

Delhi Electricity Regulatory Commission



Tender

For

**Appointment of Consultants for Review of Capitalization of Assets for
DISCOMs in NCT of Delhi**

March 2017

Viniyamak Bhavan

C-Block, Shivalik

Malviya Nagar

New Delhi 110017

Bid For Appointment of consultants

(March 2017)

Terms and Conditions

1.	<p>DELHI ELECTRICITY REGULATORY COMMISSION invites bids for Appointment of Consultants for Review of Capitalization and Physical Verification of Assets of the DISCOMs, in NCT of Delhi i.e., BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) & Tata Power Delhi Distribution Limited (TPDDL)</p> <p>Method of selection: QCBS (Quality & Cost Based System)</p>
2.	<p>Delhi Electricity Regulatory Commission (hereinafter referred to as the DERC or the Commission) is a body corporate set up by the Government of National Capital Territory of Delhi under the Delhi Electricity Reforms Act, 2000. Some of the major responsibilities assigned to the Commission are:</p> <p>(a) To determine tariff for electricity including wholesale, bulk or retail and for the use of transmission facilities in the National Capital Territory of Delhi</p> <p>(b) To regulate power purchase and procurement process of the distribution licensees including the price at which the power shall be procured from generating companies/stations etc. in the National Capital Territory of Delhi</p> <p>(c) To issue and regulate the licences for transmission, bulk supply, distribution or supply of electricity in the National Capital Territory of Delhi</p> <p>(d) To promote competition efficiency and economy in the activities of the electricity industry in the National Capital Territory of Delhi</p> <p>(e) To regulate the operation of power system in the National Capital Territory of Delhi</p>
3.	<p><u>Scope of Work / Terms of Reference :</u></p> <p>The Commission intends to hire consultancy services for under taking review of capital expenditure, capitalization and physical verification of assets of DISCOMs namely, BRPL, BYPL & TPDDL for the FY 2004-05 to FY 2005-06 & FY 2011-12 to FY 2015-16.</p> <p>The Commission has carried out the work for Capex Review & Capitalization of DISCOMs for FY 2006-07 to 2010-11 through consultant. The scope of work covered physical verification of 25% of EHV schemes & 10% of HT/ LT schemes. The Commission, through this assignment, intends to get the leftover schemes from FY 2006-07 to 2010-11 physically verified including review of de-capitalization of the assets for these schemes.</p> <p>The Commission in its various tariff orders has approved on provisional basis, capital</p>

	<p>expenditures, capitalization for the period referred above. Further, the DISCOMs from time to time may need to retire/ de-capitalize the assets which are not deemed fit for use because of wear & tear or due to obsolescence or any other reason.</p> <p>The tentative nos. of schemes claimed for capitalization by DISCOMs year-wise is enclosed as <u>Annexure-I</u>.</p>
3 A.	<p>Review of capital expenditure, capitalization and physical verification of assets of DISCOMs for FY 2004-05 to FY 2005-06 & FY 2011-12 to FY 2015-16</p> <p>The scope of work/terms of reference for review of capitalization and physical verification of assets of DISCOMs shall be as under :</p> <p>The Consultant would be required to verify the year-wise capitalization during FY 2004-05 to FY 2005-06 & FY 2011-12 to FY 2015-16, reflected in the audited books of DISCOMs. While verifying the year-wise capitalization as above, the Consultant shall:</p> <ul style="list-style-type: none"> i) examine 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes capitalized, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured. ii) examine procurement contracts representing 100% of the amount capitalized in miscellaneous schemes, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured. iii) analyze various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc. with respect to approvals, guidelines and instructions issued by the Commission from time to time. The Consultant shall also examine the various sources of funding of capitalization such as Equity, Debt & Consumer contribution, rates & timings of borrowings, etc. iv) physically verify 100% of EHV, HT & LT schemes. v) examine the de-capitalization of the assets of the DISCOM, based on the information submitted by the DISCOMs. vi) comment on the reasonableness of quantities procured/utilized, capitalization claimed vis-à-vis quantity and estimate 'in-principle'

	<p>approved by the Commission.</p> <p>vii) check linkage of schemes with procurement, store and location of that equipment at site, in the SAP system and/or through GIS mapping.</p> <p>viii) after finalization of report, if required, attend meetings and provide support in Commission/ ATE etc. for issues related to report submitted.</p> <p>Note: For the period FY 2004-05 to FY 2005-06, the consultant shall, in addition to Capitalization, also review the capital expenditure incurred by the DISCOMs. In the context of review of capital expenditure for the above period, the consultant shall reconcile the expenditure incurred for the materials issued from the stores to different schemes at site, cash expenditure on account of contract labour, civil works etc., Interest During Construction, and Incidental Expenditure during construction for the schemes under progress during the period of review, which have not been capitalized during the above period. In this regard, the consultant shall also carry out the activities as stipulated at (i), (ii) & (iii) of Scope above.</p>
3 B.	<p>Physical verification of assets and review of de-capitalization of leftover schemes from FY 2006-07 to 2010-11</p> <p>The Consultant shall:</p> <p>i) physically verify 100% of leftover EHV, HT & LT schemes from FY 2006-07 to 2010-11.</p> <p>ii) examine the de-capitalization of the assets of the DISCOM for leftover schemes, based on the information submitted by the DISCOMs.</p> <p>Number of leftover schemes for FY 2006-07 to 2010-11 is also indicated in Annexure-I</p>
4.	<p>Technical approach & methodology:</p>
4.1	<p>A kick off meeting shall be held in the Commission in presence of the consultant and representatives of the DISCOMs within 7 days of award of assignment. Documents/information related to the assignment and formats in which the information is required shall be finalized.</p>
4.2	<p>Methodology for Scope of Work mentioned at Para 3 A</p> <p>i) Activity as per Scope: <i>The Consultant shall examine 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes capitalized, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured.</i></p>

Methodology:

1. The consultant shall perform scrutiny of Reports and documents pertaining to tendering, evaluation, purchase orders, stores, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes capitalized.
2. The consultant shall perform scrutiny of documents relating to bidding guidelines involved in the tendering of the above.
3. The specific documents shall be scrutinized relating to each scheme:
 - i. Request For Proposals (RFPs)
 - ii. Advertisements of RFPs
 - iii. Response to RFPs from interested parties/ bidders
 - iv. Bid Evaluation documents
4. For evaluating the compliance with the competitive bidding guidelines the consultants shall perform an Independent Bid evaluation on eligibility of bidders and their scores as per the bid parameters. The findings of this Independent Evaluation shall be compared with the actual Bid Evaluation Reports and the major discrepancies if any shall be highlighted.
5. Related party transactions, if any, shall be specifically scrutinized and reported.
6. As to the reasonableness of the cost at which the equipment have been procured, secondary research shall be undertaken for obtaining information on cost of the similar items being purchase by any other utility/ organization in other states. Available cost schedules shall also be considered for the evaluation.

ii) **Activity as per Scope:** *The Consultant shall examine procurement contracts representing 100% of the amount capitalized in miscellaneous schemes, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured.*

Methodology:

1. The consultant shall perform scrutiny of Procurement contracts representing 100% of the amount capitalized in miscellaneous schemes.
2. The consultant shall perform scrutiny of documents relating to bidding guidelines involved in the tendering of the above.
3. The specific documents shall be scrutinized relating to each scheme:
 - i. Request For Proposals (RFPs)
 - ii. Advertisements of RFPs
 - iii. Response to RFPs from interested parties/ bidders
 - iv. Bid Evaluation documents

