

**KERALA STATE ELECTRICITY REGULATORY COMMISSION,
THIRUVANANTHAPURAM**

NOTIFICATION

Invitation of proposal for selection of Independent Agency/ Consulting Firm for the 'Appraisal of the Capital Expenditure Program in Distribution Business of KSEB Ltd for the control period 2018-19 to 2021-22'.

1. Introduction

The Kerala State Electricity Regulatory Commission (KSERC), under Section 86 of the Electricity Act 2003 undertakes various functions, such as, determination of Tariff for generation, transmission, distribution and wheeling of electricity; bulk or retail supply of electricity, as the case may be, within the State of Kerala; regulation of electricity purchase and procurement process of Distribution Licensees; approval of Capital expenditure of related projects; issue of License for Transmission, Distribution, and Trading of electricity and promotion of generation /co-generation of electricity from renewable sources of energy etc. KSEB Ltd., the Transmission and Distribution licensee, also own and operate generation projects in the State has submitted Capital expenditure program in the Distribution Business for the MYT period 2018-19 to 2021-22 for approval of the Commission. For the approval of the capital expenditure program as per the provisions of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2018 (hereinafter referred to as Tariff Regulations 2018), the Commission intends to have an independent appraisal of the technical and financial appraisal of the proposed projects through an Agency/consultant before its approval. This invitation is for selection of an appropriate agency/consultant for the said purpose.

2. Background of the task

KSEB Ltd, as per the provisions of the Tariff Regulations, 2018, has submitted the Petition for approval of capital expenditure plan in its distribution business along with the petition for approval of the Aggregate Revenue Requirement (ARR) for the MYT period of FY 2018-19 to 2021-22. In order to approve the capital investment plan in distribution as per the provisions of the Tariff Regulations 2018, the Commission has to appraise the prudence of the capital investment plan, in terms of technical, financial and economic aspects, as per the statutory powers conferred on the Commission as per the Electricity Act, 2003.

For approving the capital expenditure plan in distribution business of KSEB Ltd, it had submitted the circle wise detailed project reports (DPRs) of the various capital investment schemes, proposed in each of the 25 electrical distribution circles in the State. The Commission has to scrutinize and appraise the technical

viability and financial implications of the schemes proposed in each of the DPRs submitted by KSEB Ltd, in the power sector of the State. The Commission propose to appoint technically qualified and professionally managed External Independent Agency / Consulting Firm (hereinafter referred to as Agency) to assist the Commission in carrying out the above task within the stipulated time frame.

3. **Scope of Work**

The broad scope of work includes, assisting the Commission in assessing and evaluating the Capital Investment Plan submitted by KSEB Ltd in terms of the Tariff Regulations, 2018 and prudent practices followed across the Country, which include the detailed technical, economic and financial evaluation of the DPRs and the relevant documents pertaining to the proposed capital investment, need of such investment, technical justification, timing of investments, expected benefits, investment requirement and source of funds, cost benefit analysis, impact of the proposed investment in power system of the State and its likely impact on tariff. Specifically, the scope of work involves the following:

- a. Development of a framework for evaluation of the capital expenditure proposals submitted by KSEB Ltd, based on economic best practices in the Country and elsewhere based on the Annexure IV of the Tariff Regulations 2018.
- b. Detailed evaluation of the capital expenditure proposal, scheme wise for each of the Distribution Circles regarding its objectives, need, technical and financial justification, timing and prudence of such expenditure and its impact on the power system of the State and its likely impact on tariff.
- c. Examine, evaluate and assess the ability of the SBU-D to undertake such works within the proposed time frame.
- d. To examine and comment on the estimate for each of the item-wise costing based on defined criteria / market prices.
- e. Field visit and appraisal of the proposed plans on a test case basis, if required and appropriate.
- f. Impact assessment of the proposals, its outcomes based on assessment of the requirements / needs of each distribution circle and how it will improve the quality of supply and benefits to the consumers.
- g. Prepare a detailed opinion based on the evaluation of the proposal for consideration of the Commission.
- h. Suggest post evaluation criteria of the investment proposal
- i. To submit a final report to the Commission considering the above points.

4. Schedule for completion of the task

The time allowed for the work shall be **two months** from the date of issuance of the work order by the Commission.

