

## ***Delhi Electricity Regulatory Commission***



### **Terms and Conditions**

**For**

**Appointment of Consultant Firm for assistance to the Commission  
in Scrutiny, Analysis and Disposal of Tariff/ARR/True-up Petition/(s)  
to be filed by**

- **BSES Rajdhani Power Limited**
- **BSES Yamuna Power Limited**
- **Tata Power Delhi Distribution Limited**
- **New Delhi Municipal Corporation (Deemed Licensee)**
- **Delhi Transco Limited (State Load Dispatch Center)**
- **IPGCL/PPCL (Generating Companies)**

**November 2012**

**Cost of Tender: Rs. 2000/- (Non refundable)**

Pre-bid of meeting with potential bidders: **26.11.2012**

Last date of submission of bid proposals: **03.12.2012**

Opening of technical bids: **07.12.2012**

Opening of financial bids: **10.12.2012**

**Viniyamak Bhavan  
C-Block, Shivalik  
Malviya Nagar  
New Delhi 110017  
Ph: 26673608**

**REQUEST FOR PROPOSAL**

1.	<p>Name of the client: <b>DELHI ELECTRICITY REGULATORY COMMISSION</b> (herein after referred to as "DERC" or " Commission")</p> <p>Method of selection: QCBS (Quality &amp; Cost Based System)</p>
2.	<p>As per Electricity Act 2003, the Commission is, inter alia, mandated to determine the tariff for Generating Companies Transmission Licensee and the Distribution licensees including the deemed licensees.</p> <p>The Commission notified its Multi-Year Generation, Transmission and Distribution Tariff Regulations for the First Control period on 30 May 2007 which were applicable from the date of issue of the Multi Year Tariff (MYT) Order till 31<sup>st</sup> March 2011. The Commission extended the principles of tariff determination of the MYT Regulations 2007-11 for a further period of one year up to FY 2011-12 vide Order dated 10-05.2011. The MYT Regulations for the second Control period were notified by the Commission on 19 January 2012 for the FY from 2012-13 to 2014-15. The MYT Regulation/(s) and the Commission Order dated 10-05.2011 are available on the official website of the Commission, <a href="http://www.derc.gov.in">www.derc.gov.in</a>.</p> <p>For the up-coming assignment as detailed in the Terms of Reference (TOR) as per Annexure -1, the Commission desires to appoint the consultants to assist them in the preparation of the Tariff Order etc. in consideration of the</p>

	provisions of The Electricity Act, 2003, Delhi Electricity Reforms Act, 2000, National electricity Policy, Tariff Policy, Rules and Regulations, etc. made thereunder.
3.	<p>The bidding firm of Consultants (hereinafter referred to as Firm) must possess expertise in the following areas:</p> <ul style="list-style-type: none"> <li>• Clear understanding of the Indian legal, regulatory and power scenario and developments over the last decade including the applicable policies, legal and regulatory framework and reforms at Central and State levels.</li> </ul> <p>The firm should have minimum annual turnover of Rs. 3 (three) Crore in each of the last 3 (three) years. The bidder should submit self attested copy of audited Profit and Loss Statement of FY 09-10, 2010-11 and 2011-12 as proof of the same. A copy of PAN Card of firm is also required.</p> <p>A short profile of the firm, containing brief history of the firm and exposure in consultancy, shall also be submitted along with the above details.</p> <p>Notwithstanding anything stated above, DERC reserves the right to assess the work of bidder.</p> <ul style="list-style-type: none"> <li>• Proven experience of similar assistance preferably to Electricity Regulatory Commissions in establishing MYT Framework which would need to be demonstrated.</li> <li>• Expertise will include high level inputs in the Regulatory, Policy, Finance, Legal and Governance fields.</li> <li>• Firm shall have their project office in DERC, Delhi and place adequate resources at the disposal of Commission during the course of this assignment.</li> </ul>
4.	<p>Firm which can commit full time manpower on regular employment exclusively for the assignment of the Commission will be eligible for consideration. The Commission will require firm assurance in the Technical bids itself that the professional staff committed for the assignment will be actually working. The key professional staff shall be the same as proposed in the Form 2 of the TOR and normally not be changed during the course of the assignment unless both parties agree.</p>
	<p>Bidders can either be a consultant firm or consortium, which more than one consultant firm may constitute with another/others for submitting their</p>

	<p>proposals. Where the bid is submitted by a consortium, the written consent of each member of the consortium to participate in the bid on the basis of joint and several liabilities to the DERC for the performance of the services shall be provided along with the bid.</p> <p>The bid shall be submitted by the lead consultant along with the copy of the arrangement/agreement. Change in consortium shall not be permitted unless approved by the Commission.</p>
5.	<p>The Firm shall have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the Commission or that may reasonably be perceived as having this effect.</p> <p>The Firm of consultant/s shall not be hired for any assignment that would be in conflict with their prior or current obligations to their other clients or that may place them in a position of not being able to carry out the assignments objectively and impartially.</p>
6.	<ol style="list-style-type: none"> <li>i. Proposals, all related documents and subsequent reports (in case of selection as Firm) shall be submitted in ENGLISH only.</li> <li>ii. Firm is required to quote the prices in the Indian currency only. Proposals must remain valid for 6 Calendar months from the date of opening of the bids. The bids valid for a period shorter than the specified period shall be rejected as being non-responsive.</li> </ol>
7.	<ol style="list-style-type: none"> <li>i. The Terms of Reference (TOR) in respect of the consultancy assignment is given in <b><u>Annexure I</u></b> and Deliverables &amp; timelines in <b><u>Annexure II</u></b>.</li> <li>ii. Separate Technical and Financial proposals/Bids in separate sealed covers are required to be submitted for the assignment. The Bidder shall submit only one original set of the Bid and two copies marked as Copy -1 and Copy -2. <b>The envelopes shall mention name of assignment and nature of Bid (Technical/Financial) at the top and the name of the submitting bidder at the left hand corner of the envelope.</b> The bids shall be submitted in the enclosed formats (Form 1 to 6) duly accompanied by a covering letter in the prescribed <b>"PROPOSAL SUBMISSION FORM"</b>. In no case, submission of bids beyond the last date mentioned in the tender shall be entertained.</li> <li>iii. The Technical bids shall not indicate particulars of the Financial bids otherwise the bids shall be liable to be rejected. All Technical documents</li> </ol>

