

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

CONTRACT AWARD PROFORMA - I

To Be Filled And Uploaded on PPRA Website in Respect of All Public Contracts of Works, Services & Goods Worth Fifty Million or more

▶ NAME OF THE ORGANIZATION/DEPTT.	National Highway Authority				
▶ FEDERAL/PROVINCIAL GOVT.	Federal Govt (Atonomous Body)				
▶ TITLE OF CONTRACT	Widening and Strengthening of National Highway N-70 (Rakhi Gajj - Bewata Section) 33.84 KM of East West Road Improvement Project - Package-1 (Sta 7+600 to Sta 19+500)				
▶ TENDER NUMBER	2(331)				
▶ BRIEF DESCRIPTION OF THE CONTRACT	The target route is the 11.6 KM section of approximately 33 km of N-70 that runs on the abrupt mountainous area with elevations ranging from 1,000 m to 1,600 m starting from Rakhi Gaaj and ending at Bewata on Punjab/Baluchistan border. The existing road contains very sharp curves and steep grades and evaluated geometric condition is rated "bad".				
▶ TENDER VALUE	See below				
▶ ENGINEER'S ESTIMATE (for civil works only)	Rs. 10,127 Million				
▶ ESTIMATED COMPLETION PERIOD	36 Months.				
▶ WHETHER THE PROCUREMENT WAS INCLUDED IN ANNUAL PROCUREMENT PLAN?	available in PSDP 2015-16.				
▶ ADVERTISEMENT					
(i) PPRA Website (Federal Agencies)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%; text-align: center;">√</td> <td style="width: 25%;">No</td> <td style="width: 25%; text-align: center;">x</td> </tr> </table>	Yes	√	No	x
Yes	√	No	x		
(ii) News Papers (If yes, give names of newspapers and date)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%; text-align: center;">√</td> <td style="width: 25%;">No</td> <td style="width: 25%; text-align: center;">x</td> </tr> </table> <p style="text-align: center; font-size: small;">National Newspapers dated March 27, 2014 (Daily Ausaf, Daily Jang & Daily Dawn), Japanese Newspaper dated March 27, 2014 (The Daily Engineering & Construction News Tokyo & The Japan Times)</p>	Yes	√	No	x
Yes	√	No	x		
▶ TENDER OPENED ON (Date and Time)	<p style="font-size: small;">Technical Bids opened on 29th May 2014 at 1130 hrs Financial Bids opened on 22nd July 2014 at 1130 hrs</p>				
▶ NATURE OF PURCHASE	Procurement of works				
▶ EXTENSION IN DUE DATE (if any)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%; text-align: center;">x</td> <td style="width: 25%;">No</td> <td style="width: 25%; text-align: center;">√</td> </tr> </table>	Yes	x	No	√
Yes	x	No	√		
▶ NUMBER OF TENDER DOCUMENTS SOLD (Attach list of Buyers)	<p style="font-size: small;">Two (02) (List of Buyers available in Evaluation Report) ✓</p>				
▶ WHETHER QUALIFICATION CRITERIA WAS INCLUDED IN BIDDING/TENDER DOCUMENTS (If yes enclose a copy)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%; text-align: center;">√</td> <td style="width: 25%;">No</td> <td style="width: 25%; text-align: center;">x</td> </tr> </table> <p style="font-size: small;">(Copy of Qualification criteria attached)</p>	Yes	√	No	x
Yes	√	No	x		
▶ WHETHER BID EVALUATION CRITERIA WAS INCLUDED IN BIDDING/TENDER DOCUMENTS (if yes enclose a copy)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%; text-align: center;">√</td> <td style="width: 25%;">No</td> <td style="width: 25%; text-align: center;">x</td> </tr> </table> <p style="font-size: small;">(Copy of Qualification Criteria attached) ✓</p>	Yes	√	No	x
Yes	√	No	x		
▶ WHICH METHOD OF PROCUREMENT WAS USED:-					
a) SINGLE STAGE - ONE ENVELOPE PROCEDURE	<input type="checkbox"/> x				
b) SINGLE STAGE - TWO ENVELOPE PROCEDURE	<input type="checkbox"/> √				
c) TWO STAGE BIDDING PROCEDURE	<input type="checkbox"/> x				
d) TWO STAGE - TWO ENVELOPE BIDDING PROCEDURE	<input type="checkbox"/> x				
- Please specify if any other method of procurement was adopted with brief reasons (i.e. Emergency, Direct Contracting, Negotiated Tendering, etc.					
- WHO IS THE APPROVING AUTHORITY	NHA Executive Board				
▶ WHETHER APPROVAL OF COMPETENT AUTHORITY WAS OBTAINED FOR USING A METHOD OTHER THAN OPEN COMPETITIVE BIDDING	<p style="font-size: small;">In line with JICA guidelines approval to commence Negotiation with lowest evaluated bidder was sought in 240th NHA Executive Board meeting held on November 12, 2014. It was also concurred by JICA.</p>				
▶ NUMBER OF BIDS RECEIVED	One (01)				
▶ WHETHER THE SUCCESSFUL BIDDER WAS LOWEST BIDDER	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%; text-align: center;">√</td> <td style="width: 25%;">No</td> <td style="width: 25%; text-align: center;">x</td> </tr> </table>	Yes	√	No	x
Yes	√	No	x		

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**CONTRACT AWARD PROFORMA - II**

To Be Filled And Uploaded on PPRA Website in Respect of All Public Contracts of Works, Services & Goods Worth Fifty Million or more

- ▶ No. OF BIDDERS PRESENT AT THE TIME OF OPENING OF BIDS One (01)
- ▶ NAME & ADDRESS OF SUCCESSFUL BIDDER
M/s. Taisei Corporation, Shinjuku Center Building, 1-25-1, Nishi-Shinjuku-ku, Tokyo 136-0606 Japan. Islamabad Office: H. No.16, Street 13, Sector F-7/2, Islamabad
- ▶ RANKING OF SUCCESSFUL BIDDER IN EVALUATION REPORT (I.e. 1st, 2nd, 3rd EVALUATED BID) Lowest evaluated bidder (only participated bidder)
- ▶ NEED ANALYSIS (Why the procurement was necessary?)
The target route is the 11.6 KM section of approximately 33 km of N-70 that runs on the abrupt mountainous area with elevations ranging from 1,000 m to 1,600 m starting from Rakhi Gaaj and ending at Bewata on Punjab/Baluchistan border. The existing road contains very sharp curves and steep grades and evaluated geometric condition is rated "bad". In order to obtain safe and smooth traffic flow the maximum desirable gradient is aimed as 5% whereas critical gradient (for short distances) is 6% and minimum horizontal curve radius is aimed as 85 meter.
- ▶ IN CASE EXTENSION WAS MADE IN RESPONSE TIME, WHAT WERE REASONS (Briefly describe) N.A.
- ▶ WHETHER NAMES OF THE BIDDERS AND THEIR PRICES WERE READ OUT AT THE TIME OF OPENING OF BIDS

Yes	<input checked="" type="checkbox"/>	No	<input checked="" type="checkbox"/>
-----	-------------------------------------	----	-------------------------------------
- ▶ DATE OF CONTRACT SIGNING (Attach a copy of agreement) 18th March 2016
(Copy attached) ✓
- ▶ CONTRACT AWARD PRICE Rs. 13,753,035,808.44/-
- ▶ WHETHER COPY OF EVALUATION REPORT GIVEN TO ALL BIDDERS (Attach a copy of bid evaluation report)

Yes	<input checked="" type="checkbox"/>	No	<input checked="" type="checkbox"/>
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(Copy attached)
- ▶ ANY COMPLAINTS RECEIVED (If Yes, result thereof)

Yes	<input checked="" type="checkbox"/>	No	<input checked="" type="checkbox"/>
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- ▶ ANY DEVIATION FROM SPECIFICATIONS GIVEN IN THE TENDER NOTICE/DOCUMENTS (If yes give details)

Yes	<input checked="" type="checkbox"/>	No	<input checked="" type="checkbox"/>
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- ▶ DEVIATION FROM QUALIFICATION CRITERIA (If yes give details)

Yes	<input checked="" type="checkbox"/>	No	<input checked="" type="checkbox"/>
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- ▶ SPECIAL CONDITIONS, IF ANY (Give Brief Description) Nil

**COMBINED BID
EVALUATION REPORT**

FINANCIAL BID EVALUATION REPORT
Submitted by Tender Assistance Consultants
(M/s CTII (JV))
&
REVIEWED BY NHA BID OPENING & EVALUATION
COMMITTEE

**WIDENING AND STRENGTHENING OF NATIONAL
HIGHWAY N-70 (RAKHI GAJJ – BEWATA SECTION),
33.84 KM OF EAST WEST ROAD IMPROVEMENT
PROJECT LOAN AGREEMENT NO. PK-P57**

OCTOBER- 2014



NATIONAL HIGHWAY AUTHORITY

Procurement & Contract Administration Section

28-Mauve Area, Sector G-9/I, Islamabad (Pakistan)

Phone # 92-51-9032727, Fax # 92-51-9260419

6.4% higher. The difference of total cost of Engineer's Estimate and Bid Price is PKR 8.41 Billion. The following is the detailed comparison of Engineer's Estimate and Bid Price.

Engineer's Estimate (CSR-2011 + 15%)	Engineer's Estimate (E/E) CSR-2014	Bid Price (B/P)	Difference between B/P and original E/E (3-1)	Difference between B/P and revised E/E(3-2)
1	2	3	4	5
12,063,776,059	13,125,017,780	21,535,909,223	9,472,133,170	8,410,891,443
Percentage:			78.5% higher	64% higher

- 2.2 In addition to bid of Rs. 21,535,909,223/- the bidder has mentioned as a note under their price bid that effect of import tax and duties which is to be paid by the Employer as reimbursable would be approximately PKR. 2,206,300,000/-. Keeping aforementioned in view the percentage variation of bid price including effect of Import Tax & Duties with reference to CSR-2011+15% is 96.81% above and with reference to CSR-2014 is 80.89% above. Although effect of import tax and duty is not inbuilt in the Engineer's Estimate.
- 2.3 The overhead and profit under the bid price was estimated as 47.06% for each pay item on direct cost. This ratio is 25% typically in Pakistan. The difference caused by the ratio of overhead and profit is approx. PKR. 4.3 Billion which is more than half of the difference between revised Engineer's Estimate and Bidder's Price. The major difference between the Engineer's Estimate and Bidder's Price is due to (i) difference between ratio of overhead and profit and (ii) difference in the unit price of each pay item.

3. Clarification Requests and responses from Bidder:

- 3.1 In order to evaluate the rationale of very high overhead and profit as 47.06% of direct cost and increase in the major item's unit rate, the Consultants recommended to seek clarifications from the bidder. NHA accordingly asked the bidder to clarify the ratio of overhead and profit and increase in the cost of major items vide their letter No. 2(331)/GM(P&CA)/NHA/14/704 dated 25, August-2014. The following clarifications were sought from bidder:
- The reasons for high overhead and profit ratio as of 47.06%.
 - Change in BOQ Item "SP414b" and "SP414c".
 - The reason of high rates of following BOQ Items:

- 3.2 The bidder provided the clarifications vide their letter No. TC/NHA/N-70/039 dated 26th August-2014 on the above matters and items. The Consultants analyzed the replies furnished by bidder and considered them appropriate and acceptable in the Financial Bid Evaluation Report. The copy of letter and correspondence mentioned above is attached at **Annex-A** for ready reference.

4. Bidder's Perspective for high Ratio of Overhead and Profit:

Response of M/s Taisei Corporation vide letter No. TC/NHA/N-70/039 dated 26th August-2014 was further reviewed by NHA in detail which was focussed on the approach that NHA's comparison of M/s Taisei Corporation's quoted bid with their CSR is unrealistic because of specific features and rugged topography of the Project (i.e. mountains area where no alternate route is available in case of landslide, adoption of half road alternate road construction method, consecutive detours, steel bridge at high elevation with challenges of safety and stability, structural excavation by blasting etc.). M/s Taisei Corporation also emphasized that their overhead and profit is quite comparable with their other projects executed outside Japan as International contractor. M/s Taisei Corporation also explained that their proposed overhead and profit is 47.06% of direct cost which is 32% of the project cost and NHA CSR allows for the same as 25% of direct cost which is 20% of project cost. M/s Taisei Corporation explained that their additional 12% overhead and profit is in-fact extra overhead for expatriate staff which NHA CSR also allows but its exact percentage is not specified therein.

5. Bidder's Perspective for high Unit Price of Pay Items:

M/s Taisei Corporation explained following generalized reasons of high unit price of different pay items in comparison to NHA CSR rates.

- Slice slope cutting.
- Extra materials/consideration to ensure safe and secure construction of project.
- Temporary rock fall protect wall to protect public traffic.
- Extra hauling distance. (High lead. i.e. 10 km. in case of item 108a. This is 1 Km. in CSR for this item).
- Construction of detours or diversion road to avoid disturbance to traffic.

b. Neoprene Rubber and Expansion Joints

For the above item, bidder's material cost is too high i.e.

Pay Item No.	Item Description	Rate	
		BOQ/EE	Quoted By Bidder
406bi	Neoprene Rubber Joint Filler 20 mm thick with Bitumastic joint seal	2,229.39	61,993.81
406ci	Finger type steel expansion joint for the movement range of +/- 10mm.	12,371.99	397,847.21
406cii	Finger type steel expansion joint for the movement range of +/- 20mm.	12,371.99	447,822.15

When bidder was asked for this difference, M/s Taisei replied that they consider only "made in Japan" as best for Expansion Joints. In fact, in Pakistan on a number of projects, expansion joints imported from abroad have been used and they are not so costly. Expansion joint assemblies have been procured from Dubai, Spain, etc. at much cheaper rates.

c. SP-414g Formation of Embankment with Specified Material of MSE

The rate of borrow soil from Sakhi Sarwar of Rs 1,247/CM without overhead profit (Rs 1,834/CM with OHP) is incredibly high and that too without haulage as compared to CSR complete item rate of Rs. 1,181.05/CM. It is not difficult to make inquiries about the rate of this item from the vicinity of Sakhi Sarwar quarry. This item has major impact on the cost of MSE wall.

7. Findings & Conclusions of Evaluation:

- a. After detailed scrutiny, it has been concluded that the bid submitted by M/s Taisei is exorbitantly high. Judging by the local market rates randomly, it appears that the quoted prices, even without OHP are higher than the market prices with OHP. In fact there high profit margins in each component of direct cost i.e. labour, equipment and material. And then, on top of this, the Contractor is claiming an overall OHP of 47.06%. This has made the bid impracticable. The basic reason is that it is not a competitive bid and the bid price surpasses the Engineer's Estimate as well as the allocated budget of the project by the margin of about 100%. A competitive bid ensures that the material costs match the rates prevalent locally, and the

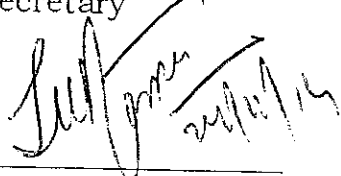
- b. **Negotiations** – Price negotiation with lowest evaluated bidder for the purpose of avoiding the time required for re-bidding, to try to obtain a satisfactory contract. This will require prior consultation with JICA.

8. **Recommendations of Bid Opening and Evaluation Committee:**

Case is submitted for perusal and soliciting decision whether procurement of the works be continued with cancellation of current bid of M/S Taisei and re- bidding OR cancellation of current bid and negotiation with M/S Taisei (Lowest and the only bidder).

