



Date: 7 September 2009 Pages: 12(plus attachments)
Subject: Addendum 2 to the Cambodia Agricultural Value Chain Program
(CAVAC) Operational Contractor Request for Tender of 15 August 2009.

Tenderers are advised of the following:

Clarifications to the RFT

1. Delete Tender Schedule C, Section 1, Part 1 of the RFT and replace with new Tender Schedule C attached (Attachment 1 to this Addendum 2).
2. Delete existing Clause 13.2, Part 2, Part A (Project Specific Contract Conditions) and replace with:
"13.2 The performance security provided must be in the form appearing in **Schedule 5** and must be provided at the Contractor's cost, for the maximum aggregate sum of A\$5,000,000 and be available for the term of the Contract."
3. The amount of A\$7,528,000 in Clauses 2.1(b)(ii) and 5.1 in Part 4 (Draft Basis of Payment) of the RFT must be replaced with "A\$xxx". The final figure will be determined in accordance with the winning tenderer's proposal.
4. Delete existing Clause 2.1(b)(iii) Part 4 (Draft Basis of Payment) of the RFT and replace with:
"2.1(b)(iii) *Program Administration and Equipment Costs*, in accordance with Clause 6 of this Schedule 2 (up to a maximum of A\$2,578,490).
5. Delete existing Clause 6.1 Part 4 (Draft Basis of Payment) of the RFT and replace with:
"6.1 AusAID shall reimburse the Contractor up to a maximum upper limit of A\$2,578,490."
6. Delete existing Clause 6.2 Part 4 (Draft Basis of Payment) and replace with:
"6.2 Program Administration and Equipment Costs shall be reimbursable in arrears on a quarterly basis in accordance with the items listed in **Annex 4** to this Schedule 2 and the financial limit. This Contract does not provide for the inclusion of any other Program Administration and Equipment Costs categories or items other than those explicitly included as Program Administration and Equipment Costs in Annex 4 to this Schedule 2."

7. Delete existing Clause 6.3 Part 4 (Draft Basis of Payment) and replace with:
 “6.3 The Contractor will be entitled to reimbursement for expenses incurred in respect of Reimbursable Program Administration and Equipment Costs detailed at **Annex 4** to this Schedule 2, subject to details of the items purchased or expenses incurred, or salaries paid, contained in quarterly invoices.”
8. Delete Annexes 3, 4 and 7 to Schedule 2 (Part 4 of the RFT) and replace with new Annexes 3,4 and 7 attached (Attachment 2 to this Addendum 2).
9. Delete existing Clause 7.4 Part 5 (Standard Tender Conditions) and replace with
 AusAID may invite a Tenderer (shortlisted or otherwise) to give AusAID a short presentation and be interviewed by the TAP. The candidate General Manager, Procurement Manager, Monitoring and Evaluation Manager and a Tenderer Representative may be required to attend interview. AusAID will advise tenderers as to who should attend interview after shortlisting. If these Personnel are unable to attend, a teleconference presentation may be arranged. These Personnel will be required to answer any questions asked by the TAP. The costs of the Tenderer’s (and its personnel’s) attendance must be borne by the Tenderer.

Questions raised by interested tenderers

10. **Question:** Does the Request for Tender include the tender for the actual value chain work as well as the project’s logistics and administration?
Answer: No. Please see Part 3 Clause 4 which describes how the value chain work will be delivered.
11. **Question:** Can AusAID confirm that the Unconditional Financial Undertaking in relation to the Imprest Account Funds is AUD5 million?
Answer: Yes, see Clause 13.2 Part 2, Part A (Project Specific Contract Conditions) and point 2 above.
12. **Question:** Can AusAID confirm that none of the specified positions are classified as working with children?
Answer: None of the Specified Personnel positions (General Manager, Procurement Manager, Monitoring and Evaluation Manager) have been identified as working with children.
13. **Question:** What is the budget ceiling for CAVAC? The Program Design Document indicates AUD43.262 million and the AusAID Procurement Plan indicates AUD42 million.
Answer: The estimated cost of the Program over the 5-year implementation period is A\$43.262 million, inclusive of the operational

contractor contract, AusAID's contribution to ACIAR and other AusAID costs, including the core Team Leader costs.