	<p>like literature, catalogues, etc. shall be placed in the same sealed cover.</p> <p>iv. The Firm shall submit separate financial bid in respect of the Scope of work enumerated as per the enclosed Form 6 . The financial proposal submitted in Form 6 shall be a firm and unconditional proposal for the execution of the scope of assignment given in the contract.</p> <p>v. The proposal shall clearly indicate the names, qualifications, experience and designations of the persons who shall be available to the Commission on full time basis along with the time schedule of availability of other team members showing the exact times of their availability for each assignment in accordance with Form 4 of the TOR.</p> <p>vi. Each page of bid should be numbered and signed by the authorized signatory with the seal of the firm and the forwarding letter must indicate the details of the enclosures attached.</p> <p>vii. A Power of Attorney duly notarised by the Notary Public on a non judicial stamp paper of Rs. 100/- , indicating that the person(s) signing the bid has the authority to sign the bid and that the bid is binding upon the Bidder during the full period of its validity, shall be submitted.</p> <p>viii. In case the tender document is downloaded from Commission's website, the cost of Document of Rs. 2,000/- (Rupees two thousand only) shall also be payable through pay order/ crossed bank draft.</p> <p>ix. Each bidder shall pay a processing fee of Rs. 10,000/- (Rupees ten thousand only) in the form of Pay order/ Crossed Bank Draft payable at New Delhi in favour of " Secretary, DERC". The processing fee is not refundable.</p> <p>x. The technical offer(s) shall be accompanied by an <b><u>Earnest Money Deposit (EMD) of Rs. 100000/- (Rupees one lakh only)</u></b> in form of a Pay Order/Demand Draft in favour of the Secretary, DERC, payable at New Delhi, in a separate sealed envelope. This must be placed in the sealed cover containing the technical bid.</p> <p>xi. Any bid not accompanied with Earnest Money Deposit, processing fee and cost of tender document in accordance with the above stipulation shall be rejected as being non-responsive.</p> <p>xii. Bid securities (EMD) of the unsuccessful bidders shall be returned to them at the earliest after expiry of the final bid validity and latest after the award</p>
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	of the contract. xii. Bid security (EMD) shall be refunded to the successful bidder on receipt of Performance Security.																					
8.	<p>The Bid Schedule shall be as under:</p> <table><tr><td>1</td><td>Pre-bid meeting with prospective bidders</td><td><b><u>26.11.2012 at 1500 hrs.</u></b></td></tr><tr><td>2</td><td>Last Date of Receipt of Bid Proposals</td><td><b><u>03.12.2012 at 1400 hrs</u></b></td></tr><tr><td>3</td><td>Opening of Technical Bids</td><td><b><u>03.12.2012 at 1600 hrs</u></b></td></tr><tr><td>4</td><td><u>Presentation on the technical proposals before the Commission</u></td><td><b><u>07.12.2012 at 1100 hrs</u></b></td></tr><tr><td>5</td><td>Evaluation results of Technical Bids</td><td><b><u>07.12.2012 at 1500 hrs</u></b></td></tr><tr><td>6</td><td>Opening of Financial Bids</td><td><b><u>10.12.2012 at 1500 hrs</u></b></td></tr><tr><td></td><td>Selection and Award of Assignment</td><td><b><u>10.12.2012</u></b></td></tr></table>	1	Pre-bid meeting with prospective bidders	<b><u>26.11.2012 at 1500 hrs.</u></b>	2	Last Date of Receipt of Bid Proposals	<b><u>03.12.2012 at 1400 hrs</u></b>	3	Opening of Technical Bids	<b><u>03.12.2012 at 1600 hrs</u></b>	4	<u>Presentation on the technical proposals before the Commission</u>	<b><u>07.12.2012 at 1100 hrs</u></b>	5	Evaluation results of Technical Bids	<b><u>07.12.2012 at 1500 hrs</u></b>	6	Opening of Financial Bids	<b><u>10.12.2012 at 1500 hrs</u></b>		Selection and Award of Assignment	<b><u>10.12.2012</u></b>
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9.	<p>The address for submission of proposal and requesting clarifications is: The Secretary, Delhi Electricity Regulatory Commission, Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar, New Delhi – 110 017. Telefax: 011-26673608, E-mail: secyderc@nic.in</p>																					
10.	<p><b>Technical Evaluation:</b></p> <p>The Technical bids shall be opened in the office of the Secretary, DERC, by the Evaluation Committee in the presence of bidders, who wish to participate. The Technical evaluation will be done on the basis of the following criteria with maximum marks of 100 for each criterion. The weights for each factor of the criteria shall be as follows:</p> <table><tr><td>1.</td><td>Firm' specific experience relevant to the assignment</td><td>0.20</td></tr><tr><td>2.</td><td>The quality of proposed methodology and work plan</td><td>0.30</td></tr><tr><td>3.</td><td>Qualifications and competence of the key-staff for the assignment and Committed time in man-weeks</td><td>0.50</td></tr></table>	1.	Firm' specific experience relevant to the assignment	0.20	2.	The quality of proposed methodology and work plan	0.30	3.	Qualifications and competence of the key-staff for the assignment and Committed time in man-weeks	0.50												
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11.	<p><b>Criterion for Technical evaluation-</b></p> <ul style="list-style-type: none"><li>• <u>Specific experience of the Firm</u> relevant to the assignment with emphasis on handling ARR related projects of Regulatory Commission and Utility.</li><li>• <u>Adequacy of the proposed methodology and work plan</u> - The</li></ul>																					

