

**RFP FOR CONSULTANCY SERVICES FOR CONDUCTING HEAT RATE TEST OF  
INDEPENDENT POWER PLANTS (IPPS)  
CLARIFICATIONS**

Sr. No	Reference Clause	Clarification Required	CPPA-G's Response
1	The bidder(s) will submit a non-refundable tender document fee of (Rs. 100,000/-) (Rupees One Lac Only) in the form of a non-refundable Payee Account Demand Draft in favor of ["CPPA-G' ") at the time of Bid submission.	We would like to draw attention to PPRA clause 23 (5), which states that procuring agency shall provide a set of bidding documents to any supplier or contractor on request and subject to payment of price where the price means cost of printing only. In our view, the tender document fee of PKR 100,000 is unreasonably high and contradicts PPRA rules. Therefore, we request CPPA-G to reconsider and reduce the fee accordingly.	Not merited.
2	B. General Provisions, Pt. 09 The successful Bidder(s), at the time of main Contract award, shall furnish a Performance Guarantee in favor of CPPA-G against the offer, in the form of a bank guarantee issued by a Scheduled Bank having credit rating of AA or AAA (or equivalent) in Pakistan, of an amount equal to [20% of the contract amount. The Performance Guarantee shall cover the discharge of all obligations and responsibilities specified in the Contract. Failure to furnish the Performance Guarantee within Seven (07) days of signing of the Contract will entitle CPPA-G to consider the Bidder(s) as having abandoned the Contract. The Performance Guarantee shall be for a period of one year and shall be subsequently extended annually till the expiration of the Contract. The Performance Guarantee shall be in accordance with the formal provided in APPENDIX C.	It may be noted that the requirements of Performance Guarantee / security are applicable for works related contract and are not applicable for engineering consultancy services contract.  In this regard, we would like to refer to Pakistan Engineering Council (PEC), a statutory body, letter No. PEC/REG/2010 dated October 13, 2010, which is self-explanatory (copy enclosed). The letter stipulates that, inter alia, Performance Guarantee requirements are not applicable and irrelevant for services rendered by engineering consultancy firms.  Accordingly, requirement of the Performance Guarantee / Performance security may please be reviewed for consistency with PEC's notification / bye-laws and international practices.  Further, we would also like to highlight that even in works related contract, performance security equating 20% of the works' contract is considered too high. We specifically draw your attention towards Clause 39 of PPRA rules which states that where needed, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed 10% of the contract amount.	Not merited pursuant to PPRA Consultancy Services Regulation, 2010
3	C. Form of Bid and Bid Processing 2. The envelope No. 1 should contain the complete Technical Bid and undertaking for technical proposal submission. Appendix-Y 3. The envelope No. 2 will contain only the financial bid.	It appears from Sr. no. 2 and 3 that only one original copy will have to be submitted. No photo copy set to be submitted. CPPA-G to confirm.	Agreed
4	C. Form of Bid and Bid Processing 9. The financial proposals of the selected bidder(s) shall be opened publicly at a time, date and venue announced and communicated to the bidder(s) in advance.	We understand that the "selected bidders" means Technically responsive bidders. CPPA-G to confirm.	Agreed
5	D. Evaluation Criteria IEEE / Int'l Certification	CPPA-G is requested to clarify / elaborate which type of international certification is required?	Accreditation / Membership with Int'l Engineering bodies.
6	D. Evaluation Criteria Credit Rating of the Consultant	Engineering consultants are usually not directly involved in arranging external financing and thus may not be registered with credit rating agencies. Typically, consultants collaborate with international banks, lenders, or donor agencies. Given this context, we recommend that CPPA-G reevaluate this criterion. Instead of mandating credit ratings, points could be allocated for consultants registered with international banks, lenders, or donor agencies.	In the evaluation criteria, Financial Strength of Company in terms of latest Annual Turn Over (PKR) will be used to calculate score instead of PACRA rating.
7	APPENDIX Z-FINANCIAL BID PROFORMA	We understand that breakup of cost means the cost of HRT for each IPP. CPPA-G to confirm.  We understand that Applicable Tax means the tax which are applicable on submission date, Any Tax imposed by relevant authority after submission date will be born by the client. CPPA-G to confirm.	The consultant is liable for taxes or duties applicable on bid submission date.

