

DELHI ELECTRICITY REGULATORY COMMISSION



TERMS AND CONDITIONS FOR APPOINTMENT OF C&AG AUDITORS FOR REGULATORY AUDIT OF BOOKS OF ACCOUNT OF NEW DELHI MUNICIPAL COUNCIL (NDMC) FOR TRUE-UP OF FY 2019-20

March , 2021

IMPORTANT MILESTONES

NOTICE INVITING TENDER	: 01/03/2021
LAST DATE OF SUBMISSION OF BID PROPOSALS	: 16/03/2021 at 13:00 hours
OPENING OF TECHNICAL BIDS	: 16/03/2021 at 15:00 hours

APPOINTMENT OF C&AG EMPANELLED AUDITORS FOR REGULATORY AUDIT OF BOOKS OF ACCOUNT OF NDMC FOR TRUE-UP OF FY 2019-20

- 1) Delhi Electricity Regulatory Commission, Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar, New Delhi (hereinafter referred to as “DERC” or “The Commission”) intends to appoint C&AG Empanelled Auditors (hereinafter referred to as “Consultant”) for Regulatory Audit Assignment (hereinafter referred to as “Assignment”) of Books of Account of **New Delhi Municipal Council (NDMC)**.
- 2) The scope of work is Regulatory Audit of Books of Account and reconciliation of various regulatory formats with schedules / notes to the account of Audited Financial Statement as per Companies Act for the purpose of true up of FY 2019-20.
- 3) The Consultant is also expected to critically examine the parameters of Aggregate Revenue Requirement (ARR) in accordance with the Regulations, directives and policies issued by the Commission from time to time.
- 4) At the end of the contract period for this work for FY 2019-20, the contract may be further extended on year on year basis for a maximum of two years on the same terms and conditions subject to satisfactory performance of the Consultant.
- 5) The list of broad activities that need to be undertaken is enclosed as *Annexure A1*. The said list of activities is purely for the purpose of guidance and is not exhaustive. **During the tenure of the Audit work, if the Commission feels any necessity of additional activity (s), may widen the scope of activity (s) within the purview of Regulatory Audit at no extra cost. Such activities may include any specific issue(s) pertaining to previous year(s).**
- 6) The Consultant is expected to make themselves fully aware of Applicable Laws and Regulations. An indicative list of Applicable Laws/Regulations is enclosed as *Annexure A2*.
- 7) The Commission has carried out Regulatory Audit of Delhi DISCOMs in past three years. As such, the parties who have conducted the assignment for the specific DISCOM in the past have been barred from the participation in that respective DISCOM only in present tender.
- 8) The Notice Inviting Tender (NIT) Dated 01/03/2021 is for four separate Tenders for Regulatory Audit of different DISCOMs. There is no restriction for the bidder(s) to participate in more than one Tender. Each Tender shall be evaluated separately and the same will be awarded to the Successful Bidder. After evaluation of the Tender, in case a bidder is found to be emerging successful in more than one (1) Tender, then in that case, awarding the Regulatory Audit assignment for more than one (1) DISCOM to that bidder will be based on the preference provided by the relevant bidder in the Format enclosed at Annexure E. However, awarding the Regulatory Audit assignment for more than one (1)

DISCOM to any bidder will be to the jurisdiction of the Commission and decision of the Commission shall be final and binding.

- 9) If any bidder participates in more than one Tender for each DISCOMs, then the bidder shall mandatorily identify and provide separate set of man power as required under clause 33(c) of the bid document i.e. Bidder's proposal under each tender shall necessarily have different set of manpower. Bidder's are required to submit their bid proposals accordingly. If upon opening of Technical bids of a bidder, it is found that in all submitted tenders, same set of manpower have been indicated, then it is upon the discretion of the Commission to qualify any one such bid proposal of that bidder and disqualify rest all other its bid proposals.
- 10) The consultant shall be required to collect any additional information/data from DISCOMs that may be felt necessary for completion of the assignments. The Consultant shall depute its officers in the respective offices of the DISCOMs with Authorization Letter of the Commission for completion of the assignment as per Commission's schedule.
- 11) The Consultant shall make presentations to the Commission, for demonstrating the progress and better understanding of the task on weekly basis.

GENERAL TERMS AND CONDITIONS

- 12) The Bidder shall submit the certificate of empanelment with Comptroller and Auditor General of India (CAG) for **FY 2020-21**.
- 13) Any Bidder bidding individually or as a member of a Consortium shall not be entitled to submit another bid either individually or as a member of any other Consortium, as the case may be in each DISCOM-wise tender.
- 14) Change in Consortium shall not be permitted after bid submission.
- 15) In case the Bidder is a Consortium, then the term Bidder shall include each Member of such Consortium and the members thereof, shall furnish a Power of Attorney in favour of the Lead Member (**CAG Empanelled Audit firm shall be the lead firm for bidding**) in the format enclosed as Annexure A3.
- 16) A Bidder shall not have conflict of interest (the "Conflict of Interest") that affects the Bidding Process. Any Bidder found to have Conflict of Interest shall be disqualified.
- 17) A Bidder shall be deemed to have a Conflict of Interest affecting the Bidding Process, if:

- i) The Bidder, its Consortium member or Associate (or any constituent thereof) of any other Bidder, its constituent member or any Associate thereof (or any constituent thereof) have common controlling shareholders or other ownership interest;

Provided that this disqualification shall not apply in cases where the direct or indirect shareholding or ownership interest of a Bidder, its Consortium member or an Associate thereof in the other Bidder, its Consortium member or Associate, is less than 5% (five percent) of the subscribed and paid up equity share capital thereof;

Provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in sub- section (72) of section 2 of the Companies Act, 2013.