	<p>qualifying proposal should qualify under all the sub-criteria, viz.</p> <p>(a). <b>Technical approach &amp; methodology</b> – The Firm shall explain their understanding of the objectives of the Assignment/job, approach to the Assignment/job, methodology for carrying out the activities and obtaining the expected output. They shall highlight the issues being addressed and their importance, and explain the technical approach they would adopt to address them. They shall also explain the methodologies proposed to adopt and highlight the compatibility of those methodologies with the proposed approach.</p> <p>(b). <b>Work plan</b> - The proposed work plan shall be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, shall be included here. The work plan shall be consistent with the Work Schedule.</p> <p>(c). <b>Organisation &amp; Staffing</b> - The Firm shall propose and justify the structure and composition of their team. They shall list the main disciplines of the Assignment/job, the key expert responsible, and proposed technical and support staff.</p> <ul style="list-style-type: none"> <li>• <u>Qualification and competency of the Key professional staff</u> will be evaluated giving due preference to the man-weeks committed by the Team Leader and other professionals, who will be actually working on the project. The sub-criterion to be followed for evaluation of the key professionals shall be (a). Educational Qualifications and (b). Adequacy for the assignment/job (i.e. experience in carrying out similar assignments/Jobs).</li> </ul>
12.	<p>The minimum qualifying total score, for the technical bid shall be 70/100. The financial bids of only those bidders shall be opened whose score shall be 70 or above in technical bids. After completion of the technical evaluation, the Commission shall inform those Firm whose proposals do not meet the minimum qualifying mark or are considered non-responsive to the TOR, the financial proposal etc. of such non-responsive bids shall be returned un-opened on completion of the selection process. The list of bidders whose offers have been selected after technical evaluation shall be displayed at the website and</p>

	notice board of the Commission's Office Such selected bidders may attend the opening of financial bids at the office of the Secretary, DERC.
13.	<p><b>Financial Evaluation:</b></p> <p>The financial proposals of the pre-qualified Firm shall be opened by the Evaluation Committee in presence of those firms of consultant/s or their representatives whose bids are short listed for financial evaluation.</p> <ol style="list-style-type: none"> <li>The proposal with lowest evaluated cost shall be given a financial score of 100 and other proposals shall be given financial scores that are inversely proportional to their prices.</li> <li>Evaluation of financial bids shall entail selection of Firm after adding scores of technical and financial proposals with respective weight-age, which shall be <b>0.70</b> for technical bid and <b>0.30</b> for financial bid.</li> </ol>
14.	The Commission will select the bidder with the highest score and discuss the detailed work plan with them. Any suggestions that the bidder has, to improve the TORs, staffing details, activities to be undertaken by the firm of consultant/s, reporting, etc. as also the inputs required from the DERC to ensure satisfactory implementation of the assignment, shall be discussed with the bidder and finalized. These discussions will be on the strict understanding that the amount quoted in the Bid document will not be increased for any reason whatsoever.
15.	<p>Having selected the Firm, amongst other things, also in consideration of the proposed key professional staff, DERC shall award a contract on the basis of the staff named in the proposal and, prior to the award of contract, shall require an assurance that the staff mentioned in the Form 2 of the Bid document will be actually available and deployed for this assignment. DERC will not consider substitutions during the contract period except in cases of genuine hardship subject to the satisfaction of the Commission.</p> <p>DERC may hold review meetings fortnightly, or more frequently if so needed, with the Firm during which senior/key personnel of Firm shall be present.</p>
16.	<ol style="list-style-type: none"> <li>The successful bidder shall enter into a contract agreement with the Commission in the prescribed format as per <b><u>Annexure 'III'</u></b> and shall commence the assignment as per schedule assigned by the Commission.</li> <li>The successful bidder shall furnish a "Performance Bank Guarantee" equal to 10% of the value of contract, which shall be valid for 90 days after the</li> </ol>



	<p>completion of the assignment(as per the format attached).</p> <p>iii. If the Firm, finally selected for award of contract on basis of above procedure, fails to enter into a contract within the time limit of 21 days , the Commission shall invite the Firm who has obtained the second highest score on consideration of Financial and Technical bids for award of the contract for carrying out the assignment.</p>
17.	<p>The Firm shall not utilize or publish or disclose or part with any statistics, data or information collected for the purpose of Commission, without written consent of the Commission. The Firm shall be duty bound to hand over the entire records of assignment to the Commission before the expiry of the contract. The Firm shall be responsible for any explanation/description in the matter of tariff calculations of the relevant order.</p>
18.	<p>The Commission reserves the right to award the total assignment or to delete any part of assignment or reject any bid without assigning any reasons for the same. Failure to provide all information or conceal any information material to award of contract shall be at bidder's own risk and may result into rejection of the proposal.</p> <p>The Commission may award the assignment in parts or in totality based on the evaluation of the technical and financial bids separately.</p>
19.	<p>Item wise rates shall be quoted in the financial proposal; however, no payment shall be applicable for a work if the petition for the same does not arise.</p>
20.	<p>The successful bidder shall take urgent steps to execute the Contract document within 21 days of issue of letter of acceptance. Non fulfilment of this condition of executing a contract by the Firm of Consultant awarded the Contract would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit. However the Commission in its discretion power, on a specific request by the firm which has been awarded the contract may relax this condition with the reasons recorded in writing.</p>
21.	<p>Each bidder shall submit period of validity of the bid document, which shall not be less than 180 days or entire period of contract, whichever is higher.</p>
22.	<p>The successful bidder shall give a certificate that all statutory and other obligations with respect to authorities have been met.</p>

## **PROPOSAL SUBMISSION FORM**

To:

**The Secretary,  
Delhi Electricity Regulatory Commission  
Viniyamak Bhawan,  
C-Block, Shivalik,  
Malviya Nagar,  
New Delhi – 110 017**

Sir/Madam,

We, the undersigned, offer to provide the consultancy services for undertaking the assignments relating to \_\_\_\_\_ in accordance with your bid document ref. \_\_\_\_\_.

We are hereby submitting our proposal for undertaking the assignment in one Original and two copies marked as "Original" and Copy no.-1 and Copy no.-2 respectively in the prescribed formats, which includes the Technical Proposal and the Financial Proposal sealed under separate envelopes. Each page of the proposal has been numbered and signed by the Authorized Signatory.

A Power of Attorney duly notarised by the Notary Public, indicating that the person(s) signing the bid has the authority to sign the bid and that the bid is binding upon the Bidder during the full period of its validity is enclosed.

It is also confirmed that presently we are not handling any assignment that would be in conflict with this assignment or place us in a position of not being able to carry out this assignment objectively and impartially.

If negotiations are proposed by the Commission at any stage we undertake to negotiate as per the requirement of the assignment. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

Demand drafts/pay orders no. \_\_\_\_\_ dt. \_\_\_\_\_ for **Rs. 1,00,000/-** as EMD, Rs. 10,000/- as processing fee and Rs. 2000/- as cost of tender document in favour of Secretary, DERC payable at New Delhi is enclosed herewith.

