

**Price Rs. 1000/- (Demand Draft)
(Non-Refundable)**

HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR – 4, PANCHKULA – 134112, HARYANA
Phones 0172 – 2563052, 2582532, 2572298, Fax 2572359
Website: www.herc.gov.in, E-mail: herc-chd@nic.in



BID DOCUMENT
FOR ENGAGING A CONSULTANT / CONSULTANCY FIRM FOR CONDUCTING
STUDY OF THE CAPITAL EXPENDITURE PLANS OF THE DISTRIBUTION
COMPANIES OF HARYANA i. e. UTTAR HARYANA BIJLI VITRAN NIGAM
LIMITED & DAKSHIN HARYANA BIJLI VITRAN NIGAM LIMITED

January, 2012

1.0 INTRODUCTION

Haryana Electricity Regulatory Commission was established on 17th August 1998 as an independent statutory body corporate as per the provision of the Haryana Electricity Reform Act, 1997. Haryana was the second State in India to initiate the process of Reform & Restructuring of the Power Sector in India.

The Haryana Electricity Reform Act 1997 (Act No. 10 of 1998) was passed by the Haryana State Legislative Assembly on 22nd of July 1997. After receiving the Presidential assent on 20th February, 1998, this Act came into force on 14th August 1998. The erstwhile Haryana State Electricity Board was unbundled into two corporate bodies namely **Haryana Power Generation Company Limited (HPGCL)** for the Generation of Power and **Haryana Vidyut Prasaran Nigam Limited (HVPNL)** for the Transmission & Distribution of power within the state of Haryana. Subsequently, the activity of distribution and retail supply of power was entrusted w.e.f. 1st July 1999, to **Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL)** for north circles and to **Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)** for south circles of Haryana.

The Government of India notified The Electricity Act, 2003 with effect from 10th June 2003. However, in Haryana the provisions of the Electricity Act 2003 were deferred by six months from 10th June 2003 vide notification No. 1/4/2003-IP dated 8.9.2003. Therefore, in Haryana provisions of the Electricity Act, 2003 as well as the provisions of the Haryana Electricity Reform Act, 1997, which are not inconsistent with the Electricity Act, 2003, are applicable.

The broad objectives of the Electricity Act, 2003 as incorporated in its preamble is to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies

regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.

2.0 FUNCTIONS OF THE COMMISSION

The Commission discharges the Functions as defined under Section-86 of the Electricity Act, 2003.

3.0 TERMS OF REFERENCE

An important component of the Aggregate Revenue Requirement is the Capital Expenditure proposed by the distribution companies. The Commission observes that Capital Expenditure in a dynamic environment in the State power sector, where customer base is increasing, demand is growing; availability of power is increasing at a rapid rate including power brought in by the open access customers thereby putting additional pressure on the state transmission as well as distribution system, is an important tool to carry forward the objectives set forth in the future growth strategy of the organization. **The Commission feels that both Capital Expenditure planning and executing the plan is a weak link and needs to be brought into sharp focus.** Therefore, the Commission desires to engage a reputed Party for conducting study of all the capital works under Capital Expenditure Plans, undertaken by the two Distribution Companies of Haryana i.e. Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL) & Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL), during the last three financial years i.e. 2008-09, 2009-10 & 2010-11.

The Third Party to be engaged would conduct study of the Capital Expenditure Plans of the two distribution companies for last three financial years i.e. 2008-2009, 2009-10 & 2010-11 and give year wise report on the following:-

- (i) Work wise report:-
 - Complete detail of the capital work included in the Capex with quantity and capital expenditure approved by the Commission.

- Estimated cost of the capital work.
 - Date when the work was initially undertaken.
 - Expenditure on the work incurred earlier if any and during the Capex plan year.
 - Quantum of the work executed earlier and during the Capex plan year.
 - Detail of the work spilled over to next year along with quantity and cost.
 - Detail of cost and time over run for each work.
 - Accuracy of the cost estimates of the capital works i.e. whether the same were executed at a lower or higher cost.
 - Due diligence of the data (Capex) submitted by the utilities and reconciliation of variance if any.
- (ii) Deviations from the works approved by the Commission.
- (iii) Detail of unapproved capital works executed if any with quantity and cost.
- (iv) Date on which each capital work approved by the Commission is transferred to the Fixed Asset Register with its location and cost.
- (v) Examination / analysis of the basis of undertaking the specific capital works.
- (a) Whether based on load reduction plan or for improvement in quality of supply such as voltage, trippings etc.
- (b) What were the targets and the actual achievements thereof.
- (vi) Whether any other option / alternative existed or explored to achieve the desired results instead of pumping in more funds with little or no results.
- (vii) Expected / actual results obtained in terms of loss reduction, system parameters improvement, the quality of works done and payback period of capex.
- (viii) Improvement in Standards of Performance and quality of supply to the consumers.

