

## Answers ESCo Questions

No.	Question	Answer
1	<p>Energy Saving Guarantee: The Offer Sheet (Annex 5) only considers a combined Energy Savings Guarantee for Khaw Old and Khaw New. However, the expected new efficiency factor varies between the two parts of Khaw PS. The same applies to the expected efficiency improvement which has to be entered in percent and the value of savings per settlement period which has to be entered in JOD. In 3.4 data would need to be entered according to each PS, rather than combined.</p> <p>Q1: How is the ESCo supposed to handle this issue?</p>	<p><b>Q1:</b> The ESCo should state the new efficiency factor and the expected efficiency improvements in Annex V clause 3.4 separately for each PS including its value in JOD but a final joint value of savings per settlement period for the Savings Guarantee.</p>
2	<p>Saving Percentage: According to the ToR a static saving percentage throughout the contract period has to be offered in the Offer Sheet.</p> <p>Q2: Is a saving scheme throughout the contract period permitted?</p> <p>R: Such a scheme is very common in contracting arrangement and ensures that with an increasing repayment of initial investments the benefit for the public operator increases. As initial investments are repaid faster than with static sharing percentage in place, financing costs for the ESCo is reduced and therewith project costs for the Purchaser are reduced.</p>	<p><b>Q2:</b> Despite the common use of saving schemes in contracting arrangements the decision is confirmed not to allow it for this tender. A constant static saving percentage remaining the same throughout the contract duration has to be offered by the ESCo.</p>
3	<p>Civil works / Piping</p> <p>Ref: Annex IV</p> <p>Changing piping from the old pump house to the new pump house</p> <p>Q3.1: Will WAJ be responsible to bring inlet and outlet pipes within the service boundary of the ESCo (inside the new pump house)?</p> <p>Q3.2: In case additional space is needed for putting up necessary pumping equipment in the new pump house, does WAJ bear the cost of civil works for pump house extension?</p> <p>Q3.3: In case of determined hydraulically unnecessary or</p>	<p><b>Q3.1:</b> Indeed the WAJ will be responsible to bring inlet and outlet pipes (main pipes) within the service boundary of the ESCo (inside the new pump house). The responsibility for installing the bypasses linked to the gravity supply of Zarqa is clearly with the WAJ (Annex III clause 9.3)</p> <p><b>Q3.2:</b> All other civil works from those defined under Q3.1 within the Service Boundary of the ESCo are the responsibility of the ESCo. Therefore the WAJ does not bear such costs.</p> <p><b>Q 3.3:</b> The WAJ does not have such an obligation under the contract. However the WAJ will decide on a case by case base if the WAJ agrees to implement such improvements. On the other hand if the ESCo</p>

No.	Question	Answer
	<p>unsuitable pipe connections and / or appurtenances causing high energy losses outside the service boundary, will WAJ improve such situations if recommended by the ESCo?</p>	<p>itself would like to implement such improvements outside of the Service Boundary it may do so with the previous permission of the WAJ on every individual case.</p>
4	<p>Gravity supply to Zarqa: Ref: Annex 3 Ch. 5.4</p> <p>Q4.1: Who is responsible for the needed network adjustments to allow gravity supply to Zarqa?</p> <p>Q4.2: Who is responsible for purchasing the valve equipment?</p> <p>Q4.3: Is the ESCo responsible for operating the valve?</p> <p>Please specify in more detail.</p>	<p><b>Q4.1:</b> The WAJ is responsible for the needed network adjustments to allow gravity supply to Zarqa.</p> <p><b>Q4.2:</b> The defined valve is the responsibility of the ESCo, therefore the ESCo is also responsible for the procurement, potential automation and monitoring of the specified valve. This aspect is also considered under the special gravity supply conditions. (Annex III clause 5.4)</p> <p><b>Q4.3:</b> The ESCo is responsible for operating the valve. This aspect is also considered under the special gravity supply conditions. (Annex III clause 5.4)</p> <p>The specified valve though located outside the Service Boundary (close to Zarqa reservoir) is part of this tender and is under direct control of the ESCo. In addition the ESCo should point out the concept for valve operation, if it will replace the valve, install an automated valve or include similar details and aspects in the offer.</p>
5	<p>Valves / Armatures</p> <p>Q5: Is the ESCo responsible for replacing / overhauling of any valves or armatures in the respective water systems connected to Khaw Old and Khaw New? If yes, please specify in detail.</p>	<p><b>Q5:</b> The ESCo is responsible for all such replacing/overhauling if such valves or armatures either were or will be located within the Service Boundary of the ESCo.</p>
6	<p>Emergency power supply: Ref: CD IV §9</p> <p>The ToR states: <i>“The ESCo shall provide a substitute power supply at its own expense until the regular power supply is restored”</i></p> <p>Q6: Does this mean that the ESCo has to provide emergency power supply devices?</p> <p>R: If so the overall investment will be increased significantly without any specific need of the emergency power unit once ESCo handed the PS back</p>	<p><b>Q6:</b> It can be confirmed that the WAJ agrees with regard to CD IV §9 “Emergency Power Supply” that the ESCo is not obligated to fulfill this article and is therefore not obligated to provide emergency power supply devices for Khaw PS.</p>

