

Clarification of Bidder's Query for Bidding of Mirshorai EZ

SN	Question from Potential Bidders	Response by BEZA
1	Extension of deadline for submission of bid has been requested from multiple private sector participants?	BEZA communicated that already deadline of submission has been extended and no further extension of the same is possible.
2	Whether IEE has been conducted and ToR has been approved by DoE for Mirshorai Economic Zone	Environmental Clearance formalities is already completed for Mirshorai Economic Zone
3	What is the status of The RHD project of 10 km stretch from Dhaka-Chittagong Expressway to Abu Terab Market? Also, what is the status of the off-site infrastructure works for Mirshorai Economic Zone?	DPP for the 10 km road by RHD is under process of approval. The road has 4 lane provisions in which initially carpeting will be done for two lanes. In future, BEZA intends to widen the road into 4 lanes on its own. It was also informed that BEZA has alternative plans, if there is delay of RHD to do the work, BEZA will do it by deposit money. Land filling contractor for the site has already been mobilized and it is expected that by May it will be completed including sluice gate and dyke. There is a buffer zone of 60 acres in addition to 550 acres for the site and a lake of 200 acres beside the site. In addition DPHE will provide water from Durgapur from underground water source.
4	Revenue sharing should have separate components for land, building etc. and whether upfront payment can be waived.	Upfront payment is justified for BEZA as this forms part of the initial investments. Revenue sharing shall be in % form on the basis of gross revenue &/or net profit.
5	What is the status of power availability for Mirshorai Economic Zone?	BEZA will construct a sub-station to draw power from REB distribution. For this purpose a 33 KV line will be drawn from existing 132 KV grid substations.
6	Is there any limitation on the categories of industry for the Mirshorai Economic Zone?	There is no limitation on the categories/ types of industries potential for Mirshorai Economic Zone. The developer is free to choose the industry mix as per its master planning.
7	What is the status of gas connection to the economic zone?	Gas line is planned to be drawn from Moheshkhali LNG terminal by January 2017 with first right to Mirshorai Economic Zone. Further to the same, BEZA has already submitted proposal to Petro Bangla for development of another pipeline which may cater to the gas requirements of the economic zone.
8	What is BEZA's role in marketing of the economic zone?	BEZA will provide proactive support in marketing the economic zones and it will be a joint effort of BEZA and the developer. The consultant (TAS firm) is readily available to support BEZA in any domestic/ international marketing/ investment promotion activity. On behalf of TAS firm, Mr. Sonal Mishra expressed readiness to support the potential developers as long as it does not hamper transparency of the deal. He also communicated that in addition to providing support to the developers, TAS firm would also support in marketing the project sites.
9	Can BEZA's role be further defined about marketing of the project sites?	Executive Chairman, BEZA responded that there will be separate marketing wing within BEZA to support the developers. He also informed that the developers will be a key part of the investment promotion activities organized by BEZA.
10	Enquiry about lease tenure - it was cited that economic zones usually take 15 years to start full-	BEZA responded that in India as per SEZ Act, lease period is 25 years, though some special cases have

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	fledged operation. Therefore, the tenure of developer agreement should be more than 50 years.	more land lease period. He stressed that the government has approved 50 years (increased from earlier 30 years) for the sake of smooth development of the zones. After successful completion of this term, the lease period may be extended for any period on mutual consensus.
11	If the STP, WTP, ETP etc. will be central or unit based in Mirshorai Economic Zone?	BEZA responded that STP, WTP, ETP etc. can be separate for separate industries or can be central depending upon case to case. BEZ also suggested that the CETP being an on-site infrastructure falls under the discretion of the developer.
12	Power prices should be cheaper in economic zones.	BEZA replied that the power prices in Sri Lanka, Thailand and other countries are even higher. However, to enhance competitiveness, the zone is planned to be connected with the planned marine drive within 10 km from the zone. Also the zone will be competitive in international standard, due to relatively cheaper land rents.
13	As we need accurate Base Drawings for the master plan design, appreciate very much if Drawings that indicate the location /position /dimensions (e.g. northing-easting, AutoCad site plan, etc.) of the 550-acre site are forwarded to us. (The above will enable us to pin-point this project's site location.)	Accurate Base Drawings are not available at this moment; it will be prepared by the developer after the contract signed. Roughly, the coordinates are 22°44'26.12" to 22° 44.95'N and 91°27'37.43"E to 91°28'14.77"E respectively.
14	Would you have any pre-determined plans or drawings to indicate any infrastructural asset /investment vis-à-vis the 550-acre Site? a) Topographical Survey plan b) Soil Investigation Survey plan /report c) Existing Utilities plan, capacity, date ready for connection d) Drainage plan e) Main & Access road connections and levels f) Flood data for river Susham Khal; both tidal and riverine	Some documents are available with us; developer might have to revise and prepare these to suit its own requirements. a) Topographic map is attached. b) Soil Investigation Survey plan /report is not available; developer would do as per requirement. c) BEZA is on the way to provide water, electricity, and telecommunication infrastructure. d) Drainage plan is attached. e) Alignment of the main access road connection and levels is attached. f) Tide levels at 22.3333°N and 91.8133°E (Chittagong, Bangladesh) is attached.
15	Do you have the existing seismic records for the area?	No
16	Has the Anwara EZ projects been awarded?	No
17	Will tenants in the Park be subject to a certain export condition?	Tenants may be either export oriented or domestic or mix of both.
18	Typically an Economic Zone would establish its dedicated Customs Operation Centre, would you prefer to set up such a centre, if the Government approve such an initiative?	The zone will be customs bonded.
19	Do we have freedom in setting tariff for the utilities provided within the Zone? Tariff in this case refers to charges in electricity per Kw-Hr, potable water per cubic meter, waste water treatment charges in cubic meter etc.	Yes, developer may set subject to approval by BEZA.
20	Is extracting ground water allowable in the region? (such as deep tube well etc.)	BEZA would connect water supply to the zone, however distribution of on-site the zone would be provided by the developer. So further ground water extraction would not be required.
21	Is there any possibility that the neighboring sites (within BEZA) provide such utilities to our 550-acre site under the planned 'Phase 1'?	BEZA would provide main connections for water, electricity and telecommunications to zones. Connections from neighboring zones will depend on level of requirements, availability, and capability of the system.