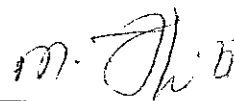


Director (P&CA)-I
Secretary

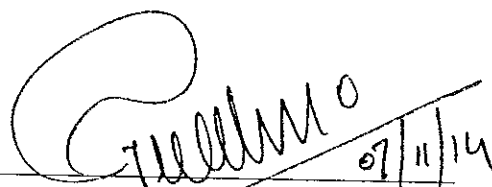


Director Accounts (AP)
Member

Director (Const.) ADB
Member



Director (Planning)
Member



General Manager (P&CA)
Chairman

9. **Member (Planning)**

NHA

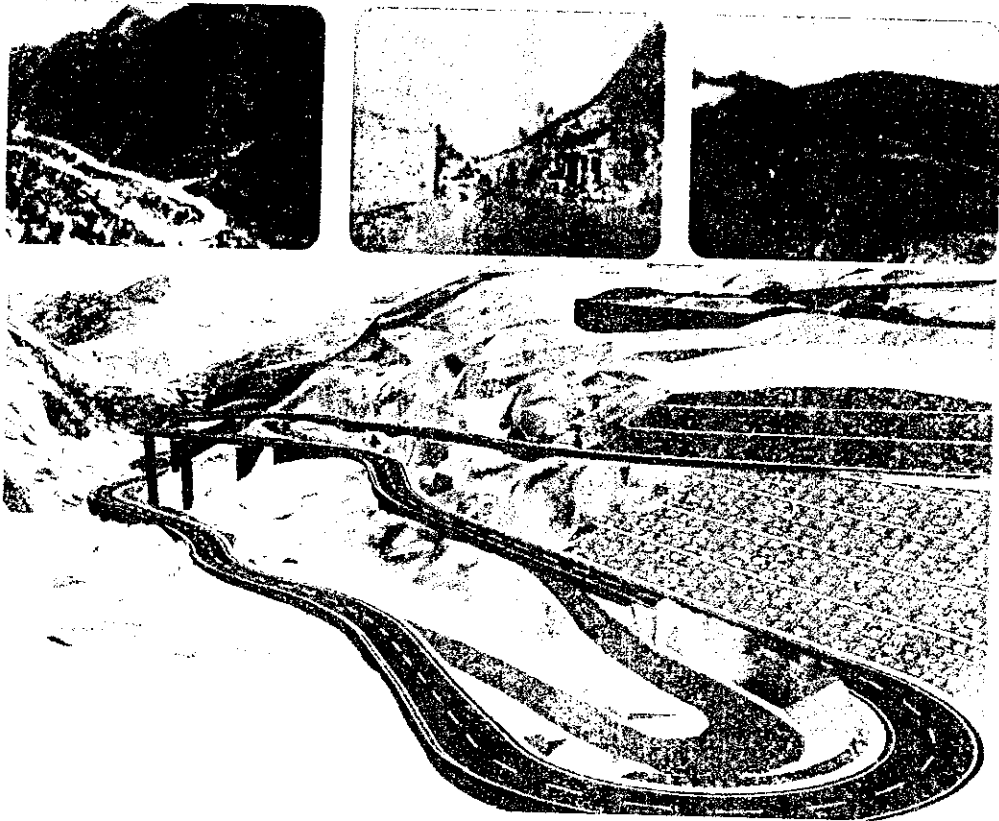


**NATIONAL HIGHWAY AUTHORITY
MINISTRY OF COMMUNICATIONS
GOVERNMENT OF PAKISTAN**

**WIDENING AND STRENGTHENING OF NATIONAL
HIGHWAY N-70 (RAKHI GAJJ-BEWATA SECTION)
33.84 KM OF EAST WEST ROAD IMPROVEMENT PROJECT**

**PACKAGE – 1
(Sta 0+000 to Sta 19+500)**

FINANCIAL BID EVALUATION REPORT



SEPTEMBER 2014
CTII-OC-EA-EE JOINT VENTURE



**CTI Engineering
International Co., Ltd.**



**Oriental
Consultants Co., Ltd.**

**EA Consulting
Pvt. Ltd.**



**Exponent
Engineers (Pvt.) Ltd.**

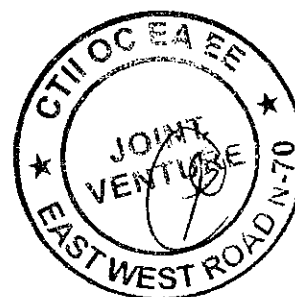
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ANNEXES

- ANNEX-A: Correspondence Record for Technical Evaluation
- ANNEX-B: Attendance Sheets for Bid Opening
- ANNEX-C: Check lists to confirm the Bid Responsiveness, BOQ and UPA
- ANNEX-D: Comparison between Engineer's Estimate and Bidder Price
- ANNEX-E: Comparison b/w Unit Rates and division in Direct and Indirect Cost
- ANNEX-F: Correspondence regarding Clarification from Bidder
- ANNEX-G: Revision in the Bid Price and Changes in Scope of Works



1. INTRODUCTION

1.1 Submission of Technical Evaluation Report to NHA and JICA Office

The Consultants submitted Final Technical Evaluation Report for Widening and Strengthening of National Highway (Rakhi Gajj – Bewata Section of N-70) to National Highway Authority (NHA) vide letter No.JV-N70/140626-01/ISB dated June 26, 2014. NHA forwarded the same report to JICA Pakistan Office vide letter No.Ref:2(331)/GM(P&CA)/NHA/14/533 dated June 26, 2014 for concurrence. The concurrence by JICA on the Technical Evaluation Report was given on July 14, 2014 vide letter No.JICA/07-14002/Project/2014. JICA also requested NHA to open financial bids in a transparent and fair manner in the presence of Consultant's representative on any date and time convenient to NHA. The aforementioned correspondence record is attached at Annex-A to this report. The following was the recommendation for the Technical Evaluation:

Table 1.1

S. No.	Name of Firm	Result of Technical Evaluation
1.	Taisei Corporation, Japan	The Bidder qualified the Technical Evaluation without any preconditions and was declared PASSED

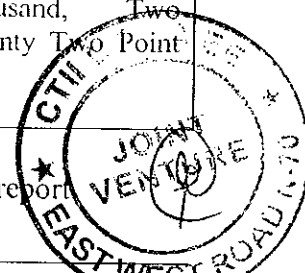
1.2 Opening of Financial Bids and Bid Amount

The Financial Bid opening was held on July 22, 2014 at 1100 hours in Auditorium of National Highway Authority, Headquarters, 27-Mauve Area G-9/I, Islamabad in the presence of bidders' representative, Team Leader/representative of Consultants and NHA Committee Members. The following is the data regarding financial bid opened respectively:

Table 1.2

S. No.	Name of Firm	Bid Amount (PKR) In Figures	Bid Amount (PKR) In Words
1.	Taisei Corporation, Japan	21,535,909,222.60	Pakistan Rupees Twenty One Billion, Five Hundred Thirty Five Million, Nine Hundred Nine Thousand, Two Hundred Twenty Two Point Six Only

The attendance sheet for bid opening is attached at Annex-B to this report.



2. FINANCIAL EVALUATION AND COST ANALYSIS

2.1 Examination of Financial Bid

For the opening and evaluation of the bids, NHA and Consultants followed JICA Guidelines for The Employment of Consultants and Procurement of Goods and Services (April 2012).

It was confirmed during the initial examination of financial bid submitted by M/s. Taisei Corporation, Japan that whether the bid is substantially responsive to the bidding documents, whether all the required securities have been provided, whether the bid have been properly signed and is generally in order. The following checklist was confirmed to examine the responsiveness of bid.

Table 2.1

S. No.	Name of Document	Remarks
1.	ITB 11.3 (a): Letter of Price Bid	Yes
2.	ITB 11.3 (b): Completed Schedules as required: Schedule of Foreign Currency Requirements Schedule of Adjustment Data Bill of Quantities	Yes Yes Yes
3.	ITB 11.3 (c): Acknowledgement of Compliance with Guidelines for Procurement under Japanese ODA Loans	Yes
4.	ITB 11.3 (e): Unit Price Analysis	Yes

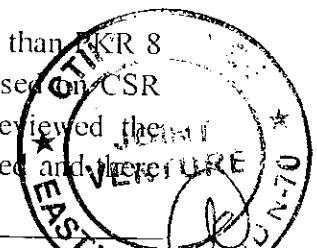
The check lists and Documents mentioned in table 2.1 above for confirmation of responsiveness of bids are attached at Annex-C to this report.

2.2 Examination of Financial Bid for Mathematical and Calculation Errors

The financial bids included Bill of Quantities and Unit Price Analysis which were carefully checked by the Consultants to determine if there is any mathematical or calculation error. All the calculations and data were found correct.

2.3 Cost Analysis and Comparison of Unit Cost between Engineer's Estimate and Bidder's Proposal

The bid price of M/s. Taisei Corporation Japan (B/P) exceeded more than ~~PKR~~ ~~8~~ Billion as compared to the Engineer's Estimate (E/E) which was based on CSR 2011 + 15% of price escalation in 2013. The Consultants also reviewed the Engineer's Estimate based on the CSR 2014 which was recently issued and ~~there~~



is approx 9% increase in the Engineer's Estimate based on CSR 2014 and price escalation on Japanese Materials. Still the bid price is 1.64 times of the E/E with the latest unit cost. The difference of total cost of E/E and B/P is PKR 8.41 Billion. The following is the detailed comparison of E/E and B/P.

Table 2.3

Engineer's Estimate (E/E) (CSR 2011 + 15%)	Engineer's Estimate (E/E) (CSR 2014)	Bidder's Proposal	Difference between B/P and original E/E (3-1)	Difference between B/P and revised E/E (3-2)
1	2	3	4	5
12,063,776,059	13,125,017,780	21,535,909,223	9,472,133,170	8,410,891,443
Percentage			78.5% higher	64% higher

The detailed comparison between Engineer's Estimate and Bidder's Price is attached at Annex-D to this report.

2.4 Major Findings of Unit Price Analysis

The unit price of the bid was examined in order to identify the ratio of the overhead and profit. The overhead and profit under the bid price was estimated as 47.06% for each pay item on direct cost. This ratio is 25% typically in Pakistan. The difference caused by the ratio of overhead and profit is approx PKR 4.3 Billion which is more than half of the difference between revised Engineer's Estimate and Bidder's Price.

The major difference between the Engineer's Estimate and Bidder's Price is caused by (i) difference between ratio of overhead and profit and (ii) difference in the unit price of each pay item. The details of difference and comparison of unit price of each item is attached at Annex-E to this bid.

2.5 Request for Clarifications on Unit Price and Overhead and Profit by the Bidder

In order to clarify the appropriateness of overhead and profit at 47.06% of direct cost and increase in the major item's unit rate, the Consultants recommended to seek clarifications from the bidder vide letter No.JV-N70/140806-01/ISB dated August 6, 2014 to NHA. NHA further asked the bidder to clarify the ratio of overhead and profit and increase in the cost of major items vide their letter No.2(331)/GM(P&CA)/NHA/14/704 dated August 25, 2014. The following clarifications were sought from bidder:

- (i) The overhead and profit ratio of 47.06%
- (ii) Change in BOQ Item "SP-14b" and "SP-14c".



(iii) BOQ Items and Description mentioned hereunder:

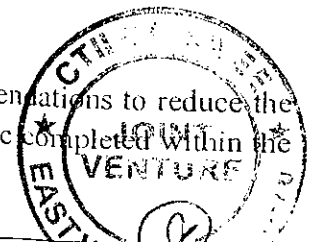
108a	Formation of Embankment from Roadway Excavation in Common Material
401a1(ii)	Concrete Class A1 on Ground
401a3(ii)	Concrete Class A3 on Ground
401a3(iii)	Concrete Class A3 Elevated
404b	Reinforcement as per AASHTO M 31 Grade 60
405a	Concrete Member including Grouting (Class D2) on Ground
SP-414g	Formation of Embankment with Specified Material of MSE
SP-415h	Excavation for C.I.P Concrete Pile (φ2000-700)
SP-415n	Concrete Class A3 for C.I.P Concrete Pile
701a	Provision of Survey Team and Instruments
702a	Provide field office and residence facilities for the Engineer
702b	Furnish & Equip field office and residence facilities
702c	Maintain Engineer's field office and residence
702g	Furnish Supplies and Consumable Stores for Engineer's Field Office and Residence Building
702j	Operate and Maintain Service Vehicles for the Engineer (Drivers, Fuel, Lubricants, Repair, Insurance, etc)
703b(i)	Equip and furnish new equipment for project laboratory
703c(i)	Maintain and operate material testing laboratory
705a	Construction of Detour or Diversion Road
706	Control and Protection of Traffic
801a	Structural Steel Girders, Box Type, Furnished, Fabricated and Delivered
802a	Girder and Cross Beam of PFSW Furnished, Fabricated and Delivered
802b	Steel Pile Dia.508mm Fabricated, Delivered and Placing

The bidder provided the clarifications vide their letter No.TC/NHA/N-70/039 dated August 26, 2014 on the above matters and items. The Consultants has analyzed the replies furnished by bidder M/s. Taisei Corporation Japan and consider them appropriate and acceptable. The copy of letter and correspondence mentioned above is attached at Annex-F for ready reference.

2.6 Conclusion on the Evaluation of Financial Bid

The Consultants conclude that the bid price quoted by bidder M/s. Taisei Corporation Japan is appropriate and without any errors and omissions. The bid is on a higher side due to the difference between the rates of Composite Schedule of Rates (CSR 2011 + 15 Premium) and Japanese contractor's rates (which do not apply CSR).

In order to proceed further, the Consultants made recommendations to reduce the cost and adjust the scope of works so that the project can be completed within the JICA loan proceedings.



3. RECOMMENDATION

3.1 Change in the Specifications

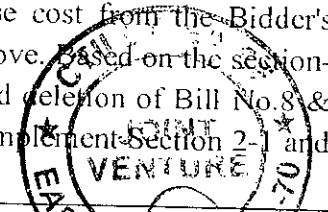
The Consultants recommend to revise the specifications in order to reduce the cost of project and bring it under the loan proceedings. The specifications of following items can be revised and the financial impact of the revision is also mentioned:

Table 3.1

S. No.	BOQ Item/ Description/ Specifications	Financial Impact (PKR)
1.	Defect Liability Period reduced from Three Years to One Year	27,500,000
2.	Bill No.7: Miscellaneous (some items removed and shifted to Provisional Sum)	350,000,000
3.	Bill No. 9: Electrical Works	18,800,000
4.	Bill No.10: Operation and Maintenance Center to be removed from BOQ Item	162,000,000
5.	Bill No.7: Shifting of Consultants Office to Site at Rakhi Gajj – Bewata Section	Included in Serial No.2 above.
6.	Ratio of Overhead and Profit from 47.06% to 35% approx.	Bidder not agreed.
7.	Item 414g : Change in Specifications from AASHTO to Japanese Standards	0.00
8.	Item 406c (i), (ii): Change to local material for Finger Type Steel Expansion Joints	40,500,000
9.	Item 507a: Steel Wire Mesh for Gabions change to local material	55,400,000
10.	Item 706: Control and Protection of Traffic (requires further method statement and clarification regarding higher cost)	0.00
TOTAL REDUCTION IN COST (APPROX)		654,200,000

3.2 Revision of Scope of Works

The above mentioned changes/revision in the scope of work does reduce the cost, but the cost would still be higher than the loan amount. To further reduce the bid amount, the Consultants have worked out Section-wise cost from the Bidder's Proposal and revised the specifications as mentioned above. Based on the section-wise cost and optimized specifications for Bill No.7 and deletion of Bill No.8 & Bill No.9 from the bid, the Consultants recommend to implement Section 2-1 and



Section 2-2 from this loan proceedings. The Sales Tax (GST) may also be excluded from the price bid and paid through NHA funds. The details are as follows:

	(PKR)	
(1) Bidder Proposal Section-1:	6,575,191,061.62	
(2) Bidder Proposal Section 2-1:	9,769,177,248.82	
(3) Bidder Proposal Section 2-2:	4,052,928,182.96	
(4) Total: (1+2+3):	20,397,296,493.40	
(5) Total of Section 2-1 + 2-2:	13,822,105,431.78	< [Civil Works + Conting.. 13,087 + 785 13.872 Million JPY]
(6) Sales Tax:	594,191,094.65	

Please see Annex-G for details of calculations and reduction in the bid price.

Based on the above recommendation it can be clearly observed the only Section 2-1 & 2-2 are within the loan proceedings based on the Bidder's Price. NHA is requested to take JICA approval for negotiation with the bidder for the revised scope of works and specifications and ask for the final bid price.

Based on the results of negotiation between NHA and Bidder, the financial bid evaluation may be finalized and proceedings for award of Contract may be started.



Summary of Specified Provisional Sums			
Title Line	Amount	Extended Amount	Additional of word "Extended"

- (vii) The Exchange Rate used by the bidder was same as per the original bidding procedure i.e. 28 days prior to the deadline for submission of original bids i.e. May 29, 2014. The exchange rate is: 1 Japanese Yen = 0.9657 Pakistan Ruppee.
- (ix) **Increase in Foreign Currency Requirements by Bidder:** The bidder indicated the foreign currency requirements in Japanese Yen as 45.3% of proposed price excluding provisional sums. While in the original bidding process the requirements were 42.1% which is increased due to revised scope of works and increase in the Japanese portion of works. The increase in the percentage for certain items mentioned above is due to following reasons which are adequately justified:
- Salaries and Wages (including social benefits) of Non-Pakistani Personnel (from 2.7% to 3.5%): Since required number of engineer and construction period is not changed, ratio of their salaries and wages in the total cost can relatively increase.
 - Profits, Overhead Costs outside Pakistan & Other General Expense (from 12.7% to 13.8%): Increased ratio is quite small and it can be negligible. Also, please note that the OH&P are not based on any percentage to the direct cost but is actual cost separately calculated.
 - Mechanically Stabilized Earth Retaining Wall Geo-grid Material, FCB material, Equipment etc. (from 2.9% to 5.0%): It is remarked that the specification of MSE wall had been changed from AASHTO to Japanese Standard. Although increased ratio is quite small, ratio of foreign currency in total cost seems increased since the total cost was reduced.
 - Cast In Place Concrete Pile (from 1.4% to 1.7%): Only small ratio of foreign currency in total cost has relatively increased due to reduction of total cost.
 - Slope Protection (from 1.5% to 2.4%): Since the quantity of slope protection which is required Japanese procurement i.e Ground Anchor Work has not changed, the price in foreign currency is same as original bid. Reason of increase in ratio of foreign currency is due to reduced total cost only.

7. Clarifications from the Bidder

The bidder was requested to clarify about above discrepancies and bidder in response to NHA's letter, agreed to change the above discrepancies and provided details and justifications for Foreign Currency Requirements. The correspondence in this regard is below:

- (i) NHA's Letter No.2(331)/GM(P&CA)/NHA/2016/219 dated Feb 9, 2016
- (ii) Taisei Letter No.TC/NHA/N-70/0062 dated Feb 9, 2016
- (iii) NHA's Letter No.2(331)/GM(P&CA)/NHA/2016/235 dated Feb 11, 2016
- (iv) Taisei Letter No.TC/NHA/N-70/0063 dated Feb 9, 2016

B
15/12/16

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SW

- b. NHA's Executive Board considered the re-costing of PC-I and negotiated bidding rates in its 252nd meeting held on 19th August 2015. The CDWP recommended the PC-I on December 2, 2015 and ECNEC approved the project on December 19, 2015 at the re-revised updated cost of Rs.22,994. Million.