4.0 ELIGIBILITY AND QUALIFICATION REQUIREMENTS

4.1 The bid invitation is open to the consultancy Agencies / Parties / Companies who meet the qualification requirements stipulated below. The bidder shall provide satisfactory evidence of:

- i) Being a consultancy agency / party / company, who has during the last 3 years, undertaken consultancy of the type required for the purpose and has the requisite technical, financial and legal knowledge and held an experience to carry out such assignment. The consultancy agency must have a sound understanding of legal and regulatory framework governing the power sector.
- ii) The bidder should have annual turnover of at least Rs. 5 (Five) Million in consultancy business during the last three financial years (enclose adequate proof).
- iii) Possess a valid Income Tax clearance certificate.

Requirements as specified above are minimum requirements; Haryana Electricity Regulatory Commission (HERC) reserves the right to seek any additional / supplementary information and also reserves the right to reject the proposal of any/all bidder, if in the opinion of HERC, the qualification data is incomplete or the bidder(s) is not found qualified for the assignment.

5.0 COST OF BIDDING

5.1 All costs and expenses direct / incidental to preparation and submission of the bids shall be on account of the bidders. HERC will, under no circumstances, be responsible or liable for these costs / expenses regardless of the conduct or outcome of the tendering process.

6.0 BID DOCUMENTS

6.1 The services required, bidding process, contract terms and technical requirements are prescribed in the bid documents. The bidder is expected to examine all instructions, forms, schedules, terms, specifications and other information provided therein. Failure to provide all requisite information or submission of a bid not substantially responsive to the Bid Documents will be at Bidder's risk and may result in rejection of the same.

6.2 The bidder is advised to examine the bid documents and fully inform himself regarding all the terms and conditions which may in any way affect the performance of the contract or the cost thereof. If any bidder finds any ambiguity, discrepancies or omissions in the bid, he may notify HERC in writing, by fax or email who will respond in writing, by fax or email to any request for clarification of the bid document, which it receives at least 10 (ten) days prior to the deadline for submission of bids. A written copy of HERC's response (without identifying the source) will be sent to all prospective bidders who have purchased the Bid Documents. All such interpretations and clarifications shall form part of specifications and documents and accompany the Bidder's proposal. No verbal communications / information provided by HERC or the Staff / Consultants of HERC shall in any way be binding on HERC.

7.0 AMENDMENT

7.1 HERC reserves the right to issue amendments, clarifications etc. to the Bid Documents to all the Bidders who have purchased the Bid Documents, providing reasonable time prior to the opening of the bid. Such amendments / clarifications etc. shall be given due consideration by the Bidders while they submit the Bids and invariably enclose such documents as a part of the bid. All such amendments, clarifications etc, shall be mailed by HERC to the prospective bidders at the address provided in the letter of request for issue of Bid Documents. HERC shall not be responsible or liable for non – receipt of the same in time or otherwise.

7.2 In order to afford prospective Bidders reasonable time in which to take an amendment into consideration in preparing their bid, HERC may, at its discretion, extend the deadline for submission of bids.

8.0 PREPARATION OF BIDS

8.1 LANGUAGE OF BID

The Bid prepared by the Bidder and all correspondence and documents relating to the bid exchanged by the Bidder and HERC shall be written in English.

8.2 DOCUMENTS COMPRISING THE BID

8.3 Bid submitted by the Bidder shall comprise the following documents:

- a) The Bid document together with all Forms and Attachments to the Bid document, duly completed and signed at each page by the Bidder.
- b) Price Schedules duly completed by the Bidder.