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8	<p>Article I. DEFTNITIONS Term ' The Term of the Contract shall be for a period of six (06) months unless earlier terminated as per terms and conditions of this Contract.</p>	<p>The 6-month term for completing assignments seems relatively short. In fact, there are 6 assignments outlined in this RfP. For each assignment, a separate procedure must be developed after receiving the necessary information, data, documents, and drawings from each IPP. This procedure then needs to be reviewed and approved by CPPA-G and the IPP, which may take some time. Subsequently, tests will be conducted, contingent upon the readiness of the plant, followed by the preparation and submission of a preliminary report to the CPPA-G. Upon the CPPA-G's agreement with the preliminary report, a draft report is prepared and submitted for review by the CPPA-G and IPP. After their approval, a final report is prepared and submitted. These activities are to be repeated for each plant. Additionally, if the development of correction curves is required, it would necessitate additional time. In our estimation, at least 9 months are necessary to complete each assignment.</p>	<p>Article I. DEFTNITIONS  In addition to 06 months assignment period, 03 months grace period will be considered by CPPA based on satisfactory progress in achieving the milestone. The grace period extension is merited as Force Majeure Event is not available and to avoid frustration of Contract as well as avoiding high extreneous resource cost being built into the bid price.  The definition of "Term": <i>"The Term of the Contract shall be for a period of six (06) months, with the period of 03 months as grace period admissible by CPPA/Client upon satisfactory performance, unless earlier terminated as per terms and conditions of this Contract."</i></p>
9	<p>Article 4. CONSULTANT'S OBLIGATIONS/RESPONSIBILITIES 4.5 The Consultant acknowledges and agrees that it shall I, without incurring any additional cost to C PPA-G, be liable to re-perform and rework to re-perform and rework all or any part of the Consultancy Services, which are deficient in any manner. In this regard, any instructions issued by CPPA-G shall be complied with or cause to be complied with by the Consultant in letter and spirit.</p>	<p>In cases where re-performance of work is necessary due to factors beyond the independent consultant's control, such as system faults or issues at the respective IPP, the additional costs incurred by the independent consultant must be borne by the client. This includes any additional costs associated with re-performing heat rate tests or any extra tasks that may impact the overall project cost.</p>	<p>Contingency Charges in Financial Bid.</p>
10	<p>Article 4. CONSULTANT'S OBLIGATIONS/RESPONSIBILITIES 4.10 Table Sr. No 1 Payment against milestones</p>	<p>Under a single contract for conducting Heat Rate tests for IPPs, there are six independent assignments (jobs/services/works), each corresponding to the heat rate test of a different IPP. Treating these as a single job does not seem rational. Milestone payments on a prorated basis would be more appropriate.</p>	<p>Milestone based payments on prorated basis against each IPP</p>
11	<p>Article 4. CONSULTANT'S OBLIGATIONS/RESPONSIBILITIES 4.10 Table Sr. No 2 Final Heat Rate Test Report</p>	<p>Since there are six power plants with test reports to be finalized, it would be prudent to make prorated payments upon the submission of the final report for each plant</p>	<p>Milestone based payments on prorated basis against each IPP</p>
12	<p>Article 9. TAXES 9.6 Liquidated Damages:</p>	<p>It is important to note that the timely delivery of consultancy services is often contingent upon various external factors, many of which are beyond the consultant's control. These factors include the provision of necessary inputs/data, such as the availability or development of correction curves, as well as the readiness of the power plant for the HR test, among others. Therefore, imposing penalties on the consultant for delays is considered stringent and unusual compared to general industry norms. Additionally, as clarified in the PEC letter referenced above, the imposition of liquidated damages on consulting engineering firms is not in accordance with PEC's notification/bylaws and international practices. The imposition of liquidated damages on engineering consultancy services is not in line with PEC's standard contract for such services, as well as standard contracts developed by international agencies. Therefore, CPPA-G is kindly requested to remove provisions related to liquidated damages.</p>	<p>Not merited pursuant to PPRa Consultancy Services Regulation, 2010</p>
13	<p>Article 9. TAXES 9.1 The Consultant agrees to reimburse CPPA-G on demand for all such taxes, fees, licenses and charges which CPPA-G may be required or deem it necessary to pay on account of the agents, employee s and Representatives of Consultant.</p>	<p>The consultant should be liable for taxes or duties applicable on submission date. Any additional or new taxes/ duties imposed after bid submission date should be borne by the client</p>	<p>The consultant is liable for taxes or duties applicable on bid submission date.</p>
14	<p>Article 13. APPROVALS. ACCEPTANCE AND COMPLETION OF WORK 13.2 The Consultant agrees and undertakes that it shall upon completion of Consultancy Services submit reports/documents for CPPA-G's approval.</p>	<p>We understand the submission of reports are part of consultancy services. The consultancy services can not be termed as complete without submission of final reports.</p>	<p>Agreed. In case, any future representation of heat rate results to any forum is required, consultant will extend support.</p>
15	<p>Article 13. APPROVALS. ACCEPTANCE AND COMPLETION OF WORK 13.4 CPPA-G shall be entitled to withhold the payment of invoice for Consultancy Services not accepted by it or with regard to which the Consultant has been notified to remove the shortcomings/de efficiencies/defects.</p>	<p>We understand that the only prorated amount with regards to shortcomings in consultancy services of specific plant should be withheld.</p>	<p>Agreed</p>
16	<p>Article 17. CONTRACT PRICE</p>	<p>For international consultant or JV partner, CCPA-G should consider provision of payment in foreign currency.</p>	<p>Financial Bid based on PKR is required</p>

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17	Article 23. WORK COMMENCEMENT DATE 23.1 The Work Commencement Date shall be the date of issuance of Work Order	In our view, this time period should commence from the day when all the documentation/data required by the Consultancy Firm for the execution of the test, shall be provided by each IPP.	Not merited.