5. **Revision and Preparation of Negotiated Contract Documents:**

- a. The Draft Negotiated Contract Documents were prepared by the Consultants and submitted to NHA for review and finalization on September 1, 2015. After detailed discussions with NHA, the Negotiated Contract Documents was revised by Consultants on November 26, 2015 and resubmitted to NHA.
- b. The Contract Negotiated Documents were issued to M/s. Taisei Corp. for submission of Revised Technical and Financial Proposal on January 13, 2016. The documents were simultaneously submitted to JICA for concurrence. JICA Concurrence was received on January 22, 2016.

6. **Opening of Proposals and Evaluation**

- a. The Technical and Financial proposals were opened on February 1, 2016. The opened proposals were handed-over to Consultants for evaluation and preparation of report.
- b. The detailed technical and price evaluation was carried out by the Consultants and following outcome was reported in the evaluation report.
- (i) The Consultants have considered particularly the following points to evaluate compliance with qualification criteria for minimum personnel requirement:
- Experience of candidate in the relevant field for all the positions.
 - Experience in 'road and bridge works' to confirm the similar experience
 - Experience on 'specified positions'
 - Qualification should be Professional Engineer (PE) or equivalent certification i.e. First Class Construction Engineer
- (ii) The candidates for Project Manager, Planning Engineer, Foundation Engineer, Concrete Bridge Engineer and Material & Quality Control Engineer PASS their requirement.
- (iii) The candidate nominated by the bidder for Steel Bridge Engineer partially fails due to lack of required total experience. However, overall evaluations in "PASS" are based on 10 year-experience in similar road and/ or bridge works and 7.5 year experience in specified position which are meeting their requirements.
- (iv) The Road/ Earthwork Engineer have been nominated as Pavement Engineer which is one (1) year short of total experience, however sufficient with 10-year experience in similar road and bridge works and more than 13-year experience in specified position, which can be deemed as substantially meeting the requirements.
- (v) The Accident Prevention Officer doesn't meet the required qualification of PE/ ICCE. However 36 years' experience may be considerably evaluated as equivalent qualification as accepted at the time of original bid.
- (vi) Minor discrepancy has been observed in the number of the Common Equipment, which can be considered as meeting the requirement. The

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Bid Evaluation Review

WIDENING & STRENGTHENING OF NATIONAL HIGHWAY (N-70)
RAKHI GAJJ – BEWATA SECTION OF EAST WEST ROAD IMPROVEMENT
PROJECT: PACKAGE-1 (Sta 7+600 to Sta 19+500)

Reference: Revised Technical and Financial Evaluation Report of captioned project submitted by M/S CTII-OC-EA Joint Venture vide letter No. JV-N-70/160211-01/ISB, dated 11th Feb, 2016.

1. **Background of Current Procurement:**

March-6-2014 : Advertisement on SSTE System for Package-I (19.5 KM.)
May-29-2014 : Technical Bid Opened
(Only One Bidder M/s Taisei submitted the bid)
July-22-2014 : Financial Bid Opened
Amount of Bid : Rs. 21,535,909,222/-
E/E (CSR-2011+15%): Rs. 12,064 Million
Variation from E/E : 78.53% above EE

2. **Proceedings of 240th NHA Executive Board Meeting dated 12th November 2014:**

a. The project status along with bid evaluation report was presented in NHA 240th Executive Board Meeting on November 12, 2014. The decision of Executive Board was solicited on following options:

(i) Price Negotiation with lowest evaluated bidder

OR

(ii) Rebidding

b. NHA Executive Board approved the option of price negotiation with bidder for the purpose of avoiding the time required for re-bidding in consultation with JICA.

c. JICA concurred to take-up negotiations with M/s Taisei on December 10, 2014.

3. **Commencement of Negotiations:**

a. Negotiations process started in December-2014. Following sequence of negotiation was adopted.

Step – 1: Negotiation to Rationalize “Direct Construction Cost”

Step – 2: Revisit of Design Parameters to Reduce the Cost

Step – 3: Discussion Tax Exemption for withholding tax, GST and Income Tax Also, the bidder will be asked to review/ rationalize the Overheads and Profits.

b. In order to bridge the gap between loan amount and bidder's financial proposal, following alternatives of scope changes were proposed by Consultants.

2

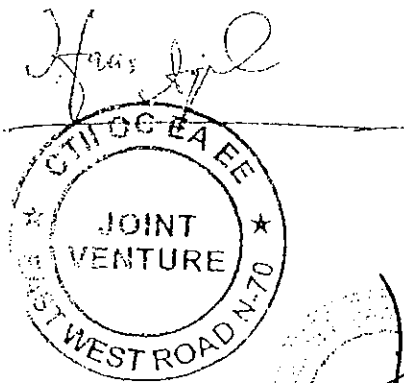
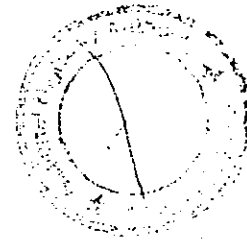
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SECTION III

EVALUATION AND
QUALIFICATION CRITERIA



2.5 Personnel

The bidder must demonstrate that it has the personnel for the key positions that meet the following minimum requirements and also shall be available at the site:

	Position	No. of Positions	Total Experience (Years)	In Similar Road and/or bridge works (Years)	In specified Position (Years)	Minimum* Qualification
1	Project Manager	1	20	15	5	PE or ICCE
2	Planning Engineer	1	20	15	5	PE or ICCE
3	Foundation Engineer	1	15	10	5	PE or ICCE
4	Concrete Bridge Engineer	1	15	10	5	PE or ICCE
5	Steel Bridge Engineer	1	15	10	5	PE or ICCE
6	Road/ Earthwork Engineer	1	15	10	5	PE or ICCE
7	Material & Quality Control Engineer	1	15	10	5	PE or ICCE
8	Pavement Engineer	1	15	10	5	PE or ICCE
9	Accident Prevention Officer	1	10	8	5	PE or ICCE

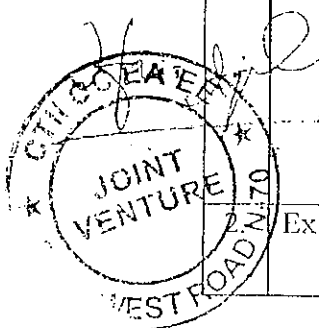
*PE-Professional Engineer; ICCE-1st Class Const. Engineer.

The Bidder shall provide details of the proposed personnel and their experience record in the relevant information forms included in the Sector IV, Proposal Forms.

2.6 Equipment

The bidder must demonstrate that it has the minimum key equipment listed hereafter and also shall be available at the site:

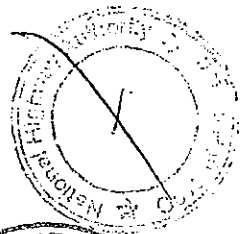
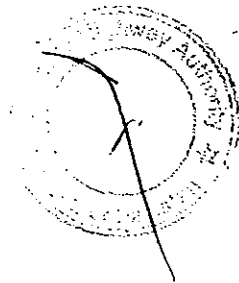
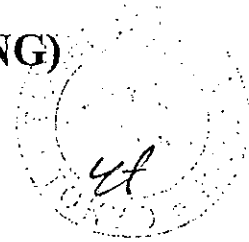
Major Works	Name of Equipment/Facility	Type/Size/Capacity	Required Number
1. Common Equipment	Concrete Batch Plant	30m ³ /hour	1
	Transit Mixer	3 - 6 m ³	10
	Concrete Pumps	90-110m ³ /h	3
	Dump Truck	10 ton	10
	Bull-dozer	100kw - 200kw	15
	Truck Crane	4.9t	3
Excavation	Excavator	Bucket Size 0.45m ³ - 1.4m ³	10



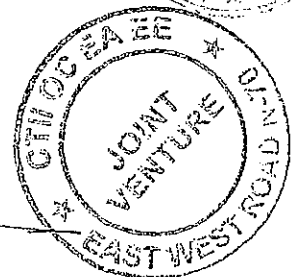
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SECTION III
EVALUATION AND
QUALIFICATION CRITERIA
(TWO ENVELOPE BIDDING)



Francis Ajil



1. EVALUATION

In addition to the criteria listed in ITB 35.2 (a) - (e) the following criteria shall apply:

1.1 Assessment of adequacy of Technical Proposal with Requirements

Evaluation of the Bidder's Technical Proposal will include an assessment of the Bidder's technical capacity to mobilize key equipment and personnel for the contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail and fully in accordance with the requirements stipulated in Section VI. Works Requirements.

1.2 Multiple Contracts, if permitted under ITB 35.4, will be evaluated as follows:

Not Applicable

1.3 Alternative Completion Times, if permitted under ITB 13.2, will be evaluated as follows:

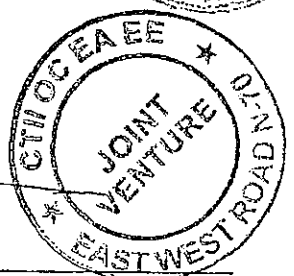
Not Applicable

1.4 Technical alternatives, if permitted under ITB 13.4, will be evaluated as follows:

Not Applicable



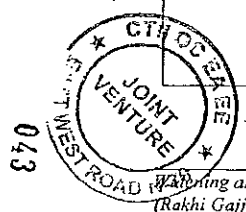
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Factor	2.2 HISTORICAL CONTRACT NON-PERFORMANCE						
	Sub-Factor	Requirement	Criteria				Documentation Required
			Single Entity	Bidder			
				Joint Venture or Association			
All partners combined	Each partner	At least one partner					
2.2.1 History of non-performing contracts	Non-performance of a contract did not occur within the last five (05) years prior to the deadline for application submission, based on all information on fully settled disputes or litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract, and where all appeal instances available to the bidder have been exhausted.	Must meet requirement by itself or as partner to past or existing JVA	N / A	Must meet requirement by itself or as partner to past or existing JVA	N / A	Form CON	
2.2.2 Pending Litigation	All pending litigation shall in total not represent more than sixty percent (60%) of the Bidder's net worth and shall be treated as resolved against the Bidder.	Must meet requirement by itself or as partner to past or existing JVA	N / A	Must meet requirement by itself or as partner to past or existing JVA	N / A	Form CON	



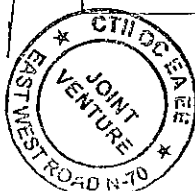
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Factor		2.3 FINANCIAL SITUATION				Documentation Required
Sub-Factor	Requirement	Criteria				
		Single Entity	Bidder			
			Joint Venture or Association			
		All partners combined	Each partner	At least one partner		
2.3.3 Financial Resources	The Bidder must demonstrate that it has access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet the construction cash flow for period of four (04) months during contract period, estimated as USD 18 million equivalent, net of the applicant's commitment for other contracts. & The overall cash flow requirements for this contract and its current commitments	Must meet requirement	Must meet requirement	Must meet percent (25%) of the requirement	Must meet percent (40%) of the requirement	Form FIN -3

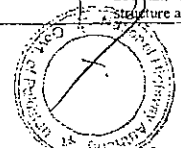
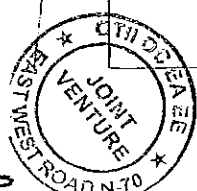


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Factor	2.4 EXPERIENCE					Documentation Required
	Sub-Factor	Requirement	Bidder			
			Single Entity	Joint Venture or Association		
			All partners combined	Each partner	At least one partner	
2.4.2 (b) Specific Construction Experience	(b) For the above or other contracts executed during the period stipulated in 2.4.2 (b) above, a minimum construction experience, as prime contractor, subcontractor or partner in a Joint Venture, in the following key activities: (1) Construction of road with common earthwork volume of 18,000 m ³ /month or more. (2) Construction of road with rock excavation by using explosives along existing road. (3) Construction of asphalt pavement road with total volume of 1,600m ³ /month or more. (4) Construction of reinforced earth wall with height of 10m or more. (5) Production of pre-cast pre-stressed concrete I-girders with a span length of 25m or more and 50 girders in number or more at one producing yard, and erecting them at site. (6) Construction of cast-in-situ pre-stressed concrete box girder bridge with span of length 30m or more. (7) Construction of pile foundation by "Down-the-hole Hammer Drilling" with a diameter of 0.50m or more and a length of 10m or more. (8) Fabrication and erection of steel box girder bridge with a span length of 20m or more, and 200 ton or more in steel weight of super structure at one fabrication yard.	Must meet requirements	Must meet requirements	N / A	Must meet requirements for individual activity	Form EXP -2(b) along with letter of acceptance, completion certificates/Taking Over Certificates and other documents establishing the similarity of claimed project with candidate project



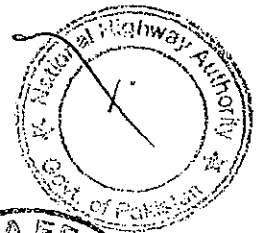
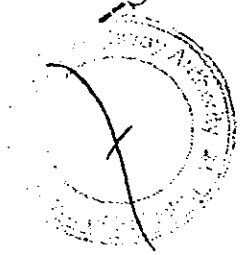
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Widening and Strengthening of National Highway (Rakhi Gajj - Bewria Section of N-70)

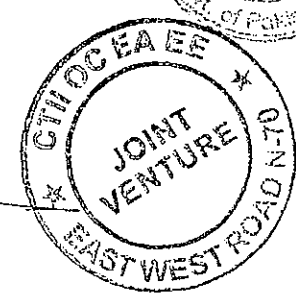
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Major Works	Name of Equipment/Facility	Type/Size/Capacity	Required Number
		0.45m ³ - 1.4m ³	
	Hydraulic Giant Breaker	1300kg class	3
	Ripper Type Bull-dozer	230kw	3
3. Pavement	Asphalt Concrete Plant	100 ton/hr	1
	Motor Grader	Blade 3.1m	3
	Tire Roller	8-20 ton	3
	Vibration Roller	10-12 ton	10
	Asphalt Distributor	2000 - 3000 ltr	3
	Asphalt Finisher	2.4 - 4.5 m	3
4. Slope Stabilization Work	Shotcrete Devices		2
	Rotary Percussion Type Crawler Drill	Double Tube 95mm-135mm	4
5. Girder Erection	Crawler Crane	160 ton class	2
	Crawler Crane	100 ton class	3
6. Pre-fabricated Steel Widening	Downthehole Hammer	508mm-762mm	3

The Bidder shall provide further details of proposed items of equipment using the relevant form in Section IV, Bidding Forms.



Hafiz Ajil

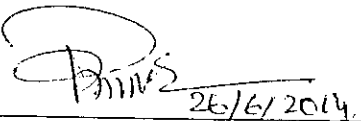


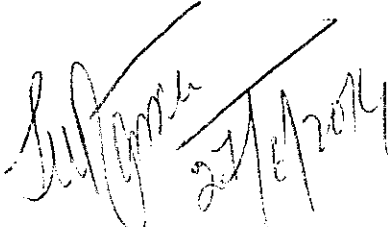
**QUALIFICATION AND
EVALUATION CRITERIA**

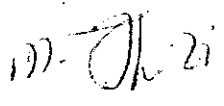
5. CONCLUSION AND RECOMMENDATION

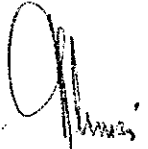
Based on the review of the documentation provided by M/s. Taisei in the technical bid and the subsequent reply to clarifications requested by Employer vide correspondence mentioned in Para 4. The clarifications submitted by the bidder were examined by the Consultants. We found that the reply to clarifications are quite satisfactory and are in order and therefore M/s. Taisei Corporation, Japan technically qualifies without any precondition and is therefore considered as **PASS** for the project i.e. Widening and Strengthening of National Highway N-70 (Rakhi Gajj – Bewata Section) of East West Road Improvement Project, Package-1 (Sta 0+000 to Sta 19+500).

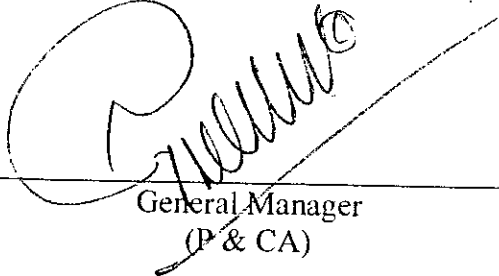
In accordance with ITB 25.7 of the bidding documents for subject project, the financial bids may be opened at the date and time convenient to National Highway Authority and the bidder.



26/6/2014
Director (P & CA)
Secretary

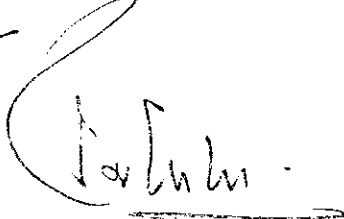

27/6/2014
Director
(Accounts-AP)

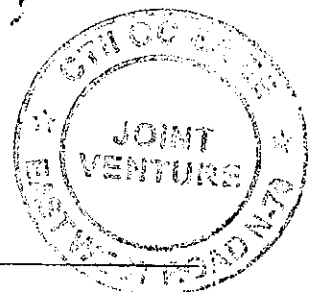

Director
(Planning)


Director (Const.)
ADB


General Manager
(P & CA)


Member Planning


Member Finance



6. Determination of Substantial Responsiveness

3.1 Substantial Responsiveness to Commercial Terms and Conditions

3.1.1 Validity of the Proposal

One hundred twenty (120) days of the validity period satisfied with the requirement was confirmed in the Proposal. The Letter of Technical Proposal with Contents list is attached at Annex-C.