5. Eligibility and qualification requirement

The Agency/ Consulting Firm intending to bid for the assignment shall fulfill the following eligibility conditions and shall provide satisfactory documentary evidence towards the following:

- a) Shall be Consultancy Firms or Institutions (including practicing CA firms and educational institutions such as IIT, IIM, NIT etc.) with minimum 5 years experience in evaluating such power sector proposals and having proven track record.
- b) The Consultancy firm / Institution shall be well acquainted with the Regulatory environment in the power sector and functioning of distribution licensees and possess adequate experience in dealing with capital investment proposal appraisals in the power sector.
- c) The consultants should have Graduate/ Post Graduate qualifications in the relevant disciplines and additionally each consultant must possess expertise in the particular relevant field viz: Electricity Regulation, Distribution of Electricity, Distribution infrastructure costing, Finance etc., to commensurate with the nature of the work mentioned at Para 3 above of this document.
- d) The Consultancy Firm / Institutions should have adequate technical and financial capability to undertake such task as per terms of reference provided to them considering the various steps required to be performed from the inception to the completion and within the time frame prescribed by the Commission.
- e) The Agency/ Consulting Firm shall have an appropriate team of individuals, with majority of the proposed key resources being full time employees possessing the requisite skills to carry out the tasks within the time frame prescribed by the Commission. The consultancy team shall consist of a minimum of one Technical and one Finance professional with at least seven years experience in the Electricity Distribution and Regulatory Affairs.
- f) If any Agency/ Consulting Firm fails to have the requisite number of resources during the currency of the contract, then penalty will be

imposed on the Agency/ Consulting Firm, the quantum of which will be at the discretion of the Commission.

- g) The Firm shall furnish copies of certificate of registration/ agreement/articles of association, as the case may be, as service firm and PAN, and GST registration.

6. Submission of Bid and Bid Evaluation Procedure

- a) The duly completed Bid as described below, in a sealed envelope, super-scribed "Tender for engagement of External Independent Agency for 'Appraisal of the Capital Expenditure Program of the KSEB Ltd for the control period 2018-19 to 2021-22', should be submitted so to reach the office of the Commission on or before **16.00 Hrs on 22nd March, 2019**. In the event, the specified date for the submission of the bids being declared a holiday, the bids will be received up-to the appointed time on the next working day of Commission's office. Any bid received after the abovementioned deadline will be rejected and may be returned un-opened.
- b) The Bid shall comprise of two parts, i.e. Technical Offer, and Financial Offer, as follows:
 - (i) **The Technical Offer**, as per the format given at **Annexure I & IA to ID**, shall be submitted in triplicate (one original plus two copies of the offer), sealed in an envelope which must be clearly marked as "Tender for appointment of External Independent Agency for the 'Appraisal of the Capital Expenditure Program of the KSEB Ltd for the control period 2018-19 to 2021-22'- (Technical Offer)".
 - (ii) **The Financial Offer**, as per the format given at **Annexure-II** -one original plus one copy of the offer, shall be submitted, sealed in a separate envelope which must be clearly marked as "Tender for appointment of External Independent Agency/ Consultant for the 'Appraisal of the Capital Expenditure Program of the KSEB Ltd for the control period 2018-19 to 2021-22'- (Financial Offer)".

Note: Technical Offer and Financial Offer should be in two different envelopes marked as mentioned above. These two sealed envelopes should be submitted in a single large envelope / packet marked as mentioned in Para 6(a).

c) Basis of Technical Bid Evaluation

- (i) The bidder in addition to furnishing complete information in the formats appended with the documents shall furnish a complete

document on the proposed approach, methodology & work plan for handling the tasks assigned. The work plan shall include full justification for the methodology to be adopted. An indicative time schedule for carrying out each component of the tasks is also to be indicated.

- (ii) The technical bid will carry maximum marks of 100, with Qualifying Minimum total score of 60. The Evaluation Committee nominated by the Commission shall evaluate the bids on the basis of proposed approach and methodology, eligibility and qualification requirement for carrying out the scope of work in para 3 of this document. The response of the bidders will be evaluated as per the following criteria:

Sl.No		Weightage
1	Experience of the bidder in Technical related Assignments similar to the scope of work	30%
2	Approach and methodology proposed	30%
3	Qualification and competency of the personnel	40%

- (iii) The Evaluation Committee will identify suitable bidders based on evaluation of the technical bid and, if considered necessary, may also call for technical discussion/ presentations from the identified bidders. On the basis of the technical bids submitted and on the basis of discussions and presentations, if any, the bidders would be short listed. The decision of the Evaluation Committee in this regard shall be final.