18	Article 27. PERFORMANCE GUARANTEE	Performance Guarantee is not applicable for engineering consultancy services as explained above.	Not merited pursuant to PPRA Consultancy Services Regulation, 2010
19	APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 1. Completion of work within six months (6) from issuing of the work order.	Six month time appears insufficient for extended scope as explained in previous point.	Not merited in ToRs. The definition of Term has been revised as detailed above.
20	APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 5. for rest of instrument from reputable accredited lab(s).	We understand that providing valid calibration certificates for all primary station instruments is the responsibility of the IPPs. The consultant will review these certificates for validity and accuracy. If calibration of any primary instrument is due, the respective IPP will arrange for their calibration from a reputable lab.  Furthermore, we understand that Station Instruments shall be calibrated/loop checked by the IPP, and the consultancy firm shall verify the validity of calibration certificates. CPPA-G is requested to confirm.	Agreed
21	APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 6. pre-test uncertainty analysis	Since the test will be conducted on installed plant equipment rather than precision instruments, pre-test/post-test uncertainties could exceed the maximum uncertainties specified in the applicable codes. For instance, gas supplier flow meters are to be used, which typically lead to higher uncertainties in the overall test results. CPPA-G is kindly requested to clarify the expectations from the independent consultant in such cases.	As per code PTC 46-2015
22	APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 8. Check and ensure that the gas readings recorded during the heat rate test is utilized for power generation only.	Confirmation is required whether the gas flow meters of all IPPs are installed in plants' premises.	Consultant to Check during execution of assignment
23	APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 11. Collect data at appropriate intervals for computation of test results. IPP(s) personnel shall facilitate in the recording of readings.	We understand all primary data / readings will be recorded by independent consultant's personnel. IPP staff will facilitate. Please confirm if our understating is correct.	Agreed
24	APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOP pt. 12. Use SNGPL gas chromatograph for measuring the fuel gas calorific value on LHV basis. Take 03 samples gas during the test from the location as agreed between IPP and CPPA-G	We understand that it is the responsibility of the independent consultant to collect gas samples and have them tested by an accredited laboratory. Kindly confirm this understanding.	Primarily, Gas Chromatograph will be used for measuring Calorific Value of Gas.
25	APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 13. Repeat the test in case of any interruption (of unit(s), complex or/and grid system) during the test without claiming additional cost till successful completion of the test.	We understand that if the plant is made available within 36 hours of an interruption, there may be no additional cost to the client. However, if the interruption is prolonged and the consultant team has to demobilize until the cause of interruption is resolved, then the actual costs of demobilization and remobilization should be reimbursed to the consultant	Contingency Charges in Financial Bid

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26	<p>APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 14.</p> <p>Apply all corrections as per EPC heat rate correction curves of the Complex. In case the EPC correction curves are not available for complex then independent consultant shall develop and validate the complex correction curves based on the available information from OEM in consultation with IPP and CPPA-G.</p> <p>The corrected heat rate will be adjusted with the degradation factors of PPA.</p>	<p>We understand that the independent consultant is required to conduct the heat rate test of the plants in combined cycle mode at base loads and correct the measured heat rate to reference site conditions in accordance with the provisions of relevant international standards, such as ASME PTC 46. Reference site conditions refer to those specified in the relevant EPC agreements/PPAs. The corrected heat rate at base load at reference site conditions would then be further adjusted, considering the heat rate degradation factors specified in the PPAs, to determine the heat rates of the plants at base loads at the time of their commercial operation dates. Kindly confirm if the above understanding is correct. Additionally, in order to proceed accordingly, copies of relevant sections of the EPC agreements and/or EPC performance test procedures/reports, as well as the PPAs, would be required.</p>	<p>Agreed. Heat Rate degradation factors as available in PPA will be provided to Consultant.</p>
