

SAUDI RAILWAYS EXPANSION PROJECT – ANSWERS TO REQUESTS FOR CLARIFICATION ON RFPQ

Question Number (1)	RFPQ heading (2)	RFPQ section (3)	Paragraph / Clause Reference (4)	Page No. (5)	Nature of Query (6)	Questions and Answers (7)
1	Pre-qualification process	5.	5.1, 5.2 and 5.3	15 and 16	Legal	Does a “committed sub-contractor” as part of a consortium also have to go through the Pre-Qualification procedures and provide information as per the Pre-Qualification document? A: Yes. Please refer to the definition of "committed sub-contractors" on page 3 and 15 of the RFPQ. A "committed sub-contractor" is a member of the Consortium that will have a relevant role in the bidding, construction and operation (as appropriate) of the Landbridge but is not required to contribute equity capital to the Project.
2	Pre-qualification process	5.	5.1, 5.2 and 5.3	15 and 16	Legal	Can a “committed sub-contractor” be part of several consortia? A: Yes, provided the Committed Sub-Contractor is not an equity holder in any consortia, and obtains the prior approval of the SRO. The request for approval will need to be in writing, no later than 10 July 2005, (Note: Date has been extended to 20 July 2005) and will need to detail the specific role and function that the “committed sub-contractor” will have in each consortium, in particular identifying the potential for a conflict of interest. If prior approval from the SRO is not obtained and a “committed sub-contractor” is member of more than one consortium, this may result in the consortia being disqualified from the pre-qualification process.
3	Pre-Qualification process	5.	5.1	15	Legal	Is the submission of SOQ's allowed only for individual companies with proven expertise in some, but not all of the fields stated under Section 5.1, as opposed to duly structured and registered consortiums with a view to develop strategic teaming alliances after pre-qualification? A: Pre-qualification of consortia will be based on the level of compliance with the requirements in Section 5.2 of the RFPQ. All consortia submitting SOQ's should possess adequate competence in the relevant fields. Due to the multi-disciplinary nature of the Saudi Landbridge Project, individual companies may not be able to demonstrate the necessary experience in the different disciplines required for pre-qualification.



						Changes in the structure of a consortium after pre-qualification require prior approval from SRO. Please refer to page 15 of the RFPQ.
4	Introduction	3.	3.4	7	Commercial	Please confirm that the MMRL is a separate project from the Saudi Landbridge Project and also confirm that interested parties to participate in the MMRL project do not need to submit qualification documentation on 15 August 2005.
						A: Yes The MMRL is part of the Saudi Rail Expansion Program, but is a separate project from the Saudi Landbridge. SOQ for the Saudi Landbridge Project only are required on 15 August 2005.
5	Pre-Qualification process	5.	5.1	15	Legal	Can entities be member of more than one Consortium?
						A: Not in the case of equity holders. Committed Sub-Contractors can be members of more than one consortium provided they are not equity holders in any consortium. Please refer also to the answer to question 2 above.
6	Evaluation of the Statement of Qualification	7.	7.2	28	Technical	How much BOT experience and track record is expected from applicant and how this will be evaluated in relation to other competencies of consortia members?
						A: The objective is to pre-qualify a limited number of parties that can demonstrate capability of implementing the Project successfully. Evaluation of consortia for the purpose of pre-qualification will be based on the level of compliance with the requirements mentioned in Section 5.2 of the RFPQ. Appropriate consideration will be given to the length of experience and the size of projects handled. Pre-qualification will be on the basis of the consortia's combined experience in the various required fields. The BOT experience and track record will be evaluated together with the other competencies of consortia, with due respect to the relative importance of each one. Consortia with no previous BOT experience but extensive experience in the other required fields identified in the RFPQ, may still be pre-qualified if the SRO believes they will have sufficient competencies to implement the Saudi Landbridge Project.
7	Project overview	4.	4.2	11	Commercial	What is the expected duration of the concession?
						A: Applicants should assume that the concession will last for approximately 30 years. Further details will be made available during the tender process to pre-qualified Applicants.
8	Project	4.	4.5	13	Commercial	What form of Government support (and to what extent) could be expected?



	overview					
						<p>A: All options will be considered. The Government will make available (at a nominal leasing fee) the land required for the construction and operation of the Saudi Landbridge. In addition, relevant SRO assets necessary for the operation of the railway and selected staff will be transferred to the Primary Concessionaire.</p> <p>The bidding process will be framed in such a way as to incentivise offers which will propose maximum sharing of the profit with the KSA and/or require the minimum amount of Government support. Please refer to page 13 of the RFPQ.</p> <p>Further details will be made available during the tender process to pre-qualified Applicants.</p>
9	Project overview	4.	4.1		Commercial	<p>How would the Landbridge interface with the existing port operations and how would the performance of port operators be guaranteed?</p>
						<p>A: KSA ports are currently operated by the private sector, as is common practice in many countries. Contracts with private operators include specific performance obligations that they have to meet. Riyadh Dry Port will, however, be under the direct control of the Primary Concessionaire that will manage and operate it and collect the relevant revenue.</p> <p>The KSA Government is currently considering a number of measures to facilitate the interface with ports and promote the future development of the Saudi Landbridge. Please refer to page 13 of the RFPQ.</p>
10	Contents of Statement of Qualification	6.	6.2.2 and 6.4	20	Technical	<p>Consortium members may be newly incorporated special purpose companies, established for the purposes of the bid.</p> <p>Would the SRO confirm that, where the consortium member is newly incorporated, the financial information set out in sections 6.2.2 and 6.4 is not applicable and that all that is required is (i) company name; (ii) date of incorporation; (iii) place of incorporation and (iv) a notarised copy of its certificate of incorporation.</p>
						<p>A: When a consortium member is a newly incorporated company, financial information as set out in sections 6.2 and 6.4 should be fully disclosed where relevant. In addition, full audited financial information for the relevant parent companies, needs to be provided according to the requirement of section 6 of the RFPQ. Separate information is not required if the consortium member itself is a parent company.</p>
11	Contents of Statement of Qualification	6.	6.2.2 and 6.4	21-22	Technical	<p>Consortium members may be owned by one or more individuals rather than incorporated entities.</p> <p>Would the SRO confirm that, in such circumstances, the financial and other information requested in 6.2.2 and 6.4 for parent companies is not applicable and that only the name of the shareholder(s) is required.</p>
						<p>A: The objective is to ensure that pre-qualified Applicants will have the necessary capabilities and</p>



						resources to be able to successfully implement the Saudi Landbridge Project. One of the most important criteria for pre-qualification is the appraisal of the identity, track record and resources (both technical and financial) of consortia members. Applicants should consider that for the purpose of pre-qualification, both individual investors and newly created entities must provide enough information for the SRO to make a sound assessment of their compliance with the pre-qualification criteria identified in the RFPQ.
12	Contents of Statement of Qualification	6.	6.2.2 and 6.4	20-22	Technical	Where consortium members and/or their parents do not publish financial information, we propose to provide (i) member or parent name; (ii) date of incorporation (where relevant); (iii) place of incorporation (where relevant) and (iv) a notarised copy of the certificate of incorporation for members. Would the SRO please confirm that this is acceptable?
						A: This is not acceptable. All relevant audited financial information needs to be disclosed according to the requirement of section 6 of the RFPQ. This information will be treated by the SRO and its advisors with confidence.
13	Pre-qualification process	5.	5.1 and 5.2	15-16	Legal	Can a Pre-qualified Consortium expand and add a sub-contractor with exceptional capabilities including the provision of financing after the pre-qualification phase?
						Evaluation of consortia for the purpose of pre-qualification will be based on the level of compliance with the requirements mentioned in Section 5.2 of the RFPQ. Consortia should try to meet all these criteria when submitting their SOQs Changes in the structure of a consortium after pre-qualification require prior approval from SRO. Please refer to page 15 of the RFPQ.
14	Evaluation of the Statement of Qualification	7.	7.1.2	27	Legal	Is a consortium with all its members considered one entity and the fee is 15,000 USD or is each member of a consortium an entity?
						A: The fee payment of 15,000 USD is required from the consortium and not from each member of a consortium.
15	Project Overview	4.	4.1.3	11	Commercial	The RFPQ provided preliminary traffic forecast figures in million ton-km. Could you please provide corresponding figures for traffic revenue in SR's and average fare structure for Cargo and Container for domestic and transhipment traffic?
						A: More detailed results of traffic studies will be provided to pre-qualified bidders as part of the tender process. It should be noted that these traffic studies will be provided by SRO for reference purpose only, and bidders will be expected to carry out their own due diligence.
16	Introduction	3.	3.1	6	Technical	There are two different railway routes between Riyadh and Dammam. We understand one route is



