

**KERALA STATE ELECTRICITY REGULATORY COMMISSION,  
THIRUVANANTHAPURAM**

**Notification dated 28.02.2019, for engaging consultants for assisting the Commission in appraising the Capital Investment Plan submitted by KSEB Ltd in SBU-Transmission and SBU-Distribution of KSEB Ltd**

**Additional clarifications on the issues raised by prospective bidders during the pre-bid meeting on 11.03.2019 and subsequent emails**

1. As specified in the notifications dated 28.2.2019, the pre-bid meeting on the proposed notification for engaging consultants, was held on 11.03.2019, at the office of the Commission. M/s Mercados Energy Markets Private Limited, participated in pre-bid meeting.

Subsequently, through email, the following firms sought clarifications on the notification for selection of consultants.

- (1) M/s Deloitte, Gurgaon, Haryana, on 13.03.2019
- (2) M/s ICRA Management Consulting Services Limited, Mumbai, on 13.03.2019
- (3) M/s Feedback Infra Private Limited on 14.03.2019

2. The issues raised by the prospective bidders and the clarifications on the issues are given below for the information of all the prospective bidders.

- (1) **Issue No.1 :Whether the resources of the consultants shall be deployed full time in KSERC premise in Thiruvananthapuram for the entire duration of the assignment.**

**Clarification**

The resources of the consultants are not required to sit at the premise of the KSERC during the entire period of the assignment. However, it is clarified that, the consultants shall be present for the discussion(s)/ meeting(s) as decided by the Commission. The Commission will inform the date of the meeting/ discussions in advance.

- (2) **Penalty specified under clause 5(f) of the tender.**

The clause 5(f) of the tender provides that, if the selected consultant fails to deploy the requisite resources during the currency of the contract, penalty will be imposed on the consultants/ agency, the quantum of which will be at the discretion of the Commission.

**Clarifications**

The penalty shall be 0.25% of the contract value per day for each day of the delay beyond the contractual delivery period, subject to a maximum of 10% of the contract value.

- (3) **Whether the Commission adopted any framework / methodology for appraising CAPEX as per the Tariff Regulations, 2014, if so please provide the details. If not, the Consultants can choose frame work based on best practices followed.**

**Clarifications**

The Commission, has not evolved any methodology/ frame work for appraising the CAPEX, except the guidelines specified under Annexure-IV of the Tariff Regulations, 2014 and Tariff Regulations, 2018. The Tariff Regulations 2014 and 2018 are available at the website of the Commission.

The consultants shall, evolve their own methodology/ frame work for appraising the CAPEX, as per the scope of work specified in the tender document dated 28.02.2019, and get the same approved by the Commission prior to the commencement of the work.

- (4) **Submission of final document/ report**

Whether a single report summarising the recommended approval for all DPR schemes of transmission and distribution business is sufficient?. Clarification is also sought to whether the submission is by way of soft copy and single hard copy of the final deliverable.

**Clarifications**

Since the work agreements are being separately executed, the selected consultants has to submit 'separate report for Transmission business, and Distribution Business of KSEB Ltd, with full justifications for their recommendations.

The Commission, hereby further clarify that, the consultants is required to furnish a soft copy as well as five hard copies of the final deliverables before the Commission.

- (5) **Outer limit after submission the final deliverables**

What will be the outer time limit from the date of submission of the final deliverables/ report by the consultants, till the approval of the Commission.

**Clarifications**

The outer time limit after submitting the final report is, 30 days from the date of submission of the final report or 30 days from the due date for submission of the final report as per the notification dated 28.02.2019, which ever is later.

- (6) **Earnest money deposit.**

Whether, in the case of successful bidders, whether the EMD will be returned on submission of SD?

**Clarifications**

The EMD may be released as soon as the selected consultants submit security deposit bank guarantee.

**(7) Terms of payment**

**Clarifications**

No change is allowed on the payment terms specified in the clause 9(b) of the notification dated 28.02.2019.

**(8) Copy of the draft agreement to be signed with consultants may be made available to the consultants**

**Clarifications**

Commission may share draft agreement with the selected consultants in advance before signing the agreement.

**(9) Data from the utility**

Clarifications sought on the delay in getting data from the utility for appraising the assigned work.