4. For evaluating the compliance with the competitive bidding guidelines the consultants shall perform an Independent Bid evaluation on eligibility of bidders and their scores as per the bid parameters. The findings of this Independent Evaluation shall be compared with the actual Bid Evaluation Reports and the major discrepancies if any shall be highlighted.
 5. Related party transactions, if any, shall be specifically scrutinized and reported.
 6. As to the reasonableness of the cost at which the equipment have been procured, secondary research shall be undertaken for obtaining information on cost of the similar items being purchase by any other utility/ organization in other states. Available cost schedules shall also be considered for the evaluation.
- iii) **Activity as per Scope:** *The Consultant shall analyze various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc. with respect to approvals, guidelines and instructions issued by the Commission from time to time. The Consultant shall also examine the various sources of funding of capitalization such as Equity, Debt & Consumer contribution, rates & timings of borrowings, etc.*

Methodology:

1. The consultant shall scrutinize various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc.
2. The consultant shall undertake analysis on adherence to guidelines and instructions issued by the Commission, time to time.
3. The consultant shall examine various sources of funding of capitalization such as Equity, Debt & Consumer contribution, rates & timings of borrowings, etc. Supporting documents for funding shall be examined to establish that the funds have been raised and utilized for the items capitalized in accordance with the guidelines and instructions issued by the Commission, time to time and highlight major discrepancies, if any.
4. Components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc. shall be benchmarked using the approvals, guidelines and instructions issued by the Commission, time to time and major discrepancies, if any shall be highlighted.
5. For IDC calculations, apart from interest rates allowed by the Commission, the consultant shall also examine time schedules/ time taken for completion of scheme. For the purpose of IDC benchmarking the consultant shall also

calculate normative IDC for various types of schemes on the basis of completion schedule of different schemes and compare with actual IDC claimed by the DISCOM. IDC shall not be allowed for any delay in completion of scheme, attributable to DISCOM.

- iv) **Activity as per Scope:** *The Consultant shall physically verify 100% of EHV, HT & LT schemes.*

Methodology:

1. The consultant shall develop a suitable verification format and get it approved from the Commission.
2. The consultant shall collect all necessary documents such as Bill of Quantity, Fixed Asset Register, GIS Maps etc. required for linkage of assets installed at site with the schemes.
3. The consultant shall carry out physical verification of assets under the schemes vis-à-vis the In-principle approval, Bill of Quantity, Fixed Asset Register, GIS Maps etc. of the schemes.
4. The assets shall be verified on-field for :
 - a. Availability of the assets on the indicated locations
 - b. Matching the location of the assets from GIS Maps
 - c. Matching of asset no./ s.no. etc. of asset with FAR/ BOQ
 - d. Specification of the assets as per the contract.

- v) **Activity as per Scope:** *The Consultant shall examine the de-capitalization of the assets of the DISCOM.*

Methodology:

1. Based on the information provided by the DISCOMs, in regard to assets not found on site during physical verification (Activity (iv) above), the consultant shall flag such missing assets in following categories:
 - (i) Assets not found
 - (ii) Assets decapitalized
 - (iii) Assets augmented
2. The details of de-capitalization carried out by DISCOM in its audited accounts shall be analyzed, especially with respect to "Date of Capitalization of asset", "Date of de-capitalization of asset", "GFA on the Date of Capitalization of asset", & "GFA on the Date of de-capitalization of asset".
3. The consultant shall scrutinize details of de-capitalization, in light of

replacement/augmentation schemes capitalized by DISCOM.

4. The consultant shall recompute the details of decapitalization of assets, in light of the Regulations issued by the Commission, and highlight the discrepancies.
 5. For the assets claimed to be augmented, the replaced asset shall be traced to the site informed by the DISCOM. The consultant shall examine the treatment given to the replaced asset and report accordingly.
- vi) **Activity as per Scope:** *The Consultant shall comment on the reasonableness of quantities procured/utilized, capitalization claimed vis-à-vis quantity and estimate 'in-principle' approved by the Commission.*

Methodology:

1. The consultant shall scrutinize procurement contracts by which the quantities capitalized are procured.
 2. The consultant shall scrutinize capitalization claimed vis-à-vis estimate 'in-principle' approved by the Commission.
 3. The consultant shall highlight the schemes in which actual capitalization is in excess of 15% of the approved cost of the scheme.
 4. The consultant shall highlight the schemes for which 'In-principle' approval of the Commission is not made available.
 5. As to the reasonableness of the quantity of the equipments procured and capitalization claimed, secondary research shall be undertaken for obtaining information on quantities of similar schemes by any other utility/ organization in other states.
- vii) **Activity as per Scope:** *The consultant has to check linkage of schemes with procurement, store and location of that equipment at site, in the SAP system and/or through GIS mapping.*

Methodology:

1. The consultant shall obtain access to SAP system and GIS Network Map of the Distribution Utilities.
2. The linkages of schemes shall be assessed on:
 - a. Procurement
 - b. Store
 - c. Location of equipment at site

	<p>viii) Activity as per Scope: <i>After finalization of report, the consultant, if required, shall attend meetings and provide support in Commission/ ATE etc. for issues related to report submitted.</i></p> <p>Methodology:</p> <ol style="list-style-type: none"> 1. The consultant shall maintain a copy of the report and all background information used during the course of assignment. 2. The consultant shall attend meetings and provide support in Commission/ ATE etc. for issues related to report submitted as and when required. 3. The consultant shall present evidences, data, information etc. in Commission/ ATE etc. in issues related to the assignment.
4.3	<p>Methodology for Scope of Work mentioned at Para 3 B</p> <p>i) Activity as per Scope: <i>The Consultant shall physically verify 100% of leftover EHV, HT & LT schemes from FY 2006-07 to 2010-11.</i></p> <p>Methodology:</p> <ol style="list-style-type: none"> 1. The consultant shall develop a suitable verification format and get it approved from the Commission. 2. The consultant shall collect all necessary documents such as Bill of Quantity, Fixed Asset Register, GIS Maps etc. required for linkage of assets installed at site with the schemes. 3. The consultant shall carry out physical verification of assets under the schemes vis-à-vis the In-principle approval, Bill of Quantity, Fixed Asset Register, GIS Maps etc. of the schemes. 4. The assets shall be verified on-field for : <ol style="list-style-type: none"> a. Availability of the assets on the indicated locations b. Matching the location of the assets from GIS Maps c. Matching of asset no./ s.no. etc. of asset with FAR/ BOQ d. Specification of the assets as per the contract. <p>ii) Activity as per Scope: <i>The Consultant shall examine the de-capitalization of the assets for leftover schemes of the DISCOM.</i></p> <p>Methodology:</p> <ol style="list-style-type: none"> 1. Based on the information provided by the DISCOMs, in regard to assets not

found on site during physical verification (Activity (iv) above), the consultant shall flag such missing assets in following categories:

- (i) Assets not found
- (ii) Assets decapitalized
- (iii) Assets augmented

2. The details of de-capitalization carried out by DISCOM in its audited accounts shall be analyzed, especially with respect to "Date of Capitalization of asset", "Date of de-capitalization of asset", "GFA on the Date of Capitalization of asset", & "GFA on the Date of de-capitalization of asset".

3. The consultant shall scrutinize details of de-capitalization, in light of replacement/augmentation schemes capitalized by DISCOM.

4. The consultant shall recompute the details of decapitalization of assets, in light of the Regulations issued by the Commission, and highlight the discrepancies.

5. For the assets claimed to be augmented, the replaced asset shall be traced to the site informed by the DISCOM. The consultant shall examine the treatment given to the replaced asset and report accordingly.

