PETROLEUM AND NATURAL GAS REGULATORY BOARD

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Ref.: Infra/PL/Bid/PPL/KJPL/2012/01 Date: 27.07.2012

To

All Prospective Bidders

Sub: Pre-bid meeting and Clarifications related to Kota-Jobner Petroleum and Petroleum Products Pipeline (Bid No.: BID/PPL/04/2012/1/KJPL)

Dear Sir,

Pursuant to the various issues raised during the pre-bid meeting held in the office of PNGRB on 22.05.2012 related to the bids invited for development of Kota-Jobner Petroleum and Petroleum Products Pipeline and the experience gained from the Petroleum Products Pipeline bidding conducted by PNGRB so far, following clarifications are being issued:

S/N	General Query modified w.r.t. KJPL	Clarification
(1)	With respect to clause no. 13.3 of the application-cum-bid document, PNGRB may clarify on the following: (i) As PNGRB Regulations on determining capacity lays emphasis on section wise MAOPs, can MAOPs be changed year wise based on respective year wise capacity requirements (e.g. using pump de-staging or using VFDs)? (ii) Which section capacity need to be mentioned as system capacity as the Regulation determined capacity may vary from section to section?	*(i) Regulation 5(6)(i) of the PNGRB(Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 specifies about the building of the extra capacity besides the capacity requirements of the entity and firmed-up contracted capacity with other entities.* *(ii) Regulation 5(5) of the PNGRB (Determining capacity of Petroleum, Petroleum products and Natural Gas Pipeline) Regulations, 2010 specifies the detailed methodology of determining the capacity of the petroleum product pipeline system as well as the sectional capacity of the pipeline. MAOP of the pipeline along with other constant and variable parameters forms basis for determining the capacity of the pipeline system along with the sectional capacity of the pipeline.*

		(iii) Capacity of the proposed Kota-Jobner petroleum and petroleum products pipeline system is a biddable parameter which may or may not be equal to any section capacity.
(2)	BPCL's EOI has been published inviting comments and subsequently capacity requirements. No response has come. The process is stated to be to facilitate entities arriving at optimum capacity. This process need to be ensured during the bidding process as well. Hence, PNGRB is requested to make public all parties who purchase the bid document and respective Entities' own capacity requirements. To facilitate interactions and arrive at optimum pipeline capacity, the bid document sale be closed at least one month before due date for bid submission.	*(i) During the period of public consultation for capacity booking, no response has been received by PNGRB from any entity.* *(ii) The request to make public all parties who purchase the bid document and respective entities' own capacity requirements cannot be considered. Also, the request to close the bid document sale at least one month before the due date for bid submission cannot be considered.*
(3)	PNGRB requested to clarify about the "System capacity" used in the Application-cum-Bid document.	*Regulation 2 (k) of the PNGRB (Determining capacity of Petroleum, Petroleum products and Natural Gas Pipeline) Regulations, 2010 may be referred for the same at all places in the Application-cum-Bid document.*
(4)	In Section 1.1 of the application-cum-bid document, bids have been invited by PNGRB for "*authorization of the petroleum and petroleum products pipeline network from originating point near BPCL's existing terminal... ....economic life".* PNGRB may please confirm whether there are any distance limits to start/ pass through from BPCL's existing terminal?	*It is clarified that there are no distance limits to start/ pass through from BPCL's existing terminal, however, the authorized entity shall comply with the provisions under the service obligations specified in Schedule J to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.*
(5)	Will the entity that wins the bid is required to provide injection/tap-off points at BPCL mentioned locations along the route?	*The authorized entity shall comply with the provisions under the service obligations specified in Schedule J to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.*