3.1.2 Time for Completion

The Proposal has complied with the time for completion which was specified as 36 months in the Original Bidding Documents.

3.1.3 Conditionality

No conditional proposal has been specified in the Proposal submitted by the bidder.

3.1.4 Price Adjustment Formulae

The Proposal submitted by the bidder has been complied with the Schedule of Adjustment Data specified in the Contract Negotiation Document.

3.2 Substantial Responsiveness to Technical Requirements

3.2.1 Scope of Work

All scope of works has been covered in the Proposal submitted by the Bidder in accordance with Bill of Quantity and Work Requirement stipulated in the Contract Negotiation Document.

3.2.2 Quotation for Items in Bill of Quantity

No failure to quote for items in Bill of Quantity has been observed.

3.2.3 Technical Requirements

No failure to meet major technical requirements (e.g., offering completely different types of equipment or materials from the types specified, plant capacity well below the minimum specified, equipment not able to perform the basic functions for which it is intended, etc) has been observed.

(1) Personnel

The Consultants have considered particularly the following points to evaluate compliance with these criteria:

- Experience of candidate in the relevant field for all the positions.
- Experience in 'road and bridge works' to confirm the similar experience
- Experience on 'specified positions'
- Qualification should be Professional Engineer (PE) or equivalent certification i.e. First Class Construction Engineer



2. PRELIMINARY EXAMINATION OF PROPOSAL

2.1 Proposal Documents

The purpose of Preliminary Examination is to confirm whether the bids received were complete as required by the Proposal Documents before conducting further detailed evaluation. It may be noted that qualification criteria for Personnel and Equipment only was modified in the Negotiated Contract Documents as per revised scope of works for 11.6 KMs. The submission of following documents comprising the Technical and Financial Proposal was examined and confirmed. The signed check-list is attached at Annex-B.

No.	Item of Documents to be submitted	Submission
(1)	Letter of Technical Proposal	Submitted
(2)	Site Organization	Submitted
(3)	Method Statement	Submitted
(4)	Mobilization Schedule	Submitted
(5)	Construction Schedule	Submitted
(6)	Safety Plan	Submitted
(7)	FORM PER-1: Proposed Personnel	Submitted
(8)	FORM PER-2: Resume of Proposal Personnel	Submitted
(9)	FORM EOQ: Equipment	Submitted
(10)	Letter of Price Proposal	Submitted
(11)	Schedule of Foreign Currency Requirement	Submitted
(12)	Schedule of Adjustment Data Table-A Local Currency	Submitted
(13)	Bill of Quantities	Submitted
(14)	Unit Price Analysis Form	Submitted

2.2 Verification

2.2.1 Authorized Sign

It was confirmed that all of proposal document has been properly signed by the representative who has been authorized by the Power of Attorney submitted at the time of original bidding.

2.2.2 Qualification Information

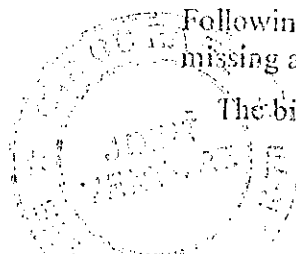
The documents required to assess the post qualification of a bidder with respect to its technical capability to undertake the contract, have been provided.

No.	Item of Documents to be submitted	Submission
(1)	FORM PER-1: Proposed Personnel	Submitted
(2)	FORM PER-2: Resume of Proposal Personnel	Submitted
(3)	FORM EOQ: Equipment	Submitted

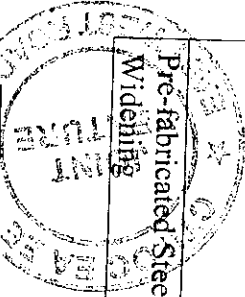
2.3 Completeness of the Proposal

Followings were examined to confirm the completeness of the Proposal and no lack, missing and contradiction were observed.

The bidder has estimated all required items in the Price Proposal.

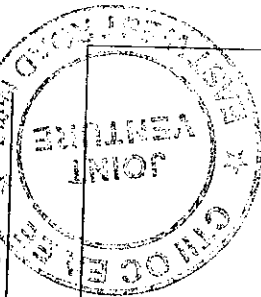


Factor	Qualification and Evaluation Criteria	M/s. Taisei Corporation	Relevant Form in Section-IV of Bidding Documents	Comments/ Explanations
Pavement	Asphalt Concrete Plant (100 ton/hr)	Fail	-ditto-	Minimum capacity is 60ton/hr against minimum required 100ton/hr
	Motor Grader (Blade 3.1m)	Pass	-ditto-	
	Tire Roller (8-20 ton)	Fail	-ditto-	Provided 02 Nos. against minimum specified of 03 Nos.
	Vibration Roller (10-12 ton)	Pass	-ditto-	
	Asphalt Distributor (2000 – 3000 ltr)	Fail	-ditto-	The capacity provided is 9 tons against required 10-12 tons. This can be considered since quantity is fulfilled
	Asphalt Finisher (2.4 – 4. m)	Fail	-ditto-	Provided 02 Nos. against minimum specified of 03 Nos.
Slope Stabilization Work	Shotcrete Devices	Pass	-ditto-	Provided 02 Nos. against minimum specified of 03 Nos.
	Rotary Percussion Type Crawler Drill (Double Tube 95mm – 135mm)	Fail	-ditto-	Provided 03 Nos. against minimum specified of 04 Nos.
	Crawler Crane (160 ton class)	Fail	-ditto-	Provided 01 Nos. against minimum specified of 02 Nos.
Ginder Erection	Crawler Crane (100 ton class)	Pass	-ditto-	The capacity specified is 90 tons against required 100 tons and provided 06 Nos. against required 03 Nos. Hence we have slightly overlooked the capacity criteria of 100 tons, therefore for this equipment the bidder stands passed.
	Downthehole Hammer (508mm – 762mm)	Pass	-ditto-	
Pre-fabricated Steel Widening				



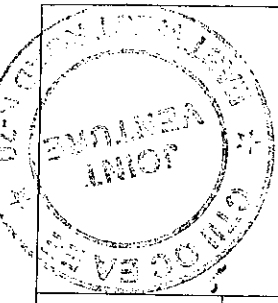
*Widening and Strengthening of National Highway
(Rakhi Gajj – Bewata Section of N-70)*

Factor	Qualification and Evaluation Criteria	M/s. Taisei Corporation	Relevant Form in Section-IV of Bidding Documents	Comments/ Explanations	
2.6 Equipment	7. Pavement Engineer (Mr. Takuro DATE)	Pass	-ditto-	The same person against Road/ Earthwork Engineer has been designated as Pavement Engineer. In terms of his expertise, it will be deemed as acceptable.	
	8. Accident Prevention Officer (Mr. Syed Mukhtar Aslam)	Fail	-ditto-	Doesn't meet the required qualification of PE/ ICCE. However 36 years' experience may be considerably evaluated as equivalent qualification.	
	2.6 Equipment				
	1. Common Equipment	Concrete Batch Plant (30m ³ /hr)	Pass	Form EQU	Meet requirements
		Transit Mixer (3 - 6 m ³)	Pass	-ditto-	
		Concrete Pumps (90-110m ³ /hr)	Fail	-ditto-	Provided 2 Nos. against required 3 Nos. Also, the capacity is 55 m ³ /hr against minimum of 90-110 m ³ /hr.
		Dump Truck (10 ton)	Pass	-ditto-	
		Bull-Dozer (100kw - 200kw)	Fail	-ditto-	Provided 07 Nos. against minimum specified of 30 Nos.
Truck Crane (4.9 ton)		Fail	-ditto-	Provided 02 Nos. against minimum specified of 05 Nos.	
Excavator (0.45m ³ - 1.4 m ³)		Pass	-ditto-		
Excavation	Hydraulic Giant Breaker (1300 kg class)	Pass	-ditto-		
	Ripper Type Bull-dozer (230kw)	Fail	-ditto-	Provided 02 Nos. against minimum specified of 03 Nos. Also, the rating specified is 200kw against required 230kw.	



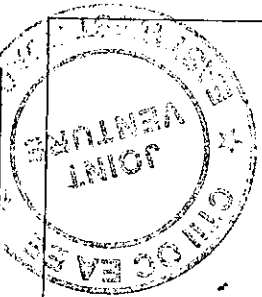
Strengthening and Srengthening of National Highway
(Rakhi Gaj - Bewara Section of N-70)

Factor	Qualification and Evaluation Criteria	M/s. Taisei Corporation	Relevant Form in Section-IV of Bidding Documents	Comments/ Explanations
2.5 Personnel	1. Project Manager (Mr. Katsumi TAMURA)	Pass	Form PER-1 Form PER-2 (Resume of Proposed Personnel)	
	1. Planning Engineer (Mr. Masaru HIRANO)	Fail	-ditto-	17 years' experience in planning is sufficient with the requirement although total experience is short of just three (3) years. Other qualification is sufficient.
	2. Foundation Engineer (Mr. Tetsuya TANAKA)	Pass	-ditto-	
	3. Concrete Bridge Engineer (Mr. Hiromasa TSURUHASHI)	Fail	-ditto-	Expertise in concrete bridge construction is sufficient with requirement of 10 years although 13 years of total experience is fail to the requirement.
	4. Steel Bridge Engineer (Mr. Toru KAKIMOTO)	Fail	-ditto-	Expertise in steel bridge construction can be deemed as sufficient although 11 years of total experience is fail to the requirement but sufficient with 10-year experience in similar works. Qualification is satisfied with requirement.
	5. Road/ Earthwork Engineer (Mr. Takuro DATE)	Fail	-ditto-	13 years' experience in road/earthwork engineering is short of just two (2) years but sufficient with 10-year experience in similar works. Other qualification and expertise are sufficient.
	6. Material and Quality Control Engineer (Mr. Shigeharu SWADA)	Fail	-ditto-	13 years' experience is short of just one (1) years from the requirement but sufficient with 10-year experience in similar works. Other qualification and expertise are sufficient.



Widening and Strengthening of National Highway
(Rakhi Gajj - Bewara Section of N-70)

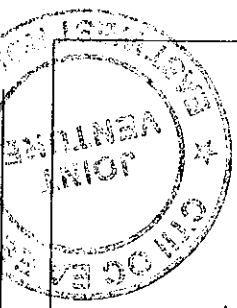
Factor	Qualification and Evaluation Criteria	M/s. Taisei Corporation	Relevant Form in Section-IV of Bidding Documents	Comments/ Explanations
	2.3.2 Average Annual Construction Turnover	Pass	Form FIN-2	
	2.3.3. Financial Resources	Pass	Form FIN-3 Attachments: a. Letter of Credit from Mizuho Corporate Bank b. Taisei 'Cash and time deposits' under Current Assets (Form FIN-1)	
2.4 Experience	2.4.1 General Construction Experience	Pass	Form EXP-1	
	2.4.2 (a) Specific Construction Experience	Pass	Form EXP-2(a) Attachments (05 Projects): a. Letter of Acceptance b. Completion Certificate of Project c. Summary of BOQ/ Scope of Works	
	2.4.2 (b) Specific Construction Experience in Key Activities	Pass	Form EXP-2(b) Summary of Specific Construction Experience in Key Activities (Table) with Attachments: a. Letter of Acceptance b. Completion Certificate of Project c. Summary of BOQ/ Scope of Works	The bidder has demonstrated to have experience in Eight (08) different key activities of works as specified in Section-III, however, these (08) categories of works cannot be considered in one single project but has shown evidence of the capacity in difference project.



Widening and Strengthening of National Highway
(Rakhi Gajj – Bewara Section of N-70)

4.1 Summary of Bid Evaluation

Factor	Qualification and Evaluation Criteria	M/s. Taisei Corporation	Relevant Form in Section-IV of Bidding Documents	Comments/ Explanations
1. EVALUATION				
1.1 Adequacy of Technical Proposal		Pass		
2. QUALIFICATION				
2.1 Eligibility	2.1.1 Nationality	Pass	Form ELL-1	
	2.1.2 Conflict of Interest	Pass	Attachments: a. Articles of Association/ b. Transcript of Commercial Registry/ c. Certificate of License Granted	
	2.1.3 JICA Ineligibility	Pass	Form ELL-2 (Not applicable)	
2.2 Historical Contract Non-Performance	2.2.1 History of non-performing contracts	Pass	Letter of Technical Bid -ditto-	
	2.2.2 Pending Litigation	Pass	Form CON	
2.3 Financial Situation	2.3.1 Historical Financial Performance	Pass	Form FIN-1 Attachments (05 years data): a. Independent Auditor's Report b. Non-consolidated Balance Sheets c. Non-consolidated Income Statement d. Non-consolidated Statement of Changes in Net Assets	



Strengthening and Widening of National Highway
(Rakhi Gali) – Bewara Section of N-70

3.2.6 Road Construction

Requirement	Evaluation
<p>i) Work program for earthworks, sub-base / base course, and asphalt pavement to describe volumes; sources of materials; construction equipment; methods, and sequence by location, using illustration and itemized statement.</p> <p>ii) Banking method and time schedule of high embankment road section taking due account of embankment material. This should include estimate of rate of consolidation settlement, the use of extra fill as temporary surcharge, banking speed, etc.</p>	<p>i) Work Program for earthworks and pavement have been described.</p> <p>ii) It is proposed to spread the aggregate base course material in one layer as 170mm to prevent segregate the materials due to less thickness despite one layer maximum thickness of 150mm given in the Specs. The proposal is acceptable based on Japanese Standard but the Client shall determine to accept this proposal.</p>

3.3 (C) MOBILIZATION SCHEDULE

The bidder has indicated in the mobilization schedule of equipment with its required numbers. However, number of equipment on the schedule and equipment list is not corresponding.

3.4 (D) CONSTRUCTION SCHEDULE

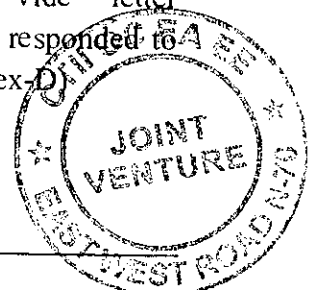
A detailed Construction Schedule in bar chart form showing all major construction activities.

3.5 (E) SAFETY PLAN

The bidder has proposed Safety Organization Structure and its roles. In addition, practical accident prevention measures for operation of heavy equipment and each worker as well.

4. SHORTCOMINGS AND REQUEST FOR CLARIFICATIONS FROM BIDDER

Based on the review of the documentation provided by M/s. Taisei in the technical Bid, it was observed that the bidder could not qualify in some areas mentioned at Sections 2.5, 2.6, 3.2 and 3.3 above. These are minor deviations and do not disqualify the bidder technically. The Employer requested the bidder to clarify about the deviations and shortcomings mentioned in the report and summary table vide letter No.2(331)/GM(P&CA)/NHA/14/521 dated June 20, 2014. The bidder has responded to the clarifications on June 24, 2014 vide letter No. TC/NHA/N-70/038. (Annex-D)



3.2.3 Concrete Bridge (CB #1 ~ #10)

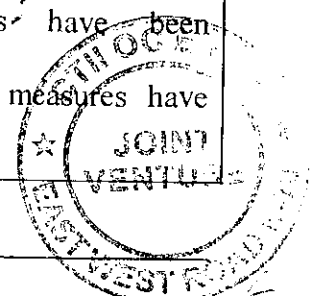
Requirement	Evaluation
i) Production yard plan to show major facilities / plants, fabrication / casting area, and material / product stock area, for PC girders and other units.	i) General concept of the production yard is mentioned without any layout of the yard.
ii) Cycle day / hour schedule of typical production and number of casting beds and forms to achieve the required production with the time frame for PC girders and other units, itemized statement.	ii) Cycle day schedule of typical production are specified.
iii) Transporting and erection method of PC girders.	iii) Pulley block and derricks system has been proposed for launching/ erection of the girders. Although this system is common in Pakistan but its application shall be carefully examined with layout plan of construction yard of each site.
iv) Special quality and safety control for this work with itemized statement.	iv) Safety control measures have been proposed.

3.2.4 Mechanical Stabilized Earth (MSE) Wall

Requirement	Evaluation
i) Production yard plan to show major facilities / plants, fabrication / casting area, and material / product stock area, for Concrete Skin Plate.	i) The yard plan has not provided. Descriptive information on the production yard is properly mentioned.
ii) Cycle day / hour schedule of typical production and number of casting beds and forms to achieve the required production with the time frame.	ii) Cycle day schedule of typical production and number of casting beds and forms have been specified.
iii) Schematic sequence of the construction work including excavation, erection of the skin plates and strips and backfilling taking due account of the site situation such as steep slope and existing traffic.	iii) Schematic sequence of the construction work has been given to the method statement.
iv) Special quality and safety control for this work, itemized statement.	iv) Safety control measures have been proposed in itemized statement.

3.2.5 Slope Stabilization Work

Requirement	Evaluation
i) Type and the number of construction equipment for the Slope Stabilization Work to meet the requirement of time frame.	i) Required information on construction equipment for the Ground Anchor, the Rock Bolt and the Shotcrete have been provided.
ii) Schematic sequence of the construction work with layout of construction equipment with brief explanation.	ii) Schematic sequences of the construction works have been properly explained.
iii) Special quality and safety control for this work, itemized statement.	iii) The safety control measures have been proposed.