14. **Question:** Can AusAID confirm that the funding for ACIAR's involvement forms part of the total budget?
Answer: The funding for ACIAR's implementation of CAVAC's Research and Extension component is covered under an agreement between AusAID and ACIAR. It will not form part of the contract with the Operational Contractor. However, it is included in the A\$43 million budget for CAVAC's implementation.

15. **Question:** Can AusAID provide an indication of the level within the RGC the Deputy Team Leader will be so that tenderers are able to make a decision about the level of MBPI payment that needs to be made in table 3(a) and table 3(b)?
Answer: Tenderers should use *Department Director* as the indicative level of the Deputy Team Leader in accordance with the RGC sub-decrees related to MBPI attached to this Addendum (see Attachment 4). See also points 42 to 43 below.

16. **Question:** In Clause 2.1 (b)(iii) , Part 4 (Basis of Payment) of the RFT, Program Administration and Equipment Costs are valued at AUD3,355,490 and in Annex 4 to Schedule 2 – Reimbursable Program and Equipment Items, Program Administration and Equipment Costs are valued at AUD2,758,490. Can AusAID explain this discrepancy?
Answer: The figure of A\$2,758,490 is correct. Accordingly, the amount in Part 4, Clause 2.1(b)(iii) should read A\$2,758,490 (see points 4 and 5 above).

Questions raised at the Pre-tender briefing on 26 August 2009. Copies of presentations given at the Pre-tender briefing are attached as Attachment 3 to this Addendum.

17. **Question:** Are tenderers permitted to meet with counterpart government staff in relation to this tender?
Answer: All questions related to the RFT should be directed to Ms Catherine Ross via the CAVAC mailbox: cavac@ausaid.gov.au . No other parties should be contacted.

18. **Question:** What information will be released to short-listed tenderers in terms of relative ranking and score following the TAP short-listing?
Answer: Following the TAP short-listing, short-listed tenderers will be provided with their initial ranking.

19. **Question:** Where does value for money fit in with the like-for-like assessment?
Answer: In accordance with Clause 4 (Score Weightings) of Section 1, Part 1 of the RFT, the 15% weighting of the overall score is based

on price. This means that technical considerations account for 85% of the final score. Price is considered after the technical assessment is complete and may affect the final outcome as it carries 15% of the total weight. It will affect the final outcome, but it can not be the sole determining factor in the outcome.

20. **Question:** Following short-listing of tenderers, which team members will be interviewed?
Answer: The candidate General Manager, Procurement Manager, Monitoring and Evaluation Manager and a Tenderer's Representative may be required to attend interview . AusAID will advise tenderers who should attend interview after shortlisting. Please also refer to Point 9 above.
21. **Question:** Is there any rule for how many bidders will be interviewed by the TAP?
Answer: The TAP will decide how many bidders will be interviewed.
22. **Question:** What costs are faced by tenderers if a number of its Specified Personnel are invited to TAP interviews?
Answer: Please see point 9 above.
23. **Question:** With regard to the Monitoring and Evaluation Manager listed in Tender Schedule C Table 3(a)-Long Term Personnel Costs (January 2010 to 30 June 20012) Part 1 of the RFT, how can tenderers provide long term costs when the Monitoring and Evaluation Manager has more of a short to medium term role?
Answer: Tenderers should ensure the Monitoring and Evaluation Manager will be engaged for two (2) months per year broken into at least two (2) visits of no longer than one (1) month per year as detailed in the position Terms of Reference (see Attachment 4).Table 3(a) in Tender Schedule C makes provision for tenderers to include Assumptions made in costing long-term personnel.
24. **Question:** Where can tenderers obtain information about the Monitoring and Evaluation Manager position referred to in Tender Schedule C.
Answer: Please refer to Terms of Reference for the Monitoring and Evaluation Manager position attached to this Addendum (Attachment 4 to this Addendum).
25. **Question:** Apart from the Terms of Reference for Key Management positions identified in the Program Design Document – will there be Terms of Reference ready to go for other personnel given the need to mobilise quickly?
Answer: Yes, draft Terms of Reference for other key management positions, such as the Agribusiness Development Manager, Irrigation/Water Management Manager, Business Enabling Environment Specialist and Provincial Team Leaders, will be available

upon mobilisation of the Operational Contractor. The Terms of Reference for other positions will be drafted by the relevant Manager.

