shall be submitted to establish that the Proponent possess the required work experience to undertake the particular Job.

The Proponent shall exhibit minimum experience in following areas during the last 10 years.

Experience in Last 10 Years	No. of Projects	Minimum Value of Each Project
1. General Civil Construction Experience	4	50% of * (Project Value)
2. Drinking Water Supply Construction experience	2	50% -do-
3. Design Built Experience		
3.1 Execution of Drinking Water Supply Project/ <i>Design and Built Basis</i>	1	50% -do-
<i>or</i>		
3.2 Drinking water supply design experience	2	5% -do-
4. Overseas Construction Experience	2	50% -do-

(Note: Refer Annex III to Annex VI of Submission Formats)

2.0 JV Arrangements

The documents could be collected by a representative/ local agent of any company. However the submission could be made by the Proponent or the JV who will finally be the Contractor.

The Proponent could participate in the EOI process as a JV to fulfill the aforesaid eligibility criteria. The Lead Partner of the JV shall be the Company possessing Drinking Water Supply experience. Maximum number of JV partner shall be only three (03). The details of the JV arrangement shall be submitted through a “Intend to Form JV Agreement” signed by all parties of the JV.

In case of local companies the minimum qualification criteria is ICTAD M1 / C1 in Water Supply & Drainage. The ICTAD M1 / C1 Water Supply & Drainage Company could form JVs with a suitable foreign company to get qualified. However for the ICTAD M1/C1 contractors overseas construction experience will not be considered.

The equity percentage of the JV partners will not be considered for screening of Work Experience but equity participation will be considered in assessing the Financial stability.

(Note: Refer Annex I& II of Submission Formats)

3.0 Financial Stability

The Proponent shall provide audited Financial Statements (*Annual Reports will not be accepted*) for the last three years of the Company to establish the financial stability of the Company. If it is a holding company or a group of companies the Financial Statements of the company which submit the proposal (Proponent) shall be submitted separately.

The Proponent shall exhibit minimum financial performance.

- Average working capital to be greater than the 40% of the annual project estimate.
- Average construction turnover shall be around 300% of the annual project estimate.

In calculation of the working capital and construction turnover the equity percentage of the JV partners will be considered.

(Note: Refer Annex IX & X of Submission Formats)

4.0 Funding Commitment

The Proponent shall establish that, there is a firm commitment for funding from a reputed Funding Agency for financing the Project through a Letter of Intent (LOI) issued by the proposed Lender. The amount of funding available for the Project shall be highlighted and the Funding Agency shall provide a confirmation of amount of funds that could be allocated. Further the financial terms shall be submitted (Indicative Financial Term Sheet) to establish the terms and conditions of the funding to establish of the funding terms.

Foreign Funding

Two levels of funding commitment are as follows;

- | | | |
|--|---|---|
| Category I
(<i>Soft Loan
Category</i>) | - | LOI from the Bank or from a Acceptable Funding Agency to the GOSL <i>plus</i> supporting letter from the Government or a Development Funding Facilitator (<i>OECD etc.</i>) |
| Category II
(<i>Commercial
Loan Category</i>) | - | LOI from the Exim Bank /Funding Agency /Bank |

Local Funding - If the total requirement of funding is to be provided through Local Banks/Funding Institutions the Letter Of Intent (LOI) and Indicative Financial Term Sheet from Local Banks/ Finance Institutions shall be attached.

Amount of Funding -

The Proponent shall initially issue the Letter of Intent (LOI) to cover the Project Cost which has been indicated in this Invitation based on the NWSDB estimates. **(NWSDB Estimated Project Value)*. However, the Proponent and the Funding Agency shall recognize the fact that the final cost and the respective funding allocation could be finalized only at the RFP stage only after detail investigations and completion of conceptual designs. The Funding Agency shall provide an assurance that any additional requirement for funding could be bridged at the time of finalization of the Loan Agreement.