(6)	Section 17.4.2 of the bid document talks about one of the possible injection point originating at Kota. There is no requirement in the bidding process to give details of other bidders. Hence, PNGRB is requested to ask the injection/tap off details from other bidders at the time of bid document sale and then web host the same.	*Clause 17.2.3 of the application-cum-bid document is self-explanatory.*
(7)	With respect to CAPEX & OPEX details to be furnished by the bidder in Annexure-14 of the application-cum-bid document, it may be noted that: (i) Provision has not been made for working capital and Line fill investment requirements. (ii) The present guidelines for petroleum & petroleum products don't clarify what constitutes capital cost and operating cost. (iii) How much of Head office expenditure, spares cost, project surplus items are permitted to be assigned in respective Capital/ Operating costs? PNGRB may please clarify the above.	*For the purpose of CAPEX and OPEX, the generally accepted accounting norms/ practices prescribed by ICAI may be followed by the bidders. Further, Line-fill and working capital may be taken as CAPEX heads as per general accounting principles.*
(8)	PNGRB may confirm whether the KM mentioned in the variable tariff is the actual pipeline distance from Injection to delivery point.	*The KM mentioned in the variable tariff (Rs./MT/KM) is the actual pipeline distance from an entry point to an exit point in the pipeline system.*
(9)	In the Financial bid, capacity of pipeline need not be discounted for PV as tariffs have already been discounted for relevant time value.	*Regulation 7(2) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 shall be applicable.*
(10)	Tariff on 25 % capacity to be offered to others would attract Service Tax, which shall be payable by users over the quoted basic rate. Suitable clause on taxes payable by the user's needs to be specified.	*Regulation 2 (j)) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 is self-explanatory.* *Further, clause no. 1 (b), 1(f) & 1(g) in Schedule J of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 may be referred to.*

(11)	As per Note #4 in Annexure-14 of the application-cum-bid document, "*year wise volume quoted shall be referred for the purpose of compliance of service obligations as specified in Regulation 14(1)*". PNGRB is requested to clarify whether the entity needs to correlate pipeline system capacity as a must condition with usage capacity to meet Regulation 10(1) where "*may*" condition provides flexibility to entity for non-usage of pipeline capacity up to 50%. The same flexibility will be denied under bid wording under Annexure 14 (Note#4). Hence, it is suggested to use only actual usages on prospective basis, if Annexure 14 is proposed to be relied for tariff fixation after 10 years. If actual utilization does not take place, the entity will lose on investment front as well as on utilization front.	*Note #4 in Annexure-14 of the application-cum-bid document shall remain unchanged.*
(12)	In Annexure-14 of the application-cum-bid document, project investment during 3 years preceding the economic life have not been given separately. Also, no provision has been given to mention line fill/ working capital requirements.	*Project investment for construction period may be considered by the bidder as cash outflow in Year-1 or onwards. Line-fill and working capital may be taken as CAPEX heads as per general accounting principles.*
(13)	Whether financial annexures (P&L, B/S & Cash Flow) and tariff calculation sheet are required to be submitted along with the financial bid? As per Section 1, Para 18.1.1 (Note#4) of the bid document, nothing has been specified except for Annexure 14.	*Regarding all supporting documents with respect to Feasibility Report, Note#2 & Note#3 in clause no. 18.1 of the application-cum-bid document are self-explanatory.* *Further, all supporting documents with respect to Annexure-10 A, Annexure-10 B & Annexure-10 C of the application-cum-bid document are required to be submitted in the Technical Bid.*
(14)	In clause no. 1.7 & clause no. 34.0 of the application-cum-bid document, Lead partner shall have to be declared upfront. This condition restricts flexibility in financial closure offered in Regulation to sole entities. Regulation 9(4) permits partner induction after Authorisation. In	*Clause no. 34.0 of the application-cum-bid document provides the restructuring of the authorized entity (whether sole entity, JV or Consortium) within the first three years of grant of authorization. For a sole entity being the authorized entity, Regulation 9(4) of the PNGRB (Authorizing Entities to Lay, Build,*