4.4 **Minimum Resource Deployment per DISCOM :**

Personnel	Minimum Qualification	Number of Personnel
Team Leader	Essential- BE (Electrical/ Mechanical) Desirable- MBA or equivalent	1
Resource Deployment Document verification & Analysis		
Regulatory Expert	Essential- BE (Electrical) Desirable- MBA or equivalent	1
Financial Expert	Essential- MBA or CA or equivalent	1
Document Surveyor	BBA/ B. Com	4
Resource Deployment for Physical Verification of Assets		
Technical Expert	BE (Electrical)	1
Supervisor	Diploma in Electrical Engg.	4
Field Surveyor	ITI	8

Note: If required, the consultant shall deploy additional resources to indicated above so as to complete the assignment within the timelines stipulated in Clause 6 of this document. No additional payment shall be made for deployment of such additional resources by the consultant.

5. **Submission of Report:** The consultant shall prepare the report for Verification of year-wise capitalization, covering the terms of reference. Consultant shall submit two

	<p>separate reports -</p> <ol style="list-style-type: none"> 1. Report for FY 2004-05 to FY 2005-06 and 2. Report for FY 2011-12 to 2015-16 and Physical Verification of assets and review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11.
6.	<p>Completion of Assignment: The consultant shall complete the assignment as detailed at Para 3A & 3B:</p> <ol style="list-style-type: none"> a) For Capex review of FY 2004-05 to FY 2005-06 within Six months from the date of award. b) For Capex review of FY 2011-12 to 2015-16 and Physical Verification & review of de-capitalization of assets of FY 2006-07 to 2010-11 within: <ul style="list-style-type: none"> • Twelve months from the date of award for BYPL • Fifteen months from the date of award for TPDDL • Eighteen months from the date of award for BRPL <p>The consultant shall furnish a progress report every fortnight in the format decided by the Commission. The Commission shall review the progress every month. The Commission may relax completion period, if there are reasons beyond the control of consultant to complete the assignment; however no extra payment shall be granted for such delay.</p>
7.	<p>The Commission shall facilitate the consultant in making available necessary information/documents from the DISCOM, that may be required in carrying out the assignment, such as :</p> <ul style="list-style-type: none"> • List of EHV, HT, & LT and miscellaneous schemes • Detailed BOQ of schemes indicating SAP nos. & Item codes of various equipments • GIS maps of the schemes • Fixed Asset Register • Details of 'in-principle' approval by the Commission • Scheme wise break-up of capitalization amount into Material, labour & transportation, civil works, A&G, Employee cost, IDC, RR charges, LD if any, etc. • Scheme wise details such as Date of start, scheduled & actual dates of completion, date of capitalization etc. • Details of funding of Capitalization • RR receipts issued by civic agencies • Request For Proposals (RFPs), Bid Evaluation documents, Purchase orders etc • EI certificates • Reconciliation report in case of Deposit Schemes • Details of de-capitalization such as, date of Capitalization and de-

	<p>capitalization of asset, GFA on the Date of Capitalization and Date of de-capitalization of asset, etc</p> <ul style="list-style-type: none"> • Data relating to stores • Any other information that would be essentially required for completion of the assignment. • Relevant Guidelines/Policies/Directions issued by the Commission
8.	<p>The address for submission of proposal and requesting clarifications is:</p> <p>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>
9.	<p>The bidder should possess expertise in the following areas:</p> <ul style="list-style-type: none"> • Proven experience of handling assignments for power utilities/ infrastructure companies/ government departments/ PSUs, with respect to estimation of cost, BOQ of Capital Expenditure Schemes (Capex), Capitalisation, Procurement process etc. in last ten years. The relevant documents of such experience shall also be submitted along with Technical Bid. • Bidder must demonstrate expertise in costing of both electrical and civil works including the engineering aspects. <p>Note: Bidder shall submit Completion certificate/ Work Order in support of the assignments carried out. Any experience not supported by the Completion certificate/ Work Order shall not be considered during evaluation.</p> <p>The bidder shall meet the following minimum criteria:-</p> <ul style="list-style-type: none"> • Minimum Annual Turnover (MAT) of the bidder for any three of the last five financial years as annualized should be more than Rupees One Crore. • The bidders shall submit copies of Annual Financial Report (Balance Sheet and profit & Loss A/c) of last three years, PAN/TIN No. and filing of Income Tax return for last three years.
10.	<p>For this assignment, consultants shall set up a project office in Delhi and deploy adequate resources during the course of this assignment and endeavour to ensure completion as per schedule.</p>
11.	<p>Bidders who 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 and dedicated for the task. The key professional staff shall be the same as proposed in the Form 2 of the bid document and normally not be changed during the course of the assignment unless approved by the Commission.</p>

12.	<p>Bidder can be a Government entity or a Government owned company/PSU or a private firm or consortium, with one lead partner for submitting the proposals.</p> <p>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 service shall be provided along with the bid. There should be a written, binding agreement between the members of the consortium. Qualifications & responsibilities of the lead partner and other members of the consortium shall be clearly spelled out. As regards to Minimum Annual Turnover (MAT) criteria given in Para 9 above, the lead partner shall meet not less than 40% of the criteria. Each of the other partner(s) shall meet individually not less than 25 % of the criteria and the Consortium must collectively meet the criteria given at Para 9 above. The bid shall be submitted by the lead partner along with the copy of the arrangement/ agreement. Change in consortium shall not be permitted before award of the Contract. Change in consortium after award of the Contract is permissible only after approval of the Commission.</p>
13.	<p>The bidder 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 bidder shall not be hired for any assignment that would be in conflict with their obligations in last 5 years from the Bid Opening date with Delhi DISCOMs or Delhi DISCOMs' sister concern/parent company/related parties or that may place them in a position of not being able to carry out the assignments objectively and impartially.</p> <p>The bidder shall not be hired for any assignment whose Key Staff (Team Leader, Regulatory Expert, Technical Expert, & Financial Expert) would be in conflict with their obligations in last 5 years from the Bid Opening date with Delhi DISCOMs or Delhi DISCOMs' sister concern/parent company/related parties.</p> <p>Bidders shall furnish whether they have undertaken any such work for the DISCOMs in Delhi in last 5 years. Wherever any party is currently undertaking any of the above work or has undertaken the same over the last five years for any DISCOM in Delhi, the bidder shall not be assigned the work related to that particular DISCOM.</p> <p>The bidder 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</p>

	<p>of not being able to carry out the assignments objectively and impartially.</p> <p>The Commission's decisions in these matters will be final and binding on all parties.</p> <p>The Bidder shall disclose the details of all assignments undertaken during last five years, as per Form-6.</p>																		
14.	<p>i. Proposals, all related documents and subsequent reports (in case of selection as Consultant) shall be submitted in ENGLISH only.</p> <p>ii. Bidders are required to quote the prices in Indian currency only exclusive of taxes and other statutory levies.</p> <p>Proposals must remain valid for 3 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.</p>																		
15.	<p>The Bid Schedule shall be as under:</p> <table border="1"> <tr> <td>1</td> <td>Pre-bid meeting with prospective bidders</td> <td>30.03.2017 at 1500 hrs</td> </tr> <tr> <td>2</td> <td>Last Date of Receipt of Bid Proposals</td> <td>07.04.2017 at 1500 hrs</td> </tr> <tr> <td>3</td> <td>Opening of Technical Bids</td> <td>07.04.2017 at 1600 hrs</td> </tr> <tr> <td>4</td> <td>Evaluation results of Technical Bids</td> <td>21.04.2017</td> </tr> <tr> <td>5</td> <td>Opening of Financial Bids</td> <td>25.04.2017 at 1600 hrs</td> </tr> <tr> <td>6</td> <td>Selection and Award of Assignment</td> <td>01.05.2017</td> </tr> </table> <p>Note: The time line for S.no. 4, 5 & 6 may be changed in the interest of expediting the work.</p>	1	Pre-bid meeting with prospective bidders	30.03.2017 at 1500 hrs	2	Last Date of Receipt of Bid Proposals	07.04.2017 at 1500 hrs	3	Opening of Technical Bids	07.04.2017 at 1600 hrs	4	Evaluation results of Technical Bids	21.04.2017	5	Opening of Financial Bids	25.04.2017 at 1600 hrs	6	Selection and Award of Assignment	01.05.2017
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16.	<p>i. Separate Technical and Financial proposals are required to be submitted for the assignment. Separate sealed covers shall be submitted for the Financial Bid, Technical Bid, and EMD. The Bidder shall submit only one original set of the Bid. The envelopes shall mention name of assignment and content of envelope (Technical Bid/Financial Bid/EMD) at the top, and the name of the submitting bidder at the left hand corner of the envelope. The bids shall be submitted in the enclosed formats (Form 1 to 5).</p> <p>ii. Bidders may quote for any number of DISCOMs (total 3 nos. of DISCOMs).</p> <p>iii. Earnest Money Deposit of Rs. 50000/- (Rupees Fifty Thousand only) in form of a Pay Order/ Demand Draft in favour of the Secretary, DERC, payable at New Delhi, shall be kept in a separate sealed envelope. Any tender not</p>																		