8.4 Each Bidder shall submit with its bid the following attachments.

- (a) Attachment 1: Processing Fee

Processing Fee furnished in accordance with the amount prescribed.

- (b) Attachment 2: Power of Attorney.

A power of attorney, duly attested by a 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 in accordance with format and signing of the Bid.

- (c) Attachment 3: Bidder's Qualifications

The documentary evidence established in accordance with the information to bidders that bidder is qualified to perform the contract if its bid is accepted. It

shall establish to HERC's satisfaction that the bidder has the financial, technical and other capabilities to perform the contract and in particular meets the experience and qualification criteria i.e. minimum required qualification for key staff shall be degree in the relevant field with at least 7 years experience in the related area. Bids submitted by a joint venture or a consortium of two or more firms as partners shall comply with the following requirements:

- (i) The bid shall be signed so as to be legally binding on all partners.
- (ii) One of the partners responsible for performing a key component of the contract shall be designated as leader; this authorization shall be evidenced by submitting with the bid Power of Attorney signed by legally authorized signatories.
- (iii) The leader shall be authorized to incur liabilities and receive instructions for and on behalf of any and all partners of the joint venture or consortium and the entire execution of the contract, including payment, shall be done exclusively with the leader.
- (iv) All partners of the joint venture or consortium shall be liable jointly and severally for the execution of the contract in accordance with the contract terms.
- (v) A copy of the agreement entered into by the joint venture or consortium partners shall be submitted with the bid.

A firm can be a partner in only one joint venture or consortium; bids submitted by joint venture or consortium including the same firm as partner will be rejected.

8.5 BID FORM AND PRICE SCHEDULE

The Bidder shall complete the enclosed Bid Forms and the appropriate Price Schedules as contained in the “Technical Proposal” and “Financial Proposal” of the Bid Documents.

8.6 BID PRICES

8.7 Bidders shall quote for the entire services on a “single responsibility” basis such that the total bid price covers all the Contractor’s obligations mentioned in or to be reasonably inferred from the Bid Documents.

8.8 Price quoted by the Bidder shall be Fixed and not subject to adjustment during performance of the contract to reflect changes in the cost of labor, material, etc.

8.9 CURRENCY OF BID

8.10 Price shall be quoted in Indian Rupees only.

8.11 BID VALIDITY PERIOD

8.12 Bids should be kept valid for acceptance for a period of four (4) calendar months from the date of opening of bids. The bids valid for a period shorter than specified period shall be rejected as being non-responsive.

8.13 In exceptional circumstances, prior to expiry of the original bid validity period, HERC may request the Bidder for a specified extension in the period of validity. The request and the responses thereto shall be made in writing, by fax or electronic mail. A Bidder may refuse the request but in such case the processing fee shall not be refunded. A bidder agreeing to the request will neither be required nor permitted to modify his bid.

8.14 PROCESSING FEE

8.15 The Bidder shall furnish as part of its bid, processing fee of Rupees five (5) thousand only in the form of crossed bank draft drawn in favour of the Secretary, HERC, Panchkula, Haryana. The processing fee shall not be refundable.

8.16 FORMAT AND SIGNING OF THE BID

8.17 Two part bid procedure shall be adopted for preparation, submission and evaluation of the bids. The Bidder shall prepare and submit the bid in three separate envelopes containing the following documents:-

Part-I

- (a) Processing Fee (Envelope-I)
- (b) Technical proposal (Envelope-II)

Part-II

Financial Proposal (Envelope-III)

8.18 The Part-I of the bid shall contain the processing fee and the supporting documents specified in Technical Proposal. **This part shall not contain any indication about the bid prices in any manner, whatsoever. Non-compliance of this provision shall result in the rejection of the bid.**

8.19 The Part-II of the bid shall contain full particulars of the quoted rates and price as required under Financial Proposal.

8.20 The bidder shall prepare an original and two (2) copies/sets of the Bid clearly marking each one as “Original Bid”, “Copy No. 1”, “Copy no. 2”, etc. as appropriate. In the event of any discrepancy between them the original shall govern.

8.21 The original and all copies of the bid, each consisting of the documents listed in Clause 8.2 (Documents comprising the Bid), shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons authorized to sign the Bid.

8.22 The name of all person or persons signing the bid should also be typed or printed below the signature. The person or persons signing the Bid shall initial all pages of the bid, except for un-amended printed literature.