	Clause no. 34, such flexibility is given to consortium, subject to the lead partner retaining more than 50% controlling stake. Same flexibility need to be given for sole entities as well.	*Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 already provides the flexibility of induction of new partner as long as the authorized entity remains the lead partner.*
(15)	Partnership or Consortium need not be separately incorporated as per extant rules. The Act does not require the entity to be incorporated and thus separate JV formation should not be made mandatory for consortium or partnerships. Hence, PNGRB requested to clarify whether: (i) The entity (if required, an incorporated company in line with Regulation requirements) can make separate agreement for Consortium or Partnership towards financial investment, keeping themselves as lead member of the Consortium/ Partnership? (ii) What is the percentage investment to be owned by lead entity?	*Clause no. 6 on page no. 4 of the application-cum-bid document regarding submission of the bid is unambiguous. Further, Regulation 5(6) (e) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 shall be applicable.*
(16)	Will PNGRB Act/ Regulations require the facilities to be audited by OISD prior to commissioning or subsequently?	*PNGRB Regulations on Technical Standard and Specifications including Safety Standards for the Petroleum and Petroleum Products Pipelines are at the draft stage. However, in order to bring all bidders on one common platform, it has been facilitated that the design of the proposed pipeline should be done in accordance with applicable API, CCOE and OISD codes and standards. Regulation 14 (7) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 shall be adhered to.*
(17)	As per clause no. 17.4.2 (b) of the application-cum-bid document, "*Pressure of 5.0 Kg/ Sq. cm at all delivery points including the terminal points shall be…that location*". Trust the word	*Terminal point(s) means termination point of the proposed pipeline system as provided in the Annexure-1 of the application-cum-bid document.*

	"*terminal point*" means discharge manifold of pipeline's end receiving station. The word "*Terminal*" is conventionally used by Oil Industry for Marketing Storage Terminals and the bid document is suggested to be re-worded to avoid interpretations by users as including Marketing storage terminals of entity or others.	
(18)	Annexure-4 of the application-cum bid document may be reworded to make such deviation stand deleted rather than Bid Rejected. This will avoid frivolous complaints.	*Annexure-4 of the application-cum bid document shall remain the same.*
(19)	The application cum bid document talks about taking reference from various notifications namely, GSR 722 (E), GSR 987 (E) and GSR 476 (E). It does not mention anything about how tariff is to be determined or does not give reference to the draft guidelines. Are the bidders free to choose any tariff other than non zero or non negative tariff?	*Tariff is a biddable parameter and as already specified in the application-cum-bid document "Negative and Zero tariffs shall not be accepted and would lead to the rejection of the bid". Hence, the bidders may quote the tariff numbers with the above stipulated condition.*
(20)	Section 17.5 of the bid document requires financial closure of project based on numbers quoted by them in the financial bid, whereas section 34 of the bid document allows for reconstitution/restructuring within the first three years provided that the original JV entities hold more than 50% equity stake post reconstitution on a cumulative basis. In all cases of such reconstitution, the lead partner of the original consortium /JV shall compulsorily retain the majority controlling stake (more than 50%) and shall be declared upfront. Does this mean that in case of entity bidding by forming a consortium lead partner will hold more than 50% of the stake and can dilute it post 3 years? Whether financial closure has any	*Clause no. 17.5 of the application-cum-bid document mandates the Financial Closure to be achieved by the authorized entity for the project based upon the actual quotes in the Financial Bid while Clause no. 34 of the application-cum-bid document specifies about the condition of restructuring/reconstitution of the authorized entity. No inter-linkage exists between the two activities.*

	bearing on Debt/Equity ratio to be adopted?	
(21)	PNGRB is requested to include the "*Non availability of ROU due to Villagers/land owner unrest/ blockade*." And "Non *Issuance of Statutory approvals as per Project Schedule*" as Force majeure clauses since, the same is important delaying factor in most of the project executions and is un-foreseen/external.	*Clause no. 32.0 of the application-cum-bid document regarding Force Majeure shall remain unchanged.*
(22)	In case of any contingent liability arising in future, there should be provision in tariff to include the same proportionately.	*Any bid is sacrosanct in terms of applicable Regulations and statutory provisions. In view of this, such request may not be agreed considering the present legal framework.*
(23)	As per Clause no. 6(d) of the Application-cum-Bid document, Net worth should not be older than the last available quarter from the date of submission of Bid. PNGRB is requested to amend the criteria as per the practice being followed by other Government Agencies and as per Planning Commission guidelines: (i) Net worth certificates (s) from statutory auditors specifying the net worth of the applicant, as at the close of the preceding financial year (ii) In the event that the due date of the bid falls within 3 months of the closing of the latest FY of an applicant, it shall ignore such FY for the purposes of its bid and furnish all its information and certification preceding its latest FY.	*Clarification at Sr. No. 28 may be referred to.*
(24)	Will BPCL allow booster pump to be installed in their terminal at Kota?	*After Grant of Authorization is issued to the successful bidder, authorized entity may either enter in to mutual agreement for sharing of such infrastructure or set up on its own.*
(25)	The tariff numbers mentioned in Annexure-14 for Year-11 onwards are	*Note#2 of the Annexure-14 in the application-cum-bid document shall be*