26. **Question:** What is the RFT provision for evaluation of alternative bids by tenderers?
Answer: Please see Part 1, Clause 3 of the RFT.
27. **Question:** Is the Operational Contractor expected to mobilise in December 2009 or January 2010?
Answer: The Contractor is expected to mobilise as soon as possible after the contract is signed. Individual personnel may be mobilised either in December or January, subject to agreement with AusAID and the Team Leader.
28. **Question:** How do the Letters of Association (Clause 5.3 Annex 4 Part 1 of the RFT) differ from arrangements with subcontractors?
Answer: Tenderers are referred to Clause 9 (Associates and other Sub-Contractors) of Part 5 of the RFT. Letters of Association provided in Annex 4 (required under Clause 5.3 of Part 1 of the RFT) should give a brief description of the intended contribution of the associate to the program and its responsibilities.
29. **Question:** What is the technical evaluation criteria?
Answer: Please see Clause 5.2 of Section 1, Part 1 of the RFT. Note that “technical evaluation criteria” are referred to in this clause as “Selection Criteria”.
30. **Question:** If tenderers practice uploading documents to AusTender by submitting a draft bid, can it be withdrawn before the real bid is submitted?
Answer: Tenderers are advised to check with AusTender. However, where there are multiple copies of the same document, AusAID will accept the one which contains the most recent date stamp recorded by AusTender.
31. **Question:** Is there a specific format for Curriculum Vitae to be submitted with bids?
Answer: Please refer to Section 1, Part 1 and clause 7.16 in Part 5 of the RFT.
32. **Question:** Where non-long term staff are recruited by the Operational Contractor, who is the employer – the Operational Contractor, the Company, the Program or the government?
Answer: The Operational Contractor will enter into contracts directly with some individuals. Other individuals will be seconded from the Royal Government of Cambodia, and others in Component 3 will be recruited and managed by ACIAR. The Operational Contractor will not be the employer of seconded personnel or those recruited by ACIAR, but will provide some employer-related services.

33. **Question:** In relation to the clause in the draft Scope of Services prohibiting participation in downstream activities, does this prohibition extend to the involvement of other personnel (ie. can Operational Contractor personnel be used)? Are the Operational Contractor's staff eligible for positions identified in the CAVAC program (ie. ad hoc positions)?
Answer: Please refer to Part 3, Clause 3.10(g)(iii). The Contractor and Contractor Personnel are prohibited from bidding for implementation of any further Program activities in implementing procurement or grants making.
34. **Question:** Does the answer to the previous question mean that tenderers would not be able to bid for any tenders being put into the market?
Answer: Yes, the Operational Contractor cannot bid for future CAVAC work.
35. **Question:** In Tender Schedule C, do the three components (ie. Profit and Management Fee, Long Term Personnel Costs and Other Program Personnel Costs jointly constitute the tenderer's financial proposal and form an integral part of the tenderer's offer?'
Answer: Yes. The Tables contained in Tender Schedule C will be used for like-for-like price assessment and will provide a basis on which to negotiate the details to be included in Schedule 2 Basis of Payment of the contract.
36. **Question:** In Tender Schedule C in Tables 3(a) Other Program Personnel Costs and 3(b) Other Program Personnel Costs, there is a reference to Irrigation/Water Management Specialist (National) does that refer to the distinction between Cambodians and non-Cambodians?
Answer: Tender Schedule C is amended (see 1 above and Attachment 1 to this Addendum 2). It is intended to make a distinction between personnel recruited under National Recruitment processes and those recruited under International Recruitment processes.
37. **Question:** Is there an additional fee for the Operational Contractor associated with procurement?
Answer: No, in accordance with Clause 7 (Tender Schedule C – Financial Proposal), the cost of procurement forms part of the tenderer's Profit and Management Fee.
38. **Question:** With regard to staff selection, the PDD contains a Responsibility Matrix, but who is responsible for selecting staff?
Answer: In accordance with Clause 3.10 (d) in Part 3 of the RFT, the staff selection process should be outlined in the tenderer's Management Procedures Manual. It is expected that the Team Leader will be involved in selecting key management staff (such as the

