

**Response to Clarifications on the Request for Proposal –
Concept Note to support an Application by InfraCo Asia Development Pte. Ltd.
for a grant from The Private Infrastructure Development Group’s
Viability Gap Funding Programme**

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG’s Response
1	4 (Deliverable)	1 (PIDG Project)	2	(a) - (d)	We are assuming InfraCo Asia or PIDG will be providing the relevant information to complete the scope. Please advise otherwise.	Confirmed. We will provide the relevant information to complete the scope.
2	4 (Deliverable)	2 (Development Impact)	3	(a), (b), (c), (f), (j)	We are assuming InfraCo Asia or PIDG will be providing the relevant information to complete the scope. Please advise otherwise.	<p>Some of this information may be available from PIDG’s publications available online https://www.pidg.org/resources/?filter_cat=corporate-documents</p> <p>We will also provide the following documents to the Consultant after the contract has been awarded</p> <ol style="list-style-type: none"> 1) License to supply water to specific communities in the province. 2) Civil Works Contract for the Water Treatment plant, M&E Works Contract for the Water Treatment Plant, Distribution pipeline Works Contract (civil and M&E components). All of which are expected to be available to the Consultant in September. 3) Detailed Feasibility Study Report and a separate Due Diligence report on the FS report prepared by an independent consultant. 4) Some baseline information on the willingness to pay study 5) ESIA report 6) Financial Model 7) Investment structure and Contracting structure 8) Design review work undertaken by OE <p>However, we would also expect the Consultant to make reasonable assumptions in the assessment based on your local knowledge, past project experience and publicly available information (such as World Bank’s data) where applicable.</p>

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
3	4 (Deliverable)	2 (Development Impact)	3	(d), (e), (g), (h), (i)	<p>Would it be sufficient to cover these scopes based on the information provided by InfraCo Asia and PIDG coupled with desktop research?</p> <p>Alternatively, we can also engage a relevant Vietnamese expert that would be able to provide this information – this would mean we will need to submit an alternative bid in addition to the base bid. Is PIDG open to us submitting an alternative bid in relation to this scope please?</p>	<p>Yes. Information provided by us (see Item 2) coupled with desktop research is sufficient.</p> <p>The Consultant is expected to indicate the source of information and data in the report, including those obtained from the public domain.</p> <p>The Consultant may provide an optional service for engaging a local consultant to get access to such information. However, the overall pricing of the bid and the optional service has to be within the allocated amount.</p>
4	4 (Deliverable)	3 (VGF Level and Timing)	3	(a)	<p>We are assuming InfraCo Asia or PIDG will be providing the relevant information like financial model developed and other relevant documents to complete the scope. Please advise otherwise.</p> <p>If we are provided with financial model(s), are we expected to verify/challenge and modify the model(s) in anyway? Please advise.</p>	<p>We will provide the Consultant with a financial model developed by us. This financial model will also be reviewed by an independent auditor in parallel. Whilst we do not expect to have significant changes to the assumptions of the financial model, there may be some adjustments and those will be communicated to the Consultant as soon as appropriate so that the Consultant can incorporate these changes in the Concept Note in a consistent manner.</p>
5	4 (Deliverable)	4 (Investment)	3	(a), (b), (e), (f)	<p>We are assuming InfraCo Asia or PIDG will be providing the relevant information like financial model developed and other relevant documents to complete the scope. Please advise otherwise.</p>	<p>Please see Item 2 and 4 above.</p>

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
6	4 (Deliverable)	4 (Investment)	3	(c)	We are assuming InfraCo Asia or PIDG will be providing the relevant information to complete the scope. Please advise otherwise.	<p>We expect the Consultant to complete the scope based on your knowledge, past project experience, and publicly available data and the documents such as FS report and ESIA report provided from us.</p> <p>For a list of available documents refer to Item 2 above.</p>
7	4 (Deliverable)	4 (Investment)	3	(d)	We are assuming InfraCo Asia or PIDG will be providing the relevant information to complete the scope. Please advise otherwise. Please clarify the competitive process described here.	<p>The estimated capital cost will be provided in the financial model. The Consultant is expected to take a view at these figures and benchmark with other projects based on your data base and knowledge where possible.</p> <p>To ensure maximum value of money in the allocation of PIDG VGF grants is to link the determination of grant size to a competitive process for selecting private sponsor / operator. When competition is not possible, it should be demonstrated to PIDG that the project costs are at a level that would have reasonably be achieved through competition as determined through appropriate review and benchmarking. Refer to PIDG TA OPPs attached to the RFP for further information.</p>
8	4 (Deliverable)	6 (Outputs & Service Quality)	4	(a) – (c)	We are assuming InfraCo Asia or PIDG will be providing the relevant information to complete the scope. This would include assumptions made by technical advisors on the operational design of the facility, proposed availability and performance criteria (if relevant) set to monitor the project outputs etc. Please advise otherwise.	<p>We will provide the relevant information, including feasibility study report, ESIA and an affordability and willingness to pay study report.</p> <p>For a list of available documents, please refer to Item 2 above.</p>