For the purposes of this Clause, indirect shareholding held through one or more intermediate persons shall be computed as follows:

- (a) Where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the "Subject Person") shall be taken into account for computing the shareholding of such controlling person in the Subject Person ; and
- (b) Subject to sub-clause (a) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis;

Provided, however, that no such shareholding shall be reckoned under this sub-clause (b) if the shareholding of such person in the intermediary is less than 26% of the subscribed and paid up equity shareholding of such intermediary ; or

- ii) A constituent of such Bidder is also a constituent of another Bidder ;or
- iii) Such Bidder, its Consortium member or any Associate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Bidder, its Member or any Associate thereof; or
- iv) Such Bidder has same legal representative for purposes of this Bid as any other Bidder; or

- v) Such Bidder, or any Associate thereof, has a relationship with another Bidder, or any Associate thereof, directly or through common third party/parties, that puts either or all of them in a position to have access to each other's information about, or to influence the Bid of either or each other; or
- vi) There is a conflict among this and other consulting assignments of the Bidder (including its personnel and sub-consultants) and any Affiliates. While providing consultancy services to the Commission for this particular assignment, the Bidder shall not take up any assignment that by its nature shall result in conflict with the present assignment.
- vii) For purposes of this Bid, Associate in relation to the Bidder shall mean a person who controls, is controlled by, or is under the common control with such Bidder. As used in this definition, the expression "control" means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50 percent of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law or by contract.
- 18) Bid proposal shall be submitted in a sealed envelope super-scribing on the top of the Envelope **"Appointment of C&AG Auditors for Regulatory Audit of Books of Account of NDMC for True-up of FY 2019-20"** containing the following in separate sealed envelopes, duly super-scribing its contents:
- (a) Earnest Money Deposit (EMD) of Rs. 10,000/- (Rupees ten thousand only) through Pay Order/Demand Draft/NEFT/RTGS in favour of "The Secretary, DERC", payable at New Delhi in:
- | | |
|-------------------------|---|
| Bank Account No. | 90941010003951 |
| Branch | Syndicate Bank, Malviya Nagar, New Delhi-110017 |
| IFSC Code | SYNB0009094 |
- Bidder who chooses to submit required EMD through NEFT/RTGS, then he has to necessarily enclose the proof of such Transaction for EMD in a sealed cover duly signed by bidder's authorized signatory.*
- (b) Technical Bid
- (c) Financial Bid
- 19) The Bidder shall authorize one person as Authorized Signatory through Power of Attorney duly notarized by the Notary Public on a non judicial stamp paper of Rs. 100/- indicating that the person signing the bid has the authority to sign the bid/ enter the contract with the Commission and that the bid/ contract is binding upon the Bidder during the full period of its validity, shall be submitted. In the event of any change in the Authorized Signatory

during any stage of the bid process, the Bidder shall furnish the fresh Power of Attorney indicating the new Authorized Signatory for the purpose of the assignment.

- 20) Each page of the bid shall be numbered and signed by the Authorized Signatory with the official seal of the Bidder/firm and the forwarding letter must indicate the details of the enclosures.
- 21) The Bidder shall submit the bid proposals in Triplicate, comprising one set of the Original Bid and Two sets marked as Duplicate & Triplicate.
- 22) Each bidder shall submit period of **validity of the bid document, which shall not be less than 180 days from the scheduled/notified date of opening of bids.**
- 23) The bid document can be either downloaded from the Commission's website (<http://www.derc.gov.in>) or can be obtained from the Commission's office at no costs.
- 24) Bids received after the scheduled/notified date and scheduled/notified time of Bid submission shall not be accepted and DERC shall not be responsible for any postal delay.
- 25) The envelope containing EMD shall be opened first and the envelope containing Technical bid shall be opened only for those bidders whose EMD is found to be in order. Any bid not accompanied by requisite EMD in accordance with the above stipulation shall be summarily rejected as being non-responsive and its Bid Proposal(s) shall be returned unopened.
- 26) Only those Bidders who qualify in the Technical Bid shall be intimated for attending the opening of the Financial Bids through website / email.
- 27) The Bidder shall quote for each DISCOM-wise Tender, its rates on lump-sum basis and considering the following:
 - a) Fees shall be Exclusive of applicable taxes, but inclusive of all other expenses,
 - b) No TA/DA shall be admissible for the Bidder for any journey in connection with the assignment.
 - c) With reference to the minimum fees as applicable to the members of the respective Institute.
- 28) DERC reserves the right to replace the Bidder, after its appointment and re award the job if it is found that the reporting / certification being submitted (in phases) are not of desired standard.
- 29) EMD of the unsuccessful bidder(s) shall be returned to them within 1 (one) month after placement of Award to successful bidder by the Commission.

