

Points wise replies to the queries raised by the aspiring bidders during the pre bid conference held on 16.01.2012 at conference hall Krishna Bhagya Jala Nigam Limited, Bangalore.

Sub: Appointment of consultancies for 3rd party inspection of Krishna Bhagya Jala Nigam Limited works.

The Managing Director, Krishna Bhagya Jala Nigam Limited welcomed the consultants who have come to attend pre bid conference and explained the scope of the consultancy and the job of the consulting firms.

A presentation regarding the salient features of the empanelment is made to the consultants/representatives present.

The following queries made by the consultants present in the pre bid conference.

| Sl. No | Query | Reply |
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| 1. | Number of similar works done. | The number of similar works is given as 3 works in irrigation and totally 5 works. |
| 2. | Whether the turnover of Rs.5.00 crore is for total of three years. | The turn over should a minimum of Rs.5.00 crores for any one year in the last 3 years. |
| 3. | Whether transportation is going to be paid. | Transportation charges as per actuals will be paid. |
| 4. | Joint venture queries is allowed. | Joint ventures are allowed if it is made before quoting for the tender and on the joint ventures name. |

Queries raised by M/s. Stup Consultants Pvt., Ltd., Bangalore through fax on 16.1.2012 @ 10.15 A.M.

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| 1 | Please clarify/modify the date | Modifying the dates without proper reasons is not possible. |
| 2 | <p>Since proposal validity of 2 years, we find difficulty to formulating the quote, in factoring the escalation. Hence, we request to you provide escalation clause as per KTPP Act.</p> <p>We also request you to clarify the Bid validity period of 180 days indicated in the e-procurement portal.</p> | <p>The rate may be quoted after taking into account all factors.</p> <p>The validity of the bid document is for 180 days whereas the rates quoted by the consultants will be applicable for 2 years.</p> |
| 3 | <p>Kindly furnish the approximate</p> <p>a) no of tests</p> <p>b) EFI reports</p> <p>that may required to be serviced by consultant, so that we can quote competitively.</p> | This cannot be quantified at this stage |
| 4 | Considering the work locations and nature of works, we request to provide at-least 5 working days for submission for reports. | 5 days for submission of reports is already indicated. |
| 5 | Can we quote only for the EFI reports?. Test could be got done separately by Department. As both activities are independent. | Quoting for partial items is not permissible. |
| 6 | Include mobilization advance @ 10% of contract value to be released after the agreement. | No mobilization advance will be paid. |
| 7 | We request that "Senior Geologist | Both will be considered. |

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| | <p>“under Key personnel may be replaced by “Geo technical Engineer which is more relevant to the above proposed project.</p> | |
| 8 | <p>Please confirm that “Section 5B, Section 5E and Section 5F, to be read as “Section 5.2, Section 5.3 and Section 5.4” respectively.</p> | Confirmed |
| 9 | <p>Whether <u>Service Tax can be shown separately and paid extra at the prevailing rates, as in any other Consultancy Contracts?</u></p> <p>We request you to modify the clause that <u>the service tax shall be paid extra over and above our quoted rates at the rate applicable at the time of billing.</u> Service tax is like any other indirect tax to be collected by the Consultant from the client and the same is remitted to the government account.</p> | <p>The bidders can quote rates excluding service tax, with a rider that “Service Tax extra as applicable at the time of payment”.</p> |
| 10 | <p>Please confirm that the <u>EMD of the unsuccessful bidders shall be returned within a month of award of this Consultancy tender.</u></p> | EMD will be returned in a months time after completion of empanelment process. |
| 11 | <p><u>Settlement by Arbitration Clause shall be incorporated as follows:</u></p> <p>As followed in Consultancy agreements, the clauses on “Arbitration” may be incorporated as below.</p> | <p>The arbitration clause cannot be incorporated and the decision of the Managing Director, Krishna Bhagya Jala Nigam Limited, Bangalore regarding settlement of all disputes is final and binding on the Consultant.</p> |

Procedures for Dispute Resolution:

Amicable Settlement:

KBJNL and the Consultant agree that, in the event of any dispute or in the difference whatsoever arising between them in connection with this Consultancy Agreement, they shall confer at least once to attempt to amicably resolve any such dispute of difference by mediation, conciliation or similar means.

Arbitration:

Any dispute or controversy between the two parties, and which cannot be resolved by the Amicable Settlement within 30 days of referral, it shall be settled by arbitration in accordance with and subject to the Indian Arbitration and Conciliation Act 1996.

The parties shall select one arbitrator by mutual consent and in case the consent within 30 days, the party invoking arbitration shall seek the appointment of Arbitrator through Indian Council of Arbitration. The arbitration proceedings shall be conducted in English and the place of Arbitration decision and award shall be binding on both the parties, and

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| | <p>judgment thereon may be entered in any court of competent jurisdiction. Pending arbitration award, the cost of sole arbitrator and venue (if any) shall be shared in equal proportion between the two parties.</p> | |
| 12 | <p>Please confirm that all payments shall be paid within 15 days of submitting invoice and final payment within <u>30 days</u> of submitting invoice.</p> <p>As you are aware that the recent Union Budget brought more restrictions in procedural aspects of Service Tax (New Point of Taxation Rules 2011 of the Service Tax). As per the amended law, <u>the service tax is payable on the basis of bills raised the bills raised by us shall become payable within 21 days of its raising</u> in case of any discrepancy/disallowance of the bills raised the same shall be informed to us with reasons in writing, within a week's time so that the same can be resolved by discussions/rectifications in the services rendered.</p> <p>On completion of our services relating to every milestone/stage of billing we propose to send you a letter requesting you to confirm the same or inform us deficiency if any in meeting our obligations as provided in the Agreement, so that proper billing is</p> | <p>Payments will be one time only for each assignment and will be made within 30 days from the date of submission of the bill.</p> <p>You have to address the concerned Executive Engineer in charge of the work to confirm the work done and deficiencies in meeting obligations during the execution of your work.</p> |

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| | <p>done as as stipulated by the amended law. An acknowledgement of the completion of milestone services as laid out in this project agreement shall be provided to us on submission of the required submittals so that correct and complete bill for the services rendered is raised.</p> <p>Trust you will co-operate to enable us to provide our best services to you and also meet our legal obligations of collecting the Service Tax from you and paying to the Government in time.</p> | |
| 13. | You are requested to extend the due date of proposal submission by another 15 days from the receipt. | The extension of time cannot be given. |

**Managing Director,
KBJNL, Bangalore.**