27	<p>APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt. 14.</p> <p>Apply all corrections as per EPC heat rate correction curves of the Complex. In case the EPC correction curves are not available for complex then independent consultant shall develop and validate the complex correction curves based on the available information from OEM in consultation with IPP and CPPA-G.</p> <p>The corrected heat rate will be adjusted with the degradation factors of PPA.</p>	<p>The development of complex Heat Rate correction curves is a time-consuming and independent task. These curves are typically created by OEMs and EPC contractors during the commissioning stage of the plants, as they possess all the relevant data and information necessary for their development. In the event that such curves are not available to IPPs, it is preferable for IPPs to engage OEMs or independent firms to develop these curves, with independent consultant tasked to review them.</p> <p>If independent consultant is assigned the task of developing these curves, IPPs may challenge the authenticity of such curves. CCPA-G should also address this concern. Additionally, in such a scenario, specific plant data from each IPP will be required for the provision of heat balance diagrams and OEM-provided performance correction curves for GTs, HRSGs, STs, and Cooling Towers. This provided data will then be integrated to develop performance curves for the complex. CCPA-G should confirm whether this information is available with IPPs.</p>	<p>As per ToRs of RFP</p>
28	<p>APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt.16.</p> <p>Prior to submitting the final test report to CPPA-G a draft test report shall be prepared by the consultant and shared with IPP concerned and CPPA-G for review and comments. The final report to include the valid comments, executive summary, introduction, calculation of results, observations including any variances, conclusion, and appendices etc.</p>	<p>IPP being a stakeholder, it would be not recommended that IPP to review and grant approval of the reports submitted by consultant. However, any technical query could be addressed.</p>	<p>Not merited.</p>
29	<p>APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt.17.</p> <p>Any other task assigned by the CPPA-G in consultation with IPP pertaining to subject heat rate test.</p>	<p>This scope is open, making it challenging for us to quantify the efforts involved. We kindly request CPPA-G to either delete this point or explicitly specify the expected scope for the independent consultant.</p>	<p>Not merited.</p>
30	<p>APPENDIX A: Terms of Reference (ToRs) for Heat Rate Test for Gas based IPPs SOW Pt.18.</p> <p>The heat rate test will be conducted and used strictly for purposes mentioned in Section 5 of Master Agreement dated February 11, 2021.</p>	<p>Please provide the referenced Master Agreement dated February 11, 2021, so that we can review the requirements specified therein regarding the conduct of heat rate tests.</p>	<p>Beyond the scope and mandate of Consultant.</p>

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31	Documents Required from IPPs before proceeding to develop test procedure	<p>The following documents/information, but not limited to, are required for the fulfillment of TORs under this Contract. CCPA(G) to confirm that the availability of these documents:</p> <ul style="list-style-type: none"> <li>- Availability of CCGT performance correction curves. If combined cycle curves are not available then all relevant individual performance correction curves of GTs, HRSGs, ST and Cooling Towers would be required for each IPP.</li> <li>- P&amp;IDs for major systems like feed water, steam system cooling water, fuel gas, HRSG, SLD etc.</li> <li>- Plant Heat balance diagram of each IPP</li> <li>- Valves isolation lists ( open - close status of all valves in test boundary) during test</li> <li>- List of all plant auxiliaries ( drives/pumps fans etc) to be kept in operation and in stand by position during test</li> <li>- Reference site conditions as EPC contract / PPA</li> <li>- Plant historical operation data (Operating hours-OH, Factored Fired hours, Annual load factor etc.)</li> <li>- GT scheduled inspection history (CI, HGPI, MI),</li> <li>- ST scheduled inspection history</li> <li>- Plant Layout</li> <li>- PPAs</li> <li>- List of primary and secondary instruments including their location, measuring range, accuracy, calibration date, next calibration date etc.</li> </ul>	As per ToRs of RFP
32	Section 2: Contract	<p>The draft contract for consultancy services included in the RFP is not the standard contract for engineering consultancy services prepared by Pakistan Engineering Council (PEC) and notified by the Planning Commission, Planning &amp; Development Division, Government of Pakistan under Ref. No. 8(60) WR/PC/2008 dated February 12, 2008. We understand that being statutory requirement, the engineering consultancy agreement to be signed between the Consultant and CPPA-G should be based on the aforementioned standard contract for engineering consultancy services including all applicable conditions of contracts as well as appendices.</p>	Not merited.
33	General	<p>We understand that during the execution of the tests, the boarding and lodging of consultant's staff shall be the responsibility of the IPPs. Please confirm.</p>	<p>Clause 4.8 Cost of boarding and lodging of consultants staff shall be borne by the Consultant.</p>