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22	<p>Pre-mature Invitation of BID for Mirsorai Economic Zone</p> <p>a. The Mirsorai Economic Zone is well located because of its close proximity to Chittagong sea port and also to Dhaka-Chittagong Highway. The site is located 16km away from Dhaka-Chittagong Highway. The Infrastructure facilities except in land procurement /acquisition of land has not yet been created. The approach road to sea port through marine drive has not yet been planned. This should be taken up immediately.</p> <p>b. The road linking Dhaka-Chittagong Highway has already been planned and alignment has been finalized. In linkage between Dhaka-Chittagong highway and the proposed Mirsorai Economic Zone. The R&H department has initiated a Tk. 123 Crore, 10km road project under ADP. In the project there is provision for acquisition of 30 hectares of land and construction of 10km of road with changes in the alignment of existing road. Although, the project implementation period is 30 months but it may take more in the event of problem in land acquisition.</p> <p>c. Moreover, land development work of the project land has just been planned. That work also takes considerable time and a time line to this effect has not been fixed.</p> <p>d. There is no electricity in the area and it will take time to obtain power in the area.</p> <p>e. To protect the proposed Economic Zone from possible tidal surge construction of well protected costal embankment is imperative.</p> <p>f. There is no indication of source of water which needs proper investigation:</p> <ul style="list-style-type: none"> • Before inviting Bid for selection of developers the aforesaid issues should be addressed. • The invitation of Bid at this stage is pre-matured as well as not practicable. 	<p>a. The Infrastructure facilities are yet to provide, but the access road is under construction; moreover a DPP was processed by RHD to develop 10 km access road with provision of double lane road expandable to 4-lane. The approach road to sea port through marine drive may be planned by the government.</p> <p>b. Risk of delay is common for development projects; however BEZA would be aware of addressing such events and would proactively expedite the implementation.</p> <p>c. Contract for land development work of the project is already awarded and scheduled to complete by 30 June 2016.</p> <p>d. BEZA agreed an MOU with REB for arranging electricity in the area. REB will provide 33KV dedicated line to this zone within 2016. PGCB is considering the construction of 132 KV sub-station for Mirshorai zones beyond 2020.</p> <p>e. BEZA already awarded contract to protect the proposed Economic Zone from possible tidal surge which is scheduled to complete by 30 June 2016. To secure the zone, a 20 km long embankment project DPP was prepared and it is under approval process.</p> <p>f. BEZA engaged DPHE through MOU to identify the source of water. They would provide the pipelines and pumping facilities with BEZA's fund.</p>
23	<p>Waiver of Down payment for land</p> <p>The proposed 530 acres of land is fully undeveloped without any approach road. Being costal area land and there being no costal embankment the land is fully unprotected till the embankment is constructed. At this stage there is no infrastructure like Road, Electricity, Gas etc. It will take considerable time to address the aforesaid issues.</p> <p>It may be mentioned as an instance that for Kaliakoir Hi-Tech Park (KHTP) a similar RFP was invited; in that park the land was developed with road system, boundary wall, electricity connection, office building etc. But in that RFP there was no provision for any down payment of land.</p> <p>It is therefore, requested to waive the down payment issue of land for RFP of Mirsorai Economic Zone.</p>	<p>The 550 acre zone will be protected by a super-dyke for which a contract was already awarded.</p> <ul style="list-style-type: none"> • For more security of the zone, a 20 km long embankment project DPP was prepared and it is under approval process. • Previous responses may be visited for infrastructure provisions e.g. Road, Electricity etc. • Considering the investment by BEZA on the proposed site, the down payment / upfront payment is not unjustified.