30) EMD of the successful bidder shall be returned within 15 (fifteen) days after submission of the Performance Bank Guarantee and upon unconditional acceptance of the Letter of Award of the Commission.

31) The Bid Schedule shall be as under:

Sl. No.	Activity	Date
1	Notice inviting Tender	01/03/2021
2	Last Date of Receipt of Bid Proposals	16/03/2021 at 13:00 hours
3	Opening of Technical Bids	16/03/2021 at 15:00 hours

32) No overwriting/cutting shall be allowed in the bid proposal(s) including the Financial Bid proposal. Further, no modification in the bid shall be entertained /permitted after the submission of the bid. Bidders are required strictly to submit its Bid proposals considering no deviation to the Bid document. In case of any mismatch in the financial quote between quote in numbers and quote in figures/words, quote in figures/words shall prevail.

33) Criterion for Technical evaluation:

a) **Audit Methodology and Organization Experience - 30 (Thirty) Marks**

i) **Methodology - 20 (Twenty) Marks**

The Bidder 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 also explain the methodology proposed to be adopted and highlight the compatibility of methodology with the proposed approach.

ii) **No. of years' experience - 5 (Five) Marks**

The bidder who has maximum no. of years experience in Statutory / Internal Audit of Power Distribution Utilities **as on 31/03/2020**, shall be awarded full 5 marks and for others, the marks shall be inversely pro-rated.

iii) **No. of completed assignment's Experience - 5 (Five) Marks**

The bidder who has maximum no. of completed assignments **(as on 31/12/2020)** in last five years in Statutory / Internal Audit of Power Distribution Utilities shall be awarded full 5 marks and for others, the marks shall be inversely pro-rated.

b) **Work Plan - 15 (Fifteen) Marks**

The proposed work plan shall be consistent with the approach, methodology and ability to complete the assignment within fixed timeline. The work plan shall be consistent with the Work Schedule indicating Week wise and Activity wise flow of the assignment with key professionals.

c) **Manpower - 55 (Fifty Five) Marks**

The Bidder shall propose and justify the structure and composition of their team indicating the key professional responsible and supporting staff. The method to be followed for evaluation of the key professionals shall be:

- i. Educational Qualifications and
- ii. Experience (i.e. experience in carrying out similar assignments).

The Bidder shall propose at least the following key professional for the assignment. Any overlapping of key professionals for this assignment with any other assignment of the Commission during the period of this assignment shall attract rejection of the bid:

Particular	Minimum No. of Key Professional	Marks (Max/Min)	Remarks
<u>Team Leader (Finance)–</u> Qualified Chartered Accountant with minimum 10 years of relevant experience post qualification	1	15/10	Bidder who propose Team Leader having minimum experience of 20 Years and in absence of any such bidder, then Bidder proposing Team Leader having maximum experience shall get maximum marks. Others shall get marks inversely prorated of the maximum marks.
<u>Team Members (Finance) -</u> Qualified Chartered Accountant with minimum 5 years of relevant experience post qualification	2	15/5	Bidder who proposes maximum no. of team members subject to ceiling of 5 (five) shall get maximum marks. Others shall get marks inversely prorated of the maximum marks.
<u>Team Leader (Engineer) -</u> Graduate in Engineering with minimum 10 years of relevant work experience post qualification	1	15/10	Bidder who propose Team Leader having minimum experience of 20 Years and in absence of any such bidder, then Bidder proposing Team Leader having maximum experience shall get maximum marks. Others shall get marks inversely prorated of the maximum marks.

Particular	Minimum No. of Key Professional	Marks (Max/Min)	Remarks
Team Member (Engineer) - Graduate in Engineering with minimum 5 years of relevant work experience post qualification	1	10/5	Bidder who proposes maximum no. of team members subject to ceiling of 3 (three) shall get maximum marks. Others shall get marks inversely prorated of the maximum marks.
Total Maximum Marks-		55/30	

Presentation – After opening of the Technical Bid, Bidders shall deliver a presentation based on their credentials in support of the points above viz. Technical Approach & Methodology, Work Plan and Organization & Staffing for which the Commission will indicate the time and date appropriately.