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
9	4 (Deliverable)	7 (Public Authority Obligations or Other Major Contracting Parties to the Project)	4	(a) – (c)	We are assuming InfraCo Asia or PIDG will be providing the relevant information to complete the scope. This would include risk allocation analysis documents showing typical proposed risk like operator default or sponsor default and relevant mitigations etc. Please advise.	For a list of available documents, please refer to Item 2 above. We will provide a Contracting Structure to the winning bidder and not be providing a separate risk allocation analysis for the project. We would expect the Consultant to independently identify the relevant risks where appropriate, based on the review of the documents and the Consultant's past project experience.
10	4 (Deliverable)	9 (How will Key Project Risks be Mitigated)	4, 5	(a) – (h)	Linked to the document request above in relation to risk allocation analysis and mitigations which can be through a detailed procurement process or planned contractual mitigations e.g. termination clauses, performance regimes etc. Again, we assume we will be provided with the relevant information to perform the analysis. Please advise otherwise.	See above. We would also expect the Consultant to provide your insights based on your knowledge and past project reference, as well as desktop research to draw reasonable conclusions.
11	1				Will we have access to baseline project details from the project stakeholders on these topics? (e.g. project location and boundaries, project stakeholder organization chart, description of key stakeholders involved)	Confirmed. We will provide the relevant information we have to complete the scope. If more information (beyond what is in the dataroom) is required by the Consultant, we will be happy to assist where possible. For a list of available documents, please refer to Item 2 above.

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
12	2				Are we required to visit the project site and develop report from scratch/independently (we understand no travel is to be done), or are we expected to review/challenge/justify existing baseline information instead? If the latter, what is the baseline information you already have, and can share with us? For example, Technical Feasibility Study, Water Demand Assessment (e.g. demand and water service connection projections)?	<p>The Consultant is not expected to visit the project site, only a desktop review is required. Existing baseline data is in place and it is expected that the Consultant will review, challenge and justify the data. The information that will be provided to the Consultant includes those listed under Item 2 above.</p> <p>Access to a dataroom will be provided to the Consultant upon contract award. Access to the dataroom is not expected to be needed for bidder to complete the bid.</p>
13	2				What support can we have to access the local provincial authorities or other project shareholders to provide us with relevant information, if the need arises during the project? (e.g. Can we contact them via introductions, conduct any interviews, correspond over email, etc.)	<p>The primary contact for the Consultant is expected to be PIDG and InfraCo Asia. The Consultant will also be introduced to the Co-sponsor on the project if deemed necessary by PIDG and InfraCo Asia. Other parties may be contacted to assess the project and where possible PIDG or InfraCo Asia will make these introductions.</p> <p>However, the Consultant should not deliver a report contingent on the accessibility to project shareholders or authorities. It is important to deliver the draft and final report based on the timeline indicated in the RFP.</p>
14	2				We are planning to engage a local Vietnamese consultant to support the Consultant on this assessment on the ground. Are there any further requirements we need to meet due to that?	<p>The Consultant is responsible to manage any subcontractors/subconsultants of their own, including the protection of confidential information.</p>

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
15	3a, 4a-b				Has the funding amount, ERR and IRR already been determined in the Financial Model (FM)? Do we have access to the FM for review/challenging, or are we expected to create our own FM?	<p>The Consultant is not expected to create your own FM. As per item 4 above, we will provide the Consultant with a financial model developed by us. The Consultant will be expected to evaluate whether the assumptions within the model are valid and consistent with the benchmarks. This will include an expected IRR and ERR.</p> <p>Please note that ERR is not included in the financial model. We would expect the Consultant to develop the ERR in the model. If required, we will work with the Consultant to add elements in the FM to derive the ERR.</p> <p>This financial model will also be reviewed by an independent auditor in parallel. The financial model auditor will review and opine on the flow, logic and arithmetic of the model, as well as looking at cashflow schedule, profit and loss schedule, investor's return, and assumptions relating to tax, any price index etc.</p> <p>Technical assumptions related to fixed and variable opex, construction cost, revenue etc. shall be reviewed by the Consultant.</p> <p>Whilst we do not expect to have significant changes to the financial model, there may be some adjustments and those will be communicated to the Consultant as soon as appropriate so that the Consultant can incorporate these changes in the Concept Note in a consistent manner.</p>