- 8.23** Bid by a partnership firm must be furnished with full names of all partners and be signed with the partnership name, followed by the signature(s) and designation(s) of the authorized partner(s) or other authorized representative(s) (Authenticated copy of Partnership Deed shall be furnished along with the Bid).
- 8.24** Bid by Corporation/Company must be signed with the legal name of the Corporation/Company by the President, Managing Director, or by the Secretary or other person or persons authorized to sign bid on behalf of such Corporation/Company in the matter.
- 8.25** A Bid by a person who affixes to his signature the word ‘President’, ‘Managing Director’, ‘Secretary’, ‘Agent’, or other designation without disclosing his principal will be rejected.
- 8.26** Satisfactory evidence of authority of the person signing on behalf of the Bidder shall be furnished with the bid in the form of a Power of Attorney, duly attested by a Notary Public, indicating that the persons signing the bid have the authority to sign the bid and that the bid is binding upon the Bidder during the full period of its validity.
- 8.27** The Bidder’s name stated on the proposal shall be the exact legal name of the firm.
- 8.28** Any interlineations, erasures or overwriting shall only be valid if they are initialed by signatory(ies) to the Bid.
- 8.29** Bid not conforming to the above requirements of signing may be disqualified.

9.0 PREPARATION OF TECHNICAL PROPOSAL

- 9.1** In preparing the Technical Proposal, the bidders are expected to examine the documents constituting the bid documents in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.
- 9.2** While preparing the Technical Proposal, the bidders must give particular attention to the following:

- (i) If a firm considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or entities in a joint venture or sub consultancy, as appropriate. Consulting Agency may associate with the other consulting agency invited for this assignment only with approval of the HERC.
- (ii) It is desirable that the majority of the key professional staff proposed should be permanent employees of the firm or has an extended and stable working relationship with it.
- (iii) Proposed key professional staff must, at a minimum, have the experience of 7 years in related area, preferably working under conditions similar to those prevailing in the country of the assignment.
- (iv) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
- (v) Reports to be issued by the consultants as part of this assignment must be in English. It is desirable that the firm's personnel have a working knowledge of English.

9.3 The Technical Proposal shall provide the following information using the attached Standard Forms:

- (i) A brief description of the firm's organization and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles of the staff proposed, duration of the assignment, contract amount, and firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference.
- (iii) A description of the methodology and work plan for performing the assignment.

- (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member.
- (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last seven (7) years.
- (vi) Any additional information which may be required by the Commission.

9.4 The Technical Proposal shall not contain any indication about the bid prices in any manner, whatsoever. Non-compliance of this provision shall result in the rejection of the bid.

10.0 PREPARATION OF FINANCIAL PROPOSAL

- 10.1** In preparing the Financial Proposal, the bidders are expected to take into account the requirements and conditions outlined in the Bid documents. The Financial Proposal should follow Standard Forms. It lists all costs associated with the assignment, including (a) manpower costs and (b) other costs such as establishment expenses, travel expenses etc.
- 10.2** The Financial Proposal should clearly identify, as a separate amount, the local taxes, duties, fees, levies, and other charges imposed under the law, on the bidder.
- 10.3** Bidders may express the price of their services in Indian Rupees only.
- 10.4** The proposal must remain valid for four (4) calendar months from the date of opening the bids. During this period, the consultant is expected to keep available the professional staff proposed for the assignment. HERC will make its best effort to award the work within this period.
- 10.5** The Financial Proposal shall be submitted on the pro-forma appended to the Bid Document.

11.0 SUBMISSION OF BIDS

11.1 SEALING AND MARKING OF BIDS

11.2 The Bidder shall seal the original and each copy of the bid in separate envelopes duly marking envelopes as “Original Bid” and “Copy no----“. The envelopes shall then be sealed in an outer envelope.

11.3 The inner and outer envelopes shall:

(a) be sealed addressed to the **Secretary, Haryana Electricity Regulatory Commission, Bays No. 33-36, Sector – 4, Panchkula, 134112** and;

(b) bear the following identification:-

i) Inner envelopes: **“Processing Fee”** or **“Technical Proposal”** or **“Financial Proposal”** (as appropriate) for the **“Bid for study of Capex”**. The **“Financial Proposal”** should also be marked with warning **“Do not open with Technical Proposal”**.

ii) Outer envelopes: **“Bid for study of Capex”**

11.4 The inner envelopes shall also indicate the name and address of the Bidder so that the Bid can be returned unopened in case it is declared “late”.