We understand that you are not bound to accept any Proposal you receive.

**Encl. As above**

Yours sincerely,

Authorized Signatory:  
Name and Title of Signatory:  
Name of the Firm:

**Technical Proposal****FIRM'S REFERENCES**

**Relevant services carried out in the last five years**  
**that best illustrate qualification and experience**

**(Using the format below, provide information on each reference/assignment for which your firm/entity, individually as a corporate entity or as one of the major companies within an association, was legally contracted)**

1. Assignment Name:	
2. Name & address of the client:	
3. (i) Professional Staff including Senior Staff (Project Director/Coordinator, Team Leader) Provided by Your Firm/entity (attach profiles) (ii) No. of Staff-weeks; duration of assignment	
4. Start Date and Completion Date (Month/Year):	
5. Details of Associated Firm of consultant/s, if any:	
6. No. of Months of Professional Staff Provided by Associated Firm of consultant/s	
7. Approx. value of Services (in current Indian Rs.)	
8. Experience Certificate (whether provided or not)	

**Note: Please provide documentary evidence (i.e. copy of the work order, contract for each assignment etc.) in the absence of which, the experience shall not be considered for evaluation.**

Authorized Signatory

**Technical Proposal**  
**Format of Curriculum Vitae (CV) for proposed**  
**Professional Staff/Key experts**

1. Proposed position	
2. Name of Firm	
3. Name of Staff and Nationality	
4. Profession	
5. Date of Birth	
6. Years with Firm/entity	
7. Membership in Professional Societies/ Institutes	
8. Details of task Assigned	
9. Educational Qualifications	
10. Work undertaken that best illustrates capability to handle the task assigned (mention name of assignment, year, location, employer, main projects, features, position held and activities performed.	

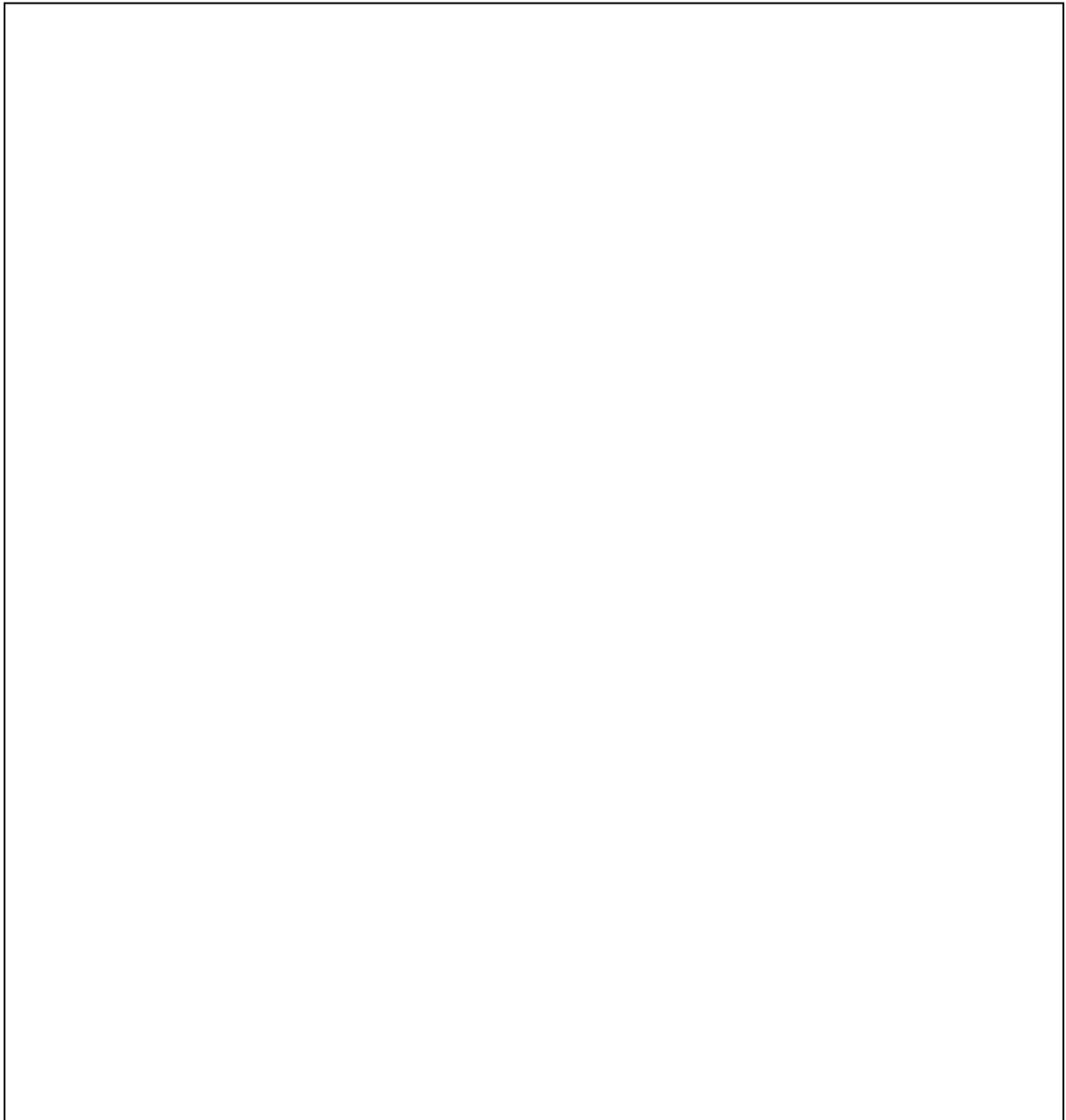
Authorized Signatory

**Form 3**

**Technical Proposal**

**Description of the proposed methodology and**

**Work plan for performance of the assignment**

A large, empty rectangular box with a thin black border, occupying the central portion of the page. It is intended for the user to provide the technical proposal details as indicated by the headings above it.

Authorized Signatory

**Technical Proposal**

**Format of Task Schedule for Professional Staff proposed for assignment**

<b>Name</b>	<b>Educational and Professional Qualifications</b>	<b>Position/ Experience</b>	<b>TASK</b>	<b>Committed Time schedule (in days/week)</b>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				

Authorized Signatory

**FINANCIAL PROPOSAL SUBMISSION FORM**

To:

**The Secretary,  
Delhi Electricity Regulatory Commission  
Viniyamak Bhawan,  
C-Block, Shivalik,  
Malviya Nagar,  
New Delhi – 110 017**

Sir,

We, the undersigned, offer to provide the consultancy services for undertaking the assignment relating to \_\_\_\_\_ in accordance with your bid document ref.\_\_\_\_\_.