3.2 (B) METHOD STATEMENT

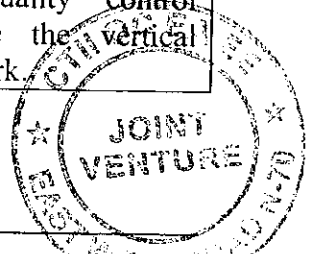
Method Statement regarding 6 work items namely 1) Steel Box Girder Bridges, 2) Pre-Fabricated Steel Widening (PFSW), 3) Concrete Bridge, 4) Mechanical Stabilized Earth (MSE) Wall, 5) Slope Stabilization Work and 6) Road Construction were proposed by the applicant. Only few minor deviations from the requirement were confirmed but it is concluded as "PASS" based on following observations.

3.2.1 Steel Box Girder Bridges (#1 ~ #8)

Requirement	Evaluation
<p>(a) Substructure Construction</p> <p>i) Work sequence of substructures from piling until completion of pier column and/or abutment by schematic illustration (elevation) together with brief explanation for each scene.</p> <p>ii) Construction layout plan considering traffic of existing road by schematic plan to show the location of piers, equipment, water diversion etc. with brief explanation.</p> <p>iii) Special quality and safety control for this work, itemized statement.</p>	<p>i) The work sequence of substructures was specified in accordance with requirement.</p> <p>ii) Construction layout plan have been specified with typical three (3) cases in terms of accessibility for heavy crane. Insufficient existing traffic control was given to the layout plan.</p> <p>iii) Safety control measures have been sufficiently given to the method statement. Quality control measure shall be provided in detail.</p>
<p>(b) Superstructure Construction</p> <p>i) Outline the box girder erection method for each bridge by illustration and itemized statement. Construction yard and required equipment for the erection shall be illustrated.</p> <p>ii) Special quality and safety control for this work, itemized statement.</p>	<p>i) The box girder erection method and necessary equipment were given to the method statement in accordance with requirement.</p> <p>ii) Quality and safety control measures were given to the method statement.</p>

3.2.2 Pre-Fabricated Steel Widening (PFSW #1 ~ #15)

Requirement	Evaluation
<p>i) Detailed structure of joint between steel pipe and I-girder shall be proposed by detailed figures with document which experimentally prove its design strength.</p> <p>ii) Outline of the PFSW's erection work starting from the piling work with "Downthehole hammer" up to erection of I girders with illustration and itemized statement.</p> <p>iii) Special quality and safety control for this work, itemized statement.</p>	<p>i) Detailed structure of the joint has been proposed with figures and its quantitative strength confirmed by experimental result.</p> <p>ii) The erection work of PFSW has been given with illustration.</p> <p>iii) Safety control measures were given with photograph. It is recommended to confirm the quality control measures to ensure the vertical accuracy of piling work.</p>



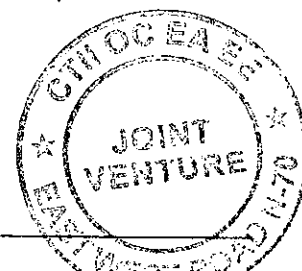
Major Works	Name of Equipment/ Facility	Type/ Size/ Capacity	Required Number	Bid Proposal
		Bull-dozer		2 nos
3. Pavement	Asphalt Concrete Plant	100 ton/hr	1	60 ton/h 1 no
	Motor Grader	Blade 3.1m	3	Blade 3.1m 3 nos
	Tire Roller	8-20 ton	3	15 ton 2 nos
	Vibration Roller	10-12 ton	10	9 ton 2 nos
	Asphalt Distributor	2000 – 3000 ltr	3	60 ton/h 1 no
	Asphalt Finisher	2.4 – 4.5 m	3	4.5m 2 nos
4. Slope Stabilization Work	Shotcrete Devices		2	3 nos
	Rotary Percussion Type Crawler Drill	Double Tube 95mm-135mm	4	135mm 3 nos
5. Girder Erection	Crawler Crane	160 ton class	2	150 ton 1 no
	Crawler Crane	100 ton class	3	60-90 ton class 6 nos
6. Pre-fabricated Steel Widening	Downthehole Hammer	508mm-762mm	3	762mm 5 nos

The Consultants evaluated the checklist of key items of equipment required to complete the major works within the frame of the project, which has been used to check the adequacy of bidder's proposal as per his assessment and understanding of the project. Although ownership of key plant items is desirable but purchase/ hire/ lease proposals are also acceptable. Only the key items of equipment/ facility, essential for a particular item of work, have been included in the provisional checklist, which has been used for evaluation. Other common items of equipment have not been included for evaluation. The capacity and proposed numbers may be at variance with those given in the checklist. Therefore, the evaluation for adequacy takes into account the capacity as well as number proposed by the bidder for a particular item. However, this may not be applicable in certain items of equipment where minimum numbers and minimum capacity as specified in the said list are mandatory. Above deviation shall be clarified by the applicants in accordance with mobilization schedule.

3. TECHNICAL EVALUATION

3.1 (A) SITE ORGANIZATION

Site organization has been properly provided.



- Experience of candidate in the relevant field for all the positions.
- Experience in 'road and bridge works' to confirm the similar experience
- Experience on 'specified positions'
- Minimum Qualification should be Professional Engineer (PE) or equivalent certification i.e. First Class Construction Engineer

Compliance to these criteria has been evaluated and presented in summary sheets at the end of this document and the Consultants' comments are as follows:

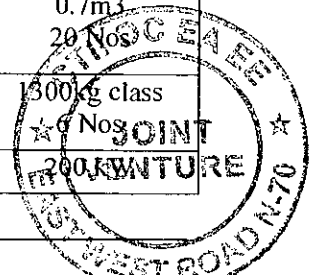
- The candidates nominated by the bidder except for Project Manager and Foundation Engineer **FAIL** due to lack of required experience.
- The Road/ Earthwork Engineer have been nominated as Pavement Engineer which is insufficient with total experience of 15 years as per the requirements in bidding documents. Hence declared **FAIL**.
- The Accident Prevention Office is not an expatriate and does not possess the required qualification. Also, the copy of Degree/ Certificate provided is for some other person and there is a discrepancy in the document. Hence the bidder is declared **FAIL** in this criterion.

Most of evaluations in "Fail" are based on minor deviation such as few years' shortage in total experience, which can be acceptable although these would be clarified by the applicant. The form PER-1 for proposal personnel and form PER-2 for the Resume of proposed personnel are attached at Annex-C:

2.6 Equipment

"The bidder must demonstrate that it has the key equipment listed hereafter:"

Major Works		Name of Equipment/ Facility	Type/ Size/ Capacity	Required Number	Bid Proposal
1.	Common Equipment	Concrete Batch Plant	30m ³ /hour	1	30m ³ /hour- 1 Nos
		Transit Mixer	3 – 6 m ³	10-20	6 m ³ 10 Nos
		Concrete Pumps	90-110m ³ /h	3	110m ³ /h 2 Nos
		Dump Truck	10 ton	20	10 to 20 ton 25 Nos
		Bull-dozer	100kw – 200kw	30	200 kW 7 Nos
		Truck Crane	4.9t	5	4.9t 2 Nos
2.	Excavation	Excavator	Bucket Size 0.45m ³ – 1.4m ³	20	0.7m ³ 20 Nos
		Hydraulic Giant Breaker	1300kg class	3	1300kg class 3 Nos
		Ripper Type	230kw	3	230kW 3 Nos



- The projects shall be for construction of road, highway and/or bridges.
- Completion date and/or percentage progress achieved at the time of submission.
- Project value

Compliance to this criterion has been evaluated and presented in summary sheets in the last of this document and the Consultants comments are specified to each key activity. The bidder has demonstrated to have experience in Eight (08) different key activities of works as specified in Section-III, however, these (08) categories of works cannot be considered in one single project but has shown evidence of the capacity in difference projects. The forms EXP-2(b) is attached at Annex-C.

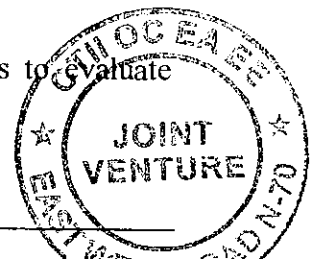
2.5 Personnel

"The bidder must demonstrate that it has the personnel for the key positions that meet the following requirements:"

	Position	No. of Positions	Total Experience (Years)	In Similar Road and/or bridge works (Years)	In specified Position (Years)	Minimum* Qualification	Consultants Remarks
1	Project Manager	1	20	15	5	PE or ICCE	PASS
2	Planning Engineer	1	20	15	5	PE or ICCE	FAIL
3	Foundation Engineer	1	15	10	5	PE or ICCE	PASS
4	Concrete Bridge Engineer	1	15	10	5	PE or ICCE	FAIL
5	Steel Bridge Engineer	1	15	10	5	PE or ICCE	FAIL
6	Road/ Earthwork Engineer	1	15	10	5	PE or ICCE	FAIL
7	Material & Quality Control Engineer	1	15	10	5	PE or ICCE	FAIL
8	Pavement Engineer	1	15	10	5	PE or ICCE	FAIL
9	Accident Prevention Officer	1	10	8	5	PE or ICCE	FAIL

*PE-Professional Engineer; ICCE-1st Class Const. Engineer.

The Consultants have considered particularly the following points to evaluate compliance with these criteria:



2.4.2 (a) Specific Construction Experience;

"Experience exclusively in the role of prime contractor, in at least two (02) contracts of minimum work of US\$ 50 million executed within the last seven (07) years, that have been successfully and substantially completed and that are similar to the proposed Works.

The similarity shall be based on the physical size, complexity, methods/technology or other characteristics as described in Section VI, Employer's Requirements."

In case of Single Entity, Must meet requirements

Such specific experience of the bidder shall include the field of construction projects as stipulated in criteria 2.4.2(b) (1) to (8) and these are reproduced in the following paragraphs.

While evaluating compliance with the 'Specific Construction Experience' criteria, the Consultants have examined whether the bidder has been Lead Partner of a JV, or a Subcontractor directly responsible for carrying out the specified types of works required by each criteria. It is mandatory for bidder to give detailed technical information relating to the submitted project(s) including (i) Letter of Acceptance, (ii) Taking Over Certificate/ Completion Certificate, (iii) BOQ and/or Scope of works and the specific points to be answered/ supplied are given in the relevant Form EXP-2(a). These detailed supplied were studied to assess the suitability of the submitted projects and also to try to understand whether the bidder has the ability to take up the works proposed in this project.

The Specific Construction Experience has been evaluated and the bidder was declared as **PASS**. The summary sheets at the end of this document cover the detailed information and the Form EXP-2(a) is attached at Annex-C.

(b) Specific Construction Experience in key activities:

"For the above or other contracts executed during the period stipulated in 2.4.2 (b) above, a minimum construction experience, as prime contractor, subcontractor or partner in a Joint Venture, in the following key activities

In case of Single Entity, Must meet requirements

The Consultants considered the following points to evaluate compliance with these criteria:



months during contract period, estimated as USD 18 million equivalent, net of the applicant's commitment for other contracts.

&

The overall cash flow requirements for this contract and its current commitments."

Bidder's liquid assets, available line of credit and other financial means declared in the technical proposal have been considered while evaluating bidder's capability to meet the construction cash flow of US\$ 18 million. It may be noted that the available line of credit shall be net of bidder's current commitments for which bidder is required to submit a relevant proof.

It is mandatory for the bidder to submit a bank reference letter from a reputable commercial bank/foreign bank that such bank certifies the financial capability of the bidder to meet their financial obligations to perform the said contract and consider to issue a specific line of credit when and if the contract is awarded to the bidder.

- M/s. TAISEI Corporation, Japan submitted a specific line of credit from Mizuho Corporate Bank, Ltd. Japan. Provided the amount is US\$ 20 Million, this has been considered as meeting the requirements of the mandatory bank certificate as described above.
- The Bank Certificates and line of credit are from foreign banks with no reference to any corresponding banks in Pakistan. This is acceptable as per criteria in bidding documents.
- M/s. TAISEI Corporation, Japan was declared **PASS** in these criteria.

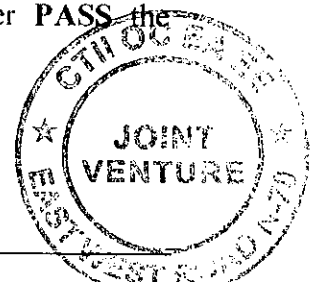
2.4 Experience

2.4.1 General Construction Experience

"Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last five (05) years prior to the applications submission deadline in each year."

In case of Single Entity, Must meet requirements.

The bidder submitted Form EXP-1 to express its General Construction Experience. Consultants evaluated the data and the bidder **PASS** the criteria. Please see Annex-C for the copy of form EXP-1.



Employer, for the last five (05) years to demonstrate the current soundness of the bidders financial position and its prospective long term profitability. As the minimum requirement, a Bidder's net worth calculated as the difference between total assets and total liabilities should be positive."

The bidder submitted financial performance as audited balance sheets for the last five years declared in Form FIN-1 (with attachments). The difference between total assets and total liabilities for M/s. Taisei Corporation is positive and hence was declared as **PASS**.

Following are the details regarding the financial performance of the bidder and Form FIN-1 is attached at Annex-C:

Table 2.3.1 – Financial Performance of Applicants:

Partner Name	Net Worth in Million USD					Remarks
	2008	2009	2010	2011	2012	
M/s. TAISEI Corporation, Japan						
Single Entity	2,416	2,738	3,092	3,160	3,205	PASS

2.3.2 Average Annual Construction Turnover

"Minimum average annual turnover of US\$ Ninety Eight (98) million, calculated as total certified payments received for contracts in progress or completed, within the last five (05) years."

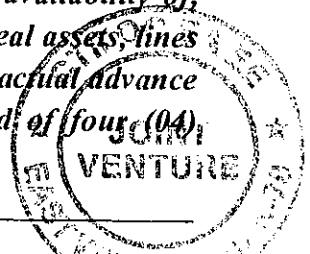
The bidder submitted the data with Form FIN-2 regarding the Average annual construction turnover which was scrutinized by the consultants and bidder **PASS** the criteria. The further details are follows (please see Annex-C for the copy of Form FIN-2):

Table 2.3.2 – Average Annual Construction Turnover:

Partner Name	Average Annual Construction Turnover	Remarks
M/s. TAISEI Corporation, Japan		
Single Entity	US\$ 11,790 Million	PASS

2.3.3 Cash Flow Requirement

"The Bidder must demonstrate that it has access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet the construction cash flow for period of four (04) years."



The Consultants observed while scrutinizing the application submission forms submitted by the bidder that there were no conflicts of interests. Hence the bidder **PASSED** these criteria.

2.1.3 JICA Ineligibility:

“Not having been declared ineligible by JICA, as described in ITB 4.5”

The bidder was not declared ineligible by JICA as described in ITB Sub-Clause 4.5 and was declared as **PASS**.

2.2 Historical Contract Non Performance

The bidder submitted Form CON to confirm the historical contract non-performance. The bidder was declared **PASS** after scrutinizing the forms. The details are given below (please see Annex-C for form):

2.2.1 History of Non-performing Contracts

“Non-performance of a contract did not occur within the last five (05) years prior to the deadline for application submission, based on all information on fully settled disputes or litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract, and where all appeal instances available to the bidder have been exhausted.”

	Name of Applicant	History of Non-Performing Contracts	Remarks
1	M/s. TAISEI Corporation, Japan	NONE	PASS

2.2.2 Pending Litigations

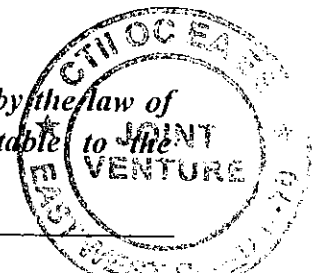
“All pending litigation shall in total not represent more than sixty percent (60%) of the Bidder’s net worth and shall be treated as resolved against the Bidder.”

	Name of Applicant	Status of Pending Litigations	Remarks
1	M/s. TAISEI Corporation, Japan	NONE	PASS

2.3 Financial Situation

2.3.1 Financial Performance

“Submission of audited balance sheets or if not required by the law of the bidder’s country, other financial statements acceptable to the



demonstrated by the bidder's responses in the evaluations forms Section IV of bidding documents.

The bidder's capability has been evaluated on the data furnished by them in various forms enclosed with the bidding document and marked as **PASS or FAIL**, as appropriate in the summary sheet.