	<p>accompanied by acceptable Earnest Money Deposit will be summarily rejected as non-responsive.</p> <p>iv. <u>All the three envelopes, i.e., technical bid, financial bid and Earnest Money Deposit shall be sealed in a large envelope. This envelope shall mention name of assignment at the top and the name of the submitting bidder at the left hand corner of the envelope. In case, separate envelope carrying suitable EMD is not found in the large envelope, technical bid of such bidders shall not be opened.</u></p> <p>v. The Technical bids shall not indicate particulars of the Financial bids otherwise the bids shall be liable to be rejected. All Technical documents like literature, catalogues, etc. shall be placed in the same sealed cover.</p> <p>vi. The proposal shall clearly indicate the names 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 in accordance with Form 3.</p> <p>vii. 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. Further, any cutting, addition or overwriting on any page of the bid, shall be clearly marked and signed by the authorized signatory.</p> <p>viii. 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, shall be submitted.</p>
17.	<p>Criterion for Technical evaluation-</p> <ul style="list-style-type: none"> • <u>Specific experience of the bidders</u> relevant to the assignment, mandatorily accompanied by completion certificates/work orders. • <u>Qualification and competency of the Key professional staff</u>, who will be actually working on the project, will be evaluated. 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). • <u>Quality of capabilities</u> highlighted by the bidder during the presentation on following aspects related to the assignment : <ul style="list-style-type: none"> ➤ Understanding of the objectives of the assignment ➤ Approach to the assignment ➤ Understanding of the Methodology for carrying out the assignment ➤ Compatibility of methodology with proposed approach ➤ Understanding of the Terms of Reference

- Ability to translate the TOR into a feasible work plan
- Work plan and work schedule

Technical Evaluation Criteria is summarized as under:

Criteria	Maximum Marks Allotted
The bidder relevant experience for the assignment (A)	20
Assignments undertaken in last ten years for power utilities/ infrastructure companies/ government departments/ PSUs with respect to following:	
<ul style="list-style-type: none"> ➤ Verifying documentation related to procurements, review of cost estimate, BOQ, Verification of Stores, and related documentation (5 marks per assignment, maximum marks-10) -10 marks ➤ Physical verification of assets, monitoring of physical progress of project (5 marks per assignment, maximum marks-10) -10 marks 	
The qualification of the key staff proposed (B)	60
Team Leader - An Electrical/ Mechanical engineer having relevant experience	
Minimum 8 years of experience in power Transmission & distribution sector/ regulatory matters/ procurements & stores	15
Master in Business Administration or equivalent	10
Regulatory Expert - An Electrical engineer having relevant experience	
Minimum 3 years of experience in power Transmission & distribution sector/ regulatory matters	10
Master in Business Administration or equivalent	5
Financial Expert - A Professional in Finance (Master in Business Administration / Chartered Accountant or equivalent) having relevant experience	
Minimum 3 years of experience in power Transmission & distribution sector/ regulatory matters/ procurements & stores	10
Technical Expert - An Electrical engineer having relevant experience	
Minimum 3 years of experience in power Transmission & distribution sector	10
The Quality of capabilities highlighted by the bidder during the presentation (C)	20
The bidder shall give a presentation highlighting their capabilities on following aspects related to the assignment :	
<ul style="list-style-type: none"> ➤ Understanding of the objectives of the assignment ➤ Approach to the assignment ➤ Understanding of the Methodology for carrying out the assignment ➤ Compatibility of methodology with proposed approach ➤ Understanding of the Terms of Reference ➤ Ability to translate the TOR into a feasible work plan ➤ Work plan and work schedule 	
Total (A + B + C)	100

The Commission reserves the right to reject the candidature of one or more bidders at the stage of evaluation of the Technical Bid if the Commission is of the opinion that the participation of such bidder(s) in this sensitive exercise of prudence check would be detrimental to public interest.

18.

The technical bids shall be qualifying in nature and shall have no bearing on financial evaluation.

Qualifying Criteria in Technical Bid:

	<p>i) The bidders have to secure minimum 50% of the marks under each head i.e., bidder Experience, Qualification of the Key Staff, and the capabilities highlighted during the presentation, to qualify.</p> <p style="text-align: center;">&</p> <p>ii) The minimum qualifying total score, for the Technical Bid shall be 70.</p> <p>The financial bids of only those bidders shall be opened who qualify in technical bids. After completion of the technical evaluation, the Commission shall inform those bidders whose proposals do not meet the minimum qualifying mark or are considered non-responsive to the Technical requirement, and 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 notice board of the Commission's Office. Such selected bidders may attend the opening of financial bids at the office of the Secretary, DERC on scheduled date or as intimated by the Commission.</p>
19.	<p>Financial Evaluation:</p> <p>The financial proposals of the pre-qualified bidders shall be opened by the Evaluation Committee in presence of those bidders or their representatives whose bids are short listed after technical evaluation.</p> <p>i. The proposal with lowest quote (L1) shall be considered for award of assignment.</p> <p>ii. In case, numbers of qualified bidders are less, the Commission may award work of two or more DISCOMs to one bidder. However, the Commission will prefer awarding work of not more than one DISCOM to a qualified lowest bidder, in the interest of expediting the work.</p> <p>iii. If any of the qualified bidders is L1 in more than one DISCOM, he will have to convince the Commission that he has adequate resources to do the work of another DISCOM in scheduled time. Otherwise, Commission will have the right to award the tender to other bidders as per rules.</p>
20.	<p>The Commission will discuss the detailed work plan with the selected bidder. Any suggestions that the bidder has, related to staff details, activities to be undertaken by the consultants, 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.</p>
21.	<p>Having selected the Consultant, DERC shall award a contract on the basis of the</p>