We hereby submit our Financial Proposals in Form 6 for the assignment.

We hereby confirm that the financial proposal in Form no.-6 is unconditional and we acknowledge that any condition attached to financial proposal shall result in rejection of our financial proposal.

Our Financial Proposal shall be binding upon us subject to the modification resulting from Contract negotiations, with by the Commission. Each page of the proposal has been signed by the Authorized Signatory.

We understand that you are not bound to accept any Proposal you receive.

We further understand that these costs are all inclusive which include manpower cost, establishment cost, travel expenses and other overheads etc.

**Encl. Form 6**

Yours sincerely,

Authorized Signatory:

Name and Title of Signatory:

Name of the Firm:

Address:

**Financial Proposal****Summary of cost**

<b>Sl. No.</b>	<b>Costs</b>	<b>Bid amount (in Rs.)</b>	<b>Taxes etc. (in Rs.)</b>	<b>Total amount (in Rs.)</b>
1.	Total (A) Distribution Licensees namely BRPL, BYPL, TPDDL & NDMC Total (B) Transmission Licensee Total (C) Generation Companies Total A+B+C			
2.	Total (D) Assistance for the Review Petitions, if any, before the Commission and other related works. (cost per petitions) Total (E) Assistance for the Appeal, if any, before the Hon'ble ATE and other related works. (cost per petitions) Total (F) Assistance for the Appeal, if any, before the Hon'ble Supreme Court and other related works. (cost per petitions) Total D+E+F			
3.	Total (G) Legal Vetting of all the Tariff Orders.			
	Grand Total			

Authorized Signatory



**TERMS OF REFERENCE (TOR)**

1. In pursuance to the provisions of the electricity Act, 2003, Delhi Electricity Reforms Act, 2000, National Electricity Policy, Tariff Policy, Rules and Regulations made thereunder, etc., the following activities connected with Tariff-Order for the FY 2013-14 shall be undertaken by the Firm:

**(A) Distribution Licensees:**

- a) Preparation of Staff paper covering analysis of the ARR Petitions.
- b) Assistance in prudence check of various parameters of true up petitions for the FY 2011-12 of the Distribution Licensees and report on the same. The true-up will require detailed verification of the power purchase quantum and cost incurred by the licensees, actual payment made by the licensees against the power purchase cost, segregation of late payment surcharge from the power purchase cost, analysis of short term power purchase and sold (including sale of surplus power) by the licensees and cost/revenue from it, verification/Prudence check of the AT&C losses submitted by the licensees, which will require validation of consumer category-wise sales from the licensee's database, collection, etc.
- c) ARR and Distribution Tariff (Wheeling & Retail supply) for the FY 2013-14.
- d) Adjustments duly giving impact to the Orders/Judgments of the Hon'ble Supreme Court/High Court/Appellate Tribunal for Electricity, etc.
- e) Adjustments for the Return on Capital Employed and Depreciation in respect of the trued up amount of Capitalisation of the distribution licensees as approved by the Commission for the Control Period 2007-12 .

**(B) Transmission Licensee:**

- a) Preparation of Staff paper covering analysis of the ARR Petitions.
- b) ARR and transmission Tariff for the FY 2013-14.
- c) Adjustments duly giving impact to the Orders/Judgments of the Hon'ble Supreme Court/High Court/Appellate Tribunal for Electricity, etc.
- d) Adjustments for the Return on Capital Employed and Depreciation in respect of the trued up amount of Capitalisation of the transmission licensee as approved by the Commission for the Control Period 2007-12 .

**(C) Generation Companies:**

- a) Preparation of Staff paper covering analysis of the ARR Petitions.
- b) ARR and Generation tariff for the FY 2013-14.
- c) Adjustments duly giving impact to the Orders/Judgments of the Hon'ble Supreme Court/High Court/Appellate Tribunal for Electricity, etc
- d) Adjustments for the Return on Capital Employed and Depreciation in respect of the trued up amount of Capitalisation of the Generating Companies approved by the Commission for the Control Period 2007-12.

**(D) Assist in analysis of Review Petitions**, if any, that may be filed before the Commission, including discussions/conferences with the Commission/Commission's advocates, attending the hearing/(s) before the Commission and preparation of Review Order.

**(E) Assist in analysis of Appeals** filed before the Appellate Tribunal for Electricity (ATE), including discussions/conferences with the Commission/Commission's advocates, attending the hearing/(s) before ATE and replies/rejoinder and written submissions etc. to be filed before the ATE.

**(F). Assist in analysis of Appeals** filed before the Hon'ble Supreme Court, including discussions/conferences with the Commission/Commission's advocates and replies/rejoinder and written submissions etc. to be filed before the Hon'ble Supreme Court.

2. The above mentioned jobs would include the following:

- a) To attend public hearings and assist the Commission in the conduct thereof and prepare replies to the comments received on the proposal of ARR and tariff petitions.
- b) Preparation of report on compliance of directives issued by the Commission in its earlier tariff order.
- c) Assist in drafting of the Order(s) for all the above stated assignments duly placing them before the Commission regarding the impact of various appeals pending in various courts.