No.	Question	Answer
	to WAJ.	
7	<p>Electricity counters Ref: IEE Report, Annex 3 Ch. 3.4</p> <p>R: The IEE results uncertainties about the allocation of electricity counters to the individual pumps / old and new pump house have been mentioned.</p> <p>Q7.1: Has WAJ gained further insight on this issue? If so, can results be presented to the bidders?</p> <p>Q7.2: Are electricity counters relevant for calculating the remuneration of the ESCo installed after the transformers? (exclusion of transformer losses)</p> <p>R: A constant nominal power output of transformers is very important to ensure optimal operation of pump motors. Any power factor variations have a reducing effect on the operational efficiency of the pumps.</p> <p>Q7.3: Which measures will WAJ / JEPSCO undertake to ensure a constant power factor? (e.g. replacement of old transformers)</p>	<p><b>Q7.1:</b> All the baselines are concluding defined in the tender document, with regard to the energy consumption of the pumping station additional electricity meters will be installed directly outside the service boundary. These meters will be the monitoring tool on electricity consumption of the PS.</p> <p><b>Q7.2:</b> The additional electricity meters installed as described under Q7.1 will indeed exclude transformer losses with regards to calculating the remuneration of the ESCo.</p> <p><b>Q7.3:</b> Power factor variations are not part of considerations as transformers are located outside the Service Boundary of the ESCo and are therefore within the responsibility of the WAJ. If the ESCo would like to replace the old transformers or include the transformers within the Service Boundary of the ESCo separate negotiations are necessary between the ESCo, the WAJ and JEPSCO to reach such agreement.</p>
8	<p>Operation modes Ref: Annex 3 Ch. 4.2</p> <p>As Disi will be online, the operation mode switches from T1 to T2, changing the required pumping head and water quantities. This change of operational requirements has a significant impact on the design of ESMs and on the overall efficiency improvement that can be realized.</p> <p>Q8.1: Besides the adjusted quantities and pump head under T2, how do hydraulic flow conditions change? How are the branches after Awajan branch supplied under T2?</p> <p>Q8.2: As considering hydraulic requirements under T2 significantly influences the ESM strategy and design, can the ESCo fully rely on the design figures given in Annex 3 Chapter 4.2?</p> <p>Q8.3: Is the desired higher quantity (2200 m<sup>3</sup>/h) under T2 feasible with the existing DN600 transmission line? (Ref: IEE report 3.4: "...the pipeline size is smaller than optimum but still adequate for the present flow of 1680m<sup>3</sup>/h"). Is WAJ considering a replacement or rehabilitation of the</p>	<p><b>Q8.1:</b> Under T2 conditions change as described in Annex III.</p> <p><b>Q8.2:</b> The ESCo can use the figures given in Annex 3 for designing its ESM.</p> <p><b>Q8.3:</b> The desired higher quantity (design maximum) under T2 is the upper limit but still feasible with the existing DN600 transmission line. At this point WAJ is not considering a replacement of the pipeline.</p> <p><b>Q8.4:</b> The switch to T2 will not have an impact on Khaw new quantities.</p> <p><b>Q8.5</b> The Energy Saving Guarantee promised by the ESCo shall be valid for the full contract duration and is not allowed to be changed.</p>

No.	Question	Answer
	<p>pipeline before operation is switched to mode T2?</p> <p>Q8.4: Does the increase of quantities under T2 have any effect on Khaw New quantities (e.g. reduction of quantities)?</p> <p>Q8.5: As considering T1 and T2 requires a concession regarding the level of efficiency, can the ESCo consider two different Energy Saving Guarantees, one for T1 and another one for T2?</p>	
9	<p>Changes of utilization: Ref: CD IV §4 (8)</p> <p>The ToR states that: <i>“ESCo will be informed in writing of any change in the utilization preconditions of the pumping station as outlined in Annex III no later than two month prior to their implementation.”</i></p> <p>Q9: Does this also apply to changes regarding the initialization of operation mode T2 (Disi)?</p>	<p><b>Q9:</b> Please refer to Annex III clause 9.3</p>
10	<p>Third party contracts: Ref: CD IV §4 (9)</p> <p>The ToR states: <i>“However, the ESCo shall not be entitled to demand that the WAJ change, terminate or otherwise cancel, any existing contracts with third parties relating to the pumping station, if not specified otherwise in Annex III.”</i></p> <p>Q10: Which contracts currently exist with third parties related to Khaw PS?</p>	<p><b>Q10:</b> Third party contracts exist with IT providers (telephone, internet) and the electricity company.</p>
11	<p>Water Supply and Wastewater: Ref: CD IV §7 (2)</p> <p>The ToR states: <i>“The ESCo shall be responsible for connecting its water system. If a waste water drain is needed, a connection shall be made to the existing drain system. Safety valves, condensation drains and overflow valves shall also be connected to the drain system.”</i></p> <p>Q11.1: What is meant by “water system” in this context? Please specify.</p> <p>Q11.2: Who is responsible for the drainage and connection works?</p>	<p><b>Q11.1:</b> Water system here means the water system for use inside the ESCo Service Boundary (for example for cleaning purposes or if the ESCo would decide to install a shower in the operators recreation room).</p> <p><b>Q11.2:</b> The ESCo is responsible for the drainage and connection works for these water systems.</p>
12	<p>Water Treatment: Does the ESCo holds any responsibility for the chlorination or any other water</p>	<p><b>Q12:</b> The ESCo has the obligation to coordinate in good faith on topics like chlorination or any other water treatment measure at Khaw PS with WAJ but</p>