	<p>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 Consultant during which senior/key personnel of Consultant shall be present.</p>
22.	<p>i. The successful bidders shall enter into a separate contract agreement with the Commission for work of each DISCOM awarded to them in the prescribed format as per Annexure 'III' and shall commence the assignment as per schedule assigned by the Commission.</p> <p>ii. The successful bidder shall furnish a "Performance Bank Guarantee" equal to 10% of the value of contract, which shall be valid for 60 days after the completion of the assignment.</p> <p>iii. If the bidder, finally selected for award of contract on basis of above procedure, fails to enter into a contract within the seven working days from the award of work, the Commission may invite L2 bidder for award of the contract for carrying out the assignment.</p>
23.	<p>The consultant shall not utilize or publish or disclose or part with any statistics, data or information collected for the purpose of Commission, without the written consent of the Commission. The consultant shall be duty bound to hand over the entire records of assignment to the Commission before the expiry of the contract.</p>
24.	<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>
25.	<p>The financial proposal submitted in Form 5 shall be a firm and unconditional proposal for the execution of the scope of assignment given in the contract.</p>
26.	<p>Deliverables and timelines shall be as per Annexure 'II': The Consultant shall deliver the following to DERC for above scope of work:-</p> <ul style="list-style-type: none"> • The work plan of the assignment. • Back-up data/information/documents to justify the physical verification of assets. • Any other report/data incidentally required. • Soft copy of all the documents along with source codes
27.	<p>The bidder shall submit separate financial bids in respect of the Scope of work in Form 5. The evaluation shall be made based on the total value of contract.</p>
28.	<p>Other Issues: The above description of scope of consultancy is purely indicative and not exhaustive. Changes/additions can be made by DERC as a better</p>

understanding develops, to enhance the value of the study, without changing its basic nature.

29.

Terms of payment

Consultant shall be paid Consultancy charges on completion of milestones as under

Milestones as per which invoices for fees shall be raised by consultant	% of contract value
Mobilization fees*(against submission of a Bank Guarantee of equivalent amount in a format acceptable to the Commission)	10%
Submission of Draft Report for FY 2004-05 to 2005-06	10 %
Submission of final Report to the Commission for FY 2004-05 to 2005-06	10%
After acceptance of Report by the Commission for FY 2004-05 to 2005-06	10%
Submission of Draft Report for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	20%
Submission of final Report to the Commission for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	30%
After acceptance of Report by the Commission for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	10%

*Mobilization fees shall be released against submission of an additional Bank Guarantee of equivalent amount in a format acceptable to the Commission, or else this 10% payment shall be released along with 10% payment due after submission of draft report for FY 2004-05 to 2005-06.

- o If during the course of execution of the assignment, the Commission decides to change the number of schemes for Physical verification, payment shall be made on pro-rata basis for actual number of schemes physically verified. Number of schemes for Physical verification may vary by $\pm 15\%$ from quantity mentioned in form 5.
- o Consultancy charges in respect of analysis, discussion, support, presentation before the Commission during the meeting etc. shall be inclusive in total contract value.
- o No other charges shall be payable. The consultant shall furnish lump sum remuneration / cost including all expenditure such as travelling, stationary, telephone etc. The service charges/taxes shall be quoted separately.
- o All payments as indicated above shall be released within Thirty (30) days of the receipt of invoice subject to terms and conditions as per the agreement executed between the consultant and DERC

PROPOSAL SUBMISSION LETTER

**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 assignments relating to.....in accordance with your bid (ref. No.)

We are hereby submitting our proposal for assignment 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 we have not undertaken any assignment during last 5 years, are not presently handling any assignment, and shall not take up any assignment during currency of this 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.

A demand draft/pay order no. _____dt. _____for Rs. 50,000/- 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**Relevant services carried out in the last five years**
that best illustrate qualifications

(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 Consultants, if any:	
6. No. Of Months of Professional Staff Provided by Associated Consultants	
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, completion certificate 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	
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

Technical Proposal

Format of Task Schedule for Professional Staff proposed for assignment

Name	Position	TASK	Committed Time schedule (in days/week)
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.

We hereby submit our Financial Proposals in Form 5 for the assignment. We are quoting for _____ nos. of DISCOMs, namely _____.

We hereby confirm that the financial proposal in Form 5 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 5

Yours sincerely,

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

Financial Proposal**Summary of cost****Name of DISCOM- BSES Rajdhani Power Limited (BRPL)****Part-A**

Item	No. of Schemes		Rate per Scheme (INR)	Total Amount (INR)
Physical verification of assets of 100% of EHV, HT & LT schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16 and leftover schemes of FY 2006-07 to 2010-11	EHV	517		
	HT	8270		
	LT	5529		
Examination of 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16	Lump sum			
Examination of procurement contracts representing 100% of the amount capitalized in miscellaneous schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16	Lump sum			
Review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	Lump sum			
Total (INR)				

Part-B

Item	No. Of Days	Rate per Day	Total Amount
Charges (Inclusive of TA, DA & all local expenses) to attend meeting and hearings in the Commission/ ATE etc., as and when required, for issues related to report submitted (after finalization and approval of the report)	15		
Total (INR)			

Grand Total (Part-A + Part-B) = Rs._____**Grand Total in Words:** _____

Note: 1. Quoted amount shall be exclusive of all taxes & statutory levies.

2. In case the Bidder is not interested to quote for the DISCOM, it shall be clearly specified in the amount column "**Not Quoted**".

Authorized Signatory

Financial Proposal**Summary of cost****Name of DISCOM- BSES Yamuna Power Limited (BYPL)****Part-A**

Item	No. of Schemes		Rate per Scheme (INR)	Total Amount (INR)
Physical verification of 100% of EHV, HT & LT schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16 and leftover schemes of FY 2006-07 to 2010-11	EHV	281		
	HT	4771		
	LT	3166		
Examination of 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16	Lump sum			
Examination of procurement contracts representing 100% of the amount capitalized in miscellaneous schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16	Lump sum			
Review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	Lump sum			
Total (INR)				

Part-B

Item	No. Of Days	Rate per Day	Total Amount
Charges (Inclusive of TA, DA & all local expenses) to attend meeting and hearings in the Commission/ ATE etc., as and when required, for issues related to report submitted (after finalization and approval of the report)	15		
Total (INR)			

Grand Total (Part-A + Part-B) = Rs. _____**Grand Total in Words:** _____

Note: 1. Quoted amount shall be exclusive of all taxes & statutory levies.

2. In case the Bidder is not interested to quote for the DISCOM, it shall be clearly specified in the amount column "**Not Quoted**".

Authorized Signatory

Financial Proposal**Summary of cost****Name of DISCOM- TATA Power Delhi Distribution Limited (TPDDL)**

Part-Item	No. of Schemes		Rate per Scheme (INR)	Total Amount (INR)
Physical verification of 100% of EHV, HT & LT schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16 and leftover schemes of FY 2006-07 to 2010-11	EHV	719		
	HT	8199		
	LT	2673		
Examination of 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16	Lump sum			
Examination of procurement contracts representing 100% of the amount capitalized in miscellaneous schemes (covering any other associated activity as per scope of work) for FY 2004-05 to 2005-06 & 2011-12 to 2015-16	Lump sum			
Review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	Lump sum			
Total (INR)				

Part-B

Item	No. Of Days	Rate per Day	Total Amount
Charges (Inclusive of TA, DA & all local expenses) to attend meeting and hearings in the Commission/ ATE etc., as and when required, for issues related to report submitted (after finalization and approval of the report)	15		
Total (INR)			

Grand Total (Part-A + Part-B) = Rs. _____**Grand Total in Words:** _____

Note: 1. Quoted amount shall be exclusive of all taxes & statutory levies.

2. In case the Bidder is not interested to quote for the DISCOM, it shall be clearly specified in the amount column "**Not Quoted**".

Authorized Signatory

Technical Proposal**Disclosure of assignments carried out in last five years**

S.No.	Assignment	Client's Name and Address	Start date	Completion date

This is to certify that no assignment other than mentioned above was undertaken during last five years.

(Authorized Signatory)

Annexure-I

Name of the DISCOM: BRPL

(Rs. Cr.)