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
16	3b				Are there already existing assumptions around the disbursement schedule for us to review/challenge, or are we expected to develop this independently?	There will be existing assumptions around the disbursement schedule of the VGF. As part of the analysis and evaluation, it is expected that the Consultant will evaluate the disbursement schedule and determine the risk posed by the assumed disbursement schedule. The Consultant is expected to have a view on the FM provided and opine on its reasonableness and provide recommendations where appropriate.
17	4c-f				What baseline information exists for us to review/challenge? (e.g. funding sources, cost estimations, etc.) If not available in documentation, what support can we have to access various project stakeholders, to gain a baseline understanding of how they plan to finance the project? (e.g. Can we contact them via introductions, conduct any interviews, correspond over email, etc.)	<p>Please refer to Item 2 for the list of documents available.</p> <p>However, we would also expect the Consultant to provide your insights based on your knowledge and past project reference, as well as desktop research to draw reasonable conclusions.</p> <p>Communications protocol, including progress meeting schedule will be established upon project kick-off. Any project related matters/concerns, or request for information will be discussed and addressed.</p> <p>Please note that as far as possible, we will want to limit the interaction to be with just Infracore Asia and PIDG. This can be assessed at a later stage.</p>
18	5				What is the baseline information you already have, and can share with us? (e.g. expected O&M cost, number of potential connections, expected tariff, expected collection rate)	Please refer to Item 2 for the list of documents available.

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
19	5c				What exactly do you mean by this? Average expected collection rate? Or determine a target collection rate?	<p>The collection rate can be defined as the percentage of billed end-users of water that pay the project for water consumed or contractually obligated payments from the water utility to the project. This question is seeking to establish if there is a risk of payment to the Project.</p> <p>An affordability and willingness to pay study is available and will be shared with the Consultant.</p>
20	6				What is the baseline information you already have, and can share with us? (e.g. existing service levels and performance indicators) If not available in documentation, what support can we have to access the local provincial authorities to provide us with relevant information, if the need arises during the project? (e.g. Can we contact them via introductions, conduct any interviews, correspond over email, etc.)	Please refer to Item 2 for the list of documents available.
21	6b				Does this question actually mean to understand how KPIs are set and who are involved in setting it (contractual parties vs. regulators)?	<p>We will provide the relevant license to supply water to the Consultant (See Item 2 above).</p> <p>The project outputs would be measured through the criteria as set out in the license and EDR which states the regulations that the project must comply with (e.g. water quality standards and water laws).</p>

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
22	7, 9				Answering these questions will require a review of contracts/agreements in place. What are contracts/agreements are you able to share with us? E.g. Is there an offtaker agreement?	Please refer to Item 2 for the list of documents available. Please note that the project will be selling water directly to end-consumers, as such there will be no main 'offtaker agreement'.
23	8				What baseline information do you already have, and can share with a list with us? If not available in documentation, how do we access project sponsors.	<p>Please refer to Item 2 for the list of documents available.</p> <p>Please note that the major works contracts for the project is split into 3 main contracts – two of which are competitively tendered (in accordance with PIDG's OPPs and procurement policy) while the last will be procured directly but the contract will be benchmarked. Benchmarking will be done by the OE</p> <p>We would also expect the Consultant to provide your insights based on your knowledge, past project experience and other public available resources (such as World Bank's publications and data) on benchmarking capex, opex and financing cost with other similar projects.</p> <p>Communications protocol, including progress meeting schedule will be established upon project kick-of. Any project related matters/concerns, or request for information will be discussed and addressed.</p>

No.	Section in RFP /Deliverable No.	Reference	Page	Clause	Question	PIDG's Response
24	General				Are there any requirements around recency of data/statistics to be provided? Is it sufficient to provide what is most recently available based on existing information, and clearly stating assumptions if we adjust the data for 2020?	<p>It is expected that the most recent data as possible to be utilised. Adjustments can be made to extrapolate this data to 2020.</p> <p>All data / statistics used in the report must be indicated / quoted in the report.</p>