No.	Question	Answer
	treatment measures at Khaw PS?	does not hold any formal responsibility. The responsibility for chlorination or other water treatment measure at Khaw PS is with the WAJ. Chlorination takes place outside the Service Boundary of the ESCo.
13	<p>Warranty: Ref: CD VI §7 (4)</p> <p>The ToR states: <i>“The performance security will be discharged by the Purchaser not later than 30 days following the date of completion of then Supplier’s performance obligations, including any warranty obligations, under the contract.”</i></p> <p>Q13: Is there any kind of warranty for the Supplier after the date of the contract’s completion?</p>	<p><b>Q 13:</b> After the date of the contract’s completion there are still obligations of the ESCo that remain, for example Special &amp; Particular Conditions §9 (7).</p>
14	<p>Country of origin Ref: CD VI §3, Ref: CD VI §16 (5)</p> <p>The ToR states: <i>“Country of origin is Jordan.”</i></p> <p>Q14.1: What are the implications of this statement?</p> <p>The ToR states: <i>“Subcontractors must comply with the provisions of §3.”</i></p> <p>Q14.2: What does this statement mean? Do subcontractors have to be a company under Jordanian law or a registered company in Jordan?</p>	<p><b>Q 14.1:</b> This implies that the ESCo company or Joint Venture, or the leader of a consortium or Joint Venture which provides the ESCo services has to be a company registered in Jordan.</p> <p><b>Q14.2:</b> Subcontractors do not have to be registered in Jordan.</p>
15	<p>Seconded staff: The ToR hardly gives any details regarding the seconded staff. In order to develop an O&amp;M concept further details on the number of employees, the current level of salaries (specified for each person) as well as the qualification level of the WAJ personnel is required.</p> <p>Q15.1: Please specify arrangements with seconded staff in more detail.</p> <p>Q15.2: As O&amp;M plays an important role in ensuring the realization of energy savings, the qualification of operations staff is of utmost importance. Will the ESCo have full right to nominate and dismiss seconded WAJ staff?</p> <p>Q15.3: Does the ESCo holds any responsibility for injury of or damages by seconded WAJ staff?</p>	<p>Q15.1: There are currently 10 operators working at Khaw station, and one Engineer. The average salary of the operators is 400 JOD/month, of the engineer 600 JOD/month.</p> <p>Q 15.2 The ESCo will have full right to nominate and dismiss seconded WAJ staff, however the pool from which the ESCo can select staff shall be set in coordination with the WAJ.</p> <p>Q15.3 The ESCo holds responsibility for injury of seconded WAJ staff as far as such responsibility is not covered by the WAJ standard employment contract, which contains a basic health insurance. The ESCo carries full responsibility for damages inflicted by seconded WAJ staff.</p>

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16	<p>Project Value: Ref: BDS 6. Evaluation Matrix</p> <p>Q16.1: Does “Energy Savings Guarantee (during contract)” mean for 7 settlement periods?</p> <p>Q16.2: What is the definition of the “Residual Investment Value”?</p>	<p><b>Q16.1:</b> As Energy Savings Guarantee is always achievable per settlement period “Energy Savings Guarantee (during contract)” means indeed the sum of the Energy Savings Guarantee of the 7 consecutive settlement periods to be stated in JOD.</p> <p>Q16.2: The Residual Investment Value in BDS 6. Evaluation Matrix is defined as the remaining amount of the investment with a linear depreciation over 15 years which is assumed to be the technical life cycle of the equipment. (zero after 15 years)</p>
17	<p>Electricity tariff: Ref: CD §5.3</p> <p>R: A fair contracting arrangement means sharing benefits and risks (foreseen and unforeseen) that an improvement measure brings along.</p> <p>Q17.1: Can benefits arising from electricity tariff increases be divided between WAJ and the ESCo?</p>	<p><b>Q17.1:</b> Benefits and costs arising from electricity tariff changes shall not be shared between the WAJ and the ESCo. The ESCo has to make all its considerations based on the current electricity tariff as state in Annex II. However in case of an electricity tariff increase the WAJ may upon its own full discretion decide on sharing parts of the benefits arising thereof with the ESCo.</p>
18	<p>Preparation Phase: Ref: CD V §3.2</p> <p>R: Considering all tasks required to implement ESM upon award of contract (planning/design, procurement, transportation, customs, installation, commissioning, permissions), a preparation period of 6 month is not feasible.</p> <p>Q18: Can the maximum period of the preparation phase be extended from 6 to 9 month upon award of contract?</p>	<p><b>Q18:</b> The preparation phase is 6 months upon signing of the contract.</p>
19	<p>ESM Specification Sheet Template: Ref: Annex 5, App. 1</p> <p>Is the ESM Specification Sheet to be handed as part of the bidding documents or will it be part of the detailed ESM proposal to WAJ after contract award?</p>	<p><b>Q19:</b> The ESM Specification Sheet is to be part of the bidding documents and represents a decisive aspect of the ESCo’s offer.</p>
20	<p>Annex V</p> <p>Q20.1: Is the table in Annex V page ¾ to be read as one table?</p> <p>Q20.2: The offer sheet (Annex V) is in parts not self-explaining. Can input fields be clearly marked?</p>	<p><b>Q20:</b> Please find the answers to Question 20 in the form of the mentioned table in Annex V attached at the end of this document.</p>
21	<p>CO2 Calculations</p> <p>Annex V, 3.9</p> <p>R: Calculating Co2 emission depends on the energy mix considered as a</p>	<p><b>Q 21:</b> Indeed the CO<sub>2</sub> calculations depend on the energy mix, regular updating on data to establish the current formula is therefore required and such information can be obtained by the ESCo from the Ministry of Environment. For the base year, this</p>