- d) Submission of the comprehensive report & observations duly indicating the methodology adopted in respect of each of the technical validation session/(s) with the Power Utilities along with the recommendations.
  - e) Any other work incidental to the filing and approval of ARR and tariff proposal.
3. The Deliverables and the timelines shall be as per **Annexure 'II'**: The Firm shall deliver the following to DERC for above scope of work:-
- The methodology and work plan of the assignment.
  - Back-up data/information/documents to justify ARR and tariff proposal.
  - Any other report/data incidentally required.
  - MYT Review model in respect of annual review of licensee performance vis-à-vis MYT targets.
  - Soft copy of all the documents along with source codes
4. Other Issues:
- (i) The above description of scope of consultancy is purely indicative and not exhaustive. Changes/additions can be made by DERC as a better understanding develops, to enhance the value of the study, without changing its basic nature.
  - (ii) Firm shall be paid Consultancy charges on completion of milestones as contained in the Draft Contract Agreement enclosed herewith. All payments as indicated above shall be released within Thirty (30) days of the receipt of invoice subject to adherence to the terms and conditions by the Firm as per the contract agreement executed between the Firm and DERC

**Deliverables and Timelines as per the following WORK PLAN AND ACTIVITY SCHEDULE for the Tariff Order of Generation, Transmission & Distribution Licensees:**

S. No.	Description	Time
1	Placement of Firm in DERC	
2	Presentation on Analysis of Tariff Petitions and data gaps to the Commission	
3	Issuance of Admission Order and detailed deficiency note	
4	Submission of Draft Staff Paper / Public Notice / Advertisement to the Commission	
5	Finalization of Staff Paper / Public Notice / Advertisement to be published by the Commission	
6	Submission of Chapter on Background (Chapter 1)	
7	Technical validation session with utilities	
8	Presentation to Commission on public objections	
9	Submission of Tariff model	
10	Public Hearings	
11	Submission of Draft Chapter on Public Hearing covering issues raised by the Stakeholders, Comments of the Licensees/Generating companies etc. (Chapter 2).	
12	Finalization of the Chapter on Public Hearing (Chapter 2) in consultation with Commission	
13	Submission of Draft Chapter 3 to the Commission	
14	Finalization of True-up Chapter 3 in consultation with the Commission	
15	Submission of Draft Chapter 4 to the Commission	
16	Finalization of ARR section (Chapter 4)	
17	Presentation to Commission on Tariff options/Tariff rationalisation options vis-à-vis the cost of supply	
18	Finalization of Tariff Design (Chapter 5) based on the comments of the Commission.	
19.	Finalization of ARR and Tariff Order write-ups and Annexures	
20.	Compilation, Finalization of the Order,	
21.	Legal vetting and issue of Order.	

**( Contract Agreement to be signed by Firm with DERC )**

This ARTICLES OF AGREEMENT made on this ..... day of .....2012

**BETWEEN:**

**Delhi Electricity Regulatory Commission** a statutory Body set up by the Government of NCT of Delhi under the Delhi Electricity Reforms Act, 2000 and having its office at Viniyamak Bhawan, C-Block, Shivalik, Near Malviya Nagar, New Delhi – 110 017, hereinafter referred to as the “Commission’ (Which expression shall unless excluded by or repugnant to the context or meaning thereof, include its successors and permitted assigns) of the FIRST PART

**AND**

\_\_\_\_\_ Company registered under the Companies Act, 1956 and having its office at \_\_\_\_\_, hereinafter referred to as the \_\_\_\_\_ Firm (which expression shall unless excluded or repugnant to the context or meaning thereof include its successors and permitted assigns) of the SECOND PART.

(The Commission and the \_\_\_\_\_ are individually referred to as the “Party” and collectively as the “parties”).

WHEREAS the Commission has awarded the contract on the basis of open bids to the party of the SECOND part as a Firm inter alia to assist in “preparation of \_\_\_\_\_, more precisely explained in the ‘Terms of Reference’ contained in the bid document dated\_\_\_\_\_”.

M/s \_\_\_\_\_ have agreed to provide consultancy services to the Commission on the terms and conditions hereinafter contained.

NOW THESE PRESENTS WITNESS and the parties hereto respectively agree as follows:

1. \_\_\_\_\_ is appointed as Firm of the Commission for the aforementioned assignment. \_\_\_\_\_ shall commence the assignment from zero date, which is mutually agreed between the Commission and the Firm of consultant/s as \_\_\_\_\_. The Firm shall execute and complete the assignment as per the work plan and activity schedule mentioned herein: -

#### WORK PLAN AND ACTIVITY SCHEDULE

S. No.	Description	Time
1	Placement of firm of consultant/s in DERC	
2	Presentation on Analysis of Tariff Petitions and data gaps to the Commission	
3	Issuance of Admission Order and detailed deficiency note	
4	Submission of Draft Staff Paper / Public Notice / Advertisement to the Commission	
5	Finalization of Staff Paper / Public Notice / Advertisement to be published by the Commission	
6	Submission of Chapter on Background (Chapter 1)	
7	Technical validation session with utilities	
8	Presentation to Commission on public objections	
9	Submission of Tariff model	
10	Public Hearings	
11	Submission of Draft Chapter on Public Hearing covering issues raised by the Stakeholders, Comments of the Licensees/Generating companies etc. (Chapter 2).	
12	Finalization of the Chapter on Public Hearing (Chapter 2) in consultation with Commission	
13	Submission of Draft Chapter 3 to the Commission	
14	Finalization of True-up Chapter 3 in consultation with the Commission	
15	Submission of Draft Chapter 4 to the Commission	
16	Finalization of ARR section (Chapter 4)	
17	Presentation to Commission on Tariff options/Tariff rationalisation options vis-à-vis the cost of supply	
18	Finalization of Tariff Design (Chapter 5) based on the comments of the Commission.	
19.	Finalization of ARR and Tariff Order write-ups and Annexure	
20.	Compilation, Finalization of the Order,	
21.	Legal vetting and issue of Order.	

## **2. Scope of Work:**

1. In pursuance to the provisions of the electricity Act, 2003, Delhi Electricity Reforms Act, 2000, National Electricity Policy, Tariff Policy, Rules and Regulations made thereunder, etc., the following activities connected with Tariff-Order for the FY 2013-14 shall be undertaken by the Firm:

### **(A) Distribution Licensees:**

- a) Preparation of Staff paper covering analysis of the ARR Petitions.
- b) Assistance in prudence check of various parameters of true up petitions for the FY 2011-12 of the Distribution Licensees and report on the same. The true-up will require detailed verification of the power purchase quantum and cost incurred by the licensees, actual payment made by the licensees against the power purchase cost, segregation of late payment surcharge from the power purchase cost, analysis of short term power purchase and sold (including sale of surplus power) by the licensees and cost/revenue from it, verification/Prudence check of the AT&C losses submitted by the licensees, which will require validation of consumer category-wise sales from the licensee's database, collection, etc.
- c) ARR and Distribution Tariff (Wheeling & Retail supply) for the FY 2013-14.
- d) Adjustments duly giving impact to the Orders/Judgments of the Hon'ble Supreme Court/High Court/Appellate Tribunal for Electricity, etc.
- e) Adjustments for the Return on Capital Employed and Depreciation in respect of the trued up amount of Capitalisation of the distribution licensees as approved by the Commission for the Control Period 2007-12 .