FY	EHV Schemes		HT Schemes		LT Schemes		Misc./Others Amount	Total	
	Nos.	Amount	Nos.	Amount	Nos.	Amount		Nos.	Amount
2004-05	36	35.23	611	161.95	223	5.73	62.73	870	265.64
2005-06	182	138.55	1269	484.75	1056	43.97	111.67	2507	778.94
2006-07 to 2010-11	147	126.28	3597	505.23	2533	211.37	-	6275	862.25
2011-12	27	16.38	239	50.65	171	24.44	64.25	437	155.72
2012-13	24	84.91	672	97.68	342	51.35	79.03	1038	312.97
2013-14	37	67.07	651	123.05	439	30.85	85.46	1127	306.43
2014-15	37	92.39	582	140.87	274	24.82	79.56	893	337.64
2015-16	27	124.57	649	121.26	491	23.44	113.97	1167	383.24
Total	517		8270		5529			14314	

Name of the DISCOM: BYPL

(Rs. Cr.)

FY	EHV Schemes		HT Schemes		LT Schemes		Misc. / Others Amount	Total	
	Nos.	Amount	Nos.	Amount	Nos.	Amount		Nos.	Amount
2004-05	30	19.55	500	152.90	199	7.54	45.8	729	225.79
2005-06	96	97.10	645	140.01	464	20.28	103.4	1205	360.79
2006-07 to 2010- 11	70	85.00	2352	170.00	1754	198.00	-	4176	453.00
2011-12	5	5.01	203	31.88	79	16.24	43.83	287	96.96
2012-13	11	5.18	94	10.58	43	8.49	44.88	148	69.13
2013-14	22	45.02	254	32.41	151	10.75	60.39	427	148.57
2014-15	21	69.20	339	59.26	207	30.50	86.06	567	245.02
2015-16	26	73.21	384	54.11	269	43.42	273.82	679	444.56
Total	281		4771		3166			8218	

Name of the DISCOM: TPDDL

(Rs. Cr.)

FY	EHV Schemes		HT Schemes		LT Schemes		Misc. / Others Amount	Total	
	Nos.	Amount	Nos.	Amount	Nos.	Amount		Nos.	Amount
2004-05	41	16.49	483	139.69	281	4.43	80.38	805	240.99
2005-06	69	67.39	770	137.12	509	33.01	90.76	1348	328.28
2006-07 to 2010- 11	422	85.35	3130	559.06	548	75.96	-	4100	720.37
2011-12	41	34.15	604	178.80	98	17.01	116.21	743	346.17
2012-13	26	31.43	777	190.74	91	15.21	119.89	894	357.27
2013-14	30	28.24	741	208.74	36	5.61	100.39	807	342.98
2014-15	37	55.05	703	162.98	17	2.33	98.02	757	318.38
2015-16	53	120.46	991	124.58	1093	15.39	102.32	2137	362.75
Total	719		8199		2673			11591	

Deliverables and Timelines shall be as per the following WORK PLAN AND ACTIVITY SCHEDULE

S. No.	Description	Time schedule
1	Placement of consultants	Date of award of order
2	Kick off Meeting	
3	Submission of Draft Report for FY 2004-05 to 2005-06	
4	Presentation on Draft Report to the Commission for FY 2004-05 to 2005-06	
5	Submission of final Report to the Commission for FY 2004-05 to 2005-06.	
6	Submission of Draft Report for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	
7	Presentation on Draft Report to the Commission for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	
8	Submission of final Report to the Commission for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	

Note: - The bidder shall fill-up deliverables and timelines as per his proposed activity schedule to complete the assignment within stipulated time.

(Contract Agreement to be signed by Consultant with DERC)

This ARTICLES OF AGREEMENT made on this day of2016

BETWEEN:

Delhi Electricity Regulatory Commission, a statutory Body set up by the Government of NCT of Delhi under the Delhi Electricity Reform 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, herein after referred to as the **Party** or 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, on the basis of open bid has awarded the contract to the party of the SECOND part as a Consultant for work of Review of Capitalization and Physical Verification of Assets of the Distribution licensee viz. explained in the 'Terms of reference' contained in the bid document dated

The Consultant has 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 consultant of the Commission for the aforementioned assignment. The Consultant shall commence the assignment from zero date, i.e. Date of Award. The Consultant 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 schedule
1	Placement of consultants	Date of award of order
2	Kick off Meeting	
3	Submission of Draft Report for FY 2004-05 to 2005-06	
4	Presentation on Draft Report to the Commission for FY 2004-05 to 2005-06	
5	Submission of final Report to the Commission for FY 2004-05 to 2005-06.	
6	Submission of Draft Report for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	
7	Presentation on Draft Report to the Commission for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	
8	Submission of final Report to the Commission for FY 2011-12 to 2015-16 and Physical Verification of assets & review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	

2. Scope of Work / Terms of Reference :

A. Review of capital expenditure, capitalization and physical verification of assets of DISCOMs for FY 2004-05 to FY 2005-06 & FY 2011-12 to FY 2015-16

The scope of work/terms of reference for review of capitalization and physical verification of assets of DISCOMs shall be as under:

The Consultant would be required to verify the year-wise capitalization during FY 2004-05 to FY 2005-06 & FY 2011-12 to FY 2015-16, reflected in the audited books of DISCOMs. While verifying the year-wise capitalization as above, the Consultant shall undertake the following:

- i) The Consultant shall examine 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts,

invoice & payments etc. for all the LT, HT & EHV schemes capitalized, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured.

- ii) The Consultant shall examine procurement contracts representing 100% of the amount capitalized in miscellaneous schemes, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured.
- iii) The Consultant shall analyze various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc. with respect to approvals, guidelines and instructions issued by the Commission from time to time. The Consultant shall also examine the various sources of funding of capitalization such as Equity, Debt & Consumer contribution, rates & timings of borrowings, etc.
- iv) The Consultant shall physically verify 100% of EHV, HT & LT schemes.
- v) The Consultant shall examine the de-capitalization of the assets of the DISCOM, based on the information submitted by the DISCOMs.
- vi) The Consultant shall comment on the reasonableness of quantities procured/utilized, capitalization claimed vis-à-vis quantity and estimate 'in-principle' approved by the Commission.
- vii) The consultant has to check linkage of schemes with procurement, store and location of that equipment at site, in the SAP system and/or through GIS mapping.
- viii) After finalization of report, the consultant, if required, shall attend meetings and provide support in Commission/ ATE etc. for issues related to report submitted.

Note: For the period FY 2004-05 to FY 2005-06, the consultant shall, in addition to Capitalization, also review the capital expenditure incurred by the DISCOMs. In the context of review of capital expenditure for the above period, the consultant shall reconcile the expenditure incurred for the materials issued from the stores to different schemes at site, cash expenditure on account of contract labour, civil works etc., Interest During Construction, and Incidental Expenditure during construction for the schemes under progress during the period of review, which have not been capitalized during the above period. In this regard, the consultant shall also carry out the activities as stipulated at (i), (ii) & (iii) of Scope above.

B. Physical verification of assets & review of de-capitalization of leftover schemes from FY 2006-07 to 2010-11

The scope of work/terms of reference for review of capitalization and physical verification of assets of DISCOMs shall be as under:

- i) The Consultant shall physically verify 100% of leftover EHV, HT & LT schemes from FY 2006-07 to 2010-11.
- ii) The Consultant shall examine the de-capitalization of the assets of the DISCOM for leftover schemes, based on the information submitted by the DISCOMs

3.

3.1 A kick off meeting shall be held in the Commission in presence of the consultant and representatives of the DISCOMs within 7 days of award of assignment. Documents/information related to the assignment and formats in which the information is required shall be finalized.