No.	Question	Answer
	<p>reference basis.</p> <p>Q21: What is the energy mix to be considered for calculating reduction of CO2 emissions? Please give details on the formula to be used.</p>	<p>figure was : 1 kWh is equivalent to 0.728 kg CO<sub>2</sub></p>
22	<p>Exit option: Ref: CD I Preamble</p> <p>The ToR states: “...<i>The ESCo was given the opportunity to thoroughly examine the pumping station, to check the available documents and verify the data specified in Annex 1, Annex 3 and Annex 6 concerning all parts of the pumping station and to perform a draft analysis on his own responsibility to get a clear idea of whether and to which extend energy could be saved in the pumping station by implementing technical and other measures, and the ESCo affirms that this is the case taking account of the technical and commercial risks revealed. On the basis of these preliminary investigations, the ESCo accepts the obligation stipulated in this Contract and its Annexes.</i>”</p> <p>In case the preliminary investigation of the ESCo (before detailed design of ESM takes place) reveals that the hydraulic and operation conditions significantly changed in respect to the details listed in the ToR and hence an economic implementation of the ESM offered is not feasible, does the ESCo has an exit option?</p>	<p><b>Q22:</b> In general, after signing of the contract the ESCo does not have an exit option. However pursuant to §16 of the Special and Particular Conditions a disadvantaged party may demand an adjustment of the contractual provisions. If such adjustment is not possible, the disadvantaged party is entitled to terminate the contract. (...)</p> <p>Please refer to CD section V § 16</p>
23	<p>Q-min Formula:</p> <p>Ref: Annex VI Chapter 3</p> <p>For calculating Q-min the considered O&amp;M cost (5% of initial investment per year) does not represent actual O&amp;M costs that must also cover M&amp;V, 24h on-call repair service, staff training etc). Therefore the Q-min formula does not serve as an effective mechanism for reducing the worst case risk for the ESCo. However considering the significant amount of initial investment the ESCo has to bear and the already fully performance-based remuneration of the ESCo, an effective risk reduction mechanism is of utmost importance.</p> <p>Can the Q-min formula be adjusted to serve as a real worst case guarantee for the ESCo?</p>	<p><b>Q23:</b> We believe the Qmin Formula is a very effective worst case guarantee and therefore do not consider adjustments.</p>

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24	<p>Performance Period: Can the performance period be extended beyond the 84 month to allow a reasonable return on investment for the ESCo in return for bearing the risks associated with a fully performance-based contract?</p>	<p><b>Q24:</b> The Performance Period is extended by 24months to a total of 108 months or 9 years.</p>
25	<p>Liquidated damage Ref: CD VI §18</p> <p>Liquidated damage arrangements foreseen in the contract are too strict considering the number of unknowns inherent in the regarded contracting arrangement at hand.</p> <p>Q25: Can liquidated damages be adjusted in order to allow a fair treatment of the ESCo?</p>	<p><b>Q25:</b> No adjustment.</p>
26	<p>Liability Insurance: Ref: CD V §12</p> <p>R: For the scale of the project the liability insurance is comparably high. This increases unnecessarily the overall project costs as any insurance payments will be included in the bidders price offer.</p> <p>Q26: Can the required liability insurance be reduced to an amount of 5 Mio JOD for personal injury as well as for physical damages / financial loss?</p>	<p><b>Q26:</b> The required liability insurance is reduced to an amount of 5 Mio JOD personal injury as well as for physical damages / financial loss</p>
27	<p>Taxes: According to ToR 13.2 and §4 of the contract the price shall include all taxes, duties, fees and further costs.</p> <p>Q27: Is the remuneration of the ESCo subject to sales tax?</p>	<p><b>Q27:</b> The remuneration of the ESCo is subject to sales tax.</p>
28	<p>Customs: According to ToR 13.2 and §4 of the contract the price shall include all taxes, duties, fees and further costs.</p> <p>Q28: Are goods which have to be imported (in particular pump(s) and relevant equipment) exempted from custom duties?</p>	<p><b>Q28:</b> Please refer to the valid laws, bylaws and regulation concerning energy efficiency equipment.</p>
29	<p>Tender Period</p> <p>Q29: Can WAJ extend the tender period closing for 4 weeks?</p>	<p><b>Q29:</b> The tender period is extended for three weeks.</p>
30	<p>Operation interruptions: Which mechanism will be in place to ensure that incidents that interrupt the</p>	<p><b>Q30:</b> Please refer to Contract section III §8; section IV §4; Annex III and Annex VI about the Qmin Guarantee which will also apply if the available water</p>