	not biddable items. However, the same are required to be considered by the bidder for establishing financial viability of the project. In case, these numbers are change by the Board at later stage, the complete financial model of the project shall be disturbed. Hence, methodology for computing tariff from Year-11 to Year-25 may also be mentioned in the bid document.	*applicable i.e. "The Board shall review the tariff after ten years and fix for a block of five years thereafter on prospective basis. As the tariff numbers for Year-11 onwards are not biddable items and are required only for indicative purpose, the bidder is required to provide the complete basis for tariff numbers for Year-11 to Year-25. An appropriate view would be taken by the Board in due course of time on the computation methodology for the transportation tariff from Year-11 onwards".*
(26)	The discount factor as per note#2 in the Financial bid form is stated to start from Year-2. This implies that for calculating Year-2 NPV, the value of year to be taken as 1.	*Regulation 7(2) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 may be referred to.*
(27)	Will the Regulations under preparation as mentioned in the bid document at clause no. 1.2 be notified before submission of bid?	*The mentioned Regulations are under preparations at different stage. Due consultative process is underway with all stakeholders including Industry members after which notification shall be done.*
(28)	As per Clause no. 6(d) of the Application-cum-Bid document, Net worth should not be older than the last available quarter from the date of submission of Bid. Net worth is requested to be calculated on the basis of last Financial year before the start date of PNGRB bidding. Also, PSUs may be exempted from this requirement.	*Clause 6.0 (d) of the Application-cum-Bid document has been amended and may now be read as:* *"The certified copy of the combined net worth of the bidder should not be older than the last Financial Year from the date of submission of the bid. This statement shall be signed by the concerned Director of the company and certified by a Chartered Accountant. Combined net worth shall be in line with Regulation 5(6) (d)".* *Accordingly, in Annexure-10A & Annexure-10B, last column in the table along with the respective provision with respect to requirement of providing the financial position for the last quarter, shall stand deleted.* *Also, in Sr. No. 5 of Annexure-2 of the Application-cum-Bid document, Regulation 5(6)(e) may now be read as Regulation 5(6)(d).*

(29)	As per clause 18.1.1, FR (Feasibility Report) should not be more than 6 months old. It may be appreciated that FR is a basic document based on which project is planned, estimated, evaluated and feasibility worked out and If FR is not made, even the proposer cannot approach PNGRB for EOI etc. Hence, PNGRB is requested the same criteria for maximum 3 years before bid date. In the event the FR is older than this the relevant cost estimation may be asked to be revalidated based on prevailing market rates.	*In clause no. 18.1.1 of the application-cum-bid document, first three lines have been amended and may now be read as:* *"The Feasibility Report (FR) should not be more than two years old from bid closing date and shall detail the techno-commercial feasibility of the Petroleum and Petroleum Products Pipeline project. However, relevant cost estimation requires to be revalidated by the bidder on prevailing market rates during the bid preparation period".* *Rest provisions of the clause no. 18.1.1 remain unchanged.*
(30)	In Clause no. 17.4.2 of the Application-cum-Bid document, PNGRB is requested to: (i) Clarify whether the battery limit of authorised entity is pipeline station discharge manifold for delivery and pipeline station suction manifold for injection?	*Clause 17.4.2(b) of the Application-cum-Bid document has been amended and may now be read as:* *"Pressure of 5.0 kg/cm2g at the suction manifold of all delivery points including terminal point(s) may be considered by the bidder for designing the pipeline system".*
(31)	As per Clause no. 17.4.5 of the Application-cum-Bid document, PNGRB may clarify the meaning of stabilization tanks.	*Stabilization tank may be referred as tank-age required for unabsorbed interface.*
(32)	In Financial Bid, trust the year is financial year and if first year is a part year, understands the 1st year tariff will apply only for part financial year & pro-rata capacity will be arrived at for available system capacity.	*It is clarified that the year is not financial year. Further, Year-1 and so on for all purposes shall be taken from the date of grant of authorization by PNGRB.*
(33)	In terms of Schedule-J, clause (g) of PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010, the entity shall provide connectivity to the consumer, if technically feasible within a tariff zone. PNGRB is requested to clarify the concept and definition of "*Tariff Zone*" for this bid-out pipeline.	*"Tariff Zone" has no relevance with respect to the tariff of the petroleum and petroleum products pipeline as the tariff bids sought for the purpose of bidding are distance-based entry and exit methodology.* *Accordingly, suitable amendments of the notified Regulations in this regard shall be made by PNGRB.* *Regarding Service obligations and Consumer connectivity, provisions of Regulation 21 shall be the governing Regulations.*

