

## Responses to Requests for Clarifications Nr. 1

**Country:** *Sint Maarten*

**Name of Project:** *Emergency Recovery Project I*

**Contract Title:** *Single Family Homes Repairs #2 – Lot 1, Lot 2 and Lot 3.*

**Loan No. /Credit No. / Grant No.:** *TF0A8079*

**RFB No:** *AN-IRC-NRPB-76496-CW-RFB / Repairs 2*

In connection with the above RFB, the following responses are communicated to Bidders:

Comment Received <sup>1</sup>	NRPB Response / Reaction				
<p>The Bill of Quantities as received is based on 67 units (lot 1), 133 units (lot 2) and 200 units (lot 3). The description and quantities for labour and materials are very detailed for the mentioned units for lot 1, 2 and 3.</p>	<p>Not exactly. Please note that the Bill of Quantities (BOQ) does not refer to Lot 1, Lot 2 and Lot 3, but to one (1) lot, two (2) lots and three (3) lots.</p> <p>ITB 11.1 (b), discusses this issue as follows:</p> <table border="1" data-bbox="1066 1052 1894 1208"> <tr> <td data-bbox="1066 1052 1213 1166"><b>ITB 11.1 (b)</b></td> <td data-bbox="1215 1052 1894 1166">The following schedules shall be submitted with the Bid: - A priced Bill of Quantities, for one (1) lot, two (2) lots and/or three (3) lots, at the Bidder's choice. It should be noted that lots are not identified at this time; a discussion on how houses will be assigned to the various lots is</td> </tr> <tr> <td data-bbox="1066 1167 1213 1208"></td> <td data-bbox="1215 1167 1894 1208">included in the Specifications.</td> </tr> </table> <p>The correct assertion is that the BOQ for one (1) lot comprises 67 units, the BOQ for two (2) lots comprises 133 units and the BOQ for three (3) lots comprises 200 units. Please note that quantities</p>	<b>ITB 11.1 (b)</b>	The following schedules shall be submitted with the Bid: - A priced Bill of Quantities, for one (1) lot, two (2) lots and/or three (3) lots, at the Bidder's choice. It should be noted that lots are not identified at this time; a discussion on how houses will be assigned to the various lots is		included in the Specifications.
<b>ITB 11.1 (b)</b>	The following schedules shall be submitted with the Bid: - A priced Bill of Quantities, for one (1) lot, two (2) lots and/or three (3) lots, at the Bidder's choice. It should be noted that lots are not identified at this time; a discussion on how houses will be assigned to the various lots is				
	included in the Specifications.				

<sup>1</sup> A message received from a potential Bidder is presented below, broken down into the different issues deal with by the Bidder.