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24	BEZA has recently declared to develop 100 Economic Zones all over the country. Also exclusive country wise Economic Zones are planned for Japanese, Chinese, Indian & Koreans. Parallel the proposed Mirshorai Economic Zone being developed on Design, Build, Finance, Own, Operate and Transfer (DBFOOT) by private sector. In this Zone the major focus of Marketing may be Japanese, Chinese, Indian & Korean investors. In the event above mentioned country wise Economic Zone is developed, there is possibility of big challenge in marketing the Mirshorai Economic Zone. This obviously is discouraging factor for the private sector to participate in the bid.	Due to the age of globalization, businesses face competition locally as well as internationally. Businesses are also skeptic for better opportunity and so the Apple headquarter was moved to China from USA. Moreover competition supports innovation, cost improvement and value for money. Thus competitive market is more beneficial than a restricted market. BEZA would like to encourage skill and technology mix which may be obtained from Japanese, Chinese, Indian & Korean investments and expects that local industries would also benefit from these. Thus BEZA would like to encourage developing the private sector further. Considering the incentives offered by BEZA, local entrepreneurs are expected to prefer EZs to other locations for establishing their industries.
25	Some of the fiscal incentives needs amendment, which are: a. Products to be exported and domestic sale should have the same incentive. b. All type constructions materials used for development and setting up industrial units should be exempted from duty, VAT and all Taxes.	Yes, the output products of the economic zones (for export and domestic sale) would enjoy the same incentive.
26	When the 6 km access road to the site be completed?	Construction of 6 km access road to Mirshorai 550 acre zone is scheduled to complete by 30 June 2016.
27	What improvements are going to be carried out for the road between N1 and the access road to the site? When will the improvements be completed?	Construction of 6 km access road to Mirshorai 550 acre zone is under way. Furthermore, a DPP was processed by RHD to develop 10 km access road with provision of double lane road expandable to 4-lane.
28	How many numbers/types of embankments will be constructed by the government to protect the site from floods and cyclones?	Please refer to Serial No. 23.
29	If the embankments do not achieve their intended purpose, giving rise to damage to the industries will the government take out insurance for flood damage as the embankments will be responsibility of the government?	BEZA has been working for development of private sector business and industry. Developer should check the infrastructure provisions to be made by BEZA (Please refer to the responses above) and assess the risks, utilize own knowledge and understanding, take proper measure (insurance or whatever they may choose to use) and protect their properties.
30	Please confirm whether power will be supplied by the government to the site from two feeders at 132 KV and 50 MW capacity. This is needed by 2017.	Please refer to Serial No. 22 (d).
31	Water supply (4000 m ³) of potable quality will need to be supplied by BEZA within 2017, 9000 m ³ by 2020? Please confirm.	BEZA plans to install supply capacity of 8 MLD water by 2017.
32	What will the future plan for the entire Mirshorai Area? Size, type of off-site infrastructure planned and time frame?	BEZA intends to develop Mirshorai zones as an Industrial City. Such development would take in phases, however depends on competence and capacity of developers. BEZA hope that Mirshorai Industrial City would become a reality at its earliest by 2025 and latest 2050.
33	When 2 lines access road will be expanded to 4 lines? Also when the other access from north will be constructed? If so, when?	Please refer to Serial No. 3 and 22(a).
34	Planned 6 lines road which will pass the 550 acre site will be built when?	Please refer to Serial No. 3 and 22. Increasing road capacity by providing additional lands will depend on the growth and prosperity of the economic zones. Competence and capacity of developers

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		would play the pivotal role in this respect. However, if everything goes well road widening to 4 lanes and 6 lanes may take place in 2020s.
35	Section-3 Preparation of bids, section-9 – 1(1)c. Breakdown and source of proposed debt/equity..... financing, projected at least quarterly. Could you please confirm it?	Section-3 can be seen at Pages #8-18 & 28-29; Section-3.9 – 1(1)c can be seen at Pages #16; we expect that Bidders should follow the instructions; also we confirm the instruction text as below: “c. Breakdown and source of proposed debt/equity financing and other sources of financing, projected at least quarterly, in the development financial spreadsheet for years one (1) through the development phase and until completion”
36	What is the time frame for 100% project development?	100% project development is expected by 2020 which is mentioned in the RFP under the title ‘The estimated timetable’ at Page #28.
37	One canal is included in the economic zone? Is the area included in the 550 acre? If so, will this area be included for land rental payments?	One canal is situated in the economic zone. The 550 acre land excludes the canal area. Annual land lease payment for the released land will be based on gross area of land.


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