



GRIDCO Limited

(A Govt. of Odisha Undertaking) | Web-site: www.gridco.co.in

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(DISCOM MONITORING UNIT)

Letter No. GRIDCO/DMU/75/ 546(3)

Date : 21/10/17

CORRIGENDUM-V

Tender Notice No. 1/NES/2017 of NESCO Utility
Tender Notice No. 2/NES/2017 of NESCO Utility
Tender Notice No. 1/WES/2017 of WESCO Utility
Tender Notice No. 2/WES/2017 of WESCO Utility
Tender Notice No. 1/SOU/2017 of SOUTHCO Utility
Tender Notice No. 2/SOU/2017 of SOUTHCO Utility

Following amendments are hereby made to the Request for proposal against the above mentioned Tender notices:

2.5.9. Minimum Capital Expenditure

The details of minimum capital expenditure [Equivalent to 50% of Total Revenue Billed for the Base Year] to be carried out by the franchisee over the initial period of seven (7) years are to be given by bidder as below.

Table 4: Details of Capital Expenditure

(To be provided by the DF)

(7 years)

Sl. No.	Item of Work	Quantity	Estimated Unit Cost	Total Cost	Remark
1					
2					
3					
4					
5					
6					
7					

3.3.5. [Utility] shall approve the investment schemes given in Table 4 under Article 2.1.9 of Distribution Franchisee Agreement under Annexure-1 planned by the DF after proper scrutiny.

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5.3 Technical Proposal

5.3.1 For the purpose of technical evaluation, the bidder should satisfy the following prequalification criteria:

- i. The bidder should be a limited company.
- iii. The minimum Net worth of the Bidder should be [Equivalent to 20% Annual Revenue Billed in the franchisee area for the year preceding the year in which the bidding is done].
- iv. The Internal Resource Generation of the Bidder should be [Equivalent to 10% of the Annual Revenue Billed in the franchisee area for the year preceding the year in which the bidding is done].
- v. The bidder should have experience of handling at least 40% of number of consumers of the franchisee area in metering, billing, collection and consumer services of any public Utility for the year preceding the year in which the bidding is done.

6.3 Fees and Deposits

Tender Document Fee

Earnest Money Deposit (EMD)

Each Bidder shall submit an Earnest Money Deposit (EMD) of an amount equivalent to 2% of the Annual Revenue Billed in the Franchisee Area (Circle wise) in the form of a Bank Guarantee or Demand Draft drawn on a Nationalised /Scheduled bank, in favour of Utility.

Annexure 1: Distribution Franchisee Agreement

2.1.4. Minimum Capital Expenditure

The Distribution Franchisee shall submit details of Minimum Capital Expenditure to be carried out by the franchisee over a period of seven (7) years from the effective date as mentioned in Article 5.2. All capital investments to be made from 8th year onwards by the Franchisee shall be decided mutually.

5.2. New Capital Expenditure

5.2.1 The Distribution Franchisee shall plan and implement capital expenditure to improve efficiencies, reduction in AT&C loss in particular, upgrade infrastructure etc. as is deemed necessary by the Utility and Distribution Franchisee.

5.2.2 Distribution Franchisee shall provide for capital expenditure to improve efficiencies, augment and upgrade infrastructure, reduction in AT&C Losses and improvement in quality of supply in the Franchise Area. The Distribution Franchisee shall make a minimum investment Equivalent to 50% of Total Revenue Billed for the Base Year spread over a period of 5 years in accordance with details of Minimum Capital Expenditure submitted by Distribution Franchisee to [Utility] as indicated in Article 2.1.3 of Distribution Franchisee Agreement .

5.2.3 Such capital expenditure implemented by the Distribution Franchisee shall be towards replacement of Distribution Assets. The cost of all such capital investment shall be borne by the Distribution Franchisee. The input energy rates quoted by the Distribution Franchisee shall be deemed to have taken into account the cost of finance and depreciation on account of these investments.

5.2.4 The Distribution Franchisee shall arrange the funds required for meeting its minimum capital expenditure. However, for capital expenditure beyond minimum capital expenditure, in case there is any capital investment funding scheme like R-APDRP, DDUGJY, IPDS etc. proposed from Government of India or the State Government or any Department or Undertakings thereof or any multilateral funding organizations which is available to [Utility] as Distribution Licensee at terms and conditions which, in the opinion of the Distribution Franchisee, are better than those available to it from its own sources, then at the request of the Distribution Franchisee and detailed project proposals to be prepared and submitted by the Distribution Franchisee to [Utility] within the scope of such funding schemes, [Utility] may avail such schemes and get the same implemented in the Franchise Area through the Distribution Franchisee. There shall be a back to back arrangement between [Utility] and the Distribution Franchisee with negotiated terms and conditions along with requisite bank guarantees mechanism for meeting the finance cost and loan liabilities of such schemes. For this purpose, [Utility] shall enter into a separate agreement with Distribution Franchisee, outside the purview of this Distribution Franchisee Agreement, covering payment of the interest, repayment of loan

to the funding agency, conversion of loan into grant, transfer of assets on termination of such funding scheme and any other terms & conditions incident thereon etc. .

