

**SHORT TERM OPERATION AGREEMENT FOR PART OF THE FIRST DEVELOPMENT PHASE OF SHAHID-BEHESHTI-  
CHABAHR PORT, ISLAMIC REPUBLIC OF IRAN**

**RESPONSE TO PRE – BID QUERIES PURSUANT TO THE MEETING HELD ON 08 APRIL 2018 AT EMBASSY OF INDIA IN  
TEHRAN**

S. No	Query / Clarification	Authority's Response
1.	Due to the low traffic volume of the container and Cargos in Shahid Beheshti Chabahar port and insufficient revenue to cover the operator's costs, in addition to the variable amount per container, a fixed amount should be paid to the operator monthly.	Authority shall pay a Fixed Fee of EURO 55,000 per month during the contract period. The payment of fixed fee will be made on the invoice raised by the Operator at end of every month for the preceding month.
2.	Separating the responsibility for maintenance and operation of the equipment will cause many challenges and problems, and in order to avoid these conflicts and challenges, responsibility for maintenance and operation of the main equipment shall be under the management of the operator.	PMO is obliged to carry out the maintenance of the equipment. However, Authority will endeavour best to facilitate your request with the PMO
3.	The short duration of the contract does not allow well planning for the operator, so it is recommended that the contract be at least 24 months.	Duration of the agreement with Operator will be 18 months with provision for extension of 6 months, with same terms and conditions at Authority's discretion.
4.	All insurance matters for equipment, personality and the operator's responsibility shall be centralized and obtained through a single insurer and by the operator, and its costs should be considered at the fixed cost.	<ul style="list-style-type: none"> <li>• The Operator will not be responsible to provide insurance for the equipment. The set of equipment provided belong to PMO and their associates and it is understood that insurance cover is in place.</li> <li>• Refer Article 7 of the "Agreement", on "Insurance &amp; Compensation" for procedures and provisions for the insurance policies to be procured by the Operator.</li> <li>• Costs pertaining to various insurance, policies, except for the equipment provided by the Authority, has been considered in the Fixed Operating Cost</li> </ul>
5.	Method of issuing the bill of terminal services to the customer and financial interaction between you, PMO, Customers and the Operators shall be set out with consultant of tax and social	Suggestion is in-principle agreed. Methodology (such as splitting up of invoice for fixed fee in various components) for this could be taken up with the selected Operator, subject to provisions of the Agreement and applicable laws.

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	security's experts so that avoid any additional levied tax and social security's payment	
6.	If the terms of payment for the agreement be against issuance of bill for services whichever fixed or variable then it will be subjected to the article No.38 of the Social Security Act. In such case the employer shall deduct the amount of 5% of each bill that shall be released to the employee after settlement of the employee with social security office. The social security office will claim 16.67% of the total amount of revenue of the employee collected under the agreement provision. It is recommended the cost of social security mater shall be calculated in the fixed amount of the	Costs related to Social Security, has been considered in the Fixed Operating Cost.
7.	Given that the port of Shahid Beheshti is not a free zone or a special economic zone, then the value added tax should be added to the invoices issued to customers, as well as it is necessary to add the value added tax to the invoices issued by the operator for you,	<ul style="list-style-type: none"> <li>• Fixed and Variable fee is exclusive of Value Added Tax (VAT). Operator shall add VAT on the invoices issued to the Authority based on applicable laws.</li> <li>• Only VAT amount shall be added to the invoices issued to the customers as per applicable laws.</li> </ul>
8.	Regarding the operator's responsibility for storage of goods. If Indoor or Hanger storage, extra to the terminal area is provided to the operator, the specifications and number of warehouses shall be announced so that the operator can calculate the required human resources.	Indoor or Hanger storage is not part of the present scope of the Agreement. However, in case of any such requirement, the Operator shall submit a proposal. Authority will endeavour to facilitate same from the PMO
9.	Due to the fact that operator's costs are sometimes daily and sometimes monthly, therefore, the operator's fee payment can cause problems for the operator if the payment be every three months particularly since the interest rates in Iran is high, quarterly payment will increase the interest const. Therefore, it is suggested that Variable fees be paid on daily invoicing and fixed costs be also paid monthly to the operator.	<p>Payment of Fixed and variable fee will be on monthly basis.</p> <p>The payment of Fixed and Variable Operation Fee will be against the invoices raised by the Operator within fifteen (15) days of completion of every month of operations of the Terminal Area by the Operator, subject to verification. It is clarified that the Fixed &amp; Variable Operation Fee shall be paid by Authority to the Operator in Euros or in Equivalent Rials based on exchange rate of SANA system applicable on the date of payment.</p>

