

Subject: Request for Clarifications – King Salman Bin Abdulaziz Al Saud Hospital, Islamabad, Pakistan (Hospital and Allied Buildings)

Dear Sir,

We respectfully request clarification on the following matters to enable prospective bidders to prepare responsive and competitive bids:

1. Mobilization Advance

Considering the project magnitude, extensive mobilization requirements, procurement of long-lead items, establishment of temporary facilities, deployment of manpower and equipment, and substantial upfront cash flow requirements, kindly confirm whether a Mobilization Advance of at least **20% of the Contract Price** shall be provided against submission of an acceptable Advance Payment Guarantee.

2. Release and Recovery of Mobilization Advance

Please clarify:

- Timeline for release of Mobilization Advance after submission of required securities.
- Recovery mechanism and schedule from Interim Payment Certificates (IPCs).

3. Bid Security Instrument

The Bidding Documents currently require Bid Security in the form of Pay Order, Banker's Cheque, Call Deposit or Demand Draft as per Point # 4 of ITB while other section allow submission of Bank Guarantee against Bid Security. The Value of bid Security has been referred as 200 Million PKR and also 220 Million PKR. Please clarify.

4. Retention Money

Kindly clarify the retention provisions under the Contract. The Employer is requested to limit retention deductions to a maximum of **5% from each IPC**, with the cumulative retention amount capped at **5% of the Accepted Contract Amount**, and to allow replacement of retention by a Bank Guarantee.

5. Price Adjustment / Escalation

The BDS appears to indicate no provision for price adjustment. Considering the project duration and volatility in construction material, fuel, labour and imported equipment prices, kindly confirm whether a comprehensive Price Adjustment mechanism shall be incorporated in the Contract.

6. Certification and Payment of IPCs

Please confirm the time period applicable for:

- Certification of Interim Payment Certificates by the Engineer/Employer.

- Release of payments after certification.

7. Evaluation Methodology under LCBS

Please clarify the detailed methodology for evaluation under the stated Least Cost Based Selection (LCBS) procedure, including the relationship between technical evaluation and financial evaluation and the basis for final award recommendation.

8. Liquidated Damages

The Bidding Documents prescribe Liquidated Damages at the rate of **1% per day of delay**, which appears substantially higher than the rates generally adopted in large-scale construction contracts and may result in disproportionate financial exposure to the Contractor.

Considering the scale, complexity and duration of the Project, it is respectfully requested that the Employer review and clarify the Liquidated Damages provisions and consider adopting a more balanced mechanism consistent with prevailing industry practice and FIDIC principles, including:

- Liquidated Damages not exceeding **0.05% to 0.10% of the Accepted Contract Amount per day of delay**; and/or
- An aggregate cap not exceeding **10% of the Accepted Contract Amount**.

Accordingly, bidders request confirmation of:

1. The intended daily rate of Liquidated Damages.
2. The maximum aggregate cap applicable to Liquidated Damages.
3. Whether the stated rate is correct or has been inadvertently specified.

9. Foreign Currency Components

Please clarify whether payment mechanisms are available for imported equipment, specialized hospital systems and foreign-origin materials, and whether exchange rate fluctuations shall be compensated under the Contract.

10. Clarification on Scope of Works, BOQs and Drawings

Upon review of the tender documents, the drawings, BOQs and technical information presently made available appear to primarily relate to civil, structural and grey works components of the Hospital Project.

However, the qualification criteria, project description and estimated project value of approximately PKR 13 billion indicate that the intended scope may also include architectural works, interior finishes, electrical works, mechanical works, plumbing, fire protection systems, ICT systems, healthcare IT infrastructure, biomedical interfaces and other specialized hospital services.

In order to enable bidders to accurately assess the scope, resources, methodology and pricing requirements, kindly clarify the following:

1. Whether the current tender pertains only to civil, structural and grey works, or to the complete construction of the Hospital and Allied Buildings.
2. Whether additional BOQs, drawings, specifications and technical documents relating to architectural works, interior finishes, MEP services, external works, biomedical infrastructure, healthcare systems and other specialist works shall be issued during the bidding process.
3. Whether the estimated project value of PKR 13 billion represents the value of the complete hospital development or only the presently issued scope.
4. In the event additional BOQs and drawings are to be issued, kindly confirm the anticipated timeline for issuance and whether bidders shall be provided sufficient time to review and incorporate the same into their bids.
5. Kindly confirm the intended scope of procurement under the present tender and identify any portions of the project that are excluded from the Contractor's scope.

This clarification is requested to ensure that all bidders prepare their technical and financial proposals on a common and transparent basis.

We shall appreciate your clarification on the above matters through EPADS and/or during the Pre-Bid Meeting.

Thank you.