Agribusiness Development Manager, Irrigation/Water Management Manager, Business Enabling Environment Specialist and Provincial Team Leaders. It is expected that the relevant Manager will then be involved in the selection of other staff within their team.

39. **Question:** What is the purpose of the Responsibility Matrix (Annex 7 of the PDD) and how does this fit with the Terms of Reference for Key Management Positions (Annex 6 of the PDD). Will Terms of Reference be provided for other personnel?

Answer: The Responsibility Matrix is at the organisational level and sets the guiding principles for the relationship between the Operational Contractor, AusAID, the Team Leader, ACIAR and RGOC. These are also reflected in Terms of Reference for individuals.

Note to Tenderers: Annexes 6 and 7 of the PDD will be attached to Schedule 1 (Scope of Services) in the final Contract.

40. **Question:** On the assumption that some resources are required for change management, how do bidders address change management and fund activities that are not adequately resourced?

Answer: Tenderers must provide a fully costed financial proposal.

41. **Question:** Who is responsible for fund-raising--there are references in the draft Scope of Services (Clause 1.2 Part 3 of the RFT) to "harmonisation with other donors" and the private sector?

Answer: As detailed in Section 8.5 of the Program Design Document, CAVAC will seek to leverage funding from RGC recurrent and development budgets for specific activities which align closely with RGC spending priorities, on a case-by-case basis. Industry is expected to make significant investments in the development of supply chains for target products. Additional co-financing will be sought for specific activities from other donors where the opportunity arises. CAVAC's Team Leader in cooperation with AusAID will be responsible for negotiating these contributions.

42. **Question:** What is AusAid's position on compliance with the Merit Based Performance Initiative (MBPI)?

Answer: Please see Clause 3.5 of Part 3 (Draft Scope of Services) of the RFT. Copies of the RGC's Sub Decree on the Establishment and Operations of Priority Mission Group and the Sub Decree on the Implementation of Merit Based Performance Incentive are attached to this Addendum (Attachment 4).

43. **Question:** What is the flexibility to ensure that there is a level of parity in employment through the team?

Answer: The Team Leader, Operational Contractor and ACIAR will collaborate to ensure that all nationally-recruited staff working on the Program are contracted under similar terms and conditions. However, in accordance with Clause 3.5 of Part 3 (Draft Scope of Services) of

the RFT, where officials of the RGC are seconded to work on Program activities, they remain employees of the RGC and should therefore be engaged in accordance with either the RGC's Sub Decree on the Establishment and Operations of Priority Mission Group or the RGC's Sub Decree on the Implementation of Merit Based Performance Incentive. This ensures compliance with RGC policy and facilitates consistency in salary supplementation rates across Development Partners working with RGC in Cambodia (see Attachment 4 to this Addendum 2)

44. **Question:** Where will Technical Assessment Panel interviews be held?
Answer: Phnom Penh.
45. **Question:** In order to price the Deputy Team Leader position, tenderers need to understand what the rates are for this position in the MBPI.
Answer: See point 15 above.
46. **Question:** Can AusAID/ACIAR give an idea of the size of activities relating to Pool A grants listed under Component 3 Research and Extension in Clause 4.6 of Part 3 of the RFT?
Answer: Tenderers are referred to Paragraph 8.7.3 of the Program Design Document and to information on the ACIAR website: www.aciar.gov.au/cavac.
47. **Question:** Will the Team Leader require an assistant?
Answer: No.
48. **Question:** Is the Development Co-operation Strategy available?
Answer: No. The Development Co-operation Strategy is in draft form and has not yet been agreed by both Australia and RGC.
49. **Question:** Is the Development Cooperation Treaty/MOU with Cambodia available?
Answer: Relevant parts of the Memoranda of Understanding that the Government of Australia entered into with the Royal Government of Cambodia in 1994 are attached to this Addendum (see Attachment 3 to this Addendum).
50. **Question:** The risk assessment in the Program Design Document is written broadly; should tenderers present their Risk Management Plan from the perspective of Operational Contractor or from the perspective of the whole program even though the Operational Contractor will not have all those risks?
Answer: Please refer to the requirements for Annex 3 in Clause 5.3 of Part 1 of the RFT. Tenderers should focus their response on risks that will impact on the services for which the Operational Contractor is responsible