	<p>for “two (2) lots” double quantities for “one (1) lot”, while quantities for “three (3) lots” triple quantities for “one (1) lot”.</p> <p>In addition to the BOQ, the Daywork Schedule has been included to pay for works that may not be covered by the unit prices that are part of the BOQ.</p>		
<p>Although it is mentioned on page 59 article 2 that:</p> <p>“The basis of payment will be the actual quantities of work ordered and carried out, as measured by the Contractor and verified by the Project Manager”</p>	<p>Correct. This is standard language for admeasurement contracts.</p>		
<p>The quantities calculated by your Team will be close or close enough near the amounts that will be found in the project otherwise the related cost for fore example overhead, schedules, plan of approach, capacity of personnel etc. (a long list of items related to indirect cost). will not be accurate in the calculation for the Bill of Quantities.</p> <p>So far concerning the above I expect that you can agree.</p>	<p>Exactly. The BOQ jointly with the Daywork Schedule included in the Request for Bids (RFB) are consistent with the description of the Works of GCC 1.1 (hh), which reads as follows:</p> <table border="1" data-bbox="1066 764 1864 1133"> <tr> <td data-bbox="1066 764 1203 1133">GCC 1.1 (hh)</td> <td data-bbox="1207 764 1864 1133"> <p><i>[use the following if the contract is for One (1) Lot]</i></p> <p>The Works consist of the repairs of 67-83houses damaged by Hurricane Irma (One (1) Lot).</p> <p><i>[use the following if the contract is for Two (2) Lots]</i></p> <p>The Works consist of the repairs of 133-167 houses damaged by Hurricane Irma (Two (2) Lots).</p> <p><i>[use the following if the contract is for Three (3) Lots]</i></p> <p>The Works consist of the repairs of 200-250 houses damaged by Hurricane Irma (Three (3) Lots).</p> </td> </tr> </table> <p>Noticeably, GCC 1.1 (hh) does not define final numbers of houses but ranges, each one with a lower limit and an upper limit. Lower limits coincide with the number of units for the corresponding number of lots in the BOQ. Upper limits are expected to be covered by the total contract amount (BOQ plus Daywork Schedule) corresponding to the number of lots.</p>	GCC 1.1 (hh)	<p><i>[use the following if the contract is for One (1) Lot]</i></p> <p>The Works consist of the repairs of 67-83houses damaged by Hurricane Irma (One (1) Lot).</p> <p><i>[use the following if the contract is for Two (2) Lots]</i></p> <p>The Works consist of the repairs of 133-167 houses damaged by Hurricane Irma (Two (2) Lots).</p> <p><i>[use the following if the contract is for Three (3) Lots]</i></p> <p>The Works consist of the repairs of 200-250 houses damaged by Hurricane Irma (Three (3) Lots).</p>
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	<p>The reasons why a range (and not a final number) of houses is given are explained in the RFB Specifications; mainly in the paragraph copied below:</p> <p>Houses will be grouped in three (3) lots including 67-83 houses each. Given that –mainly due to their unknown structural soundness-- the number and identification of houses to be repaired will not be known till the assessment reports are delivered and approved, it is not possible to list the houses pertaining to each lot at the time of bidding. The formation of the lots will be the responsibility of the Project Manager, who will aim at minimizing the construction cost by forming lots with houses located in the same areas. The Project Manager will also aim at being fair to all contractors involved.</p>
<p>However in Section IX at GCC 1.1 (v) lot 1 has an amount of 83 units, lot 2 has an amount of 167 units and lot 3 has an amount of 250 units.</p>	<p>Exactly. The quantities of 83 units (one (1) lot), 167 units (two (2) lots) and 250 units (three (3) lots) that result from totalizing the quantities of GCC 1.1 (v) are the upper limits of the ranges defined in GCC 1.1 (hh). For ease of reference, GCC 1.1 (v) is copied below.</p>

**GCC 1.1 (v)**

The Intended Completion Date for each of the Sections in which the Works have been divided shall be:

*[use the following if the contract is for One (1) Lot]*

Section	Description (as per the Specifications)	Days (counted from the approval by the Project Manager of Section pricing and Work Program)
1.	First 28 Houses	225 days
2.	Second 28 Houses	340 days
3.	Remaining approx. 27 Houses	450 days

*[use the following if the contract is for Two (2) Lots]*

Section	Description (as per the Specifications)	Days (counted from the approval by the Project Manager of Section pricing and Work Program)
1.	First 56 Houses	225 days
2.	Second 56 Houses	340 days
3.	Remaining approx. 55 Houses	450 days

*[use the following if the contract is for Three (3) Lots]*

Section	Description (as per the Specifications)	Days (counted from the approval by the
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		Project Manager of Section pricing and Work Program)
1.	First 83 Houses	225 days
2.	Second 83 Houses	340 days
3.	Remaining approx. 84 Houses	450 days

GCC 1.1 (v) is consistent with GCC (hh) by indicating in all Section 3 cases that the quantities of houses are approximate, so that total quantities will fall within the defined ranges (instead, quantities of houses for Sections 1 and 2 are fixed).

Noticeably, completion dates for all Section 3 cases are set for the upper limits for the section.

