

**KARACHI PORT TRUST
PLANNING AND DEVELOPMENT DIVISION**

No. P&D-G (560)/2007/IV/

Dated:-

Subject:- PAKISTAN DEEP WATER CONTAINER PORT
Marine Protection Works

GENERAL MANAGERS COMMITTEE REPORT (DTC)

1. BACKGROUND

a. Feasibility Study

Feasibility study was carried by M/s Techno Consult International in association Posford Haskoning and HR Wallingford in year 2005 recommended the establishment of Deep Draft Berths behind Keamari Groyne

b. Design Consultants

Accordingly M/s Haskoning(UK) in association with Scott Wilson(UK) and Techno Consult International were appointed for developing following components of PDWCP.

- Dredging and Reclamation Works
- Construction of 1500 m quay wall
- Marine Protection Works
- Aids to Navigation

c. Discharged Bid of M/s CHEC for Combined Tender of Dredging Reclamation and Marine Protection Works.

On the advice of Consultants Tenders for Dredging & Reclamation were merged with Marine Protection Works and Tenders were invited. KPT Board vide BR No. 994 dated 10.10.2007 discharged solo bid received from M/s CHEC for Dredging Reclamation and Marine Protection Works and resolved that bids for Dredging and Reclamation and Civil works of construction of break waters, quay walls and marine protection works be invited separately.

d. Discharged Singular Bid of M/s CWE for Marine Protection Works

Accordingly, works of Marine Protection Works and Quay Wall were re-advertised on 23rd May 2008 based on two envelope tender return system- One envelope for Post Qualification and Second envelope containing two separate envelopes for Technical and Financial proposals. Five firms purchased documents for Marine Protection Works

- M/s China Harbour Engineering Company Ltd. (China)
- M/s D'Marine Aviac (Pvt) Ltd. (Iran)
- M/s Ssang Yong-SMC Joint Venture (Korea)

- M/s China International Water & Electric Corporation (China)
- M/s Sinohydro Corporation (China)

On submission date of 2nd December 2008 only singular bid of M/s China International Water & Electric Corporation (in JV with M/s Sinohydro Corporation) was received for the Marine Protection Works. KPT Board vide BR No.128 dated 12.02.2008 sanctioned to discharge and return unopened bid for the Marine Protection Works and to Re-invite fresh Pre-qualification from international contractors. Only pre-qualified contractors to be issued tender documents.

2. SCOPE OF WORK FOR MARINE PROTECTION WORKS INCLUDE

a. Construction of Oyster Rocks Breakwater

Approx: length of Oyster Rocks Breakwater = 2500 m

Approx: level of Oyster Rock Breakwater bedrock -10.0 m, top level + 7.5 m, width of top surface 10 m, 3 ton rock toe, .2 ton rock underlayer, Core Loc units of 3.9 cu.m

b. Construction of New Manora Breakwater

length of New Manora Breakwater = 1200 m

Approx: level of New Manora Breakwater bedrock - 17.0 m, 3 ton rock toe, .2 ton rock, underlayer, Core Loc units of 5 cu.m to 6.2 cum.m

c. Construction of Keamari Stub Breakwater

Approx: length of Keamari Groyne Stub Breakwater = 275 m

Approx: level of Keamari Breakwater bedrock -12.0 m, top level + 7.5 m, width of top surface 10 m, 3 ton rock toe, 1.2 ton rock underlayer, Core Loc units of 3.9 cu.m

d. Construction of Keamari Groyne Extension

Approx: length of Keamari Groyne Extension = 300 m

Approx: level of Keamari Revetment bedrock -15.0 m, top level + 6.0 m, 3 ton rock underlayer, 3 ton rock armour, existing sand to be retained.

The Marine Protection works have been envisaged to comprise of geotextile material, rock or concrete (Core-LOC units) armour breakwaters to provide shelter to the port basin and for preventing sediment transport into the basin.

3. RE-INVITING TENDER (MAY 2009)

Accordingly advertisement for inviting proposals from contractors for Marine Protection Works and Quay Wall was published in newspapers on 1st May 2009 for submission of Post Qualification, Technical and Financial proposals. The last date of submission of

documents was 13th June 2009. Thereafter bids were extended till 13th July 2009 on bidders request. Post Qualification , Technical and Financial proposals were received on 13th July 2009 at 1500 hours. Instead of Pre-Qualification, Post Qualification was adopted to save time as criteria of qualification and for both pre and post qualification is same.

4. SUBMISSION OF BIDS

Only four firms submitted bids on 13th July 2009 out of nine firms who had purchased. The General Manager's committee opened the post-qualification documents in the presence of representatives of the bidders and consultants

Following four firms submitted proposals.

- 1) M/s. China Harbour Engineering Company. (CHEC).
- 2) M/s. China International Water & Electric Corp. (CWE –TTP JV).
- 3) M/s Sinohydro-Matracon (SINO) JV.
- 4) M/s China Railway First Group (CRFG).

It was recommended by the consultants that all the four firms i.e. China Railway First Group, China International Water and Electric Corp, Sinohydro- Matracon JV and China Harbour Engineering Company stand **post qualified** for the execution of PDWCP - MPW".