- 34) The Annual Turnover for the Consultant shall not be less than Rs.20,00,000/- (Rs. Twenty Lakh) every year during last three financial years (**FY 2019-20, FY 2018-19 and FY 2017-18**).
- 35) The minimum qualifying total score for the technical bid shall be 70 subject to minimum 50% marks in each section (i.e. Section-a: Audit Methodology and Organization Experience, Section-b: Work Plan and Section-c: Manpower).
- 36) After completion of the technical evaluation, the Commission shall inform the technically qualified Bidders. The list of technically qualified Bidders shall also be displayed at the website Commission.
- 37) The financial proposal of bidders other than technically qualified bidders shall be returned un-opened within 1 (one) month after completion of the Technical evaluation process.
- 38) The financial bids of technically qualified bidders shall be opened in the presence of authorized representatives of technically qualified bidders at the office of DERC as per the schedule date and time indicated by DERC.
- 39) Financial Evaluation: The proposal of the Technical qualified Bidder(s) with the lowest quoted price (L1) shall be awarded the assignment.
- 40) The Successful Bidder (DISCOM-wise) shall be intimated by the Commission and the same shall be uploaded on the website of the Commission.

- 41) The Commission reserves the right to reject any bid and or all bids without assigning any reasons for the same.
- 42) The successful bidder shall sign and execute the Contract agreement within 7 working days of date of issuance of Letter of Award, at the office of the Commission. Non fulfillment of this condition, would constitute sufficient ground for annulment of the award and forfeit of Earnest Money Deposit;

Provided that the Commission in its discretionary power, on a specific request by the successful bidder, may relax this condition with the reasons to be recorded in writing;

- 43) The successful bidder shall furnish the following within 7 working days of signing of the contract:
- a) *“Performance Bank Guarantee”* equal to 10% (Ten Percent) of the value of Contract.
 - b) *“Advance Bank Guarantee”* equal to 110% (One Hundred and Ten Percent) of the value of Mobilization Advance.
- Both of the above referred Bank Guarantees shall be valid up to 3 (three) months after the successful completion of the assignment.
- 44) In case, the successful bidder fails to furnish the “Performance Bank Guarantee” of required value within stipulated time period, the Commission reserves the right to terminate the Contract and forfeit the EMD.
- 45) In the event of annulment of award/termination of contract as indicated above, the Commission shall reserve the right to either award the contract for carrying out the assignment to the Bidder who has obtained the second highest score on consideration of Financial and Technical bids or invite fresh bids.
- 46) The Commission may hold a kick off meeting with the Consultant to discuss the detailed work plan.
- 47) The Consultant shall hand over the entire records / working papers related to the assignment to the Commission before the expiry of the contract and shall not utilize or publish or disclose or part with any statistics, data or information collected for the purpose of assignment, in any form, without written consent of the Commission.
- 48) The Consultant shall give a Certificate of Compliance for all its statutory obligations.
- 49) The bids shall be sent by post or deposited in Tender Box available at Reception of DERC up to the scheduled date and time of submission of bids at the following address duly marked:

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

50) DERC reserves the right to accept or reject any or all the bids without assigning any reason.

51) The latest timelines of report submission are as follows:

- (a) Draft Report in 45 days from the date of Letter of Award (LoA) and
- (b) Final report based on the interaction with the Commission in 60 days from the date of Letter of Award (LoA).

52) Consultant shall be paid as follows:

- a) For Audit Fees Rs. _____ (Rupees _____ only)
- b) Reimbursement of applicable Taxes -
Rs. _____ (Rupees _____ only)

53) Milestones for payment shall be as follows:

Sl. No.	Milestone	% of contract value
A.	Mobilization Advance against Bank Guarantee of 110% of the Advance amount upon unconditional acceptance of Letter of Award	10%
B	Submission of Draft Report on satisfactory completion of Audit based on interaction with the Commission	50%
C	Submission of consolidated Final Report and acceptance by the Commission	40%

54) The payment of fee to Consultant shall be processed by the Commission after the deduction of applicable tax at source.

PROPOSAL SUBMISSION FORM - NDMC

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 services for undertaking the assignments relating to NDMC in accordance with your bid document dtd. ____.

We are hereby submitting our proposal for undertaking the assignment in one Original and two copies marked as "Original" and "Duplicate" and "Triplicate" 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 notarized 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.

Demand drafts/pay orders no. _____ dated _____ for Rs. 10,000/- (Rupees ten thousand only) as EMD, in favour of Secretary, DERC payable at New Delhi is enclosed herewith.

We hereby confirm that the validity of the Bid Document is not less than 180 days from the scheduled/notified date of opening of bids.

We understand that the Commission is not bound to accept any Proposal it received against the Tender dated.....

Yours sincerely,

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

Encl. As above

Key objectives of the Audit:

DISCOMs have been granted the license to operate and maintain the electricity supply in its area under Electricity Act, 2003. It is expected that all the expenses of DISCOMs are examined in depth and are in accordance with the guidelines/regulations as approved by the Commission from time to time. To list a few, the Audit report shall include the following:

A. POWER PURCHASE COST

- I. Reconciliation of Power purchase quantum, cost through:
 - (a) Long Term (Inter-state Generating Stations & State Generating stations)
 - a. Fixed Cost
 - b. Variable Cost
 - c. Arrears
 - (b) Short Term (Bilateral, Exchange, Intra DISCOM, UI etc.)
 - (c) Tender wise Banking transactions (opening balance , during the year, closing balance)
- II. Reconciliation of Transmission Charges
 - (a) Central Transmission Utility
 - (b) State Transmission Utility
 - (c) Open Access
- III. Verification of invoices w.r.t. Form-15 and Form-26 w.r.t. Energy Charges as computed by Generating Companies.
- IV. Impact of any CERC/APTEL/Supreme Court Orders w.r.t. Power Purchase Cost.
- V. Reconciliation of Renewable Purchase Obligation vis-à-vis Actual Renewable Power with cost and quantum of Renewable Energy Certificates procured
- VI. Monthly Reconciliation of company wise Power Purchase and Transmission Charges' payment
- VII. Violation of Merit Order Dispatch Principle
- VIII. Overlapping in Banking and Bilateral transactions
- IX. Contingency limit under UI
- X. Incentive for bulk sale of Power
- XI. Violation of cash receipt from consumers exceeding the limit
- XII. Verification of Short term power purchase cost greater than Rs.5/kWh impacting variation in Gross purchase cost of greater than 10 paisa/kWh.
- XIII. Verification of self levied PPAC during the year.
- XIV. LPSC paid to Generators/Transmission Utilities

B. BILLING AND REVENUE

- XV. Reconciliation of Sales
 - a) Monthly Sales as per SAP and Form-2.1 (a).

- b) Monthly Adjustments as per SAP and Form-2.1 (a)
 - i. Adjustments on account of Contra Entries
 - ii. Adjustments on account of Open Access Consumers
 - iii. Adjustment on account of Provisional Billing
 - (a) Provisional Bills adjusted within 2 months
 - (b) Provisional Bills adjusted after 2 months and within a year
 - (c) Provisional Bills adjusted after a year.
 - iv. Other Adjustments, if any (with remarks)
- XVI. Reconciliation of Category-wise Revenue Billed on account of
 - a) Fixed charges
 - b) Energy charges
 - c) Theft / Misuse / Enforcement
 - d) PPAC
 - e) 8% Surcharge
 - f) Load violation surcharge (Maximum Demand)
 - g) ToD Surcharge/ Rebate
 - h) Electricity Duty / Tax
 - i) Late Payment Surcharge (LPSC)
 - j) Voltage Discount, etc.
- XVII. Reconciliation of Category-wise Revenue Collected
 - a) 8% Surcharge
 - b) Electricity Duty / Tax
 - c) Late Payment Surcharge (LPSC)
 - d) Street Light Maintenance charges
 - e) Incentive on Street Light Maintenance charges
 - f) Theft / Misuse / Enforcement
 - g) Advances from customers.
 - h) Net Revenue
- XVIII. Quarterly Reconciliation of Subsidy- Actual released / adjusted by GoNCTD and passed to consumers in their electricity bills
- XIX. Monthly Reconciliation of Pension trust- Billed by DISCOMs, Paid by DISCOMs to Pension Trust,
- XX. Direct expenses of other business,
- XXI. Power factor (sample basis) used for different set of consumers.
- XXII. Verification of component-wise (Fixed Charges, Energy Charges, etc.) Billed to individual consumers and revenue collected thereof from Billing Dump and from bank statement.
- XXIII. Regulation 9 of Net Metering Regulations- credit debit adjustments of sales at the end of the year.
- XXIV. Verification of Energy input at various exchange points at transmission distribution periphery and Inter-DISCOM exchange.

C. OTHERS:

- XXV. Reconciliation of actual details of capitalization for each quarter of the year vis-à-vis the date of in-principle approval of such capitalization by the Commission. Further, the following break-up/work w.r.t. to capitalization to be included in the report:
- a. The details of actual capitalization as per audited accounts under different heads such as Material Cost, Labour Cost, Interest during construction (IDC), Employee expenses capitalised, A&G expenses capitalised.
 - b. Percentage of capitalisation of Employee expenses and A&G expenses out of total employee expenses and A&G expenses.
 - c. Details of computation of IDC clearly specifying the fund flow and rate of interest.
 - d. The details of actual capitalization as per audited accounts under different asset classes as specified in Appendix-1 of Depreciation schedule of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.
 - e. Amount capitalised by Distribution Licensee on account of replacement / repair of existing assets and to comment/ qualify whether the amount booked by Distribution Licensee on account of replacement / repair of existing assets under capitalisation is correct or part of O&M expenses.
 - f. Segregation of amount of actual capitalisation under the groups, i.e Electrical Inspector Certificate (EIC) required and EIC not required.
 - g. Whether the EIC Certificate, wherever required, has been obtained by Distribution Licensees within the financial year. If not, the amount thereof.
 - h. Amount of actual capitalisation and addition in network capacity during the year under different network capacity heads alongwith units as mentioned in Table 8, 9, 10 & 11 of Regulation 23 of DERC (Business Plan) Regulations, 2017.
 - i. The amount of de-capitalization as per audited accounts.
- XXVI. Bifurcation of Interest During Construction (IDC) into Cash IDC (to be considered as part of capital cost on COD) and Accrued IDC (to be considered as part of Capital cost in the year of payment)
- XXVII. Related party transactions
- XXVIII. Inter DISCOM fund transfer
- XXIX. Means of Financing for Capitalization, Working capital & Accumulated Revenue Gap through:
- (a) Equity
 - (b) Debt
 - (c) Consumer Contribution
 - (d) Grant etc.
- XXX. Prudency of Cost of Debt Financing
- XXXI. Verification of Audited Financial Statement w.r.t. Segmental Reporting in respect of the distribution business and other businesses and disclosure of the same in the report.
- XXXII. Hedging policy and Hedging Cost incurred