### **(B) Transmission Licensee:**

- a) Preparation of Staff paper covering analysis of the ARR Petitions.
- b) ARR and transmission Tariff for the FY 2013-14.
- c) Adjustments duly giving impact to the Orders/Judgments of the Hon'ble Supreme Court/High Court/Appellate Tribunal for Electricity, etc.
- d) Adjustments for the Return on Capital Employed and Depreciation in respect of the trued up amount of Capitalisation of the transmission licensee as approved by the Commission for the Control Period 2007-12 .

**(C) Generation Companies:**

- a) Preparation of Staff paper covering analysis of the ARR Petitions.
- b) ARR and Generation tariff for the FY 2013-14.
- c) Adjustments duly giving impact to the Orders/Judgments of the Hon'ble Supreme Court/High Court/Appellate Tribunal for Electricity, etc.
- d) Adjustments for the Return on Capital Employed and Depreciation in respect of the trued up amount of Capitalisation of the Generating Companies approved by the Commission for the Control Period 2007-12.

**(D) Assist in analysis of Review Petitions**, if any, that may be filed before the Commission, including discussions/conferences with the Commission/Commission's advocates, attending the hearing/(s) before the Commission and preparation of Review Order.

**(E) Assist in analysis of Appeals** filed before the Appellate Tribunal for Electricity (ATE), including discussions/conferences with the Commission/Commission's advocates, attending the hearing/(s) before ATE and replies/rejoinder and written submissions etc. to be filed before the ATE.

**(F). Assist in analysis of Appeals** filed before the Hon'ble Supreme Court, including discussions/conferences with the Commission/Commission's advocates and replies/rejoinder and written submissions etc. to be filed before the Hon'ble Supreme Court.

2. The above mentioned jobs would include the following:

- a) To attend public hearings and assist the Commission in the conduct thereof and prepare replies to the comments received on the proposal of ARR and tariff petitions.
- b) Preparation of report on compliance of directives issued by the Commission in its earlier tariff order.
- c) Assist in drafting of the Order(s) for all the above stated assignments duly placing them before the Commission regarding the impact of various appeals pending in various courts.



- d) Submission of the comprehensive report & observations duly indicating the methodology adopted in respect of each of the technical validation session/(s) with the Power Utilities along with the recommendations.
- e) Any other work incidental to the filing and approval of ARR and tariff proposal.

3. Time schedule and Task Assignments for completion of respective jobs shall be as mentioned in clause as per the bid document proposed by and reproduced as follows:

**a) Tariff Order of the Distribution Licensees for the Control Period FY 2013-14**

S. No	Name	Qualification	Position/ Experience	Task	Committed Time Schedule (In Days)

**b) Tariff Order for Transmission Licensee for the Control Period FY 2013-14**

S. No	Name	Position	Qualifications	Task/ Experience	Committed Time Schedule (In Days)

**c) Tariff Order for Generation Companies for the Control Period FY 2013-14**

S. No	Name	Position	Qualifications	Task/Experience	Committed Time Schedule (In Days)

4. The \_\_\_\_\_ agrees and undertakes that the respective tasks shall be performed & completed only by the personnel mentioned in Para 5 hereinabove and that if any change in the composition of the said team is necessitated, the second party shall seek prior permission of the Commission to effect the changes.

5. Firm shall be paid as follows:

(i) Consultancy charges of Rs. \_\_\_\_\_ Rupees \_\_\_\_\_ only) including of taxes as applicable in respect of assistance for analysis of Petitions filed by the distribution licensees, transmission licensees and generation companies. :

<b>Milestones as per which invoices for fees shall be raised by Firm</b>	<b>% of contract value</b>
Submission of staff paper	10%
Submission of final Draft chapter 1 and 2 (responses from stakeholders)	10%
Submission of final Draft Chapter 3 on True-up	10%
Submission of final Draft Chapter 4 on ARR	10%
Submission of final Draft Chapter 5 on Cost of Supply and Tariff Design Philosophy.	20%
Approval of the Final Draft Order	10%
Issue of final order approved by the Commission	20%
After 2 years from the date of tariff orders issued by the Commission	10%

- (ii) Consultancy charges of Rs, \_\_\_\_\_ (Rupees \_\_\_\_\_ only) including of taxes as applicable in respect of assistance in analysis, discussion, support during the hearing and preparation of Review Order/response to be filed with the Hon'ble ATE, more precisely explained in clause 4(a) of this Agreement.:

<b>Milestones as per which invoices for fees shall be raised by Firm</b>	<b>% of contract value</b>
Submission of final comments	25%
Conclusion of briefing sessions to Commission in case of review petition or to DERC lawyers in case of Appeal before the Hon'ble Supreme Court/ATE	25%
Conclusion of Public hearing in case of review petition before the Commission or hearing in case of appeal before the Hon'ble Supreme Court/ATE	25%
Issue of the Order	25%

6. a) The Firm shall within one week of signing of this agreement provide performance security by way of Performance Bank Guarantee @ 10% of the total contract value in a format acceptable to the Commission from any scheduled Bank which shall be valid for a period of six months beyond the scheduled completion date, extendable suitably in case of extension of period of contract.
- b) The payment of fee to Firm the Firm shall be made by the Commission after the deduction of tax at source in accordance with law for the time being in force.
- c) The Commission shall be entitled to evaluate the reports submitted by the Firm at any stage and the Firm shall incorporate / restructure the report as per the recommendations of the Commission within such reasonable time as may be prescribed by the Commission.
- d) The Commission shall make payments to the Firm within 30 days of the date of receipt of Invoice in the Commissions' office subject to acceptance of deliverables wherever required unless prevented by reasons beyond its

control and in the latter case the Firm shall not be entitled to claim any interest or damages on account of such delay.