It was confirmed during the bid opening that the bidder submitted the bid in accordance with ITB 11.1 and 11.2 and the check list was signed to confirm the following documents are submitted by bidder and are in order (see Annex-A):

- (i) ITB 11.2(a): Letter of Technical Bid
- (ii) ITB 17: Documents Establishing the Qualifications of the Bidder
- (iii) ITB 18: Bid Validity Period
- (iv) ITB 19: Bid Security Validity
- (v) ITB 20.2: Power of Attorney to a Signatory to the Bid
- (vi) ITB 20.3: Joint Operation Agreement/ Joint Venture Agreement (if applicable)
- (vii) A. Site Organization
- (viii) B. Method Statement
- (ix) C. Mobilization Schedule
- (x) D. Construction Schedule
- (xi) E. Safety Plan
- (xii) Form PER-1: Proposed Personnel
- (xiii) Form PER-2: Resume of Proposed Personnel
- (xiv) Form EQU: Equipment
- (xv) Form of Bid Security (Bank Guarantee)

2.1 Eligibility

The bidder submitted Forms ELI-1 & ELI-2 to confirm the eligibility criteria. The forms are attached at Annex-C. The detailed information for the bidder confirmed by the Consultants is as follows:

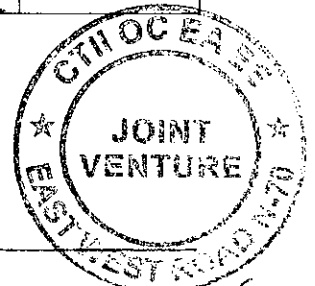
2.1.1 Nationality:

"Nationality in accordance with ITB 4.2"

Name of Applicant		Nationality	Remarks
1	M/s. TAISEI Corporation, Japan	Japanese	PASS

2.1.2 Conflict of Interest:

"No conflicts of Interest as described in ITB 4.3"



1.3 Bid Submission Deadline and Bid Opening Schedule

The bidding documents were concurred by JICA on March 6, 2014 with conditions. NHA revised the bidding documents as per the conditions and suggestions made by JICA and finalized the bid document for publishing. The Invitation for Bids were finalized and concurred by JICA on March 13, 2014. The bid call was made on May 27, 2014 in following media (copies of the advertisements and prints from website are attached at Annex-A):

- (i) National newspapers in Pakistan
- (ii) National and construction newspapers in Japan
- (iii) Website of National Highway Authority
- (iv) Website of Japan International Cooperation Agency (JICA)
- (v) Website of Overseas Construction Association of Japan, Inc. (OCAJI)
- (vi) Website of Public Procurement Regulatory Authority (PPRA) Pakistan

In response to the bid call, following contractors/ bidders purchased the bidding documents:

1. M/s. TAISEI Corporation, Japan
2. M/s. AJCL, Pakistan

The bid submission deadline was May 29, 2014 at 1100 hours in NHA Auditorium, Islamabad. The following contractors/ bidders submitted the bid until the bid submission deadline:

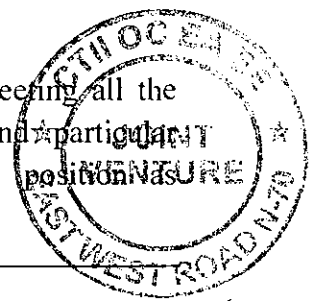
1. M/s. TAISEI Corporation, Japan

Technical Bid opening was held at May 29, 2014 at 1130 hours in the same venue in presence of bidder, consultants and NHA committee members. The Attendance Sheets, check list and minutes of meeting are attached at Annex B.

2. EVALUATION AND QUALIFICATION

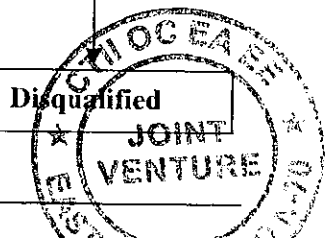
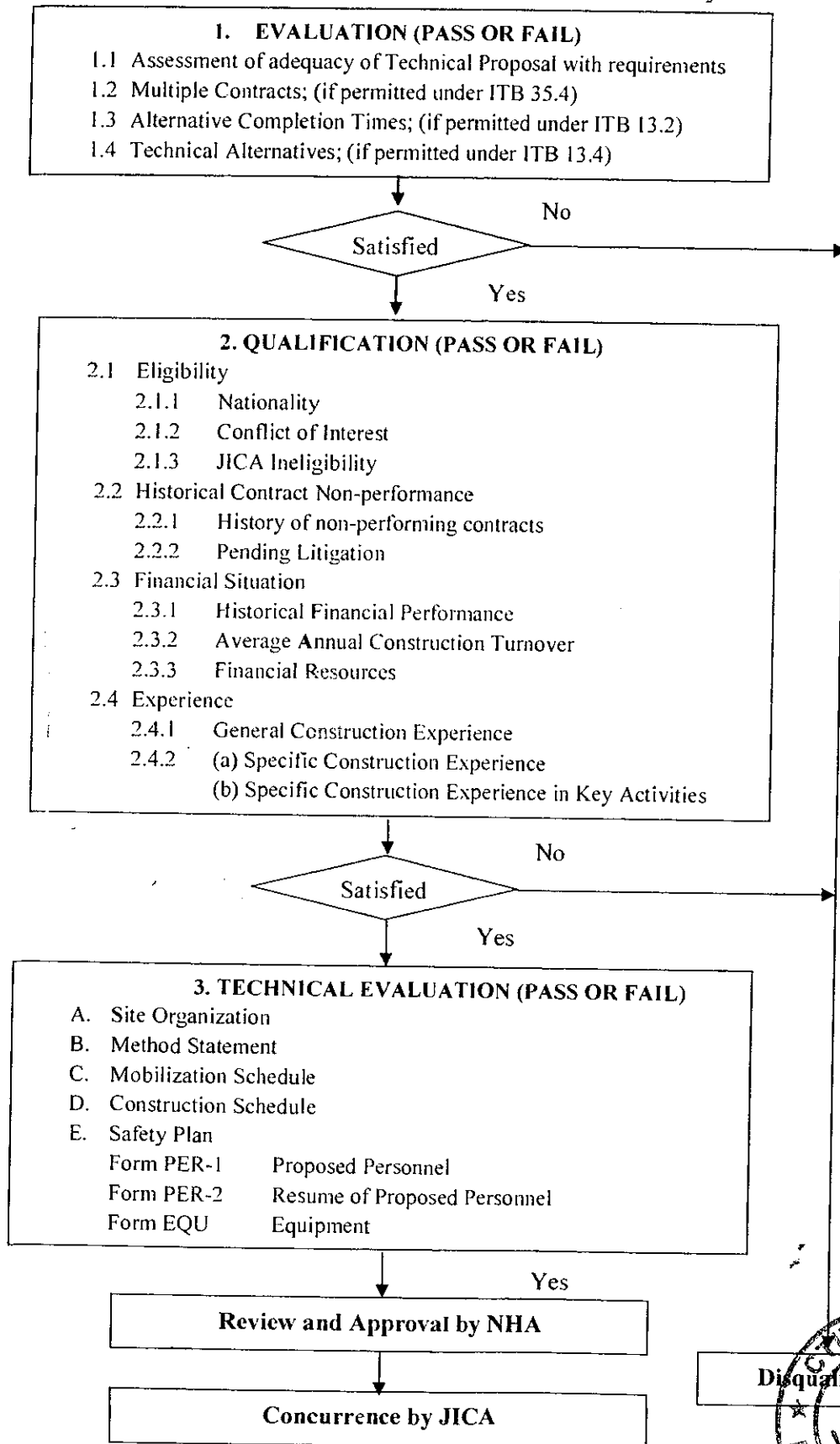
The bidding procedure was based on the JICA Special Terms Economic Partnership (STEP) Loan and only Japanese Contractors can apply for bidding as a Prime Contractor. In-case of Joint Ventures, the sub-contractor can be of any nationality.

The bidding documents states that evaluation will be based on meeting all the minimum pass/ fail criteria regarding the bidder's general and particular experience, personnel and equipment capabilities and financial position.



1.2 Technical Bid Evaluation Process

The technical bid evaluation process is carried out as shown in the following chart:



1. INTRODUCTION

1.1 Project Description

The total road network of Pakistan is about 260,000km of which about 10,800km are national highways, 101,000km are provincial roads, 94,000 km are local government roads, and 54,000 km are municipal and cantonment roads. Length of paved roads is about 65,000 km. Road transport which caters 89 percent of passenger traffic and 96 percent of freight traffic.

National Highway N 70, linking Multan in South Punjab Province and Quetta, the capital city of Baluchistan Province, is an inter-regional trunk road serving mainly as the transport route for agricultural products such as fruits and vegetables as well as coal supplied from the mining sites in Baluchistan Province to such populated and developed towns and areas as Multan, Faisalabad, and Lahore in Punjab.

The National Highway Authority (NHA) of Pakistan has exerted improvement of roads including N 70. The road section between Rakhi Gajj and Bewata Section (Package-1; Sta 0+000 to Sta19+500) , i.e. approximately 19.5 km long abrupt mountainous section of N 70, has been restricting safe and smooth traffic flow mainly due hazardous condition in terms of rocks and debris falling or sliding from the coarse weathered mountain slopes. In such undulating section, traffic including heavily loaded trucks and buses had to tackle with narrow road width.

The major construction works include but not limited to the following:

- (i) Excavation in soil and rock
- (ii) Formation of embankment from roadway excavation and borrow pit
- (iii) Laying of sub-base, aggregate base course, asphaltic base course, asphaltic wearing course
- (iv) RCC pipe and box culverts
- (v) Construction of pre-stressed concrete girder bridges
- (vi) Construction of steel box girder bridges
- (vii) Construction of pre-fabricated steel widening
- (viii) Construction of reinforced earth wall
- (ix) Construction of stone masonry wall
- (x) Construction of drainage/erosion control structures
- (xi) Construction of slope protection measures
- (xii) Construction of O&M and community center



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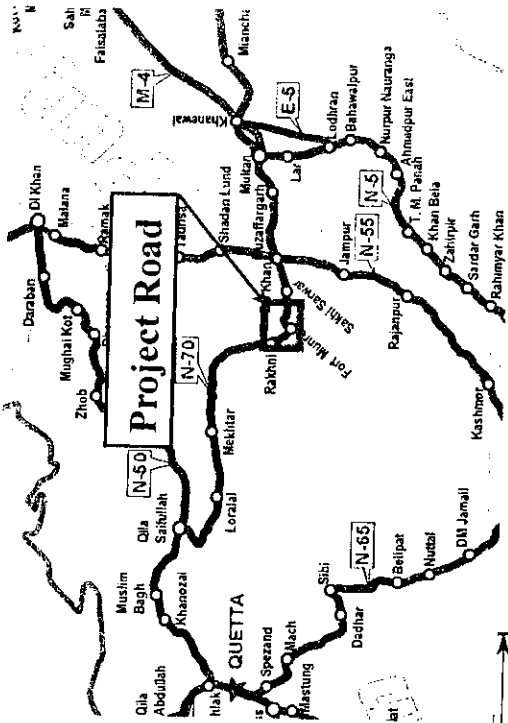
ANNEXES

- ANNEX-A: Bid Advertisement
- ANNEX-B: Bid Opening Attendance Sheets
- ANNEX-C: Bidding Forms submitted by M/s. Taisei Corp. Japan
- ANNEX-D: Request for Clarification from NHA/ Reply letter from Bidder

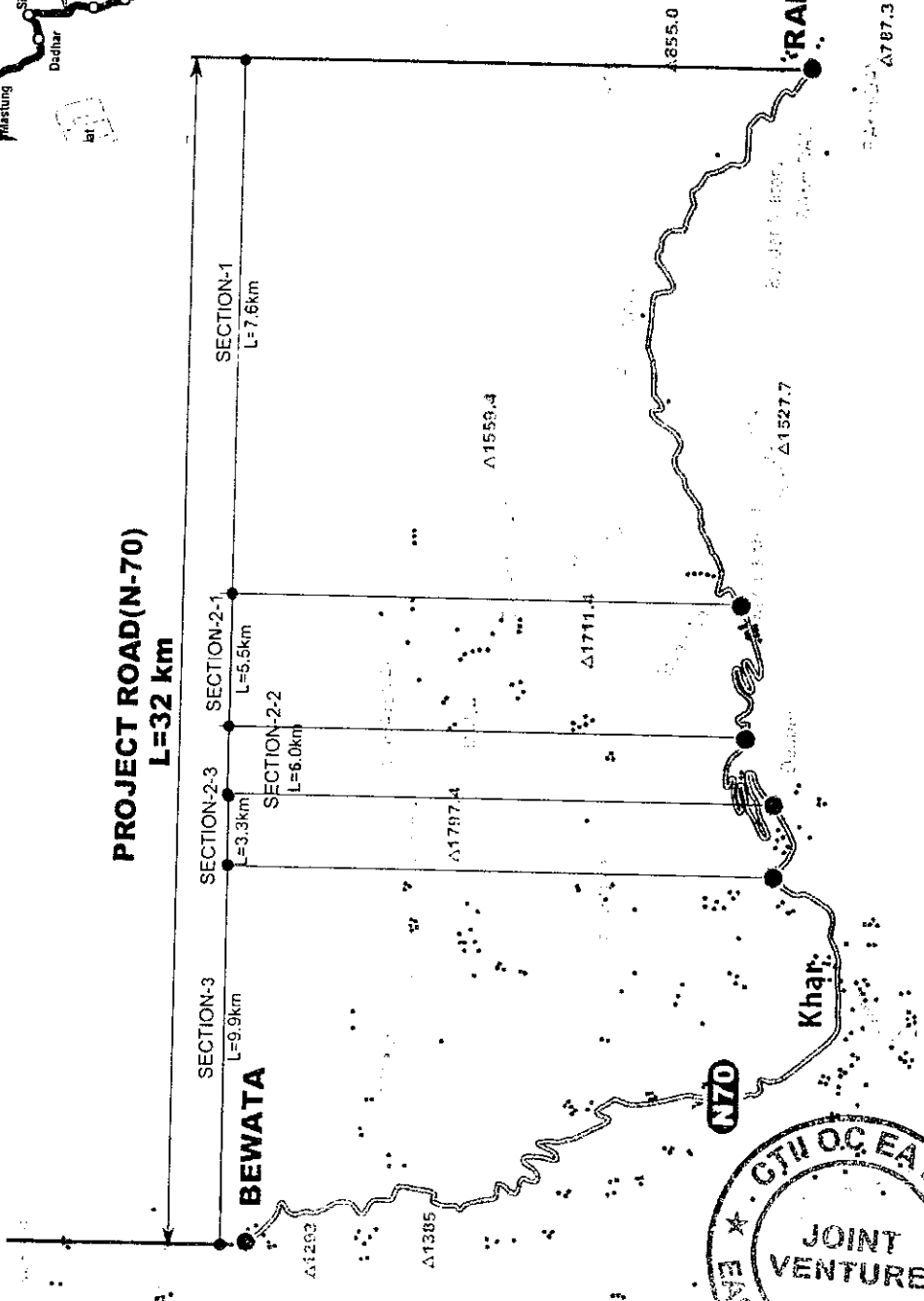


Package-1 (Sta 0+000 to Sta 19+500):

The Package-1 is comprised of Section-1, Section 2-1 and section 2-2 (Approx 19.5 Km).



**PROJECT ROAD(N-70)
L=32 km**



Project Location Map

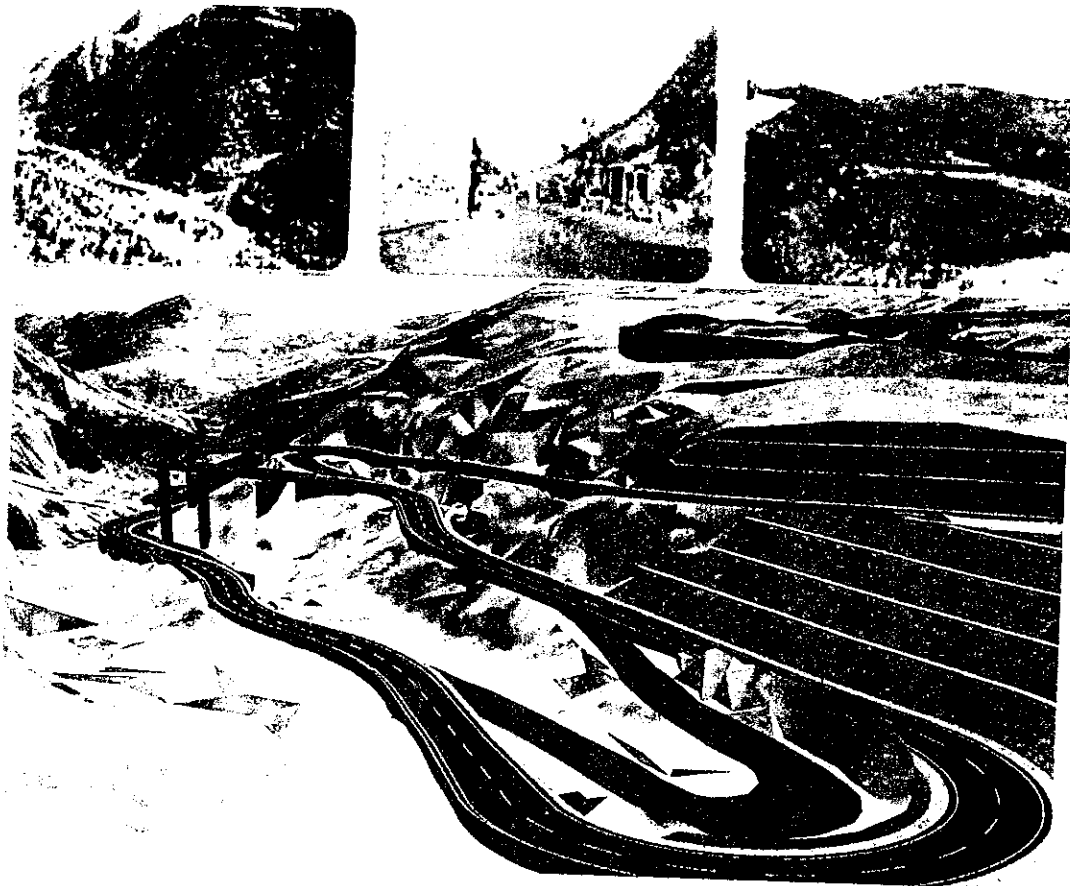


**NATIONAL HIGHWAY AUTHORITY
MINISTRY OF COMMUNICATIONS
GOVERNMENT OF PAKISTAN**

**WIDENING AND STRENGTHENING OF NATIONAL
HIGHWAY N-70 (RAKHI GAJJ-BEWATA SECTION)
33.84 KM OF EAST WEST ROAD IMPROVEMENT PROJECT**

**PACKAGE – 1
(Sta 0+000 to Sta 19+500)**

TECHNICAL BID EVALUATION REPORT



JUNE 2014

CTII-OC-EA-EE JOINT VENTURE

**CTI Engineering
International Co., Ltd.**



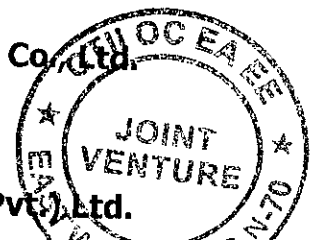
**Oriental
Consultants Co., Ltd.**



**EA Consulting
Pvt. Ltd.**



**Exponent
Engineers (Pvt.) Ltd.**



3. Recommendations of the Consultants.

The Consultants recommend the award of the Contract to M/s. Taisei Corporation. The amount of the award shall be the proposed price as submitted by the Bidder. There is no adjustment required to the final price submitted by M/s. Taisei Corporation and to the scope of works. The Consultants recommend the award of the Contract based on the actual amount of the contract as per the following table.