No.	Question	Answer
	<p>operations of pumps and which are under the responsibility of WAJ (e.g. pipe breaks, works on the transmission line) do not hinder the opportunity for the ESCo to gain sufficient savings to fully refinance the project costs? Please specify in detail.</p>	<p>cannot be pumped by the ESCo due to WAJ actions.</p>
31	<p>Transmission system: According to ToR Annex III, 3.6 there are several branches on the transmission line from Khaw to Amman.</p> <p>Q31.1: Can WAJ guarantee the number of branches and give more details on the supplied quantities for the individual branches.</p> <p>Q31.2: Can WAJ confirm that there is no major takeoff on other branches apart from the Awajan branch?</p> <p>Q31.3: How is the quantity distribution for these branches regulated under the performance period? Can WAJ consider to install a flow control valve on the Awajan branch?</p>	<p><b>Q31.1:</b> No additional information than that available in the tender documents and the documents in the data room will be given.</p> <p><b>Q31.2:</b> No additional information than that available in the tender documents and the documents in the data room will be given.</p> <p><b>Q31.3:</b> If it is deemed necessary by the ESCo to install a flow control valve the ESCo can do so at its own costs and in coordination with WAJ.</p>
32	<p>Q 32: We would like to request an extension for the deadline to ask questions ; the workshop was only last Wednesday, followed by a short working day and a weekend ; more time is needed to evaluate the information presented at the workshop and the other data provided, in order to formulate comprehensive set of questions.</p>	<p><b>Q32:</b> Deadline for questions is extended for two weeks.</p>
33	<p>Q 33: We would like to request an extension of time for submission of the proposal, as this is an important and complex project with many aspects to study and consider during the proposal stage.</p>	<p><b>Q33:</b> Please refer to Q29.</p>
34	<p>Q 34: Please clarify whether currently the pumps deliver water to WAJ reservoirs or directly to the end users via the water network?</p>	<p><b>Q 34:</b> Please refer to Annex III.</p>

No.	Question	Answer
35	Is the contract period of 7 years compulsory or can a longer/shorter period be proposed?	Please refer to Q 24. The duration stated in the answer to Q24 is compulsory, no longer or shorter period can be stated.
36	Please clarify if what's needed is only a commitment by the suppliers to provide spare parts for seven years after implementation of the contract. rather than actual supply of the spare parts?	<b>Q36:</b> Please refer to Special and Particular Conditions § 9.
37	Is the contractor responsible for the O&M/spare parts of the existing pumps that may not be operated during the project implementation phase?	<b>Q37:</b> The ESCo is only responsible for ESM within the Service Boundary, if the existing pumps are removed or replaced by the ESCo during the Preparation Phase, the ESCo is not responsible for the existing pumps (old pumps or old equipment).
38	With reference to page 10/52 , item 6 , point (2) - this point implies that the contractor would be responsible for parts or installations that he will not operate. Is this accurate? and if so, why? please clarify.	<b>Q38:</b> In general the ESCo is responsible for infrastructure and equipment within the Service Boundary. However it is up to the ESCo to decide which equipment and infrastructure he requires to provide the services agreed under the contract. Therefore he could remove equipment or infrastructure he considers redundant before the beginning of the main performance phase if he wishes to do so.
39	With reference to page 6/52, second paragraph. "if the guaranteed reduction costs is not achieved, the ESCO will pay the WAJ a monetary compensation equal to the amount which would have been saved, had the cost reduction actually materialized" - please clarify this sentence.	<b>Q39:</b> Remark: this is a similar question as the question asked during the ESCo information workshop on the 17 <sup>th</sup> of august about the penalty the ESCo is obliged to pay in case it is unable to achieve the ESG promised in the offer (Annex V).  The ESCo in the Energy Savings Guarantee (ESG) promises a certain amount of Energy Savings to the WAJ. The basic remuneration in the contract is equal to the ESG the ESCo state in Annex V of the contract as part of the offer, therefore the penalty that the ESCo needs to pay when the ESG is not achieved is effectively the corresponding reduction in the basic remuneration because energy savings are smaller than promised. Therefore the ESCo effectively does not have to pay a penalty but the remuneration of the ESCo will be reduced according to the lower energy savings the ESCo has achieved.
40	The maximum required design flow should be provided on an hourly basis, not just the annual flow requirement.	<b>Q40:</b> The water flow varies between seasons and hours of the day, therefore the required design flow is described by an average minimum and maximum