51. **Question:** Are personnel expected to work for 30 months in the first phase of the CAVAC Program?
Answer: Personnel will be required to work within the term of the Contract until 30 June 2012. The financial proposal has specified 30 months inputs for the purpose of enabling a like-for-like assessment and to quote monthly personnel rates to enable contract negotiation to take place after the tender assessment process is complete.
52. **Question:** With regard to Other Program Personnel costs, is the number of person months likely to change?
Answer: Please see response to question 51 above.
53. **Question:** Does the CAVAC Program have any links to other value chain programs in Cambodia?
Answer: CAVAC may collaborate with other value chain programs but there is no specific requirement for any particular linkages.
54. **Question:** Does AusAID have any information on how tenderers can participate in site visits?
Answer: No. AusAID is not coordinating any site visits. Tenderer's questions should be directed to the CAVAC Tender Contact person (see point 17 above).
55. **Question:** With regard to Tender Schedule D, do tenderers need to provide balance sheets and financial information in any particular form/format for AusAID financial assessment?
Answer: Tender Schedule D (Clause 8 of Part 1 of the RFT) must be in English and use International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP) where IFRS is still to be implemented.
56. **Question:** How can tenderers substantiate previous experience?
Answer: Tenderers must complete the Past Experience form and referee contact details (see Annex 1, Clause 5.3 Part 1 of the RFT). AusAID may contact referees nominated in the Past Experience Form.
57. **Question:** What is expected of the OC during the Inception phase?
Answer: Please refer to Clause 3.10, Part 3.
58. **Question:** With regard to performance management of program staff and terms and conditions of employment, should there be alignment with ACIAR – and how should tenderers form performance management indicators?
Answer: Please see requirements set out in Clause 3.10(d) of Part 3 of the RFT (Draft Scope of Services). It is expected that the Team Leader, Operational Contractor and ACIAR will collaborate to ensure consistency in the terms and conditions of employment and performance management of program staff.

59. **Question:** What level of involvement will the Team Leader have in recruitment of personnel not specified in the tender documents?
Answer: In accordance with Clause 3.10(d) in Part 3 of the RFT, recruitment processes should be outlined in the CAVAC Management Procedures Manual. It is expected that the Team Leader will be involved in selecting key management staff (such as the Agribusiness Development Manager, Irrigation/Water Management Manager, Business Enabling Environment Specialist and Provincial Team Leaders. It is expected that the relevant Manager will then be involved in the selection of other staff within their team.
60. **Question:** What sort of support does the Team Leader expect?
Answer: Support for the Team Leader is detailed in Part 3 of the RFT. The Team Leader expects a collaborative and cooperative approach on the part of all CAVAC partners to achieve the CAVAC program goal and objectives. Therefore, the relationship between the Team Leader and Operational Contractor must have clear and open lines of communication with regard to development competence, sectoral knowledge, management of a dispersed workforce and implementation of procurement, logistic, administrative and financial management support.
61. **Question:** Is it possible to obtain a copy of the Memorandum of Understanding between AusAID and ACIAR?
Answer: No.
62. **Question:** What are the cost implications of establishing an agribusiness office? Where should costs be allowed for (ie. which Table should be used in the financial costing) in relation to the Agribusiness and Business Enabling Environment Components?
Answer: Costs are covered in the line item “Program Management Office in Phnom Penh-office rental” and “Provinces – office rental” in Annex 4 to Schedule 2 (Part 4 of the RFT). There is no requirement to rent space for the parts of the Program Management Office and Provincial Coordination Offices that will be located within RGC offices. Therefore these funds are available to rent space for the agribusiness and business enabling environment components.
63. **Question:** What is the relationship between CAVAC and the Technical Working Group on Agriculture and Water?
Answer: The Technical Working Group on Agriculture and Water (TWGAW) meets around four (4) times a year. TWGAW is a key forum for ensuring that CAVAC remains fully aligned and integrated with the Strategy for Agriculture and Water and its programs and that CAVAC informs SAW implementation. The CAVAC team will brief the TWGAW on relevant lessons on a regular basis.