7. The Firm shall be liable to the Commission for the performance of its obligations in this Agreement and for any loss suffered by the Commission as a result of a default of the Firm in such performance, subject to the following limitations:
  - a. The Firm shall not be liable for any damage or injury caused by or arising out of the act, omission, neglect or default of any person other than the Firm.
  - b. The Firm shall not be liable for any loss or damage caused by or arising out of circumstances over which the Firm has no control.
  - c. The total liability of the Firm under this clause shall be limited to 10% of the consultancy charges mentioned in Clause 7.
8. No TA/DA shall be admissible for the Firm for local journey in connection with the Consultancy.
9. The Commission reserves its right to foreclose, terminate or cancel the engagement of the Firm without assigning any reasons. In such cases Firm shall be paid remuneration after taking into consideration the part of work completed prior to such foreclosure, termination or cancellation of the engagement as may be decided by the Commission, and the decision of the Commission shall be conclusive and binding. The remuneration so fixed and paid shall be deemed to be the final payment in such cases.
10. In case of any differences or disputes between the parties arising out of this AGREEMENT, the matter shall be dealt with in accordance with the provisions of the Arbitration and Conciliation Act, 1996
11. Any information of confidential nature, which may be so marked by the Commission, which comes to the knowledge or in the possession of the Firm or of any of its employees by virtue of their engagement on subject matter of this

contract; shall not be disclosed by the Firm or its employees to any unauthorized person in any manner. Any breach of this clause without prejudice to any other action that may be initiated as per law, shall also subject the Firm to a liability to pay to the Commission such compensation as may be decided by the Commission keeping in view the nature, manner and motive of the information disclosed and the extent of the damage caused by such unauthorized disclosure.

Provided that any information that was (a) rightfully already known to Firm at the time of its disclosure, (b) independently developed by Firm without referring to the Commission's confidential information, (c) known to the public through a source other than Firm, or (d) disclosed to Firm by a third party not having an obligation of non disclosure to the proprietor of the information, shall not be deemed to be confidential information for the purposes of this agreement.

Provided further that the obligation of confidentiality on Firm shall not apply where such confidential information is required to be disclosed under any law.

12. The Firm undertakes that this assignment shall not be in conflict with its prior or current obligation to other clients nor shall it place him in a position of not being able to carry out the assignments objectively and impartially.

13. A team constituted by the Commission shall evaluate the deliverables submitted by the Firm. The team shall finalize the deliverables within 15 days of receipt of the same from the Firm. The Firm shall within a reasonable time incorporate/restructure the deliverables as per the recommendations of the said team.

14. It is mutually agreed between the parties that the time will be the essence of this CONTRACT/AGREEMENT. The Firm, the party of the second part, shall adhere to the time schedule as prescribed in this AGREEMENT and complete the work within the stipulated time frame, failing which the party of the second part would be liable for a penalty which may go upto Rs.5000/- per day, subject to a maximum of 10% of entire value of contract, for each day of delay beyond the time stipulated in this AGREEMENT, provided that each day of delay beyond

time schedule is attributable solely to the FIRM. The Commission's decision in this matter will be binding on all parties.

15. In case the party of the second part fails to fulfil its obligations, the Commission would be entitled to invoke the performance Bank Guarantee as furnished by party of the second part and the amount mentioned in the Performance Bank Guarantee shall stand forfeited.

16. In respect of any matter for which no provision has been made in this agreement, the provisions contained in the general instructions of the Government on the subject of engagement of FIRM shall apply. All the letters issued by the Commission and the proposal and clarifications submitted by the FIRM shall form part of this agreement.

**IN WITNESS WHEREOF** the Firm and Secretary to the Commission on behalf of the Commission have hereto put their hands on the day and the year first above written.

( )

Executive Director

Firm

Witness :

1.

2.

( )

Secretary

DERC

**SAMPLE PROFORMA FOR BANK GUARANTEE FOR PERFORMANCE SECURITY**

(To be executed on non-Judicial stamp worth Rs 250/- with Rs 1.00 revenue stamp)  
Ref..... Bank Guarantee No..... Date.....

To  
Delhi Electricity Regulatory Commission  
Viniyamak Bhawan, C – Block  
Shivalik, Malviya Nagar  
New Delhi – 110017

Dear Sirs,

In consideration of the Delhi Electricity Regulatory Commission (hereinafter referred to as the 'Owner' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and assigns) having awarded to M/s .....with its Registered/Head office at .....(hereinafter referred to as the 'Contractor' which expression shall unless repugnant to the context or meaning thereof, include its successors administrators, executors and assigns), a Contract by issue of Owner's Letter of Award No..... dated..... and the same having been unequivocally accepted by the contractor, resulting into a Contract bearing No. .... dated..... valued at..... for .....and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire Contract equivalent to .....\* .....% (.....percent) of the said value of the Contract to the Owner.

We.....having its (Name & Address of the Bank). Head Office at .....(hereinafter referred to as the 'Bank' which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Owner, on demand any and all monies payable by the Contractor to the extent of .....\* .....as aforesaid at any time up to .....@ .....(days/month/year) without any demur, reservation, contest, recourse or protest and/or without any reference to the Contractor. Any such demand made by the Owner on the Bank shall be conclusive and binding notwithstanding any difference between the Owner and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during its currency without previous consent of the Owner and further agrees that the guarantees herein contained shall continue to be enforceable till the Owner discharges this guarantee.

The Owner shall have the fullest liberty, without affecting in any way the liability of the Bank under this guarantee, from time to time to extend the time for performance of the Contract by the Contractor. The Owner shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Owner and the Contractor or any other course or remedy or security available to the Owner. The Bank shall not be released of its obligations under these presents by any

exercise by the Owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the Owner or any other indulgence shown by the Owner or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Owner at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee the Owner may have in relation to the Contractor's liabilities. Notwithstanding anything contained hereinabove our liability under this guarantee is restricted to .....\* .....and it shall remain in force up to and including .....@ .....and shall be extended from time to time for such period (not exceeding one year), as may be desired by M/s ..... on whose behalf this guarantee has been given.

Dated this ..... day of .....20.....  
at .....

WITNESS

.....(Signature) .....

(Signature)

.....

(Name)

(Name).....

.....

(Official Address) (Designation with Bank Stamp)

Attorney as per Power of Attorney No.....

Dated.....

1. Strike, whichever is not applicable.
2. Bank Guarantee shall be issued by any Nationalized Bank in India
3. The stamp papers of appropriate value shall be purchased in the name of guarantee issuing Bank.

\*This sum shall be ten percent (10%) of the Contract Price.

@ The date will be Ninety (90) days after the end of the scheduled work completion period as specified in the Contract.