3.2 Methodology for Scope of Work mentioned at Para 2 A:

- i) **Activity as per Scope:** *The Consultant shall examine 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes capitalized, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured.*

Methodology:

1. The consultant shall perform scrutiny of Reports and documents pertaining to tendering, evaluation, purchase orders, stores, road restoration receipts, invoice & payments etc. for all the LT, HT & EHV schemes capitalized.
2. The consultant shall perform scrutiny of documents relating to bidding guidelines involved in the tendering of the above.
3. The specific documents shall be scrutinized relating to each scheme:
 - v. Request For Proposals (RFPs)
 - vi. Advertisements of RFPs
 - vii. Response to RFPs from interested parties/ bidders
 - viii. Bid Evaluation documents
4. For evaluating the compliance with the competitive bidding guidelines the consultants shall perform an Independent Bid evaluation on eligibility of bidders and their scores as per the bid parameters. The findings of this Independent Evaluation shall be compared with the actual Bid Evaluation Reports and the major discrepancies if any shall be highlighted.

5. Related party transactions, if any, shall be specifically scrutinized and reported.
6. As to the reasonableness of the cost at which the equipment have been procured, secondary research shall be undertaken for obtaining information on cost of the similar items being purchase by any other utility/ organization in other states. Available cost schedules shall also be considered for the evaluation.

ii) Activity as per Scope: *The Consultant shall examine procurement contracts representing 100% of the amount capitalized in miscellaneous schemes, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which the equipment have been procured.*

Methodology:

1. The consultant shall perform scrutiny of Procurement contracts representing 100% of the amount capitalized in miscellaneous schemes.
2. The consultant shall perform scrutiny of documents relating to bidding guidelines involved in the tendering of the above.
3. The specific documents shall be scrutinized relating to each scheme:
 - v. Request For Proposals (RFPs)
 - vi. Advertisements of RFPs
 - vii. Response to RFPs from interested parties/ bidders
 - viii. Bid Evaluation documents
4. For evaluating the compliance with the competitive bidding guidelines the consultants shall perform an Independent Bid evaluation on eligibility of bidders and their scores as per the bid parameters. The findings of this Independent Evaluation shall be compared with the actual Bid Evaluation Reports and the major discrepancies if any shall be highlighted.
5. Related party transactions, if any, shall be specifically scrutinized and reported.
6. As to the reasonableness of the cost at which the equipment have been procured, secondary research shall be undertaken for obtaining information on cost of the similar items being purchase by any other utility/ organization in other states. Available cost schedules shall also be considered for the evaluation.

iii) Activity as per Scope: *The Consultant shall analyze various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc. with respect to approvals, guidelines and instructions issued by the Commission from time to time. The Consultant shall also examine the various sources of funding of capitalization such as Equity, Debt & Consumer contribution, rates & timings of borrowings, etc.*

Methodology:

1. The consultant shall scrutinize various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc.
2. The consultant shall undertake analysis on adherence to guidelines and instructions issued by the Commission, time to time.
3. The consultant shall examine various sources of funding of capitalization such as Equity, Debt & Consumer contribution, rates & timings of borrowings, etc. Supporting documents for funding shall be examined to establish that the funds have been raised and utilized for the items capitalized in accordance with the guidelines and instructions issued by the Commission, time to time and highlight major discrepancies, if any.
4. Components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc. shall be benchmarked using the approvals, guidelines and instructions issued by the Commission, time to time and major discrepancies, if any shall be highlighted.
5. For IDC calculations, apart from interest rates allowed by the Commission, the consultant shall also examine time schedules/ time taken for completion of scheme. For the purpose of IDC benchmarking the consultant shall also calculate normative IDC for various types of schemes on the basis of completion schedule of different schemes and compare with actual IDC claimed by the DISCOM. IDC shall not be allowed for any delay in completion of scheme, attributable to DISCOM.

iv) Activity as per Scope: *The Consultant shall physically verify 100% of EHV, HT & LT schemes.*

Methodology:

1. The consultant shall develop a suitable verification format and get it approved from the Commission.
2. The consultant shall collect all necessary documents such as Bill of Quantity, Fixed Asset Register, GIS Maps etc. required for linkage of assets installed at site with the schemes.
3. The consultant shall carry out physical verification of assets under the schemes vis-à-vis the In-principle approval, Bill of Quantity, Fixed Asset Register, GIS Maps etc. of the schemes.
4. The assets shall be verified on-field for :

- a. Availability of the assets on the indicated locations
- b. Matching the location of the assets from GIS Maps
- c. Matching of asset no./ s.no. etc. of asset with FAR/ BOQ
- d. Specification of the assets as per the contract.

v) Activity as per Scope: *The Consultant shall examine the de-capitalization of the assets of the DISCOM.*

Methodology:

1. Based on the information provided by the DISCOMs, in regard to assets not found on site during physical verification (Activity (iv) above), the consultant shall flag such missing assets in following categories:
 - (i) Assets not found
 - (ii) Assets decapitalized
 - (iii) Assets augmented
2. The details of de-capitalization carried out by DISCOM in its audited accounts shall be analyzed, especially with respect to "Date of Capitalization of asset", "Date of de-capitalization of asset", "GFA on the Date of Capitalization of asset", & "GFA on the Date of de-capitalization of asset".
3. The consultant shall scrutinize details of de-capitalization, in light of replacement/augmentation schemes capitalized by DISCOM.
4. The consultant shall recompute the details of decapitalization of assets, in light of the Regulations issued by the Commission, and highlight the discrepancies.
5. For the assets claimed to be augmented, the replaced asset shall be traced to the site informed by the DISCOM. The consultant shall examine the treatment given to the replaced asset and report accordingly.

vi) Activity as per Scope: *The Consultant shall comment on the reasonableness of quantities procured/utilized, capitalization claimed vis-à-vis quantity and estimate 'in-principle' approved by the Commission.*

Methodology:

1. The consultant shall scrutinize procurement contracts by which the quantities capitalized are procured.
2. The consultant shall scrutinize capitalization claimed vis-à-vis estimate 'in-principle' approved by the Commission.
3. The consultant shall highlight the schemes in which actual capitalization is in excess of 15% of the approved cost of the scheme.

4. The consultant shall highlight the schemes for which 'In-principle' approval of the Commission is not made available.
5. As to the reasonableness of the quantity of the equipments procured and capitalization claimed, secondary research shall be undertaken for obtaining information on quantities of similar schemes by any other utility/ organization in other states.

vii) Activity as per Scope: *The consultant has to check linkage of schemes with procurement, store and location of that equipment at site, in the SAP system and/or through GIS mapping.*

Methodology:

1. The consultant shall obtain access to SAP system and GIS Network Map of the Distribution Utilities.
2. The linkages of schemes shall be assessed on:
 - a. Procurement
 - b. Store
 - c. Location of equipment at site

viii) Activity as per Scope: *After finalization of report, the consultant, if required, shall attend meetings and provide support in Commission/ ATE etc. for issues related to report submitted.*

Methodology:

1. The consultant shall maintain a copy of the report and all background information used during the course of assignment.
2. The consultant shall attend meetings and provide support in Commission/ ATE etc. for issues related to report submitted as and when required.
3. The consultant shall present evidences, data, information etc. in Commission/ ATE etc. in issues related to the assignment.

