

### MINISTRY OF IRRIGATION AND WATER DEVELOPMENT

#### SHIRE VALLEY TRANSFORMATION PROGRAM-1

### **AMENDMENT NUMBER 1.0**

# TO THE BIDDING DOCUMENT FOR

## PROCUREMENT OF CONSTRUCTION OF MAIN CANAL 1 AND MAIN CANAL 2

PROJECT NAME: SHIRE VALLEY TRANSFORMATION PROGRAM - 1

ICB No: MW-MOAIWD – 150188 – CW - RFB

EMPLOYER: MINISTRY OF IRRIGATION AND WATER

**DEVELOPMENT** 

COUNTRY: MALAWI

Issued on: 14<sup>th</sup> SEPTEMBER, 2020

The following amendments are made to the Bidding Document for the procurement of Construction of Main Canal 1 and Main Canal 2 as follows:

Ref.	Bidding Document Volume No.	Section	Clause	Subject	Original Clause	Amended Clause
1.0	Bidding Procedures Vol 1., Works Requirements Vol. 2 and Conditions of Contract and Contract Forms Vol. 3	All Sections	N/A	ICB No.	MW-MOAIWD – 87847 – CW - RFB	MW-MOAIWD – 150188 – CW - RFB
2.0	Bidding Procedures Vol. 1	Section II Bid Data Sheet	ITB 22.1	Deadline for Bid Submission	The deadline for bid submission is:  Date: 21 <sup>th</sup> September, 2020  Time: 14:00 Hrs local time	The deadline for bid submission is:  Date: 1st October, 2020  Time: 14:00 Hrs local time
3.0	Bidding Procedures Vol. 1	Section II Bid Data Sheet	ITB 25.1	Bid Opening	Bid Opening Date: 21st September, 2020 Time: 14:00 hours local time	Bid Opening Date: 1st October, 2020 Time: 14:00 hours local time
4.0	Conditions of Contract and Contract Forms Vol. 3	Section IX Particular Conditions - Part A Contract	Sub – Clause 14.2.3	Repayment of advance payment	_(a)_exceeds 1% of the portion of the Accepted Contract Amount payable in that currency less Provisional Sums  (b) deductions shall be made at the amortization	_(a)_exceeds 10% of the portion of the Accepted Contract Amount payable in that currency less Provisional Sums  (b) deductions shall be made at the amortization rate
		Data			rate of 25% of the amount of each IPC	of 25% of the amount of each IPC
5.0	Conditions of Contract and Contract Forms Vol. 3	Section IX Particular Conditions - Part B Special Provisions	Sub-Clause 14.1	The Contract Price	[ Note to the Employer: include one of the following two alternative texts as applicable]  The following is added at the end of the Sub-Clause:  [Alternative 1]  "Notwithstanding the provisions of subparagraph (b), Contractor's Equipment, including essential spare parts therefor, imported	spare parts therefore, imported by the Contractor for the sole purpose of executing the Contract shall be temporarily exempt from the payment of import duties and taxes upon initial importation, provided the Contractor shall post with the customs

by the Contractor for the sole purpose of executing the Contract shall be exempt from the payment of import duties and taxes upon importation."

### [Alternative 2]

"Notwithstanding the provisions subparagraph (b), Contractor's Equipment, including essential spare parts therefore, imported by the Contractor for the sole purpose of executing the Contract shall be temporarily exempt from the payment of import duties and taxes upon initial importation, provided the Contractor shall post with the customs authorities at the port of entry an approved export bond or bank guarantee, valid until the Time for Completion plus six months, in an amount equal to the full import duties and taxes which would be payable on the assessed imported value of such Contractor's Equipment and spare parts, and callable in the event the Contractor's Equipment is not exported from the Country on completion of the Contract. A copy of the bond or bank guarantee endorsed by the customs authorities shall be provided by the Contractor to the Employer upon the importation of individual items of Contractor's Equipment and spare parts. Upon export of individual items of Contractor's Equipment or spare parts, or upon the completion of the Contract, the Contractor shall prepare, for approval by the customs authorities, an assessment of the residual value of the Contractor's Equipment and spare part to be exported, based on the depreciation scale(s) and other criteria used by the customs authorities for such purposes under the provisions of the