11.5 If the outer envelope is not sealed and marked as required by sub-clause 11.3 above, HERC will assume no responsibility for the Bid’s misplacement or premature opening. If the outer envelope discloses the Bidder’s identity, HERC will not guarantee the anonymity of the bid submission, but this disclosure will not constitute grounds for bid rejection.

11.6 DEADLINE FOR SUBMISSION OF BIDS

11.7 Bids must be received in the office of the Secretary, HERC on or **before 1400 hours of 16th February, 2012**. In the event of the date of submission of Bids being declared as holiday for HERC, the bids will be received up to the appointed time on the next working day.

11.8 The Bidder has the option of sending the Bid by registered post/courier or by submitting the Bid in person. Bids submitted by e-mail/fax/telegram/telex letter shall not be accepted.

11.9 HERC may at its discretion, extend the dead line for submission of bids by issuing an amendment , in that case all rights and obligations of HERC and the Bidders subject to the original deadline shall thereafter be subject to the new deadline as extended.

11.10 LATE BIDS

11.11 Bids submitted after the time and date fixed for the receipt of Bids shall be rejected and such bids if so desired by the said Bidder may be permitted to be collected back by such Bidder provided such requests are received by HERC within fifteen (15) days from the date of bid opening.

12.0 BID OPENING AND EVALUATION

12.1 OPENING OF BIDS BY HERC

12.2 All bids will be opened in the office of the Secretary, **Haryana Electricity Regulatory Commission Bays No. 33-36, Sector - 4, Panchkula, 134112, Haryana** by the officer(s) duly authorized by the HERC for this purpose at **1500 hrs on 16th February 2012** in the presence of the Bidders authorized representatives who may wish to attend. In the event of specified date of bid opening being holiday for HERC, the Bids shall be opened at the appointed time and location on the next working day.

12.3 Bidder's authorized representative (up to two persons) may attend the bid opening and they have to sign a register provided by the HERC for evidencing their participation. No electronic recording device/mobile phones etc. shall be permitted during the bid opening.

12.4 The Part-I of the bid shall be opened on the date of opening. The "Technical Proposal" (second envelope) of only those Bidders shall be opened whose bids Processing Fee envelope (first envelope) found to contain (after opening) the Processing Fee of requisite value in acceptable form. The bids with Processing Fee deficient in value and/or form will not be opened further and bid envelopes of such Bidders will be returned unopened.

- 12.5** The officer(s) of the HERC authorized for opening of bids will announce the Bidder's names, the presence or absence of the requisite Processing Fee and any other details such officers at their discretion may consider appropriate.
- 12.6** The Part-II of the bid i.e. "Financial Proposal" of only those bidders whose "Technical Proposal" has been ascertained to be acceptable shall be opened at a subsequent date for which separate intimation will be sent.
- 12.7** Bids that are not opened and read out at bid opening will not be considered for further evaluation, regardless of the circumstances.

13.0 CLARIFICTION OF BIDS

To assist in the examination, evaluation and comparison of bids the HERC, may at its discretion ask any Bidder for clarification of his bid, including break-up of unit rates. The request for clarification and the response shall be in writing, by fax or electronic mail but no change in the price or substance of the bid shall be sought, offered or permitted except as required to confirm the correction of arithmetic errors discovered by HERC during the evaluation of the bids.

14.0 PRELIMINARY EXAMINATION OF BIDS

- 14.1** HERC will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required processing fee has been furnished, whether the documents have been properly signed, and whether the bids are generally in order.
- 14.2** The HERC may waive any minor infirmity, nonconformity or irregularity in a bid that does not constitute a material deviation and that does not prejudice or affect the relative ranking of any Bidder as a result of the technical and financial evaluation.
- 14.3** Prior to the detailed evaluation, the HERC will determine whether each Bid is of acceptable quality, is generally complete and is substantially responsive to the Bid Documents. For purposes of the determination, a substantially responsive Bid is one that conforms to all the terms, conditions and specification of the Bid Documents without

material deviation, objections, conditionalities or reservations. A material deviation, objection, conditionality or reservation is one (i) that affects in any substantial way the scope, quality of performance of the Contract; (ii) that limits in any substantial way and/or is inconsistent with the Bid Documents or the HERC's rights or the successful Bidder's obligations under the contract; or (iii) whose rectification would unfairly affect the competitive position of other Bidders who are presenting substantially responsive bids.