- XXXIII. Verification of Inter Corporate Loan if any with reference to the Company's Policy or Board Approval and analyzing the merits of the interest rate with reference to the weighted average interest rate of the lending company as well as the borrowing company
- XXXIV. Computation of Weighted Average Rate of Interest excluding penal interest and additional interest on account of non-deposit of any collateral security, if any, on Loans availed for:
- (a) Capitalisation
 - (b) Working Capital
 - (c) Accumulated revenue Gap
- XXXV. Reconciliation of Debtors and Computation of Collection Efficiency
- XXXVI. Verify any provisions created for doubtful debts, write-off of any doubtful debts along with write back of the consequent excess provision with reference to the Company's Policy for Provision/write-off of doubtful trade receivables. The same will be done with reference to the origin of the debt, collection efficiency claimed and admitted previously.
- XXXVII. Reconciliation of Net-worth as per Regulatory provisions and as per audited financial statement
- XXXVIII. Actual O&M expenses :
- (a) Actual Employee expenses as per audited accounts
 - (b) Actual administrative and general expenses as per audited accounts,
 - (c) Actual Repair & Maintenance expenses as per audited accounts
 - (d) Actual O&M expenses booked by the distribution licensee as per audited accounts, on different network capacity heads alongwith units as mentioned in Table 8, 9, 10 & 11 of Regulation 23 of DERC (Business Plan) Regulations, 2017,
 - (e) Amount of provisions been made under different heads in audited accounts
 - (f) To comment whether all provisions made in audited accounts have been shown separately.
 - (g) Amount of Loss or gain to be reported separately on account on decapitalization of assets.
 - (h) Whether the water charges, statutory levies and taxes under O&M expenses have been indicated separately.
 - (i) Bifurcation on Loss or gain on account of decapitalization of assets as per Regulation 45, 46 & 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.
- XXXIX. Actual Other expenses.
- XL. Verification of income earned from other businesses. Separate disclosure of the same w.r.t. income earned from battery swapping and electric vehicle charging stations.
- XLI. Reconciliation of Non Tariff Income as per regulatory provisions and other income as per Audited Financial Statement
- XLII. Verification of Meter jump cases (Meter fast/ meter slow).

Indicative list of Applicable Act, Regulations, Policies, Judgment and Orders etc.

- (a) Electricity Act, 2003
- (b) DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011
- (c) DERC (Business Plan Regulation), 2017
- (d) DERC (Supply Code & Performance Standards) Regulations, 2017
- (e) DERC Terms and Conditions for Tariff Regulations 2017
- (f) State Grid Code Regulations, 2008 and Amendments
- (g) DERC (Net Metering for Renewable Energy) Regulations, 2014
- (h) DERC (Demand Side Management) Regulations, 2014
- (i) DERC (terms and conditions for Open Access) Regulations, 2005 and Amendments
- (j) Applicable Tariff Orders issued by the Commission
- (k) Specific regulatory orders issued by the Commission from time to time
- (l) Order / Judgment of Hon'ble Appellate Tribunal of Electricity in the matter of Petitions / Appeals filed by DISCOM

Power of Attorney for Lead Member of Consortium

Whereas the(the “Commission”) has invited bids for theAssignment (the “Assignment”).

Whereas,,and

(collectively the “Consortium”) being Members of the Consortium are interested in bidding for the Assignment in accordance with the terms and conditions of the bid document and other related documents in respect of the Assignment, and

Whereas, it is necessary for the Members of the Consortium to designate **CAG Empanelled firm as the Lead Member** with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s bid for the Assignment and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We,.....having our registered office atM/s..... having our registered office at, (hereinafter collectively referred to as the “Principals”) do hereby irrevocably designate, nominate, constitute, appoint and authorize M/s, having its registered office at, being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (herein referred to as the “Attorney”) and hereby irrevocably authorize the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the bidding process and, in the event the Consortium is awarded the Assignment, during the execution of the Assignment, and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of its bid for the Assignment, including but not limited to signing and submission of all applications, bids and other documents and writing, accept the Letter of Award, participate in bidder’s and other conferences, respond to queries, submit information/documents, sign and execute contracts and undertakings consequent to acceptance of the bid of the Consortium and generally to represent the Consortium in all its dealings with the Commission and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out

of the Consortium bid for the Assignment and/or upon award thereof till the Contract is entered into with the Commission.

And hereby agree to ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the power hereby conferred shall and shall always be deemed to have been done by us/Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS.....DAY OF ...20.....