- (iv) The financial bids of short listed/ Technically Qualified bidders only will be opened for further evaluation.

d) Basis of Financial Bid Evaluation

- (i) Among the financial offers, of the Technically qualified bidders the lowest offer(s) will be given a financial score of 100 and the others will be given pro rata scores.
- (ii) A composite score (weighted average) of technical and financial scores will be worked for each bidder. While calculating the composite score, the weightage shall be 60% for technical score and 40% for financial offer.
- (iii) The selection of the bidder shall be based on the highest scores.
- (iv) KSERC reserves the right to reject any/all the bids in part/or in full without assigning any reason.

7. Earnest Money Deposit

The Technical Offer should be accompanied by an Earnest Money Deposit of Rs.10,000/-(Rupees Ten Thousand only), in the form of a Demand Draft drawn on Nationalized / Scheduled Banks in favour of 'Kerala State Electricity Regulatory Commission', payable at Thiruvananthapuram. The earnest money will be returned to the unsuccessful bidders, after appointment of the successful Agency / Consulting Firm. Bids without the Earnest Money Deposit as above will not be accepted, and will be summarily rejected.

8. Deviations

- (a) The bidder must ensure that Technical and the Financial Offers submitted by him satisfy all the Terms and Conditions specified in this document. While the Commission shall not normally consider any deviation from the conditions mentioned in the Bid document, in exceptional circumstances which is to be fully justified with supporting documents, the Commission may consider any such request and the Bidder shall specifically bring out the reasons and justifications thereon in a separate Sheet enclosed to the Technical Bid, entitled "Schedule of Deviations", and make a reference to the same in covering note of the Bid. In the absence of any such Schedule, it shall be deemed that the Bidder has no deviation, and the Bidder shall meet all the requirements as per the EoI specifications. The Commission reserves the right to reject any bid, based on any deviation taken by the Bidder, or otherwise, without assigning any reason.
- (b) Any revision/correction in the Bid after opening of the Bids will not be allowed.
- (c) The bidder shall make in his bids such disclosures as may be required to ascertain that the bidder has no conflicting interest in undertaking the proposed assignment.

9. General Conditions of Contract

a) Security Deposit

The successful bidder shall furnish a Bank Guarantee from a Nationalized Bank/ Scheduled Bank as Contract Security Deposit, for a value equal to 10% of the quoted amount, valid for the entire period of the contract plus a period of three (3) months, to enable lodging of any claims, arising due to failure on Consultant's part. As an alternative, the successful bidder may furnish a Demand Draft drawn in favour of 'Kerala State Electricity Regulatory Commission', payable at Thiruvananthapuram, and valid for the entire period of the contract plus a period of 3 monthswhich will be returned by the Commission after satisfactory evaluation and acceptance of the work by the Commission.

b) Terms of Payment

Payment for the Independent Agency/ Consulting Firm would be made after submission of invoice / bill after completion of the assignment, as specified in the work order/ contract.

c) Tax Deduction at Source

The Income Tax or any other tax liable as per the prevailing rules will be deducted at source before effecting the payment, for which the Commission will issue TDS Certificate/s. GST, as applicable shall be payable extra, by the Commission at the prevalent rates.

d) No extra charge

The charges quoted by the Bidder in his Bid, and accepted by the Commission in the Contract, will be inclusive of the costs of Consulting Firm Teams' travel, lodging and boarding, and also all incidental expenses, professional fees etc., to be incurred by the teams, in connection with the assignment. No separate charges will be payable by the Commission on any other account. However, in case the consultants are required to travel outside Thiruvananthapuram in the context of the work/ assignment, the Commission shall reimburse the actual cost as per Rules/ Regulations of the Commission.

e)The firm shall be provided free of cost, a cabin with Office furniture in the office premises of the Commission, during the tenure of the contract.

f) The Independent Agency/Consulting Firm shall keep the Commission and all the concerned Utilities to be visited, indemnified from any damages, on any account.

g) Confidentiality of data and documents

The Intellectual Property Rights (IPR) of the data collected as well as the deliverables produced for the Commission shall be the property of the Commission. No one shall utilize or publish or disclose or part with, to any third party, any part of the data or statistics or proceedings or information collected for the purpose of this assignment or during the course of the assignment for the Commission, without the express written consent of the Commission. The Independent Agency/Consulting Firm shall be bound to hand-over the entire set of records of assignment to the Commission before the expiry of the contract, and before the final payment is released by the Commission.

h) Conflict of interest

The Independent Agency/Consulting Firm appointed by the Commission, shall in no case represent or give opinion or advice to others in any matter which is adverse to the interest of the Commission.