No.	Question	Answer
		design water quantity (Annex III 4.2 and 5.2).
41	Please clarify the termination terms by WAJ and implications on the ESCO's investment / compensation.	<b>Q41:</b> Please refer to CD section V §6 and §7
42	Since it is expected that water requirements will increase during the contract period, will this have an impact on the duration of the remaining contract period thereafter (for example, if it is required to increase the capacity of the pumps in the third year to meet 28 M m3 requirement, then will the 7 years be considered from the introduction of the ESM, or o the original start period of the contract?)	<b>Q42:</b> This will not have an impact on the duration for the remaining contract period. As stated the ESCo is to adapt to meet the changed water quantities with the beginning of T2 (compare Annex III 4.4)
43	The tender document mentioned that project boundary is the new pump room building, therefore we would like to ask if the project includes the old pumping station and its pumps? i.e. do WAJ want the bidder to work on both pumping stations (old and new) and implement energy management program on both or only the new pump room? Please elaborate.	<b>Q43:</b> Please compare Annexes I-VI especially Annex III Scope of Services and Works. The Service Boundary is clearly defined in Annex IV. All Energy Saving Measures are to be located inside the Service Boundary.
44	Would WAJ provide the winning bidder with guarantees (legal and financial) that they will pay his share of the actual savings/bonuses? What are these guarantees?	<b>Q44:</b> The WAJ considers the contractual arrangement to constitute the complete and necessary legal and financial guarantee.
45	Would WAJ (or the ministry of water or other) provide any compensations in case the pumping station was stopped for more than three months or forever due to any reasons beyond the winning bidder control? We know that this is unlikely but your feedback is needed for contractual issues.	<b>Q45:</b> Yes the WAJ would provide compensation (pursuant to CD V §6 and §7)
46	Is the contract provided as part of tender documents negotiable after WAJ determine the winning bidder or	<b>Q46:</b> The contract, including amendments included before the opening of bids constitutes a legally bind document.

No.	Question	Answer
	not?	
47	<p>It is understood from the tender document that WAJ will monitor the investment value in implementing the project and compare it to that in the bid submitted (for the winning bidder) and in case the actual investment was less than in the proposal, then the performance share of the investor (bidder) will be modified accordingly. Please confirm if this understanding is correct and advise how you will monitor actual investment and what about if the investment was higher, would the investor share be adjusted accordingly to be higher share?</p>	<p><b>Q47:</b> This is correct. The size of the investment will be a decisive aspect in the evaluation matrix for evaluation of bids. In contrast to a lower than promised investment in the ESCo's bid, a higher investment does not lead to an adaptation of the ESCo's share.</p>
48	<p>The time given to submit the proposal is not sufficient and we would like to know if it is possible to extend the "deadline for submission" by one month or more?</p>	<p><b>Q48:</b> Please refer to Q 29.</p>
49	<p>Is it permissible that the investor/winning bidder install remote monitoring system of the pumping station such that he can monitor the pumping station from his central offices through internet? The same facility can be provided to WAJ or MOWI teams.</p>	<p><b>Q49:</b> Yes, please refer to Annex III.</p>
50	<p>Liability Insurance:</p> <p>R: According to our knowledge Jordanian regulation requires that the liability insurance policy for such a project has to be with a local insurance company. Accordingly international insurance companies are not allowed to insure such a project on Jordanian territory.</p> <p>Q50.1: Is there such a regulation policy in place that affects insuring the Khaw project?</p> <p>Q 50.2. If the above applies, can WAJ</p>	<p><b>Q50.1:</b> Indeed such regulation policy exists and applies to the Khaw project. The primary insurer has to be registered in Jordan (reference); the reinsurer however can be an international insurance company.</p> <p><b>Q50.2</b> Potentially yes, depending on existing laws and regulation.</p>

No.	Question	Answer
	<p>arrange an effective exception that allows the ESCo to insure liability risks as required by the ToR by an international insurance company?</p>	
51	<p>Total Investment:</p> <p>Ref: Annex V Chapter 3.2, Annex VI Chapter 3</p> <p>R: Some of the “soft” investment items and some of the “hard” investment items are related to both Khaw New and Khaw old. Such items cannot be clearly allocated to only one of the PS. However, for calculating Q-min a distinction is required between total investments for Khaw Old and total investments for Khaw new.</p> <p>Q 51.1: Can the bidder introduce an investment splitting percentage between the pumping stations for the respective items based on qualified assumption (eg. 70:30)</p> <p>Q 52.2 Is it required that the bidder states in the bidding sheet (Annex V. Ch3.2) investment table to which of the pumping stations investments belong? If so how is the bidder supposed to handle this issue?</p>	<p><b>Q: 51.1.</b> It is not necessary for the bidder to separate in Annex V Chapter 3.2 investment with regard to former Khaw old or Khaw new PS. In Annex VI Chapter 3 the investment is separated in any case according to the specific ESM, the detailed description of ESM in Annex V Appendix 1 and the described objective which has also to indicate if the ESM is fulfilling a task related to former Khaw old PS or former Khaw new PS.</p> <p><b>Q52.2.</b> The ESCo will indicate for each individual ESM as part of the ESM Specification Sheet Template (Annex V Appendix 1) detailed information on every ESM from which the information will be derived if the specific ESM is to be included for calculation purposes under the scope of former Khaw old or Khaw new PS.</p>

