

Selection of System Integrator (SI)
For Implementation of
Integrated Traffic Management System (ITMS) Project
in Guwahati

Volume IV: Preamble to Price Bid



**Guwahati Smart City Limited,
Guwahati, Assam**

Tender No: SPV/GSCL/DEV/182/2021/84

PREAMBLE TO PRICE SCHEDULES

1. The Authority or any other government agency shall not have any liability of paying any taxes (including GST)/charges/levies as part of this project. The bidder has to quote their Price duly factoring in all these costs over the project duration.
2. Bidder should provide all prices as per the prescribed Format under this Annexure.
3. All the prices are to be entered in Indian Rupees (INR) only
4. Prices indicated in the schedules shall be inclusive of all taxes, GST, Levies, duties etc. The prices should also specify any recurring charges and five-year O&M support cost as per specified Formats.
5. Authority reserves the right to ask the Bidder to submit proof of payment against any of the taxes, duties, levies indicated.
6. The Bidder needs to account for all out of Pocket expenses on account of Boarding, Lodging and other related items.
7. The Unit Rate as mentioned in the prescribed Formats may be used for the purpose of 'Change Order' for respective items, if any. However, based on the market trends, Authority retains the right to negotiate this rate for future requirement
8. Bidder shall ensure that the future products to be supplied shall be of latest specifications as per the OEM roadmap.
9. Bidder should refer to Volume II of the RFP for details on the functional requirements of the system and the benchmark minimum specifications for the items mentioned in the Price Formats.
10. Bidder needs to load the price of Capacity Building as mentioned in Vol-2 and Site Survey, Detailed Project report comprising Detailed Design & Drawings of all components listed in Vol-2. No separate BOQ line item shall be considered.
11. Total cost should be inclusive of all applicable taxes / charges, Annual O&M charges or any other recurring charges such as license fees etc.(for hardware as well as software components) as applicable.
12. No escalation of prices will be considered during the course of the project implementation and O&M.
13. The SI/bidder has to ensure that their Price bid contains reasonable unit rates of CAPEX and OPEX items. Authority may identify abnormally higher / lower unit rates of line items and seek justifications from bidders on the same. It is recommended that Total Capital Price (CAPEX) quoted in the project should not exceed 70% of Total Price quoted in the price bid. In case the bidder quotes higher figures (more than 70% of Total Price) towards CAPEX, the same shall be restricted to 70% while making payments towards CAPEX. Any value quoted towards CAPEX over and above 70% limit will be paid in equal quarterly installments during O&M phase along with quarterly payment for each quarter.

14. No column in the Price Bid shall be left blank. In case the price is not quoted for any item, the bidder shall be deemed to have covered the cost of such items (according to the requirements of the bid document) elsewhere in the prices quoted for other items and no extra payment on this account will be made. For evaluation purpose the rate of such item will be considered zero (0) to sum up the price of that part.
15. The quoted price by the bidder shall be evaluated as per 'Evaluation of Price Bid' under Volume-IV.
16. All the prices mentioned by us in this Price Bid are in accordance with the terms as specified in the RFP Documents. All the prices and other terms and conditions of this RFP are valid for a period of 180 calendar days from the last date of online submission of the Bid.
17. The Bidder is not allowed to quote a Unit Rate for an Operations Item for a subsequent year to be lower than the Unit Rate of the current year; it can utmost be equal if not higher than the current year.
18. The Client has the right to increase decrease the quantities and the O&M cost will be adjusted as per the unit costs
19. The financial evaluation would however be done basing on the Net Present Value (NPV) concept for the entire contract period at a discount rate mentioned in bid data sheet.

20. Methodology For Financial Bid Evaluation As Per NPV Formula:

The financial evaluation shall be done based on the Net Present Value (NPV) concept for the entire contract period at a discount rate mentioned below.

The price bid of the bidders shall be evaluated as per NPV formula given below:

The O&M Costs (R) quoted by the bidder for each year shall be reduced to Net Present Value using the following formula:

$$R = \sum_{x=1}^n Rx / (1 + I)^x$$

where

n = number of years of the O&M Period,

x = an index number 1, 2, 3, ...n representing each year of the O&M Periods.

Rx = Total O&M Costs for year "x," as recorded in the O&M Cost in Vol-IV.

I = discount rate to be used for the Net Present Value calculation.

Discount Rate (I) for Net Present Value (NPV) calculations of recurrent costs = 10 percent per annum.

The following is an example of financial bid evaluation as per NPV formula.

Bidders	Capex	Opex Cost					Total Bid Price
		Yr.1	Yr.2	Yr.3	Yr.4	Yr.5	
Bidder 'A'	340	30	31	32	33	34	500
Bidder 'B'	326	30	34	35	37	40	500

Bid Evaluation (NPV Method): - (Discounting Rate = 10%)

Bidder 'A' = $340 + 30/(1+0.1)^1 + 31/(1+0.1)^2 + 32/(1+0.1)^3 + 33/(1+0.1)^4 + 34/(1+0.1)^5 = 460.6 \text{ Cr.}$

Bidder 'B' = $326 + 30/(1+0.1)^1 + 34/(1+0.1)^2 + 35/(1+0.1)^3 + 37/(1+0.1)^4 + 40/(1+0.1)^5 = 455.8 \text{ Cr.}$

- 21. The bidder with the lowest price based as per the above formula (Capex + NPV of Opex for 5 years) will be considered as L1 Bidder.**