10. Bid Opening

a) Pre-Bid Discussion:

For the benefit of the bidding firms, a pre-bid session will be held **on 11th March, 2019 at 11.00 hrs in the Commission's Office** at Thiruvananthapuram.

b) The Technical Offers of the Bids will be scrutinized and the bidders who have qualified for further evaluation will be intimated. The Bidders shall clearly mention the name, designation and contact details of the person to be informed in their organization regarding such intimation and regarding queries/ clarifications, if any.

c) Opening of Financial offers:

The Financial Offers will be opened **at 15.00 Hrs. on 28th March, 2019 (tentatively) at the Commission's office**, in the presence of the qualified bidders, who may choose to remain present. The representative of such bidders, desirous of attending shall bring with him duly signed Letter of Authority.

11. Award of appointment on Contract

a) Contract Finalization

(i) On completion of evaluation of the technical and financial offers of the Bids received, and finalization of the Successful Bidder, the Commission will issue 'Letter of Intent' (**LOI**) to the successful bidder, along with a format of the Contract to be signed.

(ii) Within seven days of receipt of the LOI, the successful bidder(s) shall enter into a Contract with the Commission in the prescribed format and by submitting the Contract Security Deposit.

(iii) If the successful bidder fails to enter into the said Contract, within 7 days of issue of Order, the Earnest Bid Deposit submitted by the bidder will be forfeited, and the Commission may exercise its right to invite the next-in-line 'successful bidder' to award him the Contract. The Commission may also exclude the former bidder from all future assignments/ Tender processes.

(iv) The Commission reserves the rights, as follows:-

- 1) To award the Contract against this Tender, to a single bidder for all the works;
- 2) To decide to cancel this Tender, and not to proceed in the matter, at any stage of the bidding or analysis of the Bids and also accept or reject any or all bids, without giving any explanation, whatsoever. In case of cancellation, the Commission shall have discretion to

decide whether to return or not, the un-opened portions of the Bidders' documents and also how to deal with the documents retained by the Commission;

- 3) To disqualify any bidder found canvassing in the office of the Commission during the bidding process;
- 4) To disqualify any bidder who has worked with the Commission in the past but has failed to deliver appropriate output for similar type of tasks.

b) Operation of the Contract

The Commission will not be responsible for any accidents occurred at the time of execution of the works under this assignment. Members of the team visiting the field areas or any related sites, in connection with the assignment should have good knowledge of safety precautions at the premises being visited.

c) Termination of the Agreement

The Commission shall have the right to terminate the contract under the following circumstances:

- i) The Independent Agency/Consulting Firm is unable to address the assigned works;
- ii) Quality of the assigned works is not to the satisfaction of the Commission;
- iii) The Independent Agency/Consulting Firm fails in timely achievement of the milestones as decided by the Commission;
- iv) The Independent Agency/Consulting Firm commits any material or persistent breach of its obligations under the contract (which, in the case of a breach capable of remedy, shall not have been remedied within 15 days of intimation), or Team members of the Independent Agency/Consulting Firm are found lacking in honesty and integrity;
- v) The Independent Agency/Consulting Firm becomes insolvent;

In such cases, the Commission reserves the right to terminate the contract, by giving fifteen days' notice to the Independent Agency/Consulting Firm. In such event, the Contract Security Deposit will stand forfeited. The termination will be without prejudice to either party's rights accrued before termination.

d) Governing law:

The contract shall be governed by and construed in accordance with the laws of the Republic of India. Any disputes in this regard shall be filed in the courts having jurisdiction over Thiruvananthapuram.

Dated: 27.02.2019

Secretary,
Kerala State Electricity Regulatory Commission,
Vellayambalam, Thiruvananthapuram- 695 010.

Annexure – I

(FORMAT)
Technical Offer

Subject: “Offer for providing assistance to KSERC for ‘Appraisal of the Capital Expenditure Program of the KSEB Ltd for the control period 2018-19 to 2021-22’,as per the scope of work defined at Para 3 of the EoI Bidding Document”.

Sir,

I/We, _____, enclose herewith our Offer for providing assistance to the Commission for ‘Appraisal of the Capital Expenditure Program of the KSEB Ltd for the control period 2018-19 to 2021-22’ as per the scope of work defined at Para 3 of the EoI Bidding Document.