**Answer to Question 20:** Comments are written in yellow

## AMOUNT AND STRUCTURE OF THE TOTAL INVESTMENT (ESM)

The Offer is based on the following investment structure which shall be observed in the context of preparatory services in accordance with section II of the Contract. Investment volume and other costs related to civil works shall be excluded from 1) and 2).

Total investment volume (net excluding taxes) in JOD	"grey" means input field	100 %
1) Planning / Engineering (net excluding taxes)		state percentage %
2) Technical Installations / Equipment / Objects		%

With regard to the service under 2) the products and manufacturers specified in clause 4 shall be used.

Position	Costs in JOD	Investment share in %
Technical equipment / Installations / Goods (relevant for residual value calculation in Financial Score)		
In general tables may always be extended		
Services		
<b>Total</b>		<b>100 %</b>

## ENERGY COST BASELINE

Reference year is the calendar year

(Khaw old PS building)

2008

Reference year is the calendar year

(Khaw new PS building)

2010

Value of energy costs (Baseline)

1'014'600

JOD incl. Sales Tax.

## ENERGY SAVING GUARANTEE

The ESCo should state the new efficiency factor and the expected efficiency improvements separately for each PS including its value in JOD but a final joint value of savings per settlement period for the Savings Guarantee.

Expected new efficiency factor:

kWh/m<sup>3</sup> pumped

Expected total efficiency improvement:

%

Value of savings per settlement period:

JOD incl. Sales Tax.

## ESCo BASIC REMUNERATION (annual)

Basic Remuneration: Share		Of One hundred of the guaranteed amount of savings (in % the amount of the Savings Guarantee the ESCo shall receive as basic remuneration)	
This corresponds to the amount: (equivalent in JOD)			JOD
Additional costs.	%	% Taxes.:	Amount in JOD
<b>Basic compensation thereafter:</b>			JOD
		Basic compensation including taxes per year	

*ADDENDA TO PERFORMANCE BASED ENERGY SAVING GUARANTEE CONTRACT*

- Correction on page 31 of the contract, section V Special and Particular Conditions,

**§6 Termination**

Clause (7) reads now as follows:

The legal consequences of termination of the contract are derived from § 7 and from applicable statutory regulations.

- Correction in **Annex VI 2.3.4. Bonus Payment to the ESCo: Additional Gravity Supply Bonus** reads now as follows

The additional gravity supply bonus<sup>1</sup> has a value equivalent to the achieved energy cost savings per settlement period for Khaw new<sup>2</sup> calculated pursuant to 2.3.1. multiplied by 1.0 if all the conditions<sup>3</sup> are fulfilled.

$$30'600 * 1.0 = 30'600 \text{ JOD}$$

If the conditions linked to the additional gravity supply are not fulfilled the ESCo shall receive no additional bonus payment. The additional gravity supply bonus is financially capped at a value of 30'600 JOD which represents the additional gravity supply bonus payment if the target saving potential for Khaw (new) is achieved exactly.

- Correction in **Annex VI: 3. Minimum Q Guaranteed**

The definition for the Qmin Formula reads now:

Definition Qmin Formula/ Minimum Q guaranteed	Explanation
<p><math>Q_{min}</math> is the minimum guaranteed quantity of water in <math>m^3</math></p> <p><math>Q_{min}</math> is calculated annually</p> <p><math>Q_{min}</math> in <math>m^3</math> depends directly on the amount of investment.</p>	<p>Guarantee of the WAJ to the ESCo of water quantity <math>Q_{min}</math> during the entire project period. However the guaranteed water quantity <math>Q_{min}</math> is being reduced every year according to the water quantities already available to the ESCo.</p>
<p><math>Q_{min(x)} = Q_{min(1)} \dots Q_{min(7)}</math></p>	<p><math>Q_{min}</math> is <math>Q_{min(1)}</math> in the first year; <math>Q_{min}</math> is <math>Q_{min(2)}</math> in the second year were <math>Q_{min}</math> is calculated, until <math>Q_{min(7)}</math></p>
<p>Targeted specific energy consumption (former Khaw old PS)</p>	<p>0.78 kWh/<math>m^3</math></p>
<p>Targeted specific energy consumption (former Khaw new PS)</p>	<p>0.27 kWh/<math>m^3</math></p>
<p>(ESCo Investment according to <math>ESM + X\%_{(O\&amp;M)}</math>) = ESCo Investment and operation costs = (I)</p>	<p>Upon the signing of the performance sheet of <math>ESM</math> by the WAJ according to the contract section I §3 the investment value shall be derived</p>