Borrower-MOF

The acceptability of funding terms will be determined by the Ministry of Finance (MOF) of Sri Lanka. If funding terms are accepted, the Ministry of Finance will act as the Borrower. The Ministry of Finance will issue all applicable government guarantees to the Lending Agency at the time of signing the Loan Agreement. If the financial terms are not acceptable to the Monitoring Board of the Central Bank (CB) of Sri Lanka, the Funding Proposal will automatically be rejected and the Proposal will become null and void.

5.0 Project Cost

The Proponent shall exhibit that initial independent assessment of the cost of the Project has been carried out by the proponent independently. The Proponent shall exhibit that the Proponent has assessed and understood the Project scope and has estimated the cost of the Project which is sufficient enough to secure funding for the Project. The project cost shall include 5% allocation for capacity building/ turnover/ rural water supply aspects. The independent assessment of cost carried out by the Proponent shall be good enough to provide accurate Cost Indices as requested.

(Note: Refer Annex VIII of Submission Formats)

Approvals

The NWSDB will be responsible for the acquisition of rights over any land required for the Permanent works and will provide reasonable assistance wherever necessary.

Taxes

Sri Lankan Government will bear the taxes and duties of all goods/services incorporated in the permanent works. The estimated project cost shall include all

donor country duties and taxes. Further Personnel Tax, Corporate Tax and Employ Tax shall be borne by the Proponent.

The TOR for Initial Technical Assessment and the Project Cost Estimate is annexed.

6.0 Evaluation and Screening of EOI

The responsiveness of the EOIs submitted will be evaluated and screened based on the completeness and the comprehensiveness of the submission. The Proponent shall completely fulfill the eligibility requirement specified in the screening criteria to be eligible and qualified for further consideration. Only those EOIs which are in full compliance with the Evaluation Criteria which is given in the *Annex I* will be considered further. The non complying EOIs will be rejected and returned to the Proponent.

All complying EOIs will be forwarded to Standing Cabinet Appointed Review Committee (SCARC) for determination of the modality of procurement and processing the RFP and MOU.

7.0 Project Details

The Project Proponent will be made available of all available project reports with TOR.

In addition, the proponent could make site visits and collect technical data from the site with prior arrangement from the respective provisional DGMs.

8.0 Collection of EOI Standard Document

The EOI Standard Document could be purchased for a non-refundable fee of LKR 50,000 plus applicable VAT or United States Dollars Five Hundred and Ten (US\$500.00 inclusive of VAT) in cash. The NWSDB will promptly dispatch the documents by registered airmail or by courier service on request with an additional payment of US\$ 170.00 inclusive of VAT, but under no circumstances will the NWSDB be held responsible for late delivery or loss of documents so sent out. Payment could be made on Swift Transfer.

Swift Code : BCEYLK LX

IBAN : 7010-051-1994324

Bank of Ceylon, Dehiwala Branch, Sri Lanka

The document can be inspected at the Tenders & Contract Division, National Water Supply & Drainage Board, Head Office, Galle Road, Ratmalana free of charge prior to purchase.

9.0 Language of Proposal

The proposal, and all correspondence and documents, related to the proposal, exchanged between the bidder and the Employer shall be written in the English language. Supporting documents and printed literature furnished by the proponent may be in another language provided they are accompanied by an accurate translation of the relevant passages in the English language, in which case, for purposes of interpretation of the EOI the English translation shall prevail.

10.0 Power of Attorney

The Proponent or the JV shall submit a legally executed Power of Attorney authorizing the signatory to submit the EOI on behalf of the Proponent or the JV.

11.0 Submission of EOI

The Proponents could submit the EOIs for each individual project as a separate submission under a sealed envelope.

All above documentations shall be enclosed with initial submission. No later submissions will be entertained. No clarifications will be entertained. Failure to submit all necessary documents enclosed in the initial submission may lead to rejection of the EOIs. It shall be noted that the technical proposal shall be prepared on the basis that the standard design codes/specifications, currently adopted by NWSDB which has been explained by the TOR shall be adopted.