3.3 Methodology for Scope of Work mentioned at Para 2 B:

i) Activity as per Scope: *The Consultant shall physically verify 100% of leftover EHV, HT & LT schemes from FY 2006-07 to 2010-11.*

Methodology:

1. The consultant shall develop a suitable verification format and get it approved from the Commission.

2. The consultant shall collect all necessary documents such as Bill of Quantity, Fixed Asset Register, GIS Maps etc. required for linkage of assets installed at site with the schemes.
3. The consultant shall carry out physical verification of assets under the schemes vis-à-vis the In-principle approval, Bill of Quantity, Fixed Asset Register, GIS Maps etc. of the schemes.
4. The assets shall be verified on-field for :
 - a. Availability of the assets on the indicated locations
 - b. Matching the location of the assets from GIS Maps
 - c. Matching of asset no./ s.no. etc. of asset with FAR/ BOQ
 - d. Specification of the assets as per the contract.

ii) Activity as per Scope: *The Consultant shall examine the de-capitalization of the assets for leftover schemes of the DISCOM.*

Methodology:

1. Based on the information provided by the DISCOMs, in regard to assets not found on site during physical verification (Activity (iv) above), the consultant shall flag such missing assets in following categories:
 - (i) Assets not found
 - (ii) Assets decapitalized
 - (iii) Assets augmented
2. The details of de-capitalization carried out by DISCOM in its audited accounts shall be analyzed, especially with respect to "Date of Capitalization of asset", "Date of de-capitalization of asset", "GFA on the Date of Capitalization of asset", & "GFA on the Date of de-capitalization of asset".
3. The consultant shall scrutinize details of de-capitalization, in light of replacement/augmentation schemes capitalized by DISCOM.
4. The consultant shall recompute the details of decapitalization of assets, in light of Regulations issued by the Commission, and highlight the discrepancies.

For the assets claimed to be augmented, the replaced asset shall be traced to the site informed by the DISCOM. The consultant shall examine the treatment given to the replaced asset and report accordingly.

3.4 Minimum Resource Deployment per DISCOM: (details to be filled in as mentioned in bid document)

Personnel	Name	Qualification	Number of Personnel
Team Leader			1
Resource Deployment Document verification & Analysis			
Regulatory Expert			1
Financial Expert			1
Document Surveyor			4
Resource Deployment for Physical Verification of Assets			
Technical Expert			1
Supervisor			4
Field Surveyor			8

Note: If required, the consultant shall deploy additional resources to indicated above so as to complete the assignment within the timelines stipulated in Clause 5 of this document. No additional payment shall be made for deployment of such additional resources by the consultant.

- 4. Submission of Report:** The consultant shall prepare the report for Verification of year-wise capitalization, covering the terms of reference. Consultant shall submit two separate reports -
1. Report for FY 2004-05 to FY 2005-06 and
 2. Report for FY 2011-12 to 2015-16 and Physical Verification of assets and review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11.
- 5. Completion of Assignment:** The consultant shall complete the assignment:
- a) For Capex review of FY 2004-05 to FY 2005-06 within Six months from the date of award.
 - b) For Capex review of FY 2011-12 to 2015-16 and Physical Verification and review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11 within:
 - Twelve months from the date of award for BYPL
 - Fifteen months from the date of award for TPDDL

- Eighteen months from the date of award for BRPL

The consultant shall furnish a progress report every fortnight in the format decided by the Commission. The Commission shall review the progress every month. The Commission may relax completion period, if there are reasons beyond the control of consultant to complete the assignment; however no extra payment shall be granted for such delay.

6. agrees and undertakes that the respective tasks shall be performed & completed only by the personnel mentioned in clause 3 of this document 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.
7. The Commission shall facilitate the consultant in making available necessary information/documents from the DISCOM, that may be required in carrying out the assignment, such as :
 - List of EHV, HT, & LT and miscellaneous schemes
 - Detailed BOQ of schemes indicating SAP nos. & Item codes of various equipments
 - GIS maps of the schemes
 - Fixed Asset Register
 - Details of 'in-principle' approval by the Commission
 - Scheme wise break-up of capitalization amount into Material, labour & transportation, civil works, A&G, Employee cost, IDC, RR charges, LD if any, etc.
 - Scheme wise details such as Date of start, scheduled & actual dates of completion, date of capitalization etc.
 - Details of funding of Capitalization
 - RR receipts issued by civic agencies
 - Request For Proposals (RFPs), Bid Evaluation documents, Purchase orders etc
 - EI certificates
 - Reconciliation report in case of Deposit Schemes
 - Details of de-capitalization such as, date of Capitalization and de-capitalization of asset, GFA on the Date of Capitalization and Date of de-capitalization of asset, etc
 - Data relating to stores
 - Any other information that would be essentially required for completion of the assignment.
 - Relevant Guidelines/Policies/Directions issued by the Commission

8. Consultant shall be paid as under:

(1) Consultancy charges of Rs..... (Rupeesonly) excluding all taxes & statutory levies, as applicable in respect of milestone achieved for completion of assignment shall be as under:

Milestones as per which invoices for fees shall be raised by consultant	% of contract value
Mobilization fees*(against submission of a Bank Guarantee of equivalent amount in a format acceptable to the Commission)	10%
Submission of Draft Report for FY 2004-05 to 2005-06	10 %
Submission of final Report to the Commission for FY 2004-05 to 2005-06	10%
After acceptance of Report by the Commission for FY 2004-05 to 2005-06	10%
Submission of Draft Report for FY 2011-12 to 2015-16 and Physical Verification and review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	20%
Submission of final Report to the Commission for FY 2011-12 to 2015-16 and Physical Verification and review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	30%
After acceptance of Report by the Commission for FY 2011-12 to 2015-16 and Physical Verification and review of de-capitalization of leftover schemes of FY 2006-07 to 2010-11	10%

*Mobilization fees shall be released against submission of an additional Bank Guarantee of equivalent amount in a format acceptable to the Commission, or else this 10% payment shall be released along with 10% payment due after submission of draft report for FY 2004-05 & 2005-06.

- (2) a) The Consultant 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 Consultant the consultant 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 consultant at any stage and the Consultant 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 consultant 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 Consultant shall not be entitled to claim any interest or damages on account of such delay.
- 9.** No TA/DA shall be admissible for the Consultant for journeys in connection with the Consultancy.
- 10.** The Commission reserves its right to 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.
- 11.** In case of any differences or disputes between the parties arising out of this AGREEMENT, the Chairperson, Delhi Electricity Regulatory Commission shall be the sole Arbitrator. However, the Chairperson, Delhi Electricity Regulatory Commission may nominate any other officer of the Commission as Arbitrator.
- 12.** 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 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 agreement. Provided further that the obligation of confidentiality on Consultant shall not apply where such confidential information is required to be disclosed under any law.
- 13.** The Consultant 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.

14. A team constituted by the Commission shall evaluate the deliverables submitted by the Consultant. The team shall finalize the deliverables within 15 days of receipt of the same from the Consultant. The Consultant shall within a reasonable time incorporate/restructure the deliverables as per the recommendations of the said team.
15. It is mutually agreed between the parties that the time will be the essence of this CONTRACT/AGREEMENT. The Consultant, 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 to pay a penalty upto Rs.5000/- per day, for each day of delay attributable solely to the CONSULTANT's subject to the maximum amount of 10% of total contract value stipulated in this AGREEMENT. The Commission may relax completion period, if there are reasons beyond the control of consultant to complete the assignment; however no extra payment shall be granted for such delay. The Commission's decision in the matter will be binding on all parties.
16. 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.
17. 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 CONSULTANT shall apply. All the letters issued by the Commission and the proposal and clarifications submitted by the CONSULTANT shall form part of this agreement.

IN WITNESS WHEREOF Shri _____, an authorized officer of the Consultant and Secretary to the Commission on behalf of the Commission have hereto put their hands on the day and the year first above written.

(_____)

On behalf of
Consultant

Witness:

1.

2.

(_____)

Secretary
DERC