For.....
(Signature, Name & Title)

For.....
(Signature, Name & Title)

For.....
(Signature, Name & Title)

(Executants)
(To be executed by all the members of the Consortium)

Witness:

1.

2.

Notes:

- The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executants(s) and when it is required, the same should be under common seal affixed in accordance with the required procedure.
- Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution/power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.

Annexure B

TECHNICAL BID for NDMC		
Sl. No.	Particular	Details
1	Name of the bidder	
2	Single Firm/Consortium, details to be provided (copy to be attached)	
3	Bidder Registration No. (copy to be attached)	
4	Pan No. (copy to be attached)	
5	GST Registration No. (copy to be attached)	
6	TIN No. (copy to be attached)	
7	Address of the Bidder (Head Office/Registered Office)	
8	Phone No. & Fax No.	
9	Year of Establishment of the Bidder	
10	No. of Partners	
11	Name of Partners & membership no.	
12	No. of Regular Employees	
13	No. of Companies for which Audit was carried out (list of be given as separate annexure along with credentials)	
14	No. of Power Distribution Companies, if any, for which Audit has been carried out (Name to be given as separate annexure along with credentials)	

TECHNICAL BID for NDMC																				
Sl. No.	Particular	Details																		
15	<p>Name of Team Leader and Team Members responsible for this assignment *</p> <p>(with academic qualification & experience):</p> <p>_____</p> <p>_____</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Educational Qualification</th> <th>Experience (in years)</th> </tr> </thead> <tbody> <tr> <td>Team Leader (Finance)</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>Team Member (Finance)-1</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>Team Member- (Finance)-2</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>Team Leader (Engineering)</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>Team Member (Engineering)-1</td> <td>.....</td> <td>.....</td> </tr> </tbody> </table>	Particulars	Educational Qualification	Experience (in years)	Team Leader (Finance)	Team Member (Finance)-1	Team Member- (Finance)-2	Team Leader (Engineering)	Team Member (Engineering)-1	
Particulars	Educational Qualification	Experience (in years)																		
Team Leader (Finance)																		
Team Member (Finance)-1																		
Team Member- (Finance)-2																		
Team Leader (Engineering)																		
Team Member (Engineering)-1																		
16	Estimated time for completion with detailed milestones																			
17	Any other information																			
18	<p>Enclosures:</p> <p>(a) CAG Empanelled Certificate for FY 2020-21</p> <p>(b) Details of single firm consortium</p> <p>(c) Bidder Registration Number</p> <p>(d) Copy of Pan Card</p> <p>(e) Copy of GST Registration</p>																			

TECHNICAL BID for NDMC		
Sl. No.	Particular	Details
	(f) Copy of TIN Registration (g) Original Power of Attorney (h) Supporting documents for turnover of the firm (i) Work Order of assignment in support of experience of bidder (j) Degree/CA Membership Card/Experience Certificates/CV in support of qualification and experience of manpower	

* Membership Number shall be indicated against Chartered Accountants forming part of the team

Name & Signature of the Authorized Person
(Stamp)

Annexure C

FINANCIAL BID for NDMC

Name of the Bidder:

Sl. No.	Particular	Amount (in Rs)	Amount (Rs. in Words)
1	Bid Amount (in Rs.) (Exclusive of taxes)		

Name & Signature of the Authorized Person

(Stamp)

Annexure D

(Contract to be signed by Consultant with DERC)

This ARTICLES OF CONTRACT made on this day of2021

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, includes 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 Consultant (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 Consultant 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 Consultant for Appointment of Auditors for Regulatory Audit of Books of Account of DISCOM) more precisely explained in the ‘Terms of Reference’ contained in the bid document dated_____”.

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

NOW Parties to these Present hereby agree as follows:

1. M/s _____ is hereby appointed as the Consultant for the aforementioned assignment. The Consultant shall commence the assignment from zero date i.e., date of Letter of Award (LoA).
2. The Consultant shall execute and complete the assignment as per the work plan and activity schedule mentioned herein.

WORK PLAN AND ACTIVITY SCHEDULE:

Sl. No.	Description	Time (No. of Days)
1	Placement of officers of the Consultant at DISCOM's Office (NDMC)	
2	Submission of Draft Report to Commission	
3	Presentation to the Commission	
4	Submission of Final Report to the Commission	

SCOPE OF WORK:

3. The activities to be carried out shall be as per the detailed indicative list given under *Annexure A1* of the Bid document.
4. The Scope of Work shall be primarily governed by the Act, Regulations, Policies, Orders, Judgments etc. broadly indicated in *Annexure A2* of the Bid document.
5. Any other services connected with the works usually and normally rendered by the Audit firm, but not referred to herein above.
6. The Consultant shall assume full responsibility for supervision and proper execution of works covered under the scope of contract. The work shall be executed in professional way and with true workmanship.