bond or bank guarantee, valid until the Time for Completion plus six months, in an amount equal to the full import duties and taxes which would be payable on the assessed imported value of such Contractor's Equipment and spare parts, and callable in the event the Contractor's Equipment is not exported from the Country on completion of the Contract. A copy of the bond or bank guarantee endorsed by the customs authorities shall be provided by the Contractor to the Employer upon the importation of individual items of Contractor's Equipment and spare parts. Upon export of individual items of Contractor's Equipment or spare parts, or upon the completion of the Contract, the Contractor shall prepare, for approval by the customs authorities, an assessment of the residual value of the Contractor's Equipment and spare part to be exported, based on the depreciation scale(s) and other criteria used by the customs authorities for such purposes under the provisions of the applicable Laws. Import duties and taxes shall be due and payable to the customs authorities by the Contractor on (a) the difference between the initial imported value and the residual value of the Contractor's Equipment and spare parts to exported; and (b) on the initial imported value of the Contractor's Equipment and spare parts remaining in the Country after completion of the Contract. Upon payment of such dues within 28 days of being invoiced, the bond or bank guarantee shall be reduced or released accordingly; otherwise the security shall be called in the full amount remaining."

					applicable Laws. Import duties and taxes shall be due and payable to the customs authorities by the Contractor on (a) the difference between the initial imported value and the residual value of the Contractor's Equipment and spare parts to exported; and (b) on the initial imported value of the Contractor's Equipment and spare parts remaining in the Country after completion of the Contract. Upon payment of such dues within 28 days of being invoiced, the bond or bank guarantee shall be reduced or released accordingly; otherwise the security shall be called in the full amount remaining."	
6.0	Conditions of Contract and Contract Forms Vol. 3	Section IX Particular Conditions- Contract Data	Sub- clause 1.1.84	Time for Completion	1089 days	1095 days
7.0	Bidding Procedures Vol. 1	Section II Bid Data Sheet	ITB 32.1	Evaluation and Comparison of Bids	The currency that shall be used for bid evaluation and comparison purposes to convert all bid prices expressed in various currencies into a single currency is: Malawi Kwacha	The currency that shall be used for bid evaluation and comparison purposes to convert all bid prices expressed in various currencies into a single currency is: Malawi Kwacha
					The source of exchange rate shall be: <b>Reserve Bank of Malawi</b>	The source of exchange rate shall be: <b>Reserve Bank</b> of Malawi
					The date for the exchange rate shall be: <b>Deadline of Bid Submission</b>	The date for the exchange rate shall be: <b>Deadline of Bid Submission</b>
					The currency(ies) of the Bid shall be converted into a single currency in accordance with the procedure under Alternative <b>B</b> that follows:	The currency(ies) of the Bid shall be converted into a single currency in accordance with the procedure under Alternative <b>B</b> that follows:
					Alternative B: Bidders quote in local and foreign currencies	Alternative B: Bidders quote in local and foreign currencies
					The Employer will convert the amounts in various currencies in which the Bid Price, corrected pursuant to Clause 31, is payable (excluding Provisional Sums but including Day	The Employer will convert the amounts in various currencies in which the Bid Price, corrected pursuant to Clause 31, is payable (excluding Provisional Sums but including Day work where priced competitively)

					currency identified above at the selling rates	to the single currency identified above at the TT selling rates established for similar transactions by the authority specified and on the date stipulated above.
1.0	Bidding Procedures Vol 1 –	Section II Bid Data Sheet	ITB 34.4	Subcontractor	Contractor's proposed subcontracting: Maximum percentage of subcontracting permitted is: 40% of the total contract amount. b) Bidders planning to subcontract more than 10% of total volume of work shall specify, in the Letter of Bid, the activity (ies) or parts of the works to be subcontracted along with complete details of the sub-contractors and their qualification and experience. The qualification and experience of the subcontractors must meet the minimum criteria for the relevant work to be subcontracted failing which such sub- contractors will not be permitted to participate. c) Sub-contractors' qualification and experience will not be considered for evaluation of the Bidder. The Bidder on its own (without taking into account the qualification and experience of the sub-contractor) should meet the qualification criteria.	Contractor's proposed subcontracting: Maximum percentage of subcontracting permitted is: 40% of the total contract amount excluding provisional sum.
2.0	Bidding Procedures Vol 1 –	Section IV Bidding forms	(K)	Letter to Bid	Potential DAAB Members: We hereby propose the following three persons, whose curriculum vitae are attached, as potential DAAB members: Name Address 1.Eng. Paul J. Kulemeka, PhD PJK&P Consulting Engineers PO Box 2032, LILONGWE, Malawi Mobile: +265-888-836-561 / +265-999-836-	Potential DAAB Members: We hereby propose the following three persons, whose curriculum vitae are attached, as potential DAAB members  (names to be inserted by the Bidder)