5.2.5 The Distribution Franchisee shall also maintain a separate record of the Distribution Assets installed by it with all details and particulars. It shall also make entries of these assets in the asset register.

5.2.6 Upon expiry/termination of this Agreement, Distribution Franchisee shall hand over all the [Utility] and Franchisee Distribution Assets of Franchise Area, to [Utility] in working condition subject to normal wear and tear. The Distribution Franchisee shall not have a right whatsoever to take back these assets.

5.2.7 The Distribution Franchisee shall submit details of the assets added by it on a quarterly basis, and the value of such assets shall be certified by [Utility] as acceptable. Such certification shall be done within a period of 90 (ninety) days from the date of creation of such asset.

5.2.8 Any land to be purchased for the purpose of construction of sub-station shall be provided by the [Utility]. In case the franchisee purchases any such land after taking due permission from the Utility for suitability of land and also price, the cost of such land shall be remitted by the [Utility] to the franchisee at the expiry of the contract along with the interest thereon to be mutually agreed between the franchisee and the [Utility] before the purchase of land. Such land shall be transferred to the Utility after the expiry of the contract and remittance of the due amount to the franchisee by the [Utility].

5.2.9 Notwithstanding anything stated above, all investments shall be planned and implemented keeping in view the distribution license conditions of [Utility] and following the procedures as prescribed therein.

5.2.10 All capital expenditure to be made by the DF in the contract period will require prior approval from [Utility].

5.2.12 All the capital expenditure proposals shall be submitted by the Distribution Franchisee to [Utility] and [Utility] will approve the same after scrutiny. Any capital expenditure made in violation of these conditions will be rejected by the [Utility].



5.6.6. Obligation to Connect Consumers

Subject to the provisions of this Agreement, the Distribution Franchisee shall have the following obligations:

- f) The DF is to provide new service connection to all consumers (both HT & LT) as per the Regulation. The service connection charge is to be retained by DF for meeting the expenditure for the purpose.

ARTICLE 8: ARREARS

8.15 Arrears shall be collected by the DF from both connected live consumers and permanent Disconnected (PD) consumers which will be retained with them and suitably adjusted in the Annualized Input Rate / Rate per Unit (RPU). The contents of Article 8.1 to 8.14 which are redundant due to this change will be deemed to be deleted.

ARTICLE 11: PAYMENT SECURITY DEPOSIT AND PERFORMANCE GUARANTEE

Payment Security Deposit

11.1 to 11.7: 11.1 to 11.7: Deleted: No Payment Security Deposit required from the DF in view of Default Escrow Agreement under 11.8.

Performance Guarantee

- 11.9 As provisioned in the Article-2.1.2 of this Agreement, the Distribution Franchisee shall submit and maintain valid for the term of this Agreement, a performance guarantee to the satisfaction of [UTILITY] in the form of an irrevocable and unconditional Bank Guarantee from any nationalized bank or Scheduled Bank for an amount equivalent to 1/10th of the total annual revenue billed in the [FY 2016-17]. The Performance Guarantee shall be governed in the manner described in this Article.

ARTICLE 12: DEPUTATION OF [UTILITY] EMPLOYEES

The existing employees in [Utility] will be given an option to join the Distribution Franchisee on deputation.



- 12.1** [Utility]'s employees shall provide handholding support to the franchisee for the first six (6) months with phased withdrawal after initial three (3) months through mutual discussion between Utility and DF for which the Utility shall bear the cost of salary & allowances payable to the [Utility]'s employees involved therein.

In order to implement Capital Expenditure by the franchisee for reduction of AT&C losses, following Clauses are hereby inserted in the Tender as mentioned below:

16.6.1 Step-in Rights in case of Event of Default after serving of Final Termination Notice.

c. The Distribution Franchisee shall transfer all the Fixed Assets brought in as a part of the New Capital Expenditure in the Franchise Area in accordance with the Article-5.2.

16.6.2 Step-in Rights in the Event of Abandonment by the Distribution Franchisee

e. All Capital (Moveable and Immoveable) Assets of the Distribution Franchisee brought in the Franchise Area in accordance with Article 5.2 shall stand transferred to [Utility].

N.B:

- 1. Replies to the queries raised by prospective bidders will be uploaded shortly.**
- 2. Any consequential amendments required in any other Clauses will be uploaded separately.**
- 3. Revised Annualized Bench Mark Input Rates or Revenue per Unit (RPU) considering the above amendment will be uploaded shortly.**


Head (DMU)