(34)	At present, the draft regulations for Access Code and T4S are yet to be placed in public domain. In this situation there could be difference in the technical offer made by different bidders. This aspect needs clarification. Furthermore, in case such regulations are prepared, finalized and notified after the submission of bid by bidder for proposed pipeline which may necessitate incurrence of additional expenditure to ensure compliance with these future regulations, then its need to be clarified that how return on such expenditure can be recovered?	*Proposed Regulations on the Access Code for petroleum and petroleum products pipeline are aimed to facilitate the access in common or contract carrier pipeline for which compensation shall be inclusive in the tariff for transportation.* *Proposed Regulations on the Technical Standards and Specifications including Safety Standards for petroleum and petroleum products pipeline are taking care of the existing and applicable codes and standards being followed by the Industry e.g. API, CCOE & OISD codes.* *Hence, the prospective bidders have to take into account the cost towards compliance of the proposed Regulations while submitting the bids. However, no separate compensation other than tariff shall be allowed to be recovered by the authorized entity for the transportation of petroleum and petroleum products through the proposed pipeline.*
(35)	In terms of clause no. 6 at page no. 4 & clause no. 34 at page no 28 of Application cum Bid Documents, it may please be clarified that what should be the minimum stake of the lead partner in JV/consortium?	*Clause no. 6 of the application-cum-bid document provides the conditionality for submitting the bid i.e. permitted usage of the application-cum-bid document purchased by one entity for submission of the bid.* *Clause no. 34.0 of the application-cum-bid document provides the minimum stake of the lead partner in case of the restructuring of the authorized entity (whether sole entity, JV or Consortium) within the first three years of grant of authorization.*
(36)	As the line-fill value will be of considerable investment, PNGRB may confirm on whether the quoted rates should be with or without line-fill investment?	*The bidders are advised to consider all relevant financial parameters including line-fill value at the time of quoting tariff. No separate compensation other than tariff shall be allowed to be recovered by the authorized entity for the transportation of petroleum products through the proposed pipeline.*
(37)	As per regulation 2 (e) of authorization regulations "economic life of petroleum, petroleum products pipeline shall be a period of twenty five years commencing	*The methodology for tariff fixation to be adopted by PNGRB after 10 years in case of bid out pipelines cannot be assumed at present, as the same will depend on several*

	from the date of grant of authorization to the entity by the Board." Whereas, as per regulation 7 (1) (a) and (b) of authorization regulations fixed and variable unit pipeline tariff shall be bid for each of the ten years. After ten years the Board shall review and fix tariff on prospective basis. It is important to clarify the basis for fixation of tariff, after ten years for remaining fifteen years to ensure predictability.	*factors governing at that time. Section 22 (1) and 22(2) of the PNGRB Act, 2006 provides the provisions regarding fixation of transportation tariff including the manner of determining such tariffs. Further, Section 22(2) of the PNGRB Act, 2006 mandates that the consumer interest is safeguarded and at the same time ensures recovery of cost of transportation in a reasonable manner.* *Keeping above these mandates and other relevant provisions of the said Act, any Regulation for determining the transportation tariff petroleum and petroleum products pipeline shall be laid down after following detailed and wide public consultation process.*
(38)	All bidders should be aware of the methodology PNGRB plans to use for computing the tariff for balance 15 years of the operating period. Without the knowledge of the same, the risk/return on the investment being made by bidders cannot be ascertained. The absence of this vital information is creating difficulty in submitting a competitive bid. PNGRB is therefore once again to declare the tariff computation methodology for Year 11 onward before the bid submission date.	
(39)	As per clause 1.1 & 17.2.2 of the application-cum-bid document, the system capacity of at least 0.7 MMTPA during the entire economic life has been mentioned to be created. Clause 5(b)(viii)(d) of G.S.R. 476 (E) stipulates "*The annual capacity of pipeline system and sections shall be as per the operating days specified in the Access Code for respective systems*". Access code is yet to be notified. A bidder will consider total hours in a year minus the planned maintenance hours in a year as notified in draft for establishing system capacity. PNGRB to please confirm.	*Proposed draft Regulations on the Access Code for petroleum and petroleum products pipeline being formulated by the sub-committee constituted by PNGRB.* *However, in order to bring all bidders on the same platform, the planned maintenance period of ten days in case of LPG pipeline shall be assumed by the bidders.*
(40)	As per clause 6.0 (c) of the application-cum-bid document, the combined net worth of the entity along with its	*In clause no. 6.0(c) of the application-cum-bid document, "**clause (e)**" may now be read as "**clause (d)**".*