64. **Question:** What is the decision-making process for the budgets of the Operational Contractor?
Answer: The Operational Contractor's budgets are part of the Annual Work Plan, which will be presented to AusAID for comment and to the National Steering Committee for approval (see Clauses 6.2 and 6.3 of Part 3 of the RFT).
65. **Question:** What is the geographic focus of the CAVAC Program and does AusAID see any flexibility to expand the geographic scope of the Program?
Answer: The initial targeted provinces targeted by the CAVAC Program are Kampong Thom, Takeo and Kampot. There is some scope to work with partners that are not located in the provinces, but who are integral to the value chain within a province. The Mid Term Review in 2012 will review CAVAC's capacity to expand to other provinces.
66. **Question:** Over what period of time is it expected that marketplaces, infrastructure and irrigation will be provided in the three targeted provinces?
Answer: Over the five (5) years of CAVAC Program implementation.
67. **Question:** What is the key focus of capacity building within the Ministry?
Answer: A range of capacity building activities are required, as indicated in the PDD. These activities will be outlined in Annual Work Plans.
68. **Question:** What does the Team Leader consider to be the most urgent tasks for the Operational Contractor to commence?
Answer: The most urgent task on commencement of the contract will be recruitment of the Agribusiness Development Manager and the Irrigation/Water Management Manager and the preparation of a CAVAC Management Procedures Manual and a process established for irrigation and market infrastructure construction.
69. **Question:** With regard to the Agribusiness Innovation Fund, how is it related to the Enterprise Challenge?
Answer: It is not related.
70. **Question:** Are the Provincial Coordination Committees already established?
Answer: No. Terms of Reference and membership for the Provincial Coordination Committees are being developed.
71. **Question:** The RFT indicates that the contract will take precedence over the Program Design Document. What should tenderers do where there is no information in the relevant parts of the RFT?

Answer: Tenderers who consider that a part of the RFT contains insufficient information should send a request for clarification to Catherine Ross via the CAVAC email: cavac@ausaid.gov.au.

72. **Question:** Is AusAID able to provide a summary of the Team Leader's expertise, such as a Curriculum Vitae or profile?

Answer: No.

73. **Question:** Does AusAID have a preference for recruitment to be conducted by the Operational Contractor or by an external recruitment firm?

Answer: The logistics of conducting recruitment is a matter for the individual tenderer.

Attachments to this Addendum

Attachment 1 - Tender Schedule C (word document)

Attachment 2 - Replacement annexes 3, 4 and 7 for Part 4 (draft Basis of Payment) (word document)

Attachment 3 – Pre-tender briefing presentations by:

- Secretary of State, Ministry of Agriculture, Forestry and Fisheries;
- Secretary of State, Ministry of Water Resources and Meteorology;
- Second Secretary, Australian Embassy;
- Manager, Procurements and Agreements, AusAID Canberra;
- CAVAC Team Leader
- Probity Adviser

Attachment 4 – Additional information:

- Extracts from the Memorandum of Understanding between the Government of Australia and The Royal Government of the Kingdom of Cambodia;
- Sub Decree on the Implementation of Merit Based Performance Incentive;
- Sub Decree on the Establishment and Operations of Priority Mission Group;
- Terms of Reference – Monitoring & Evaluation Manager

All other information as set out in the RFT dated 15 August 2009 remains unchanged.