Consultants after detailed evaluation/ assessment of Technical Proposals, recommended that all the four firms i.e. China Railway First Group, China International Water and Electric Corp, Sinohydro-Matracon JV and China Harbour Engineering Company stand **Technically Qualified** for the execution of PDWCP - MPW.

5. FINANCIAL PROPOSAL AND EVALUATION

The Financial Bids for the Marine Protection Works for PDWCP at Keamari Groyne, Karachi were opened on 29th August 2009 in the presence of Consultants and Bidders representatives, by the General Manager's Bid opening committee. Four Bids were opened of following firms:-

1. M/s. China Harbour Engineering Company (CHEC).
2. M/s. Sinohydro (Sino).
3. M/s. China Water & Electric Corp (CWE).
4. M/s. China Railway First Group (CRFG).

The announced quotes submitted in bids which were later checked by the consultants are reported below:-

Engineers Estimate Rs 11,860,139,375/

Description	Original Bid Price (PKR)	Corrected Bid Price (PKR)	% Variation as Compared to Engineer's Estimates
CHEC (Lowest)			
Compliant Proposal	12,800,000,962.01	12,800,003,433.86	+7.92
Alternate -- I	11,520,000,310.49	11,519,996,341.72	- 2.86
Alternate -- II	12,825,292,514.14	12,825,290,720.17	+8.13
Sino (2nd Lowest)			
Compliant Proposal	23,681,113,593.11	23,681,113,593.11	+99.66
Modified	20,493,000,000.00	-	+72.79
Alternate Offer – I	23,447,468,827.86	-	+98.00
Alternate Offer - II	22,774,373,552.71	-	+92.02
CWE (3rd Lowest)	26,476,617,198.46	26,476,615,473.57	+123.123
CRFG (4th Lowest)	26,986,700,531.27	26,986,701,490.43	+127.53

The review of the four bids indicated that CHEC had submitted the lowest acceptable bids, including two alternate proposals. As CHEC is the lowest bidder, their Alternative bids were also reviewed in detail by the consultants, especially as Alternate - II being cheaper also.

The Original Bid amounting to Rs 12,800,003,433.86 is recommended by the Departmental Tender Committee after detailed discussion. Alternate I and Alternate II were not recommended due to following.

Alternate-I

Alternate-I is conditional, some conditions alongwith their technical and financial implications are:-

1. KPT needs to confirm the arranging/ obtaining permission to access the new Manora Break Water by road through Pakistan Navy, and undertake construction of roads. Considering the present condition of road from Sandspit onward and the transportation required, major efforts are

anticipated. However the consultant has estimated a questionable amount of Rs 12.5 million only for the purpose.

2. CHEC are proposing to use a Chinese designed and branded concrete units in place of 3t rock armour on the Oyster Breakwater and Keamari Revetment. It is understood that this would result in a saving over the use of the patented CORE-LOC™ units. At this stage the use of these Chinese units is not recommended as their hydraulic performance (i.e. stability under the design wave conditions) is not known and there is a possibility that the units may infringe the CORE-LOC™ patent. The physical modeling/ simulation/ stability tests for the Breakwater has been carried with patented CORE-LOC™ armour units, any change may upset the stability. The Consultant has again estimated the cost differential as very small i.e Rs 10 million.
3. An additional amount Rs.115,199,96.00 is required to be paid by the KPT as CHEC has demanded 10% additional amount of the contract price as advance payment.

Alternative - II

Alternate - II is not acceptable and is not considered further because of following:-

CHEC proposed to reduce the width of Oyster Rock Breakwater by 3.0m. No explanation has been given within the tender for the proposed reduction in the crest width which would reduce the volume of core material required. However, despite this reduction the cost of this alternative is higher than the compliant proposal and Alternate - I

To further clarify the matter a meeting was held with the firm in presence of Mr. Farooque Anwer Chaudry representing the Consultants to discuss the alternate proposals, wherein M/s CHEC declined to remove the conditions given in Alternate-1.

JOINT VENTURE

Later M/s CHEC have formed Joint Venture with local partners M/s Pemcon Geoengineering Company Ltd specifically for the project in the ratio of 70:30, requirement of PEC.

6. DEBIT HEAD

The expenditure cost of the subject work will be debited to Capital Works item No. 1-9-33-99-12 "Building and Other Structures" Project No. 06402 of 2009-2010 budget estimates wherein a provision of Rs 10.7 Billion exist.

7. NO GOVT. SANCTION REQUIRED

This work does not require Government Sanction under the provisions of KPT Act, being self financing with no Govt. Guarantee and involve less than 25% foreign exchange component.

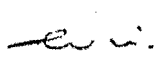
8. RECOMMENDATION OF THE DEPARTMENTAL TENDER COMMITTEE

The committee after threadbare discussion and examination of the technical and financial evaluation reports submitted by the consultants, recommend to award of work to Joint Venture of M/s China Harbour Engineering Company (CHEC) and M/s Pemcon Geoengineering Company Ltd on their original proposal submitted corrected for Rs 12,800,003,433.86 (Twelve Billion Eight Hundred million Three Thousand Four Hundred Thirty Three and Eighty Six paise only (This includes 25% Foreign Exchange payment component).


General Manager (O)


General Manager (CW/E)


General Manager (P&D)


General Manager (F)


General Manager (E)


General Manager (A)


Port Intelligence Officer