14.4 If a Bid is not substantially responsive, it will be rejected by the HERC, and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

14.5 The errors/discrepancies in respect of the specified amount in Price Bid Part-of Bid Proposal Sheets for an individual item and / or sub-total of a schedule and/or in the Grand total of a schedule and/or in the lump sum price of the package either due to discrepancy between figures and words and/or simple arithmetical error while adding and/or multiplying and/or to wrong extension of unit rates etc; the error will be rectified and computed by HERC as per the following method:-

- (i) In case of discrepancy between figure and words, the value specified in the words will be considered for computation.
- (ii) Firstly, the unit rates in words will be considered for computation.
- (iii) In case unit rates are not indicated in words then unit rates indicated in figure will be considered and will be used for deriving the amount from the quantities specified in the bid documents.
- (iv) In case error is due to wrong extension of quantities, the quantities as specified in the bid documents will be considered and multiplied by the quoted unit rates to obtain the amount. The amount will be computed as per the extension of amount of individual item, sub-total of a schedule, grand total of a schedule and lump sum price of the package based on the above consideration.

14.6 After computation of the amounts as above, the values as computed and as quoted will be compared and higher of the two will be considered for the purpose of evaluation of bid

and lower values will be considered for the purpose of award/payment (in case of successful Bidder). If the Bidder does not accept the above consideration, his bid will be rejected.

15.0 EVALUATION, COMPARISON OF BIDS

15.1 The bids will be evaluated by HERC to ascertain the lowest evaluated, technically and commercially responsive bid for the complete scope of work, as detailed in the Bid Documents.

16.0 CONTACTING THE HERC

16.1 Subject to the Clarification of Bids, no bidder shall contact HERC on any matter relating to its bid, from the time of the opening of bids to the time the contract is awarded

16.2 Any effort by a bidder to influence the HERC in the HERC's bid evaluation, bid comparison or contract award decision may result in rejection of the Bidder's bid.

17.0. AWARD OF CONTRACT

17.1 HERC'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS

HERC reserves the right to accept or reject any bid, and to annul the bid process and reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidders or Bidder of the grounds for HERC's action.

17.2 NEGOTIATIONS

17.3 Before the award of work, HERC shall hold negotiations with the bidder, whose bid has been determined to be substantially responsive to the bid documents and whose financial bid is the lowest. The aim is to reach agreement on all points and sign a contract.

17.4 Negotiations will include a discussion of the Technical Proposal, the proposed methodology (work plan), staffing and any suggestions made by the bidder to improve the Terms of Reference. HERC and the bidder will then work out final Terms of

Reference, Staffing and Reporting. The agreed work plan and final Terms of Reference will form part of the contract.

- 17.5** The financial negotiations will include a clarification (if any) of the firm's tax liability, and the manner in which it will be reflected in the contract; and will reflect the agreed technical modifications in the cost of the services.
- 17.6** Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, HERC expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, HERC will require assurances that the experts will be actually available. HERC will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitutions unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.
- 17.7** The negotiations will conclude with a review of the draft form of the contract. To complete negotiations HERC and the firm will initial the agreed contract. If negotiations fail, the HERC will invite the next technically qualified bidder whose financial proposal is the second lowest to negotiate a contract.
- 17.8** Following negotiations, HERC will notify the successful Bidder in writing by registered letter or by fax to be confirmed in writing by registered letter that his bid has been accepted. The notification of award will constitute the formation of the contract.
- 17.9** On furnishing of the performance security by successful bidder, pursuant to Contract Performance Security, HERC will notify the unsuccessful bidder.
- 17.10** The successful bidder is expected to commence the assignment as per date and time mentioned in the Letter of Intent / Contract Agreement.