*We have not taken any deviation from the scope of work or working conditions and confirm compliance to all the conditions specified in the Bidding documents/ *We have taken a few deviations from the terms and conditions of bid documents and details of same are brought out in Annexure-____.

*(Note: * to be appropriately modified by the bidder)*

The Earnest money deposit of Rs. (Rupees only) is enclosed in the form of the Demand Draft bearing no. _____.

Encl.: *(list of all enclosures)*

Yours faithfully,

Signature _____

Full Name _____

Designation _____

Address _____

Dated:

Annexure – I (A)

(FORMAT)

Relevant Experience & Track Record of the Independent Agency/ Consulting firm

A. Brief description of the organization:

1. Name of the Firm
2. Nature of the Firm
3. Business/Profession and number of years in the business
4. Number of staff
5. Registration
6. Affiliation with national and international professional/financial bodies.
7. Annual Turnover (last three years)
8. Any other relevant information

B. Significant nature of work carried out in the last 5 years:

(Similar nature of work as mentioned in bid documents carried out by the Firm in the last 5 years. The following information should be given in respect of each assignment separately.)

1. Title of assignment
2. Objective of assignment
3. Narrative description of the assignment.
4. Name of the client
5. Address of the client
6. Commencement and completion of the assignment
7. Number of man months as well as the duration period for completion of assignment
8. Outcome of the assignment.
9. Contract value of the assignment
10. Any other relevant information.

Signature _____

Full Name _____

Designation _____

Address _____

Date: _____

Annexure – I(B)

(No prescribed format)

Concept Note on approach and methodology and on the Understanding of the Tasks Envisaged
(Not more than 5 pages)

Annexure – I(C)

Qualification, Experience and Competence of the Consultants for the assignment

Format of Curriculum Vitae (CV) for Consultant proposed for the assignment (Separate sheet for each Consultant)

Name:

Name of the Firm:

Profession:

Age & Date of Birth:

No. of years with the Firm:

Membership of Professional Societies:

Detailed Tasks Assigned:

Key Qualifications:

(Give an outline of staff members' experience and training most pertinent to the tasks on assignment. Describe degree of responsibility held by each staff member on relevant previous assignment and give dates and locations. Use up to half a page)

Education:

(Summarize College/University and other specialized education of each staff member, giving dates attended and degrees obtained).

Employment Record:

(Starting with present position, list in reverse order every employment held. List all positions held by the staff members since graduation, giving dates, name of employing organization, title of positions held and location of assignments. For experience in the last ten years, also give types of activities performed and Client references, where appropriate. Use up to three-quarter of a page).

Experience in Utility Business: Position held, Nature of work, Highlights/ Achievements.

Certification:

I, the undersigned, certify that, to the best of my knowledge this bio-data correctly describes my qualifications, experience and employment record.

Signature of Staff Member

Date:

It is certified that the concerned person is a full time employee of the Firm.

Signature of authorized Official from the Firm
(With name and Designation)

Annexure – I (D)

List of the Consultants proposed for this EoI Assignment with Qualification, Experience and Competence

Sr.No.	Name	Position in the Organization (Bidding Firm) with details of experience and qualification	Remarks
1			
2			
3			

It is certified that the concerned person is a full time employee of the Firm.

Signature of authorized Official from the Firm
(With name and Designation)

Annexure - II

(FORMAT)

FINANCIAL OFFER

Subject:: “Offer for providing assistance to KSERC for ‘Appraisal of the Capital Expenditure Program of the KSEB Ltd for the control period 2018-19 to 2021-22’,as per the scope of work defined at Para 3 of the Eol Bidding Document”.

Sir,

This has reference to our Technical Offer under reference no. ----- dated -----, for assisting the Commission to carry out ‘Appraisal of the Capital Expenditure Program of the KSEB Ltd for the control period 2018-19 to 2021-22’ as per the scope of work defined at Para 3 of the Eol Bidding Document.

I/ We ----- (Firm), hereby furnish our Financial Offer, in respect of the aforesaid assignment, as under:-

Sl.no.	Work Details	Amount in Rs.	Remarks
1			
2			
3			
4			
	Total		

Total Amount for the Assignment is Rs. -----.

We confirm that the above quoted prices are inclusive of all costs (excluding service tax) for carrying out the works as specified in the Eol bidding documents.

We certify that all the terms and conditions of the Eol bid documents are acceptable to us.

Signature of the authorized person

Date:
Name:

Designation:

Company Seal: