

# Investing, Constructing and Managing of Seawater Desalination Plant at Hambantota, Sri Lanka Request for Proposal (RFP)

BOARD OF INVESTMENT OF SRI LANKA

11/MI/GN/01

## MINUTES OF PRE-PROPOSAL CONFERENCE

**NAME OF MEETING OR PURPOSE OF MEETING** : Investing Constructing and Managing of Seawater Desalination Plant at Hambantota, Sri Lanka Request for Proposal (RFP)

**DATE OF MEETING** : at 11:00 am on 30.10.2017 at the meeting room of Mirijjawila Export Processing Zone

<i>Item No</i>	<i>Item/Comments/Decision</i>	<i>Action by</i>	<i>Target date</i>	<i>Out come</i>
	<p>Briefed the Bidder's Representatives on the project and inform them that the most preferable method to be used is Reverse Osmosis for the desalination process. Also emphasized that the potential market may create for purified water since around 15,000 acre lands have been identified to establish industries in and around the area of existing BOI zone. The project may be implemented in phase out manner according to the current demands and the design capacity may be around 20,000 m<sup>3</sup>/day. The current water demand of Mirijjawila Export Processing Zone is about 2000 m<sup>3</sup>/day.</p> <p>Informed that the material going to be imported for the construction purpose will be exempted from custom importation duty (CID) and the VAT payable by the investor with regard to above, on behalf of BOI will be reimbursed.</p>			
	Following are the answers and clarification made in respect of the questions raised.			

# Investing, Constructing and Managing of Seawater Desalination Plant at Hambantota, Sri Lanka

## Request for Proposal (RFP)

1.	<p>Q: Since the project is proposed to be implemented as a PPP project what is contribution of BOI ? ( Ref: Annual ground rental was requested by BOI for the land allocated to construct the desalination plant within BOI EPZ)</p> <p>A: Investors may propose their expectation from BOI/Government.</p>			
2	<p>Q; Any possibility to extend the date of submission of proposals since the important factors of the project still not finalized yet?</p> <p>A: Date of receiving proposals for the above has been extended to 1400 hrs on 15.01.2018.</p> <p>All other terms and conditions in the RFP document issued will remain unchanged.</p>			
3.	<p>Q: Is the location to construct seawater intake has been finalized?</p> <p>Tentatively two locations were identified and inspection of such locations will be carried out after the meeting.</p>			
4.	<p>Q: Is the location to discharge brine water is finalized?</p> <p>A: No. Suitable location have to be decided by the investors after the field visits.</p>			

**Investing, Constructing and Managing of Seawater  
Desalination Plant at Hambantota, Sri Lanka  
Request for Proposal (RFP)**

5.	<p>Q: In case the locations to construct seawater intake is not finalized yet how can we submit a comprehensive and practical financial proposal?</p> <p>A: Since two locations were already identified investors may select the most suitable location</p> <p style="padding-left: 40px;">1. for Intake and average distance between the intake and plant is 5Km.</p>			
6.	<p>Q: Are the water quality reports of the particular location identified to construct the seawater intake available?</p> <p>A: No. Detailed design is not required at the initial stage. if so required, please consider the general sea water quality at Hambantota area.</p>			
7.	<p>Q: Is the bathymetric survey has been carried out covering the area proposed to construct seawater intake?</p> <p>A: Initial stages are not requiring a detailed design.</p>			
8.	<p>Q: Are soil testing reports pertaining to the land allocated to construct desalination plant available ?</p> <p>A: Will be submitted.</p>			
9.	<p>Q: In this document no details were requested from the bidders on what price preferred to sell the produced water, since it is the most important factor when evaluating proposals?</p> <p>A:</p>			

**Investing, Constructing and Managing of Seawater  
Desalination Plant at Hambantota, Sri Lanka  
Request for Proposal (RFP)**

	An addendum will be issued with regard to the above.			
10.	<p>Q: As per the design capacity and the magnitude of the project the cost of construction would be around 20-25 mn USD. However the eligibility requirement mentioned in the document is having past experience of similar type construction with an investment of 1 mn USD. Is this appropriate?</p> <p>A: An addendum will be issued with regard to the above.</p>			
11.	<p>Q: What is the commitment given by the BOI to purchase purified water ?</p> <p>A: BOI zone is having nearly 19 plots vacant lands and at least 1/4<sup>th</sup> of the total water produced may be sold to BOI enterprises when the zone attains its full occupation for the remaining part investor has to find the market and BOI will assist obtaining necessary approvals from authorized institutions for water distribution.</p>			
12.	<p>Q: Whether BOI will be settling any subsidy arisen out of selling water or not?</p> <p>A: No. BOI has opened the market and Investor may have authority to increase the rate of tariff in every 3 years at 10%.</p>			
13.	<p>Q: Since the lease period of the project is 50 years</p>			

**Investing, Constructing and Managing of Seawater  
Desalination Plant at Hambantota, Sri Lanka  
Request for Proposal (RFP)**

	what are the tax holidays applied?  A: Tax holiday is currently not offered.			
	<b><u>Others</u></b> 1. After the meeting land to construct desalination plant and two tentative locations identified to construct seawater intake were inspected.			