	promoters to be considered for qualification for any bid shall be assessed in line with the clause (e) of sub-regulation 6 to regulation 5 and the combined net worth shall be in line with Regulation 5(6)(e). While as per G.S.R. 722(E), combined net worth is mentioned under clause 5(6)(d) and hence a bidder shall submit combined net worth as per clause 5(6)(d).	
(41)	With respect to clause 9.1 of the application-cum-bid document, trust that there is no requirement to pay additional application fee. Please confirm.	*As per clause 9.1 of the application-cum-bid document, in case the bidder has already paid the application fee at the time of submission of Expression of Interest (EOI), the bidder shall not be required to pay the application fee, unless there is a requirement to pay additional application fee as required under relevant Regulations.*
(42)	As per clause 18.1(d) of the application-cum-bid document, are any other financial parameters other that P&L, B/S & Cash flow required to be submitted?	*Annexure-14 of the application-cum-bid document is self-explanatory.*
(43)	With respect to clause 17.4.1 of the application-cum-bid document, is there any format for giving the undertaking?	*Clause no. 4 in Annexure-2* of the *application-cum-bid document is self-explanatory regarding undertaking to be provided by the bidder.*
(44)	The bidders have not explicitly indicated whether they agree to build extra capacity in the petroleum and petroleum products pipeline as per requirement under Regulation 5 (6) (i) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.	*The bidders are advised to provide the confirmation that it agrees to build extra capacity in the proposed Kota-Jobner pipeline as per requirement under Regulation 5 (6) (i) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.*
(45)	As required under clause no. 6.0 (e) of the application-cum-bid document, the bidder has not submitted an undertaking that minimum three technically qualified	*In line with the requirement under clause no. 6.0 (e) of the application-cum-bid document, the bidders are advised to provide an undertaking that minimum three technically*

	personnel shall be maintained during the operating phase of the project out of which two shall have a degree in engineering.	*qualified personnel shall be maintained during the operating phase of the project out of which two shall have a degree in engineering as per requirement under clause no. 6.0 (e) of the application-cum-bid document.*
(46)	As required under clause no. 6.0 (a) of the application-cum-bid document, any entity which has been barred by the Central/State Government/Public Sector/ PNGRB or any other statutory agency from participating in any project and the bar subsists as on date of Application would not be eligible to submit an Application-Cum Bid individually or as a member of consortium.	*In line with the requirement under clause no. 6.0 (a) of the application-cum-bid document, the bidders are advised to provide an undertaking to that effect.*
(47)	As per the clause no. 17.4.5 of the application-cum-bid document, "*the design of the proposed Petroleum and Petroleum product pipeline shall be as such that the transporter must have all relevant and adequate pipelines and storage facilities including stabilization tanks for handling the product being transported by him*". It is understood that the storage facilities including stabilization tanks as the interface tanks for storage of interface generated in multi product transportation and its subsequent delivery. The transported main batch products will be delivered at specified pressures on receipt at respective TOP station or End receiving station Discharge manifold, direct from pipeline system at specified pressures. PNGRB to please confirm.	*Regulation 2 (i) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 may be referred to.*
(48)	As per Section 1.1 of the application-cum-bid document, the proposed pipeline will be for transfer of MS, HSD	*Clause no. 17.4.4 of the application-cum-bid document may be referred to. A bidder is required to provide details of other products,*