**Clarifications**

While it is the primary responsibility of the consultants to collect all the relevant data from the utility, the Commission shall extend its cooperation if required for the same, failing which a considered decision of the Commission on the issue will be communicated to the consultant. However, it is reiterated that, all delays in furnishing the required information by the licensee must be reported to the Commission within three days of its expected date of receipt from the utility.

**(10) Financial offer. The bidder may be allowed to quote one single price for the task.**

Clarification sought on whether as per the Annexure-II Financial offer, the consultants is required to quote workwise separate fee and to provide work details.

**Clarifications**

The bidders are allowed to quote on lumpsum basis considering the assignment as single task.

**(11) Anomaly among the clause 5(e) and Annexure 1(c) & 1(d) of the tender document.**

Some of firms/consultants pointed out that, there is anomaly among the clause 5 (e) and Annexure 1(c) & 1(d) of the tender document.

**Clarifications**

The clause 5(e) of the RFP specify that, the majority of the resources proposed for the work shall be fulltime employees possessing requisite

skills to carry the work. Further, resources for the assignments include, at least one technical and financial professional with at least seven years experience.

Annexure 1(c) of the tender document specifies the format for submitting the curriculum vitae (CV) of the consultants proposed for the assignment.

Annexure 1(d) of the tender documents specify the format for submitting the list of the consultants proposed for the EOI assignment with qualification, experience and competence.

From the above, it is clarified that, there is no anomaly/ contradiction in the clause 5(e) and formats Annexure 1(c) & 1(d) of the tender document.

- (12) **How many DPRs of the scheme for Transmission (SBU-T) have to be appraised.**

**Clarifications**

As a part of the approval of capital investment plan in Transmission business, KSEB Ltd has submitted the DPRs of the 12 major schemes, categorized under the 'TRANSGRID project' and few of these schemes have commenced in anticipation of the approval of the Commission.. The total capital outlay of the scheme is 2700 Crore. The consultant is required to appraise each scheme under TRANSDRID project as per the scope of work covered under the notification dated 27.02.2019, and also based on transmission planning criteria and prudent practices prevailing in the country. One DPR of the TRANSGRID projects is uploaded at the website of the Commission for the information of the prospective bidders.

KSEBL has also submitted DPRs of the 40 minor transmission schemes, with a total investment of about Rs 1200.00 crore, under the normal investment program. The selected consultant has to appraise in detail 10 schemes, to be identified by the Commission, out of the 40 scheme. Based on the detailed appraisal of the 10 schemes, the Consultants is require to recommend the requirement and estimate of the 40 schemes under this category.

- (13) **How many total number of DPRs have to be appraised for the Distribution Business of the 25 circles.**

**Clarifications**

As part of the approval of the Capital Expenditure Program in Distribution business, KSEB Ltd submitted the Detailed Project Reports (DPR)s of the distribution works of each electrical circles (total 25 circles) of KSEB Ltd. The DPR contains the different tasks proposed to be implemented in each electrical circle. The Commission noted that, the tasks in each circle and its estimated cost and phasing are almost similar. Hence, considering the limited time and similarity in

nature of work, the Consultants may limit the detail appraisal to 5 Commission selected circles out of the 25 circles of KSEB Ltd. Based on the findings and recommendations on the capital investment program of the selected circles, the consultants is required to recommend with their analysis of the requirements and estimate of the proposed capital investment.

A typical DPR of the distribution circle is uploaded at the website of the Commission for the information of the prospective bidders.

- (14) **Are the Field visits are required for all the Circles/ schemes?? Provide the detailed activities expected to be conducted in the field visits, since most of the schemes must be in planning/ tendering stage.**

**Clarifications**

In the case of Distribution, the field visits may be limited to the 5 selected distribution circles out of the 25 distribution circles.

In the case of transmission schemes, the field visits are not mandatory.

- (15) **Since 21<sup>st</sup> March 2019 being HOLI, and holiday in most of the places/ state, the date of submission may be extended by 5 to 7 days.**

**Clarifications**

As per the notifications dated 28.02.2019, the prospective bidders has to submit the bid, latest by 16:00hrs on 22.03.2019 and the date specified for the opening the Financial Bid is 15:00 hrs on 28<sup>th</sup> March 2019.

Since 21<sup>st</sup> March 2019 being HOLI, the date of submission of the bid is hereby extended upto 16:00 hrs on 26<sup>th</sup> March 2019 and the date of opening of the Financial Bid is changed to 15:00 hrs on 29.03.2019.

Secretary  
KSERC