1. Lowest evaluated responsive bidder (recommended for contract award). (a) name (b) address	Taisei Corporation	
2. If bid submitted from joint venture, list all partners, nationalities, and estimated shares of contract.	N/A	
3. Principle country (ies) of origin of goods/materials.	Goods/ materials are not limited to any country.	
4. Estimated date (month, year) of contract signing.	March 3, 2016	
5. Estimated delivery to project site/completion period.	March 11, 2016 / March 10, 2019.	
	Currency(ies)	Amount(s)
6. Proposal Price	Pakistan Rupee (PKR)	13,753,035,808.44
7. Corrections for Errors	N/A	None
8. Discounts	N/A	None
9. Other Adjustments	N/A	None
10. Proposed Award	Pakistan Rupee (PKR)	13,753,035,808.44
11. Engineer's Estimate	10,127,059,629 PKR	
12. Ratio of the Price above the Engineers Estimates	35.8%	
11. Disbursement Category	Category (A) Civil Works	






Subject: ACCEPTANCE OF TENDER FOR:
Widening & Strengthening of National Highway (N-70) Rakhi Gajj –
Bewata Section of East West Road Improvement Project:
Package-1 (Sta: 7+600 to Sta: 19+500), 11.6KMs.

10. In accordance with the procedural prescribed by NHA Code and its subsequent modifications communicated vide Office Order No. 22(1)-Admn. (P-1)/NHA/15/11, dated 05-01-2015, the Tender Acceptance Committee, chaired by Chairman NHA, reviewed the Bid Evaluation Report for the subject work. Following are the Committee Members:

i.	Chairman NHA	...	Chairman
ii.	Member (Finance)	...	Member
iii.	Member (Planning)	...	Member
iv.	Member (Engg.-Coord)	...	Member

11. The Committee members reviewed in detail the Bid Evaluation Report and unanimously agreed with the Bid Evaluation Report.

Recommendations:

12. The Tender Acceptance Committee unanimously recommends the award of Works for Widening & Strengthening of National Highway (N-70) Rakhi Gajj – Bewata Section of East West Road Improvement Project: Package-1 (Sta: 7+600 to Sta: 19+500), 11.6KMs to the single/lowest evaluated bidder M/s Taisei Corporation, at their negotiated/evaluated bid price of Rs. 13,753,035,808.44/- (Rupees Thirteen Billion Seven Hundred Fifty Three Million Thirty Five thousands Eight Hundred Eight and Forty Four Paisas) which is 35.8% above from the revised Engineer's Estimate of Rs.10,127,059,629 PKR based on CSR-2014 and Market Rates.

13. Committee also recommends that project may be awarded after getting Technical Sanction of Revised Engineer Estimate and response of NAB on pre-award presentation. Further, Executive Board may also be requested to deliberate and decide about invoking of PPRA Rule # 5 keeping in view the advice of PPRA conveyed through EAD and communicated by MoC to NHA on February 16, 2016.

Member (Engg.-Coord)
Member/Secretary

Member (Planning)
Member

Member (Finance)
Member

Chairman, NHA
Chairman Tender Acceptance Committee

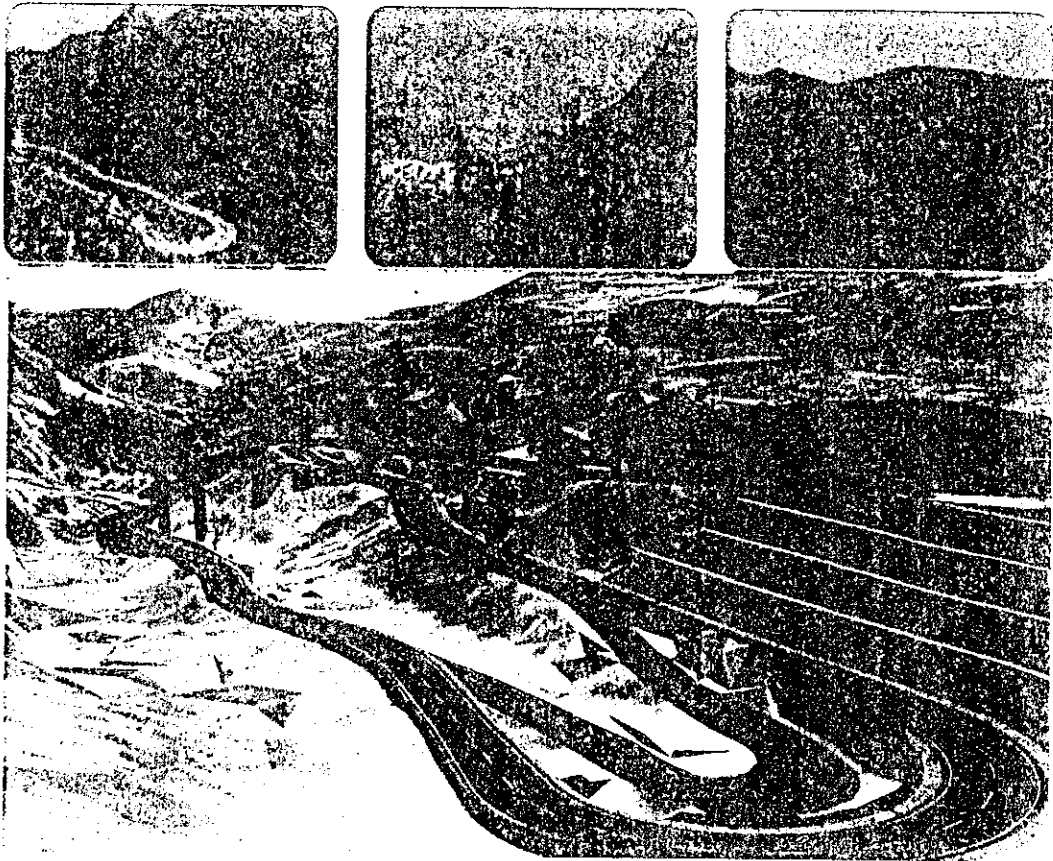


NATIONAL HIGHWAY AUTHORITY
 MINISTRY OF COMMUNICATIONS
 GOVERNMENT OF PAKISTAN

WIDENING AND STRENGTHENING OF NATIONAL
 HIGHWAY N-70 (RAKHI GAJJ-BEWATA SECTION)
 33.84 KM OF EAST WEST ROAD IMPROVEMENT PROJECT

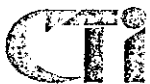
PACKAGE – 1
 (Sta 7+600 to Sta 19+500)

PROPOSAL EVALUATION REPORT



February 2016

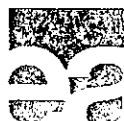
CTII-OC-EA-EE JOINT VENTURE



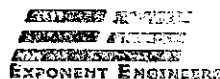
CTI Engineering
 International Co., Ltd.



Oriental
 Consultants Co., Ltd.



EA Consulting
 Pvt. Ltd.



Exponent
 Engineers (Pvt.) Ltd.

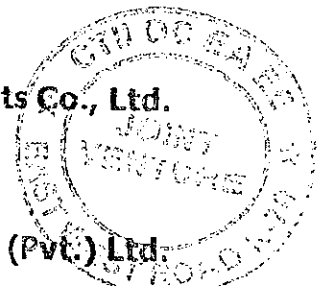
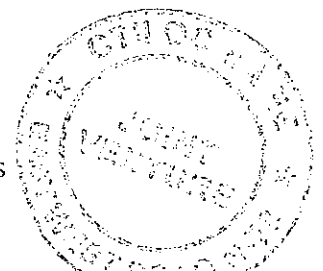


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List of Annexes:

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Annex-B	Attendance Sheets and Check-list for proposal Documents
Annex-C	Letter of Technical Proposal
Annex-D	Form PER-1
Annex-E	Form EQU
Annex-F	Letter of Price Proposal
Annex-G	Correspondence between NHA and Bidder for clarifications
Annex-H	Schedules submitted by the Bidder



No	Item	(1) ORIGINAL PRICE (Rs)	Retain in Total Price	(2) PRICE PROPOSAL	Retain in Total Price	Remarks	Ratio
1	ADMINISTRATION AND GENERAL EXPENSES						
a)	Salaries and Wages (including social benefits) of Non-Pakistani Personnel	570,500,000.00	2.7%	475,750,500.00	3.5%	Scope Cut (Decrease Qty)	83%
b)	Maintenance and Operation of Canals	217,490,000.00	1.0%	132,420,000.00	1.0%		61%
c)	Travel & Subsistence of Non-Pakistani Personnel	55,800,000.00	0.3%	42,210,000.00	0.3%		76%
d)	Profits, Overhead Costs Outside Pakistan & Other General Expense	2,710,400,000.00	12.7%	1,857,270,000.00	13.8%		69%
	SUBTOTAL (A)	3,553,650,000.00		2,507,650,000.00			
2	DIRECT CONSTRUCTION COSTS						
a)	Mechanically Stabilized Earth Retaining Wall Geo-grid Material, FCB material, Equipment etc.	603,455,000.00	2.9%	677,553,000.00	5.0%	Design Change (New design Wall Panel Unit import from Japan Previous design Wall Blocks provided by local source)	112%
b)	Cast In Place Concrete Pile Liner Plate & Support Ring etc.	293,372,000.00	1.4%	233,556,000.00	1.7%	Scope Cut (Delete SBC1)	79%
c)	Slope Protection Ground Anchor materials, Equipment, Engineer	320,906,000.00	1.5%	320,906,000.00	2.4%	No change	100%
d)	Steel Bridge Steel Box Girder, Pre-fabricated steel, Steel Pile, Equipment, Engineer	4,205,705,000.00	19.7%	2,351,033,900.00	17.5%	Scope Cut (Delete SBC1, PFSWG1-14)	56%
	SUBTOTAL (D)	5,429,933,000.00		3,583,048,000.00			
3	TOTAL (E) = (A + D)	8,982,628,000.00		6,090,698,000.00			
4	TOTAL PROPOSED PRICE EXCLUDING PROVISIONAL SUMS						
a)	Proposed Price	21,535,509,223.60		13,753,025,809.44			64%
b)	Provisional Sums	187,000,000.00		1,289,436,839.35			
c)	Daywork	11,374,043.02		11,374,043.02			
	Total Proposed Price Excluding Provisional Sums (P)	21,337,538,179.58		13,452,224,526.07			63%
5	Foreign Exchange Expenditure(s) (E) / (P)		42.1%		45.3%		

The increase in the percentage for certain items mentioned above is due to following reasons which are adequately justified:

- i) Salaries and Wages (including social benefits) of Non-Pakistani Personnel (from 2.7% to 3.5%): Since required number of engineer and construction period is not changed, ratio of their salaries and wages in the total cost can relatively increase.
- ii) Profits, Overhead Costs outside Pakistan & Other General Expense (from 12.7% to 13.8%): Increased ratio is quite small and it can be negligible. Also, please note that the OH&P are not based on any percentage to the direct cost but is actual cost separately calculated.
- iii) Mechanically Stabilized Earth Retaining Wall Geo-grid Material, FCB material, Equipment etc. (from 2.9% to 5.0%): It is remarked that the specification of MSE wall had been changed from AASHTO to Japanese Standard. Although increased ratio is quite small, ratio of foreign currency in total cost seems increased since the total cost was reduced.
- iv) Cast In Place Concrete Pile (from 1.4% to 1.7%): Only small ratio of foreign currency in total cost has relatively increased due to reduction of total cost.
- v) Slope Protection (from 1.5% to 2.4%): Since the quantity of slope protection which is required Japanese procurement i.e Ground Anchor Work has not changed, the price in foreign currency is same as original bid. Reason of increase in ratio of foreign currency is due to reduced total cost only.



The bidder also agreed to correct the above discrepancies in BOQ. Also, during the detailed study of the proposal and continuing discussions, following additional discrepancies were found in the BOQ table and all corrections were agreed by the bidder for modifications.

Bill No.	Pay Item No.	Contract Negotiation Document Description	Price Proposal Description	Remarks
Grand Summary				
	Title of the Table	Amount (Rs.)	Revised Amount (Rs.)	Addition of word "Revised"
All BOQ				
	Title Lines	Estimated Quantity	Revised Quantity	Change word from "Estimated" to "Revised"
		Rate (Rs.)	Revised Exchange Rate (Rs.)	Additional of words "Revised Exchange"
		Amount (Rs.)	Revised Amount (Rs.)	Additional of word "Revised"
Summary of Specified Provisional Sums				
	Title Line	Amount	Extended Amount	Additional of word "Extended"
Bill of Quantities				
9	702e	Operate and Maintain Field Office and Residence Building	Operate and Maintain Field Officer and Residence Building	Typographical error

The aforementioned correspondence made in this regards is attached at Annex-G for ready reference.

4.1.2. Items to be amended as stated by the Bidder

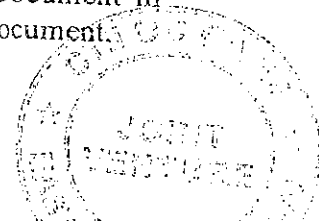
Following item in the Contract Negotiation Document has stated misinformation and to be amended as stated by the Bidder:

Bill No.	Pay Item No.	Contract Negotiation Document Description	Price Proposal Description	Remarks
4B	SP416d	Rock Bolt Work (to be deleted)	Rock Bolt Work	The word "(to be deleted)" in the contract Negotiation Document shall be removed.

4.2 Corrections for Provisional Sums

4.2.1 Provisional Sums for Dayworks

Cost proposal for the Dayworks are properly specified in the Proposal Document in conformity with nominal quantities specified in the Contract Negotiation Document.



Requirement of the Personnel in Contract Negotiation Document

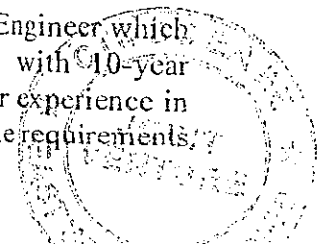
Position	No. of Positions	Total Experience (Years)	In Similar Road and/ or bridge works (Years)	In specified Position (Years)	Minimum* Qualification
1 Project Manager	1	20	15	5	PE or ICCE
2 Planning Engineer	1	20	15	5	PE or ICCE
3 Foundation Engineer	1	15	10	5	PE or ICCE
4 Concrete Bridge Engineer	1	15	10	5	PE or ICCE
5 Steel Bridge Engineer	1	15	10	5	PE or ICCE
6 Road/ Earthwork Engineer	1	15	10	5	PE or ICCE
7 Material & Quality Control Engineer	1	15	10	5	PE or ICCE
8 Pavement Engineer	1	15	10	5	PE or ICCE
9 Accident Prevention Officer	1	10	8	5	PE or ICCE

*PE-Professional Engineer; ICCE-1st Class Const. Engineer.

Personnel Proposed by the Bidder

Position	Name	Total Experience (Years)	In Similar Road and/ or bridge works (Years)	In specified Position (Years)	Qualification	Evaluation
1 Project Manager	Katsumi TAJMURA	32	22	13	ICCE	PASS
2 Planning Engineer	Shoji SATO	23	17	14	ICCE	PASS
3 Foundation Engineer	Masaru HIRANO	18	11	11	ICCE	PASS
4 Concrete Bridge Engineer	Ryoji KAJIHARA	22	12	12	ICCE	PASS
5 Steel Bridge Engineer	Naoya KOTANI	11	10	7.5	ICCE	PASS
6 Road/ Earthwork Engineer	Takuro DATE	14	10	13	ICCE	PASS
7 Material & Quality Control Engineer	Shoji SATO	23	17	13	ICCE	PASS
8 Pavement Engineer	Takuro DATE	14	10	13	ICCE	PASS
9 Accident Prevention Officer	Syed Muktar Aslam	34	9	23	None	PASS

- (a) The candidates nominated by the bidder for Project Manager, Planning Engineer, Foundation Engineer, Concrete Bridge Engineer and Material & Quality Control Engineer **PASS** their requirement.
- (b) The candidate nominated by the bidder for Steel Bridge Engineer partially fails due to lack of required total experience. However, overall evaluations in "**PASS**" are based on 10 year-experience in similar road and/ or bridge works and 7.5 year experience in specified position which are meeting their requirements.
- (c) The Road/ Earthwork Engineer have been nominated as Pavement Engineer which is one (1) year short of total experience, however sufficient with 10-year experience in similar road and bridge works and more than 13-year experience in specified position, which can be deemed as substantially meeting the requirements.