<p>This is in increase of 25% of the project volume which means:</p> <ul style="list-style-type: none"> <li>○ An increase of 25% of quantities in Labour</li> <li>○ An increase of 25% of quantities in Materials</li> </ul> <p>In short:</p> <ul style="list-style-type: none"> <li>○ An increase of 25% of capacity to realize the project within the same allowed 450 days of construction time</li> </ul> <p>It is not realistic to:</p> <ul style="list-style-type: none"> <li>○ expect a Plan of Approach for lot 1 67 units, lot 2 133 units and lot 3 200 units with a construction time of 450 days</li> </ul> <p>and in the same time:</p> <ul style="list-style-type: none"> <li>○ expect a Plan of Approach for lot 1 83 units, lot 2 167 units and lot 3 250 units with a construction time of 450 days</li> </ul> <p>The increase of 25% will mean more Labour, more Materials but above all more indirect costs / capacity in the sense of supervisors – project engineers – project organization etc. to realize the project in the same construction time span of 450 days.</p>	<p>Not exactly. While it is correct that all direct costs (Labour and Materials) will increase by 25%, it is not totally correct that construction capacity will have to increase by 25% due to the number of houses of Sections 3.</p> <p>As discussed, differences in quantities of houses are present only in Sections 3. Also, construction in all Sections will very likely not commence simultaneously, since it depends upon the issuance by the Employer of the respective Section Task Order (STO), which will follow the submission by the Assessment Consultant of the Assessment Reports. It is in principle expected that STO for Sections 2 will be issued 6 weeks after STO for Sections 1, while STO for Sections 3 will be issued 8 weeks after STO for Section 2. The schedule for delivery to the Contractor/s of the approved Assessment Reports will be shared with Bidders at least 15 working days prior to bid opening (see ITB 8.4, new clause).</p> <p>The attached chart was built based upon the above considerations and presents the number of houses per section, number of lots and lower – upper limit of the range, plus the respective variation of construction capacity (calculated as number of Houses / Day). The following conclusions can be drawn from the chart:</p> <ul style="list-style-type: none"> <li>• The Range Upper Limit schedule poses an increasing challenge to Contractors as long as they add Section 2 to Section 1, and –less significantly—when they add Section 3 to Section 2 (i.e., the Houses/ Day number increases). The Employer expects Contractors to be able to increase their production rate as long as the works progress, benefiting from a learning curve.</li> <li>• The Range Lower Limit schedule shows a decrease in the Houses/ Day number when adding Sections 3. Contractors may consider either completing Sections 3 prior to the deadline and keep the construction capacity in</li> </ul>
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	this case or reducing the construction capacity in place.
<p>Would it not be fare to start with the unit amount as mentioned in the Bill of Quantities (67-133-200) during the pricing phase?</p>	<p>Understood. However, a 25% variation in quantities is still fair as per the FIDIC GCC that the World Bank included in its “Request for Bids - Works (after prequalification)”</p> <p>The document can be accessed at:  <a href="http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#SPD">http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#SPD</a></p> <p>In fact, Section VIII - General Conditions of Contract prepared and copyrighted by the International Federation of Consulting Engineers (<i>Fédération Internationale des Ingénieurs-Conseils</i>, or FIDIC), clause 12.3. Evaluation, reads as follow:</p> <p>“Except as otherwise stated in the Contract, the Engineer shall proceed in accordance with Sub-Clause 3.5 [Determinations] to agree or determine the Contract Price by evaluating each item of work, applying the measurement agreed or determined in accordance with the above Sub-Clauses 12.1 and 12.2 and the appropriate rate or price for the item.</p> <p>For each item of work, the appropriate rate or price for the item shall be the rate or price specified for such item in the Contract or, if there is no such item, specified for similar work.</p> <p>Any item of work included in the Bill of Quantities for which no rate or price was specified shall be considered as included in other rates and prices in the Bill of Quantities and will not be paid for separately.</p> <p>However, a new rate or price shall be appropriate for an item of work if:</p> <p>(a)</p> <p style="padding-left: 40px;"><b>(i) the measured quantity of the item is changed by more than 25% from the quantity of this item in the</b></p>