18.0 SIGNING THE CONTRACT AGREEMENT

18.1 Within one (1) month of award of contract the successful bidder or his authorized representative shall enter into a Contract Agreement with HERC.

18.2 Failure on the part of the successful Bidder to comply with the requirements of this Clause will constitute sufficient grounds for the annulment of the award.

19.0 SECURITIES

19.1 ISSUANCE OF SECURITIES

The successful bidder shall provide the security specified below in favour of HERC at the time and of the amount and manner and form specified below.

19.2 CONTRACT PERFORMANCE SECURITY

The successful Bidder, within one (1) month of award of contract but not later than the signing of the contract Agreement, shall provide a security in the form of Bank Guarantee attached here to or in the other form acceptable to HERC for the due performance of the contract for an amount equivalent to 10% (ten percent) of the contract price with a validity of upto ninety days beyond the date of completion of the work.

19.3 Should the Contract period, for whatever reason be extended, the Contractor, shall at his own cost, get the validity period of Bank Guarantee in respect of Contract Performance Security furnished by him extended and shall furnish the extended/revised Bank Guarantee to HERC before the expiry date of the Bank Guarantee originally furnished.

19.4 Failure of the successful Bidder to comply with the requirement of Clause on Signing of Contract Agreement and Contract Performance Security shall constitute sufficient grounds for the annulment of the award, in which event HERC may make the award to the next lowest evaluated Bidder or call for new bids.

20.0 PROCESS TO BE CONFIDENTIAL

- 20.1** The information relating to the examination, clarification, evaluation and comparison of tenders and recommendations for the award of a contract shall not be disclosed to bidders or any other persons not officially concerned with such process.
- 20.2** The contractor shall not communicate or use in advertising, publicity in any other medium photograph or other reproduction of the works under this contract, or other information, concerning the works unless prior written permission has been obtained from the Commission.
- 20.3** All documents, correspondence, decisions and other matters concerning the contract shall be considered of confidential and restricted nature by the contractor and he shall not divulge or allow access to these to any unauthorized persons.

21.0 CORRUPT AND FRADULENT PRACTICES

- 21.1** It is the HERC's policy to require that bidders observe the highest standard of ethics during the selection and execution of such contracts. In pursuance of this policy, the HERC:
- (a) defines, for the purposes of this provision, the terms set forth below as follows:
- (i) "Corrupt practice" means offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
 - (ii) "fraudulent practice" means misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the HERC, and includes collusive practices among consultants (prior to or after submission of proposals) designed to establish prices at artificial, noncompetitive levels and to deprive the HERC of the benefits of free and open competition.

- (b) will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question;
- (c) will cancel the firm's contract if it at any time determines that corrupt or fraudulent practices were engaged in by representatives.
- (d) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a HERC contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a HERC contract; and
- (e) will have the right to get the firm audited by auditors appointed by the HERC.
- (f) will cancel the contract if at any stage it comes to know that the firm has any relation with any of the staff or members of the Commission.

21.2 Bidders shall be aware of the provisions on fraud and corruption stated in the Contract under the clauses indicated in the bid document.

22.0 TIME SCHEDULE

22.1 After conducting required study as per the Terms of Reference, the contractor will submit the draft report within ten weeks from the date of signing of the contract agreement for examination and comments of the Commission.

22.2 The contractor will submit the final report on the basis of the comments of the Commission on draft report, within two weeks of the communication of the comments of the Commission.

23.0 SUBMISSION OF REPORT

After completion of the assignment, the contractor will submit ten (10) copies of the final report along with one soft copy to HERC.

24.0 SERVICES AND INPUTS TO BE PROVIDED BY THE CLIENT

- 24.1** All necessary inputs required for the job would be provided by the two Distribution Companies i.e. UHBVNL & DHBVNL. The corporate office of UHBVNL is at Panchkula whereas that of DHBVNL is at Hisar.
- 24.2** The HERC will provide only the details of the Capital Expenditure Plans of the two Distribution Companies, approved by it for the financial years under study.
- 24.3** Any other assistance required by the contractor can be provided by HERC on “pay and debit” basis.

25.0 TERMS OF PAYMENT

- 25.1** Full payment shall be made to the contractor after completion of the job and submission of final report of the assignment.
- 25.2** All payments shall be released within 30 days of the receipt of invoice.