Other Issues:

7. The above description of scope of work is purely indicative and not exhaustive. Changes/additions can be made by DERC as and when required for better understanding the task, and also on the feedback of the Consultant from time to time to enhance the value of the study, without changing its basic nature.
8. The Consultant agrees and undertakes that the respective tasks shall be performed & completed only by the authorized personnel and that if any change in the composition of the team is necessitated, the consultant (second part) shall seek prior permission of the Commission to effect the changes.
9. The Consultant agrees and undertakes that they will liable to clause 7 & 8 of the bid document.

10. Consultant shall be paid as follows:

- a) For Services Rs. _____ (Rupees _____ only)
- b) Reimbursement of applicable Taxes Rs. _____ (Rupees _____ only)

11. Milestones for payment shall be as follows:

Sl. No.	Milestone	% of contract value
A.	Mobilization Advance against Bank Guarantee of 110% of the Advance amount upon unconditional acceptance of Letter of Award	10%
B	Submission of Draft Report on satisfactory completion of Audit of financial parameters based on interaction with the Commission	50%
C	Submission of consolidated Final Report and acceptance by the Commission	40%

12. The payment of fee to Consultant shall be made by the Commission after the deduction of applicable tax at source.

13. The Consultant shall within 7 working days of signing of this contract provide performance security by way of Bank Guarantee from a Scheduled Bank for an amount equal to 10% (Ten Percent) of the total contract value and security against Mobilization Advance by way of Bank Guarantee from a Scheduled Bank for an amount equal 110% (One Hundred and Ten Percent) of the value of Mobilization Advance, in formats acceptable to the Commission, which shall be valid upto period of 3 (three) months beyond the completion date. The said Bank Guarantees shall be extended suitably in case of extension of period of contract.

14. The Commission shall be entitled to evaluate the interim reports submitted by the Consultant in stages and the Consultant shall incorporate / restructure the report / and auditor's finding as per the recommendations of the Commission within such reasonable time as may be prescribed by the Commission.

15. The Commission shall make payments to the Consultant within 30 days of the date of receipt of Invoice for the individual milestone complete in all respects, in the Commission's office subject to acceptance of deliverables wherever required unless prevented by reasons beyond its control and in the later case, the Consultant shall not be entitled to claim any interest or damages on account of such delay.

16. The Consultant shall be liable to the Commission for the performance of its obligations in this Contract as a result of any default of the Consultant except the following limitations:
- a) The Consultant 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 Consultant.
 - b) The Consultant shall not be liable for any loss or damage caused by or arising out of circumstances over which the Consultant has no control.
 - c) The total liability of the Consultant under this clause shall be limited to 10% of the charges mentioned in Clause 9 (a) except for gross negligence or any damage on account of the Consultant, for which the Consultant shall be fully liable.
 - d) It is mutually agreed between the parties that the time shall be the essence of this CONTRACT. The Consultant, (the party of the second part) shall adhere to the time schedule as prescribed in this CONTRACT 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 CONTRACT, provided that each day of delay beyond time schedule is attributable solely to the CONSULTANT. The Commission's decision in this matter shall be binding on all parties.
17. No TA/DA shall be admissible for the Consultant for local journey in connection with the assignment.
18. The Commission reserves its right to amend, foreclose, terminate or cancel the engagement of the Consultant without assigning any reasons. In such cases Consultant 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.
19. Any information of confidential nature, which may be so marked by the Commission, which comes to the knowledge or in the possession of the Consultant or of any of its employees by virtue of their engagement on subject matter of this contract; shall not be disclosed by the Consultant 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 Consultant to a liability to pay to the Commission such compensation for damages 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 Consultant at the time of its disclosure, (b) independently developed by Consultant without referring to the Commission's confidential information, (c) known to the public through a source other than Consultant, or (d) disclosed to Consultant 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 contract;

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

20. The Consultant undertakes that they are not handling any assignment that would be in conflict with this assignment or place them in a position of not being able to carry out this assignment objectively and impartially.
21. In case the Consultant fails to fulfill its obligations, the Commission would be entitled to invoke the Performance Bank Guarantee furnished by the Consultant and the amount mentioned in the Performance Bank Guarantee shall stand forfeited.
22. In respect of any matter for which no provision has been made in this contract, the provisions contained in the *Delhi Electricity Regulatory Commission (Appointment of Consultants) Regulations, 2001*, shall apply.
23. In case of any differences or disputes between the parties arising out of this CONTRACT, the matter shall be referred to the sole arbitrator nominated by the Commission, in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

IN WITNESS WHEREOF the Authorised Signatory of the Consultant and Secretary to the Commission on behalf of the Commission have thereto put their signature on the day and the year first above written.

()
Authorised Signatory
Consultant

()
Secretary
DERC

Witness:

- 1.
- 2.

Annexure E

Preference of DISCOM(S) for Regulatory Audit Assignment
in case Bidder is emerging Successful

(Applicable for the Bidder who participates for more than one DISCOM Tender covered under different Tender Documents under NIT dated 01/03/2021)

Name of the Bidder:- M/s _____

Sl. No.	Order of Preference of Bidder for Award of work	DISCOM Name
1	First	
2	Second	
3	Third	
4	Fourth	

Name & Signature of the Authorized Person

(Stamp)