

PACIFIC AVIATION INVESTMENT PROGRAM
TUVALU AVIATION INVESTMENT PROJECT
RUNWAY REPAIR AND RESILIENCE WORK (AF 3)
Ref: MCT/ICBW/T-A15.2A

CLARIFICATION NO.4 TO THE BID DOCUMENT

Dear Bidder,

This formal Clarification is released in response to questions asked by Bidders in relation to the above named tender. The questions and answers are provided below:

Query #	Reference	Query	Client's Reply
Instruction to Bidders Queries			
1	ITB cl 19.9	Please allow that The Bid Security of a JV shall be in the name of the lead member of JV that submits the Bid, instead of in the names of all future members as named in the letter of intent.	The proposed change is accepted. Please refer to Addendum to the bidding document.
2		Will crushed aggregates and/or chip seals imported in Tuvalu go through quarantine inspection? Will they be subject to GST as well?	Any imported goods and services into the country will have to go through quarantine inspection, so as for these imported crushed aggregates will be inspected given of import payment and fumigate certificate. Please note that GST for any import goods/materials relating to TvAIP activities are exempted by government.
3	ITB cl 19.1 (and cl 48)	Please confirm as per clause 19 of the ITB if it is acceptable that our: - (a) Bid Security; and (b) Other securities (Performance Security, etc)	As per clause 19.3 of Section I – Instructions to Bidders (ITB), <i>"...the Bid Security shall be a demand guarantee in any of the following forms at the Bidder's option:</i>

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		<p>can be issued with AAI Limited (New Zealand registered entity), trading as <u>Vero Insurance</u> who have a Standard & Poor's rating of A+ (a non-bank financial institution located outside of the Employer's country).</p>	<p><i>(a) an unconditional guarantee issued by a bank or non-bank financial institution (such as an insurance, bonding or surety company)."</i></p> <p>Therefore, an unconditional guarantee issued by an insurance company is acceptable,</p> <p>It is important to note, however, that as per the clause 19.4, <i>"If an unconditional guarantee is issued by a non-bank financial institution located outside the Employer's Country, the issuing non-bank financial institution shall have a correspondent financial institution located in the Employer's Country..."</i></p> <p>Therefore, the proposed insurance company shall have a correspondent financial institution located in Tuvalu.</p>
The General Conditions			
4	<p>Bill of Quantities and General Condition of Contract cl 1.5 (and Particular Conditions of Contract – Part A – Contract Data : clause 12.2)</p>	<p>We wish to confirm that the Bill of Quantities as a Schedules to the Contract (item (i) as identified in the clause 1.5) and therefore not take precedence as it contains a number of conflicts, ambiguities and discrepancies with the Contract. Including but not limited to: -</p> <p>(a) A statement to the effect that the Bill of Quantities overrides any other basis of payment in the Contract;</p> <p>(b) Lump sum payment items;</p>	<p>Particular Conditions make no mention of change to cl 1.5. Therefore, the order of preference in FIDIC CCC cl 1.5 remain unchanged.</p> <p>In other words, the Contract Agreement takes precedence over among other documents, the Specification, Drawings and Schedules.</p> <p>(c) All references to NZD shall be removed.</p> <p>(d) Provisional item is fully described in Method of Measurement and BoP.</p>

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		<p>(c) Rates in Bill of Quantities' to be in NZD (this is neither local currency or currency to be priced in i.e. USD)</p> <p>Use terminology that is not recognised in a FIDIC form of contract e.g. Provisional Items</p>	
The Particular Conditions			
5	Part A- Contract Data, Sub-clause 1.1.20 (and Sub-clause 12.3)	Please confirm that "na" as stated in the Contract Data, should mirror the percentage for profit stated in Sub-Clause 12.3 : 15%.	Please refer to Addendum 1 to the bidding document.
6	Part A – Contract Data, Sub-Clause 14.3 and 14.7 (c) and 14.7 (b) (i)	We request this is amended from 56 days to 28 days	This requirement cannot be reduced.
7	Part A – Contract Data, Sub-Clause 14.3 (iii)	We request this is amended from 10% to 0%	This requirement cannot be waived
8	Part A – Contract Data, Sub-Clause 14.6.2	We request this is amended from 20% of the Accepted Contract Amount to 5%	Please refer to Addendum 1 to the bidding document.

Query #	Reference	Query	Client's Reply
9	Part A- Contract Data, Sub-clause 14.8 and General Conditions clause 14.8	<p>We request this is amended from 2% and the General Conditions amended to reflect the following: -</p> <p><i>“financing charges shall be equal to one and a half times the monthly small to medium sized enterprise (SME) overdraft rate published by the Reserve Bank of New Zealand over the relevant period.”</i></p>	<p>Given the international competitive bidding process and international bidders, link to the Reserve Bank of New Zealand is unfair.</p> <p>The present condition remains unchanged.</p>
10	Part A- Contract Data, Sub-clause 17.2 (d)	<p>We request the deletion of these risks being allocated to the Contractor or wish to understand why it is to the benefit of the Employer that this risk is priced irrespective if the risk will occur or not</p>	<p>The list of 'forces of nature' risk items being allocated to the Contractor is reconsidered. Please refer to Addendum 1 of the bidding document.</p>
11	Part A- Contract Data, Sub-clause 19.1 (and 19.2)	<p>We request that the insurance deductibles reflect our global policies limits. Further please confirm the requirement for Professional Indemnity insurance and to the extent we take on any design responsibility, our compliance with the common law standard of reasonable skill, care and diligence would be considered sufficient to discharge our duty in respect of such design. Please confirm.</p>	<p>This requirement cannot be waived</p>