					561 Skype: paul.kulemeka Email: pkulemeka@pjkandpconsulting.com 2.Eng. Wilson Chirwa WMT Chirwa and Associates wchirwa@wmtchirwa.com 3.Mr. Joseph Chimamngafisi J.S.Chimangafisi and Partners Construction and Property Consultants P.O. Box 30552 Lilongwe Malawi Phone: +265993473353 Email: jschimangafisi@gmail.com	
3.0	Bidding Procedures Vol 1 –	Section IV: Bidding forms	Schedule of Cost Indexation	Appendix to Bid	Families of Price Adjustment Formulae  The adjustment to be applied to the amount otherwise payable to the Contractor, as valued in accordance with the appropriate Schedule and certified in Payment Certificates, shall be determined from formulae for each of the currencies in which the Contract Price is payable. No adjustment is to be applied to work valued on the basis of Cost or current prices. The formulae shall be of the following:  Local Currency $Pn_l = a_l + b_l \frac{FU}{FU_o} + c_l \frac{LL}{LL_o} + d_l \frac{CE}{CE_o} + e_l \frac{RS}{RS_o}$	The formulae for price adjustment shall be of the following general type:  Pn= a + b Ln / Lo + c En/ Eo + d Mn/Mo +  where:  "Pn" is the adjustment multiplier to be applied to the estimated contract value in the relevant currency of the work carried out in period "n", this period being a month unless otherwise stated in the Contract Data;  "a" is a fixed coefficient, stated in the relevant table of adjustment data, representing the non-adjustable portion in contractual payments;
					Foreign Currency $Pn_{f} = a_{f} + b_{f} \frac{EQ}{EQ_{o}} + c_{f} \frac{EL}{EL_{o}} + d_{f} \frac{SS}{SS_{o}}$	"b", "c", "d", are coefficients representing the estimated proportion of each cost element related to the execution of the Works as stated in the relevant

Where: Pn <sub>1</sub> = Price Adjustment Factor for local currency Pn <sub>f</sub> = Price Adjustment Factor for foreign currency a <sub>1</sub> = Fixed Component for local currency a <sub>f</sub> = Fixed Component for foreign currency b <sub>1</sub> , c <sub>1</sub> , etc. = coefficients or weightings for local currency b <sub>f</sub> , c <sub>f</sub> , etc. = coefficients or weightings for foreign currency EQ = Equipment and Plant FU = Fuels, Oils, Lubricants EL = Expatriate Labour LL = Local Labour CE = Cement PS = Reinforcing Steel	table of adjustment data; such tabulated cost elements may be indicative of resources such as labour, equipment and materials;  "Ln", "En", "Mn", are the current cost indices or reference prices for period "n", expressed in the relevant currency of payment, each of which is applicable to the relevant tabulated cost element on the date 49 days prior to the last day of the period (to which the particular Payment Certificate relates); and  "Lo", "Eo", "Mo", are the base cost indices or reference prices, expressed in the relevant currency of payment, each of which is applicable to the relevant tabulated cost element on the Base Date.
LL = Local Labour	
CE = Cement RS = Reinforcing Steel	
SS = Structural Steel	