<sup>1</sup> Annex II; Annex III

<sup>2</sup> Annex II; Annex III

<sup>3</sup> Annex II; Annex III

<p><math>(I)_o = (I)</math> Khaw (old)</p> <p><math>(I)_n = (I)</math> Khaw (new)</p>	<p>according to Annex V for the ESCo investment (including Appendix 1/ESM) + 5%/a (operation &amp; maintenance) for the Qmin Formula breaking down the individual calculation steps and reference variables in a transparent manner.</p>
<p>Khaw (old) Savings in JOD per m<sup>3</sup>:</p> <p><math>1.26 \text{ kWh/m}^3 - 0.78 \text{ kWh/m}^3 = 0.48 \text{ kWh/m}^3</math></p> <p>Electricity tariff = 0.05 JOD</p> <p><math>0.05 \text{ JOD} * 0.48 \text{ kWh/m}^3 = 0.024 \text{ JOD per m}^3 = (S_o)</math></p>	<p>Khaw (old) baseline specific energy consumption – target specific energy consumption = saving in specific energy consumption</p> <p>Electricity tariff for water pumping for the WAJ</p> <p>Saving potential in JOD per m<sup>3</sup></p>
<p><math>((I)_{o,x} - \sum \text{Payment(s) to the ESCo in the year X}) = (I)_{o,(x+1)}</math></p> <p>(including potential compensation payments)</p>	<p>Investment costs minus the sum of all quarterly payments the ESCo has received = reduced investment costs</p>
<p>Khaw (old)</p> <p>Year 1: <math>(I)_o / (S_o) / (7) = Q_{\min(1)}</math></p> <p>Year 2: <math>(I)_{o(2)} / (S_o) / (7-1) = Q_{\min(2)}</math></p> <p>Year 3: <math>(I)_{o(3)} / (S_o) / (7-2) = Q_{\min(3)}</math></p> <p>Year 4: ...</p>	<p>Q minimum guaranteed in the year X.</p> <p>Q min is reduced in relation to the sum of total quarterly payments the ESCo as received during the project.</p>
<p>Calculation Qmin: sharing percentage</p> <p>Sharing percentage <math>\geq 50\%</math></p>	<p>For Qmin calculation purposes the sharing percentage has to be equal or higher than 50%</p>
<p>Qmin max. Khaw (old) = 12'000'000 m<sup>3</sup></p> <p>Qmin max. Khaw (new) = 4'000'000 m<sup>3</sup></p>	<p>Values calculated by the Qmin formula shall have a maximum attainable value of 12'000'000 m<sup>3</sup> for Khaw (old) and 4'000'000 m<sup>3</sup> for Khaw (new).</p>
<p>Khaw (new) Savings in JOD per m<sup>3</sup>:</p> <p><math>0.41 \text{ kWh/m}^3 - 0.27 \text{ kWh/m}^3 = 0.14 \text{ kWh/m}^3</math></p> <p>Electricity tariff = 0.05 JOD</p> <p><math>0.05 \text{ JOD} * 0.14 \text{ kWh/m}^3 = 0.007 \text{ JOD per m}^3 = (S_n)</math></p>	<p>Khaw (new) baseline specific energy consumption – target specific energy consumption = saving in specific energy consumption</p> <p>Electricity tariff for water pumping for the WAJ</p> <p>Saving potential in JOD per m<sup>3</sup></p>
<p>Khaw (new)</p> <p>Year 1: <math>[(I)_n - 30'600 * 7] / (S_n) / (7) = Q_{\min(1)}</math></p> <p>Year 2: <math>[(I)_{n(2)} - 30'600 * 6] / (S_n) / (7-1) = Q_{\min(2)}</math></p> <p>Year 3: <math>[(I)_{n(3)} - 30'600 * 5] / (S_n) / (7-2) = Q_{\min(3)}</math></p> <p>Year 4: ...</p>	<p>Q minimum guaranteed in the year X.</p> <p>Q min is reduced in relation to the sum of total quarterly payments the ESCo as received during the project.</p>
<p><math>((I)_{n,x} - \sum \text{Payment(s) to the ESCo in the year X}) = (I)_{n,(x+1)}</math></p> <p>(including potential compensation payments)</p>	<p>Investment costs minus the sum of all quarterly payments the ESCo has received = new total project costs</p>

<p>If <math>Q_{min(x)} &gt; Q_{actual(x)}</math> WAJ will pay a compensation in the amount of <math>Q_{min(x)} - Q_{actual(x)}</math> multiplied with the achieved average specific energy saving potential in the year x multiplied with the electricity tariff.</p> <p>The achieved average specific energy saving potential in the year X is equal to the baseline specific energy consumption minus the by the ESCo achieved average specific energy consumption in the year X.</p> <p><math>Q_{actual(x)}</math> is defined as the water actually available to the ESCo during the year x. <math>Q_{actual(x)}</math> is therefore the water pumped by the ESCo during the year x plus the water lost through reservoir overflow by the ESCo.</p>	<p>Compensation payment formula</p> <p>Beneficiary of potential Qmin compensation payments shall be the ESCo.</p>
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