						for passenger train operations and the other one for freight train operation. Could you please clarify which routes carry what type of traffic?
						A: Presently, Line 1 (the shorter route) is used for Passenger traffic only and Line 2 (via Haradh and Kharj) is used for Freight traffic only. Further information on the existing SRO railway operation is available on the website at www.saudirailways.org .
17	Introduction	3.	3.1	6	Technical	How many stations are there on the existing railway network?
						A: Further information on the existing SRO railway operation is available on the website at www.saudirailways.org .
18	Introduction	3.	3.1	6	Technical	What is the standard of track structure on the existing railway network?
						A: Please see answer to question 17.
19	Introduction	3.	3.1	6	Technical	What is the maximum length of block section on the existing railway network?
						A: For Line 1, the maximum length of block section is 46 km., while on Line 2 it is 64 km.
20	Introduction	3.	3.1	6	Technical	What are the types of locomotive in use on the existing railway network? Also please indicate their capacity and name of supplier.
						A: The existing locomotive fleet consists of a range of 1000 up to 3500 HP diesel-electric locomotives, most of which are manufactured by General Motors, and a few from Alstom. More details will be provided in the Tender documents.
21	Introduction	3.	3.1	6	Commercial	What is the fare structure for passenger services and freight services on the existing railway network?
						A: Please see answer to question 17.
22	Introduction	3.	3.1	6	Technical	What is the existing traffic handling capacity of existing ports? What is the name of the organisation responsible for the improvement of the capacity of ports?
						A: Information on the KSA ports is available on the website of the Saudi Ports Authority at www.ports.gov.sa .
23	Project overview	4.	4.1.2	10	Technical	How many stations are proposed between Jubail and Dammam in the Saudi Landbridge Project?
						A: Technical requirements for the Saudi Landbridge Project will be provided to pre-qualified bidders as part of the tender process.
24	Project overview	4.	4.1.2	10	Technical	How many stations are proposed between Riyadh and Jeddah in the Saudi Landbridge Project?
						A: Please see answer to question 23.



25	Project overview	4.	4.1.2	10-11	Technical	Are bridges, tunnels and embankments to be built for double track? A: Please see answer to question 23
26	Project overview	4.	4.1.2	10-11	Technical	Are the station layouts to be planned for double track? A: Please see answer to question 23
27	Project overview	4.	4.1.2	10-11	Technical	What is the extent of bridging involved in the Landbridge Project? Is any major bridge planned on the Saudi Landbridge Project? If this is the case, could you please provide the relevant details. A: Please see answer to question 23
28	Project overview	4.	4.1.1	10-11	Commercial	What are the existing freight charges on the road network? A: SRO is not in a position to provide this information, and bidders are expected to determine this as part of their due diligence.
29	Project overview	4.	4.3	12	Technical	What are the locations for quarries for aggregate for concrete and ballast? A: Material for ballast and aggregate is available at a number of locations along the route.
30	Pre-qualification process	5.	5.1, 5.2 and 5.3	15 and 16	Legal	Could consideration be kindly given to extending the deadline for requests for approval by SRO, of potential Committed Sub-Contractors to be members of more than one consortium? A: Please refer also to the answer to question 2. SRO will accept such requests up to 20 July 2005.