Bidding Procedures	Section IV: Bidding	Schedule of	Table A. Local			Tal	ole A. Local	Currency									
Vol 1 –	forms	Adjustment data	Currency	Index code	Index description	Source of index	Base value and date	Bidder's related currency amount	Values	Bidder's proposed weighting	Inde	description	Source of index	date	Bidder's related currency amount	Range of Values	Bidder's proposed weighting
				Fixed	(a)		28 days prior to Bid submission date		0.15	0.15	Fixed	(a)		prior to Bid submission		0.15	0.15
				LL <sup>14</sup>	b <sub>l</sub>				0.10 - 0.15		FU¹	$b_i$		date		0.15 - 0.50	
				CE <sup>15</sup> RS <sup>16</sup>	d <sub>l</sub>				0.15 - 0.20 0.20 - 0.25		LL <sup>2</sup>	c <sub>l</sub>				0.10 - 0.15	
								Total		1.00	RS <sup>4</sup>	$a_l$ $e_l$				0.20 0.20 - 0.25	
											EQ <sup>5</sup>	$b_f$				0.20 - 0.35	
											EL <sup>6</sup>	$c_f$				0.20	
											SS <sup>7</sup>	$d_f$				0.35	1.00
															L		
		Procedures Bidding	Procedures Bidding of Adjustment	Procedures Bidding of Local Vol 1 – forms Adjustment Currency	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Procedures Vol 1 –  Bidding forms  Adjustment data  Currency  Index code lindex description of index land date learned findex land date learned currency amount  Nonadjustable Fixed land submission date  FU13 b1  LL14 c1  CE15 d1	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Procedures Vol 1 —  Bidding forms  of Adjustment data  Currency  Index code I	Procedures Vol 1 —  Bidding forms  of Adjustment data  of Adjustment data  Local Currency  Index code Index co	Procedures Vol 1 —  Bidding forms  of Adjustment data  Currency  Index Currency  Index Ind	Procedures Vol 1 —  Bidding forms  Adjustment data  Local Currency  Index code description of index land date code description of index land date code description of index land date code	Procedures Vol 1 —  Bidding forms  Of Adjustment data  Local  Currency  Index   Index   Code   Index   Index   Code   Index   Index	Procedures   Vol 1 -   Fixed   Currency     Index   Code   description   Currency   Index   Code   description   Currency   Index   Code   Currency   Index   Currency   Index   Code   Currency   Index   Index   Currency   Index   Index   Currency   Index   Index   Currency   Index   Index

<sup>&</sup>lt;sup>1</sup> FU= Fuels, Oils , Lubricants <sup>2</sup> LL= Local Labour <sup>3</sup> CE=Cement <sup>4</sup> Reinforcing Steel

<sup>&</sup>lt;sup>5</sup> EQ=Equipment and Plant <sup>6</sup> EL= Expatriate Labour <sup>7</sup> SS=Structural Steel

5.0	Bidding Procedures Vol 1 –	Section IV: Bidding forms	Schedule of Adjustment	Table Foreign Currency	B.	Index code	Index description	index	value and	Bidder's related source currency in	Equivalent in FC1	Values	Bidder's proposed weighting	Index code	Index description	Source of index	Base value and date	Bidder's related source currency in type/amount	Equivalent in FC1	Range of Values	Bidder's proposed weighting
			data			Fixed	Nonadjustable (a)	s	date 28 days prior to Bid ubmissio n date	type/amount		0.15	0.15	Fixed	Nonadjustable (a)		28 days prior to Bid submission date			0.15	0.15
						EQ <sup>17</sup>	bf		II date			0.20 - 0.35		$\mathbf{FU}^8$	$b_l$					0.15 - 0.50	
						SS <sup>19</sup>	c <sub>f</sub>					0.15 - 0.20 0.25 - 0.35		LL9	$c_l$					0.10 - 0.15	
						55	uj .				Total	0.25 0.55	1.00	CE10	$d_i$					0.15 - 0.20	
						Note:	Bidder's propos	ed weightin	ıg shall l	be within the prop	osed ranges			RS <sup>11</sup>	$e_l$					0.20 - 0.25	
							1 1	5	0		0			EQ <sup>12</sup>	$b_f$					0.20 - 0.35	
														EL <sup>13</sup>	$c_f$					0.15 - 0.20	
														SS14	$d_f$					0.25 - 0.35	
																			Total		1.00

<sup>8</sup> FU= Fuels, Oils , Lubricants
9 LL= Local Labour
10 CE=Cement

11 Reinforcing Steel

12 EQ=Equipment and Plant
13 EL= Expatriate Labour
14 SS=Structural Steel