4.	Slope Stabilization Work	Shotcrete Devices		2	3 nos
		Rotary Percussion Type Crawler Drill	Double Tube 95mm-135mm	4	135mm 3 nos
5.	Girder Erection	Crawler Crane	160 ton class	2	150 ton 1 no
		Crawler Crane	100 ton class	3	60-90 ton class 6 nos
6.	Pre-fabricated Steel Widening	Downthehole Hammer	508mm-762mm	2	762mm 5 nos

Detailed observation is presented as below.

(i) Common Equipment

Minor discrepancy has been observed in the number of the Common Equipment, which can be considered as meeting the requirement as below.

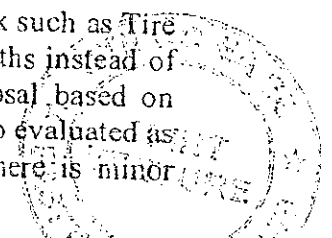
- a) Capacity of Concrete Pumps proposed by the Bidder (Kyokuto 125-26; 124m³/h) is higher capacity than the requirement (90m³/h), although the proposed number is short of requirement. The higher capacity of pump and the numbers proposed by the Bidder are deemed as equivalent to the requirement, however, it is recommended that the capacity of 55 m³/h stated in the FORM EQU: EQUIPMENT for the concrete pumps shall be correct to "124m³" based on its actual technical specification before signing of the contract.
- b) Five (5) of Bulldozers have been proposed in the Equipment Mobilization Schedule by the Bidder for the requirement of fifteen (15) number. On the other hand, twenty (20) of backhoe which is twice as many as the requirement and seven (7) number of vibration rollers for earth work have been proposed as well, which is deemed as satisfactory of the requirement. It is recommended that the Bidder shall revise the number FORM PER-2 for the Bulldozer in conformity with the Equipment Mobilization Schedule before signing of the contract.
- c) Sufficient number of Truck Crane and Rough Terrain Cranes has been proposed by the Bidder although the type and capacity of the cranes are different from the requirement. It is recommended that the Bidder shall revise the FORM PER-2 for the Track Crane in conformity with the Equipment Mobilization Schedule before signing of the contract.

(ii) Excavation

The Bidder has proposed wider usage of Hydraulic Giant Breaker and limited usage of ripper type bull-dozer for rock excavation considering actual site situation in the method statement, which can be also deemed as more preferable than the requirement. It is recommended that number of the Hydraulic Giant Breaker specified in the FORM PER-2 shall be corrected to seven (7) in conformity with Equipment Mobilization Schedule before signing of the contract.

(iii) Pavement

The Bidder proposed longer mobilization of equipment for pavement work such as Tire Roller, Asphalt Distributor and Asphalt Finisher with 2-party for 19 months instead of shorter mobilization of the 3-party as the requirement. Since the proposal based on same concept has been accepted during the original bidding stage, it is also evaluated as acceptable in terms of the productivity. However, it is observed that there is minor



(b) Superstructure Construction	
i) Outline the box girder erection method for each bridge by illustration and itemized statement. Construction yard and required equipment for the erection shall be illustrated.	i) The box girder erection method and necessary equipment were given to the method statement in accordance with requirement.
ii) Special quality and safety control for this work, itemized statement.	ii) Quality and safety control measures were given to the method statement.

(vii) Pre-Fabricated Steel Widening (PFSW)

Requirement	Evaluation
i) Detailed structure of joint between steel pipe and I-girder shall be proposed by detailed figures with document which experimentally prove its design strength.	i) Detailed structure of the joint has been proposed with figures and its quantitative strength confirmed by experimental result.
ii) Outline of the PFSW's erection work starting from the piling work with "Downthehole hammer" up to erection of I girders with illustration and itemized statement.	ii) The erection work of PFSW has been given with illustration.
iii) Special quality and safety control for this work, itemized statement.	iii) Safety control measures were given with photograph. It is also presented the quality control measures by means of steel guide (pipe) to ensure the vertical accuracy of piling work.

(viii) Concrete Bridge (CB)

Requirement	Evaluation
i) Production yard plan to show major facilities / plants, fabrication / casting area, and material / product stock area, for PC girders and other units.	i) General concept of the production yard is mentioned.
ii) Cycle day / hour schedule of typical production and number of casting beds and forms to achieve the required production with the time frame for PC girders and other units, itemized statement.	ii) Cycle day schedule of typical production are specified.
iii) Transporting and erection method of PC girders.	iii) Pulley block and derricks system has been proposed for launching/ erection of the girders.
iv) Special quality and safety control for this work with itemized statement.	iv) Safety control measures have been proposed.



(5) Safety Plan

The bidder has proposed Safety Organization Structure and its roles. In addition, practical accident prevention measures have been stated for operation of heavy equipment and each worker as well.

(6) Alternative Offers

No alternative offers have been presented by the Bidder in the Proposal.

(7) Determination of Substantial Responsiveness of Bids

Preliminary examination and determination of substantial responsiveness of proposal was made based on the above observation.



1. INTRODUCTION

1.1 Overview of the Project

National Highway N 70, linking Multan in South Punjab Province and Quetta, the capital city of Baluchistan Province, is an inter-regional trunk road serving mainly as the transport route for agricultural products such as fruits and vegetables as well as coal supplied from the mining sites in Baluchistan Province to such populated and developed towns and areas as Multan, Faisalabad, and Lahore in Punjab.

The National Highway Authority (NHA) of Pakistan has exerted improvement of roads including N 70. The road section between Rakhi Gajj and Bewata Section (Package-1; Sta 0+000 to Sta19+500) , i.e. approximately 19.5 km long abrupt mountainous section of N 70, has been restricting safe and smooth traffic flow mainly due hazardous condition in terms of rocks and debris falling or sliding from the coarse weathered mountain slopes. In such undulating section, traffic including heavily loaded trucks and buses had to tackle with narrow road width. The project aims to improve this section to avoid hazardous traffic and road conditions.

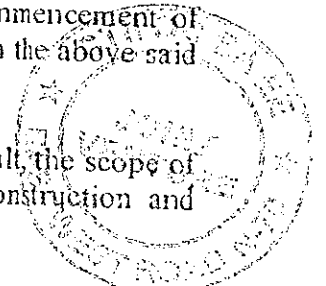
1.2 Background of Bidding Process and Negotiation

The bidding documents for 19.5KM road portion for Package-1 were concurred by JICA on March 6, 2014, subsequently, the Invitation for Bids were also finalized and concurred by JICA on March 13, 2014. The bid call was made on May 27, 2014 in National and Japanese print media as well as on the website of PPRA, NHA and OCAJI Japan. The bid submission deadline was May 29, 2014 at 1100 hours in NHA Auditorium, Islamabad. M/s. TAISEI Corporation, Japan submitted the bid until the bid submission deadline:

Technical Bid opening was held at May 29, 2014 at 1130 hours in Auditorium of NHA HQ, Islamabad, in presence of bidder, consultants and NHA committee members. The Financial Bid opening was held on July 22, 2014 at 1100 hours in same venue. The opening was again attended by the bidders' representative, Team Leader/ representative of Consultants and NHA Committee Members. The bid was amounting to PKR 21,535,909,222.60 (Pakistan Rupees Twenty One Billion, Five Hundred Thirty Five Million, Nine Hundred Nine Thousand, Two Hundred Twenty Two Point Six Only).

It was concluded that the bid is on a higher side due to the difference between rates of CSR (2011+15%) and Japanese Contractor's rate which do not apply NHA CSR due to special conditions of the project site. The Consultants Proposed to reduce the cost by changing some specifications and adjust the scope of works so that Project can be completed within JICA Loan Proceedings. It was recommended to NHA to request JICA approval for negotiation with the Bidder to reduce the cost and revise scope of works and specifications and ask for final Bidder Price. The Executive Board of NHA during a meeting on November 12, 2014, decided to start the negotiations. JICA was formally requested for concurrence regarding rejection of bid and commencement of negotiations on 19th November 2014. JICA conveyed its' no objection on the above said request on 10th December 2014.

The Negotiations started from December 2014 upto July 2015. As a result, the scope of works was revised to 11.6kms to target the most critical area for construction and



5. RECOMMENDATION FOR AWARD OF THE CONTRACT

5.1 Qualification

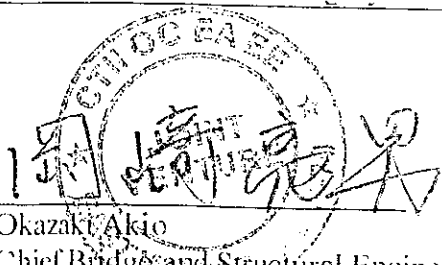
Basic qualification criteria was examined in the Original Bidding stage and M/s. Taisei Corporation has been qualified. The revised criteria for Personnel and Equipment was confirmed and bidder qualified the criteria.

5.2 Proposed Award

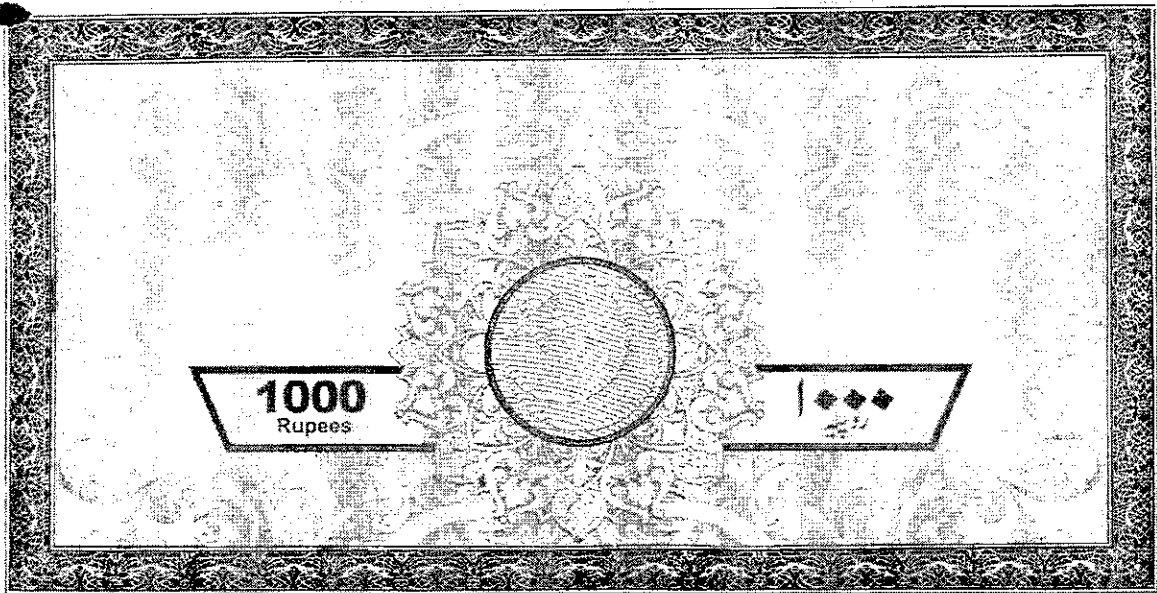
The amount of the award shall be the proposed price as submitted by the Bidder. There is no adjustment required to the final price submitted by M/s. Taisei Corporation and to the scope of works. The Consultants recommend the award of the Contract based on the actual amount of the contract as per the following table.

5.2.1 Proposed Contract Award

1. Lowest evaluated responsive bidder (recommended for contract award). (a) name	Taisei Corporation	
2. If bid submitted from joint venture, list all partners, nationalities, and estimated shares of contract.	N/A	
3. Principle country (ies) of origin of goods/materials.	Goods/ materials are not limited to any country.	
4. Estimated date (month, year) of contract signing.	March 3, 2016	
5. Estimated delivery to project site/completion period.	March 11, 2016 / March 10, 2019.	
6. Proposal Price	Currency(ies)	Amount(s)
	Pakistan Rupee (PKR)	13.753.035,808.44
7. Corrections for Errors	N/A	None
8. Discounts	N/A	None
9. Other Adjustments	N/A	None
10. Proposed Award	Pakistan Rupee (PKR)	13.753.035,808.44
11. Engineer's Estimate	10.127.059.629 PKR	
12. Ratio of the Price above the Engineers Estimate	35.8%	
13. Disbursement Category	Category (A) Civil Works	


Okazaki Akio
Chief Bridge and Structural Engineer
CTI Engineering International Co., Ltd.
912, Silver Oak's, F10 Markaz, Islamabad.
Tel: 051-846-9912

CONTRACT AGREEMENT



Contract Agreement

THIS AGREEMENT No. 2(331) made on this ^{18th} day of March 2016 between National Highway Authority, Ministry of Communication, Government of Pakistan (hereinafter "the Employer"), of the one part, and Taisei Corporation, Japan (hereinafter "the Contractor"), of the other part.

WHEREAS the Employer desires that the Works known as Widening and Strengthening of National Highway N-70 (Rakhi Gajj – Bewata Section) 33.84 Km of East West Road Improvement Project Package-1 (Sta7+600 to Sta 19+500) should be executed by the Contractor, and has accepted a Proposal by the Contractor for the execution and completion of these Works and the remedying of any defects therein,

The Employer and the Contractor agree as follows:

(1) In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.

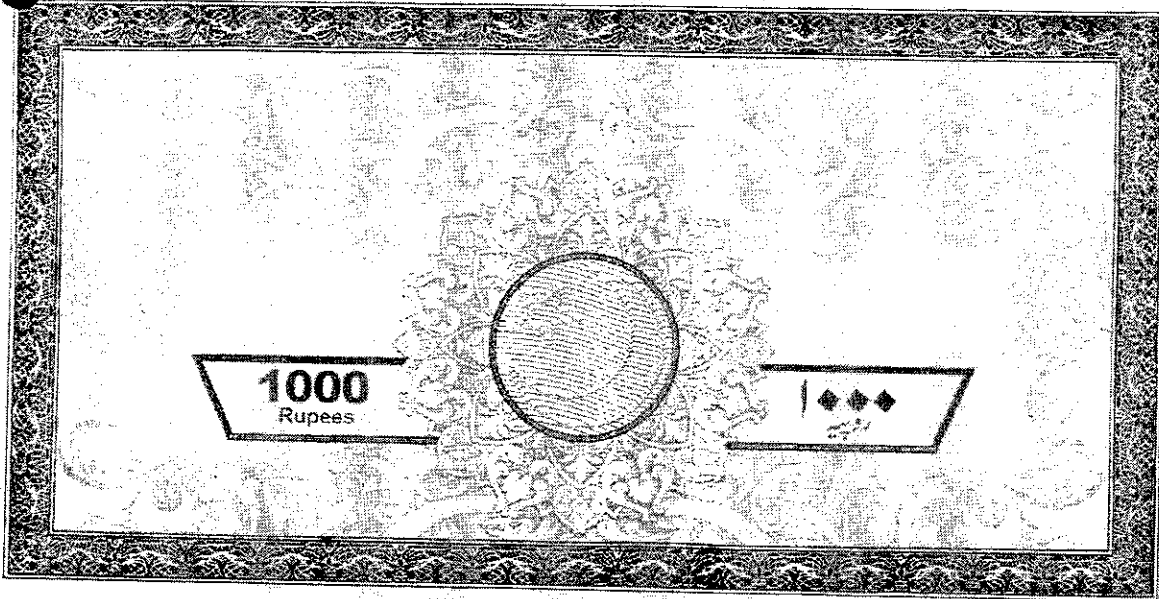
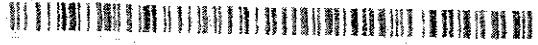
(2) The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement and all contents of the Contract Negotiation Documents issued by the Employer on 13th January, 2016 shall supersede all other documents to the extent of conflict.

- (i) the Letter of Acceptance;
- (ii) the Addendum No.1 to Addendum No.4;
- (iii) the Particular Conditions of Contract;
- (iv) the General Conditions of Contract (MDB Harmonized Edition 2006, FIDIC);
- (v) the Letter of Technical Proposal;
- (vi) the Technical Proposal;
- (vii) the Letter of Price Proposal;
- (viii) Priced Bill of Quantities with M/s. Taisei's Proposal Clarification No.1 dated Feb 9, 2016 & No.2 dated Feb 12, 2016.
- (ix) Schedule of Foreign Currency Requirements
- (x) Schedule of Adjustment Data
- (xi) Acknowledgment of Compliance with Guidelines for Procurement under Japanese ODA Loans
- (xii) the Specification;
 - (a) NHA General Specifications 1998 and its Addenda
 - (b) Special Technical Specifications
 - (c) Supplementary Specifications
- (xiii) the Revised Drawings (Volume 1 to Volume 3);
- (xiv) Contract Negotiation Documents
- (xv) Unit Price Analysis

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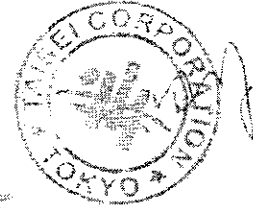
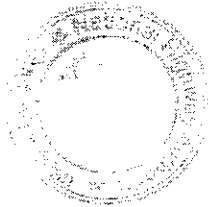
(3) In consideration of the payments to be made by the Employer to the Contractor as indicated in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.

(4) The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of Pakistan on the day, month and year indicated above.

Signed by [Signature]
for and on behalf of the Employer

Signed by Toshiyuki Asai
for and on behalf of the Contractor
TOSHIYUKI ASAI TR2905622



in the presence of

[Signature]
Witness, Name and Signature

[Signature]
Witness, Name and Signature PPA:
YOSHIHIKO TANEMURA TK8535691
Address, 1-25-1, Nishi-Shinjuku, Shinjuku
Date TOKYO, 163-0606, JAPAN

Address,
Date