The proponent shall submit one original two copies.

The Proponent shall dispatch EOIs either by registered post or hand delivered to the Director (Procurement), Procurement Division, Ministry of Water Supply and Drainage, No. 35, "Lakdiya Medura", Sunil Mawatha, Pelawatta, Battaramulla, Sri Lanka on or before 10:00 a.m. on 15th October 2011.

Secretary
MINISTRY OF WATER SUPPLY & DRAINAGE

SECTION 2

EVALUATION CRITERIA FOR SCREENING OF EOI

EVALUATION CRITERIA FOR SCREENING OF EOI

Criteria I - Work Experience for the last 10 years – Pass/ Fail

Experience in Last 10 years	Minimum Experience	
	No. of Projects	Minimum Value of Each Project
1. General Civil Construction Experience	4	50% of *(NWSDB Estimated Project Value)
2. Drinking Water Supply Construction experience	2	50% -do-
3. Design Built Experience Execution of Drinking Water Supply Project/ <i>Design and Built Basis</i> <i>or</i> 3.2 Drinking water supply design experience	1	50% -do-
4. Overseas Construction Experience	2	50% -do-

Criteria II - Financial Capacity– Pass/ Fail

Minimum requirement

- Average Working Capital during last 3 years of the Proponent/JV 40% of the NWSDB annual project estimate
- Average construction turnover last 5 years of the Proponent/JV 300% of the present annual NWSDB project estimate

(For the evaluation purpose project period is considered as 3 years)

Eg.: for Anuradhapura North WSP NWSDB annual project estimate is 20 million US\$

Criteria III - Funding Commitment– Pass/ Fail

Minimum requirement

Foreign:

Confirmation of availability of funds for the full cost of the project submitted by a Bank

Document Evidence/ (LOI)
From the Funding Agency

Local:

The Letter of Interest from a Local Bank/Funding Agency for finance the full cost of the project

-do-

Criteria IV - Funding Term - Observations

Category I - LOI from Exim Bank/ Accepted Funding Agency to GOSL plus confirmation letter from the Government and supporting letter from Development Funding facilitator (*OECD etc.*)

Positive – Soft Loan Category

Category II - LOI from the Exim Bank only

Commercial Loan Category - To be reviewed by the ERD subjected to Central Bank Monitory Board approval

Initial comparison of financial terms as indicated in the Indicative Financial Term Sheet (*interest, repayment, grease period, insurance premier*) as against the currently acceptable figures (benchmarks)

Criteria V - Project Cost– Observations

- **Cost Indices I - Per cu.m. Cost of Treatment Plant** (*Excluding Intake Cost and raw water transmission*)

Specify country of origin of M&E/process equipment:

- **Cost Indices II - Pipe Supply & Laying**

Specify manufacturer/country of origin of DI pipes (*Excluding permanent road reinstatement charges*)

Diameter Range	Material	Per Km Cost
110 mm	uPVC	
160 m m	uPVC	
200 mm	DI	
300 mm	DI	
400 mm	DI	
500 mm	DI	
600 mm	DI	

- **Per Connection Cost**

Indicate the number of connection assumed.

On criteria IV and V above observations will be given as follows;

Positive - Highly Recommended
Average - Can be Accepted
Negative - To be Negotiated

Evaluation Criteria

- (i) Proponent should completely fulfill the requirements in Criteria I, II & III. If not his proposal shall be rejected.**
- (ii) The comments on the funding terms will be given as an observation Criteria IV**
- (iii) Project cost will be considered in the evaluation. The PSC will give comments as positive/average/negative. Criteria V**
- (iv) Based on the above evaluation criteria, successful EOI's shall considered for signing of MOU and issue of RFP for the submission of project proposal.**