	<p><b>Bill of Quantities or other Schedule,</b></p> <ul style="list-style-type: none"> <li>(ii) this change in quantity multiplied by such specified rate for this item exceeds 0.25% of the Accepted Contract Amount,</li> <li>(iii) this change in quantity directly changes the Cost per unit quantity of this item by more than 1%, and</li> <li>(iv) this item is not specified in the Contract as a “fixed rate item”;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>(b) <ul style="list-style-type: none"> <li>(i) the work is instructed under Clause 13 [Variations and Adjustments],</li> <li>(ii) no rate or price is specified in the Contract for this item, and</li> <li>(iii) no specified rate or price is appropriate because the item of work is not of similar character, or is not executed under similar conditions, as any item in the Contract.</li> </ul> </li> </ul> <p>Each new rate or price shall be derived from any relevant rates or prices in the Contract, with reasonable adjustments to take account of the matters described in sub-paragraph (a) and/or (b), as applicable. If no rates or prices are relevant for the derivation of a new rate or price, it shall be derived from the reasonable Cost of executing the work, together with profit, taking account of any other relevant matters.</p> <p>Until such time as an appropriate rate or price is agreed or determined, the Engineer shall determine a provisional rate or price for the purposes of Interim Payment Certificates as soon as</p>
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	the concerned work commences.”
What is meant with the ‘450 days’? Are these calendar days or days counted from Monday to Friday?	These are calendar days. Please note that GCC 1.1 (l) specifies that “Days’ are calendar days; months are calendar months”.

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**Simplified calculation of Construction Capacity required under the various scenarios  
Single Family Homes Repairs #2 – Lot 1, Lot 2 and Lot 3.**

Nr. of Lots	Section	Expected Case (estimation)				Range Lower Limit				Range Upper Limit			
		Assessment Delivery Term as per the Assessment Consultant TOR (Weeks)	Issuance of Section Task Orders counted from issuance of Section 1 Task Order (Days)	Construction Term counted from Issuance of Section Task Orders (Days)	Construction Term counted from issuance of Section 1 Task Order (Days)	Nr. of Houses per Section	Aggregate Nr. of Houses	Aggregate Nr. of Houses/ Day (counted from Section 1 Task Order)	Capacity increase compared to previous Section	Nr. of Houses	Aggregate Nr. of Houses	Aggregate Nr. of Houses/ Day (counted from Section 1 Task Order)	Capacity increase compared to previous Section
<b>One (1) lot</b>	1	6	0	225	225	28	28	0.12	n/a	28	28	0.12	n/a
	2	12	42	340	382	28	56	0.15	1.18	28	56	0.15	1.18
	3	20	98	450	548	11	67	0.12	0.83	27	83	0.15	1.03
	<b>Total</b>	n/a	n/a	n/a	n/a	<b>67</b>	n/a	n/a	n/a	<b>83</b>	n/a	n/a	n/a
<b>Two (2) lots</b>	1	6	0	225	225	56	56	0.25	n/a	56	56	0.25	n/a
	2	12	42	340	382	56	112	0.29	1.18	56	112	0.29	1.18
	3	20	98	450	548	21	133	0.24	0.83	55	167	0.30	1.04
	<b>Total</b>	n/a	n/a	n/a	n/a	<b>133</b>	n/a	n/a	n/a	<b>167</b>	n/a	n/a	n/a
<b>Three (3) lots</b>	1	6	0	225	225	83	83	0.37	n/a	83	83	0.37	n/a
	2	12	42	340	382	83	166	0.43	1.18	83	166	0.43	1.18
	3	20	98	450	548	34	200	0.36	0.84	84	250	0.46	1.05
	<b>Total</b>	n/a	n/a	n/a	n/a	<b>200</b>	n/a	n/a	n/a	<b>250</b>	n/a	n/a	n/a