Annexure - I

FINANCIAL PROPOSAL

- 1.1 To assist the firm in preparing Financial Proposal, a sample form giving a breakdown of rates is attached (no financial information should be included in the Technical Proposal). Agreed breakdown sheets shall form part of the negotiated contract.
- 1.2 The HERC is charged with the custody of government funds and is expected to exercise prudence in the expenditure of these funds. The HERC is, therefore, concerned with the reasonableness of the firm's Financial Proposal, and, during negotiations, it expects to be able to review audited financial statements backing up the firm's remuneration rates, certified by an independent auditor. The firm shall be prepared to disclose such audited financial statements for the last three years, to substantiate its rates, and accept that its proposed rates and other financial matters are subject to scrutiny.

FINANCIAL PROPOSAL FORM

[Indian Rupees]

Name and Address of contractor:-		
Sr. No.	Costs	Amount (Indian Rupees)
1	Man power costs (A)	
2	Other costs (B)	
3	Profit Margin (C)	
4	Total Fee Excluding Taxes (A+B+C)	
5	Applicable Taxes	
6	Total Amount of the Proposal (4+5)	
Signature of Consultant: _____		Date: _____
Authorized Representative: _____		Name: _____
Title: _____		

TECHNICAL PROPOSAL

(A) TECHNICAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: [Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide the services for [Study of Capex] in accordance with your Request for Proposal dated [Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Proposal, i.e. before [Date] we undertake to negotiate. Our proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

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

We remain,

Yours sincerely,

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

(B) FIRMS'S REFERENCES

Relevant services Carried Out in the Last Three Years

That Best Illustrate Qualifications

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

Assignment Name:		Country:
Location within country:		Professional Staff Provided by Your Firm/entity (profiles):
Address:		No. of Staff:
Address:		No. of Staff-weeks; duration of assignment
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Service (in Current Indian Rs.)
Name of Senior Staff (Project Director/Coordinator, Team Leader) involved and functions performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

**(C) COMMENTS AND SUGGESTIONS OF BIDDER
ON THE TERMS OF REFERENCE:**

1.

2.

3.

4.

5.

**(D) DESCRIPTION OF THE METHODOLOGY AND
WORK PLAN FOR PERFORMING THE ASSIGNMENT**

--

(E) TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff

Name	Position	Task

2. Support Staff

Name	Position	Task

**(F) FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL
STAFF**

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Year with Firm/entity: Nationality

Membership in Professional Societies:

Detailed Tasks Assigned:

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to task on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last seven years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading and writing.]

Certification:

I, undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Date: _____

[Signature of staff member and authorized representative of the Firm] Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

Annexure - III

**PERFORMANCE SECURITY FORM
BANK GUARANTEE**

(To be stamped in accordance with Stamp Act of India)

Bank Guarantee No.....

Date.....

To
[Commission's name & Address]

Dear Sir,

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

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

The Commission shall have the fullest liberty, without affecting in any way the liability of the Bank under this guarantee, from time to time extend the time for performance of the Contract by the Contractor. The Commission shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between

the Commission and the Contractor or any other course or remedy or security available to the Commission. The bank shall not be released of its obligations under these presents by any exercise by the Commission of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omissions or commission on the part of the Commission or any other indulgence shown by the Commission or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Commission at its option shall be entitled to enforce this Guarantee against the bank as a principle debtor, in the first instance without proceeding against contractor and notwithstanding any security or other guarantee the Commission may have in relation to the Contractor's liabilities.

Notwithstanding anything contained herein above our liability under this guarantee is restricted to (*) and it shall remain in force upto and including @ and shall be extended from time to time for such period (not extending one year), as may be desired by M/s [Contractor's Name] On whose behalf this guarantee has been given.

Dated this day of 2003..... at

WITNESS

.....
(Signature)
(Signature)

.....
(Name)
(Name)

.....
(Official Address)

.....
(Designation with Bank Stamp)

Attorney as per power
of Attorney
No.....

Dated.....

Notes: 1. (*) This sum shall be ten percent (10%) of the Contract Price.

((@) This date will be ninety (90) days beyond the completion period of the assignment as specified in the contract agreement.

2. The stamp papers of appropriate value shall be purchased in the name of guarantee issuing Bank.