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10	An amount of 123 thousand euros for PBG will increase the operator's financial costs. Therefore, it is recommended that this amount be reduced and received against the promissory note or company's Cheque from the operator.	Amount of PBG remains unchanged Cost of providing PBG has already been considered in Fixed Fee.
11	The contract (the operating agreement) is also in the study, and subsequently the comments and suggestions on the contract will also be served to you.	Bidder can submit their queries related the Operating Agreement till 20 April 2018. However, due date for submission of RFP response (technical and price bid) remains 2 May 2018. Further it is informed to bidders that time is the essence of this contract and it is expected from all interested bidders to submit the bid documents as on due date, as further extension is not possible.
12	It is suggested that you revise the RFP scheduling and extend the submission date of the bids.	Due date for submission of the RFP responses is now 02 May, 2018. Time and venue for the submission of RFP responses remained unchanged.  Further it is informed to bidders that time is the essence of this contract and it is expected from all interested bidders to submit the bid documents as on due date, as further extension is not possible.
13	Would you please extend bid closing date for two weeks as we have to translate tender documents and distribute them between our department/s	Due date for submission of the RFP has been extended by 10 days and now the revised due date is now 02 May, 2018. Time and venue for the submission of RFP responses remained unchanged. Further it is informed to bidders that time is the essence of this contract and it is expected from all interested bidders to submit the bid documents as on due date, as further extension is not possible.
14	Would you please clarify fuel cost mechanism, also who will be responsible for fuel tanker and other facility.	The Operator can apply to the Iranian National Oil Distribution Company to purchase required fuel after acceptance and introduction by SBPA at the official rate for the approved quantity
15	Please clarify VAT and other taxes situation and condition in the contract.	<ul style="list-style-type: none"> <li>• Fixed and Variable fee is exclusive of Value Added Tax (VAT). Operator shall add VAT on the invoices issued to the Authority based on applicable laws.</li> <li>• VAT amount shall be added to the invoices issued to the customers as per applicable laws.</li> </ul>

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16	Would you please clarify dwell time and its mechanism?	<ul style="list-style-type: none"> <li>After deduction of PMO's share of revenue from storage of cargo / container, IPGL shall share 10% of the remaining amount with the Operator.</li> </ul>
17	As the volume of operations in this port is low, we suggest having a fixed and a variable fee to make the project justifiable. In this case, a fixed amount will be paid to the operator monthly to cover their expenses, and a certain variable amount will also be paid to the them for each TEU.	The Operator will be entitled to receive fixed fee per month along with variable Operation Fee on per TEU basis, as per Agreement. For payment of general cargo handled by the operator, tonnage handled shall be converted to TEU basis 13 tons per TEU.
18	Dedicate an administrative building for the shipping lines in the said port.	The Operator should submit a proposal. Authority will endeavor to facilitate same from PMO.
19	Assign an area for empty container depot where extra services such as repairing and washing containers can be performed.	The Operator shall submit a detailed proposal. Authority will endeavor to facilitate same from PMO .
20	Use a fixed currency for financial transactions. Our suggestion is Euro	Currency for the fixed and variable fee in the agreement will be Euro. However, payment to the operator will be made in Iranian Rials based on prevailing currency exchange rate of SANA system applicable on the date of payment.
21	Rate of Fuel Cost is at the market Value or Subsidized Value.	The Operator can apply to the Iranian National Oil Distribution Company to purchase required fuel after acceptance and introduction by SBPA at the official rate for the approved quantity
22	What is the provision in case of equipment break down while handling cargo?	Substitute equipment will be provided. However, the cost of same will be on operator account only if break down is attributed to mishandling by the operator. Please also refer to article 7 of the agreement (usage of the equipment)
23	Who will provide Marine Services?	Marine services are not in the scope of work of the Operator under this Agreement. PMO / SBPA is responsible to provide marine services.
24	What will be Language for the proposal?	It is mandatory for the bidders to provide all tender documents including forms, check list, Annexures in English language. However bidder may provide all supporting documents such as financial statements, company annual report and auditor's report either in English or Persian Language.
25	What will be provision of discount/incentives such as customs duties rebate, to attract cargo?	The Operator shall submit a proposal to the Authority. Authority will endeavour to get approval from PMO.

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26	Bid Security	Bidder shall submit a banker's cheque in the name of India Ports Global Chabahar Free Zone, for an amount of Euro 8,200 or Iranian Rials of 500,000,000. Validity of the Bankers Cheque shall be minimum 180 days