	and SKO, whereas Annexure 14 (1.d) states other products. What do the other products refer to?	*if any, to be transported through the proposed pipeline in future also.*
(49)	PNGRB may elaborate on battery limit conditions at BPCL facilities. Whether the Tap-off points with isolation valves will be made available to the successful bidder?	*Information provided by M/s BPCL has been mentioned in the application-cum-bid document for all the bidders. However, clarification given at Sr. Nos. 17, 30 and 47 above may also be referred in this regard.*
Specific Queries raised during the pre-bid meeting for KJPL bid		
(50)	System Capacity is mentioned as 0.7 MMTPA in bid document which is inclusive of 25 percent additional capacity considered for transportation of product on contract/common carrier. As no entity has booked their capacity and hence from the date of commissioning, whether BPCL capacity shall be considered as 75% of the system capacity and the performance shall be measured with reference to the same while meeting the service obligation. **Raised by -> M/s BPCL**	*The bidders are advised to provide the year-wise volume of Petroleum and Petroleum Products to be transported for the economic life of the project in the Annexure-14 which will be referred by PNGRB for the purpose of compliance of Service Obligations as specified in Regulation 14(1) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010. The above mentioned year-wise volume figures may or may not include 25% extra capacity on common carrier basis as per Regulation 5(6)(i).* *However, the system capacity is a biddable parameter inclusive of 25% extra capacity on common carrier basis as per Regulation 5(6)(i).*
(51)	In the application-cum-bid document it has been said that PNGRB authorizes for laying, building, operating and expanding petroleum and petroleum product pipeline. PNGRB may clarify on the ownership of the asset i.e. pipeline and interconnected facilities. **Raised by -> M/s BPCL**	*The ownership of the pipeline remains with the authorized entity as per the provisions of the notified Regulations. However, Regulation 9(4), 9(5) and 9(6) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 may be referred to.*
(52)	PNGRB may please clarify whether the pipeline tariff includes cost towards storage facilities at point of origin and point of exit.	*The pipeline tariff includes cost towards transportation of the petroleum products which includes the cost for all connected infrastructure such as pumps, metering units, storage facilities at originating, delivery, tap*

	Raised by -> M/s BPCL	*off points or terminal stations and the like connected to the common carriers or contract carriers including line balancing tanks and tankage required for unabsorbed interface essential for operating a pipeline system.*
(53)	PNGRB may please clarify whether the pipeline tariff includes cost towards facilities required for loading and unloading of the petroleum products of different entity at Kota and Jobner. **Raised by -> M/s BPCL**	*The pipeline tariff does not include cost towards facilities required for loading and unloading of the petroleum products.*
(54)	PNGRB may please clarify what components constitute towards the fixed pipeline tariff & variable pipeline tariff. **Raised by -> M/s BPCL**	*The fixed unit pipeline tariff and variable unit pipeline tariff are biddable parameters. Components of the fixed unit pipeline tariff and variable unit pipeline tariff may be considered by the bidders as per general accounting principles. However, all relevant assumptions are required to be provided by the bidders.*
(55)	PNGRB to elaborate on the credible plan for utilization. **Raised by -> M/s BPCL**	*The bidders shall provide detailed chapter on sourcing of petroleum products for the proposed pipeline along with its plan to utilize the proposed pipeline capacity based upon the market demand over the economic life of the project.*
(56)	PNGRB to clarify whether bid bond can be submitted in the form of Corporate Guarantee. **Raised by -> M/s BPCL**	*Clause no. 9.3 of the application-cum-bid document may be referred to. However, Corporate Guarantee will not be accepted.*
(57)	PNGRB may clarify on the bid rejection criteria. **Raised by -> M/s BPCL**	*Any bid shall be rejected by PNGRB only if it does not meet the minimum eligibility criteria as specified in Regulation 5(6) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 and any terms and conditions mentioned in the application-cum-bid document.*

(58)	PNGRB may please clarify whether any post bid discussion shall be done with the successful bidder on the bids quoted. **Raised by -> M/s BPCL**	*No post bid discussion shall be done by PNGRB with the successful bidder on the bids quoted.*

The above clarifications shall constitute a part of the Application-Cum-Bid Document and shall be duly signed and submitted along with the bid document by the authorized signatory of the bidder.

Yours faithfully

(K. Rajeswara Rao)
OSD (R)