

FORUM OF REGULATORS (FOR)

**C/o: Central Electricity Regulatory Commission
1st Floor, Chanderlok Building, 36, Janpath,
New Delhi – 110 001, Tel : 23753920/ Fax : 23753923**

'FOR' invites sealed quotations from reputed Consultancy firms by 01.04.2015 upto 1500 Hrs. for "Engagement of Consultant for conducting a study & recommend on Roll out Plan for Introduction of Competition in Retail Sale of Electricity (Separation of Carriage & Content)". Detailed Terms of Reference (ToR) are available on the website of "FOR" i.e. www.forumofregulators.gov.in

Executive Secretary(FOR)

**Engagement of Consultant by Forum of Regulators to study and recommend on
"Roll out Plan for Introduction of Competition in
Retail Sale of Electricity (Separation of Carriage & Content)"**

Terms of Reference (ToR)

1.0 Background:

- 1.1 The Forum of Regulators (FOR) has been constituted by the Government of India under Section 166 (2) of the Electricity Act, 2003. The Forum consists of Chairperson of the Central Electricity Regulatory Commission and the Chairpersons of the State Commissions. The Chairperson of the Central Electricity Regulatory Commission (CERC) is the Chairperson of the Forum of Regulators and secretarial assistance to the Forum is provided by the CERC. The Forum is responsible for harmonization, coordination and ensuring uniformity of approach amongst the Electricity Regulatory Commissions across the country, in order to protect the interest of consumers and promotion of efficiency, economy and competition in the electricity sector.
- 1.2 FOR has been taking steps towards ensuring that the provisions in the Electricity Act and the policies i.e. National Electricity Policy (NEP) and Tariff Policy are well implemented.
- 1.3 Ministry of Power's proposed amendment to the Electricity Act, 2003 inter alia includes separation of carriage and content in distribution sector giving choice to consumers to select the supplier for electricity. The roll out plan for carriage and content separation has, however, not been detailed in the proposed amendments.
- 1.4 The Ministry of Power has requested the Forum of Regulators to evolve a model transfer scheme and at the same time provide different variations, so as to bring the desired clarity on the issues involved in implementing the framework. This would help facilitate the Ministry to suggest a "Model Scheme" for use by the States.

2.0 Objective:

To develop a model transfer scheme for separation of carriage and content as envisaged in the Electricity (Amendment) Bill, 2014 for implementation by the States in India.

3.0 Scope of the work assigned to the Consultant:

The consultant shall,

- i. Review existing literature on framework for separation of carriage and content;
- ii. Suggest alternatives different variations for separation of network and supply business in distribution of electricity with due regard to the power sector scenario in India
- iii. Develop a model framework for separation of carriage and content which inter alia includes, but is not limited to;
 - a. Clarity of roles and responsibilities across distribution network and supply businesses & the role of Intermediary Companies
 - b. Phasing of retail sale competition
 - c. Processes and stages of separation of distribution and supply business viz. functional segregation and physical segregation
 - d. Treatment of losses
 - e. Treatment of power purchase agreements
 - f. Treatment of Regulatory Assets
 - g. Treatment of cross-subsidies
 - h. Framework for consumer interface with licensees & Consumer Grievance Redressal Mechanism
 - i. Framework for “Provider of last resort”
 - j. Framework for compliance of Universal Service Obligation by the licensees
 - k. Mechanism to address cherry-picking by the supply licensees

- l. Treatment of issues involving Open Access Consumers
- m. Establishment of performance standards for network and supply businesses
- n. Such other related issues

4.0 Deliverables and duration of the Assignment:

- i. The assignment shall be completed within a period of 90 days from the date of award of consultancy.
- ii. The Consultant will be required to submit the inception report at the end of 15 days and draft of the Report based on detailed study by the end of 55 days from the date of award of assignment;
- iii. Submit the revised Report after discussion with FOR secretariat by the end of 70 days from the date of award of assignment followed by a presentation before Forum of Regulators;
- iv. Submit the final Report "Roll out Plan for Introduction of Competition in Retail Sale of Electricity (separation of Carriage & Content)" by the end of 90 days from the date of award of assignment.

5.0 Payment Schedule:

- i. 10% of the professional fee as advance of the total fee of the study at the time of signing agreement/acceptance of the offer, subject to production of Bank Guarantee for equal amount to be valid till the end of the agreement;
- ii. 15% of the professional fee on submission of the Inception Report;
- iii. 30% of the professional fee on submission of draft detailed report;
- iv. 30% of the professional fee on submission of the final report after incorporating suggestions/comments of the Forum; and
- v. Balance 25% of the professional fee shall be payable (after adjustment of advance if any) on successful completion and acceptance of the final report by the 'FOR'.

6.0 Qualification Criteria:

- i. The bidder should have completed at least 2 (two) assignments in the last 5 (five) years of assisting the State Governments/State Agencies, or Electricity Regulatory Commissions or Electricity Distribution Entities, at least one of which should be on overall reforms and restructuring of an infrastructure industry.
- ii. The Consultant should have personnel with legal, financial and economics background.

7.0 Application and Evaluation Criteria:

- i. The format of application is at **Annexure-I** and **Annexure-II**.
- ii. The Consultant is required to submit two (2) copies of bids for Technical offer (each of which will be treated as original) along with soft copy (read only in a pen drive) and one copy of Financial offer, duly sealed in separate envelopes.
- iii. Technical component will carry 70% weightage and Finance evaluation 30% weightage.
- iv. The bids of the eligible bidders as per Clause 6 will be scrutinized by Consultancy Evaluation Committee (CEC) and shortlisted bidders will be called for interaction with the CEC (to be supplemented with a presentation not exceeding 6 slides). Their technical performance will be evaluated based on the following criteria:

Technical Parameters	Score
The Consultants relevant experience for the assignment	35
Understanding of the issues and approach to be followed	25
The qualifications and experience of the key staff proposed	40
Total Technical Score	100

- v. The minimum qualifying marks in the Technical Evaluation is 70% of the total score for technical component.
- vi. Only those bidders, who qualify technically as per Clause 7.5, would be considered for Financial Evaluation.

- vii. Weight for Financial Evaluation Proposal with the lowest quoted price will be given a financial score of 100 and other proposals would be given financial scores that are inversely proportional to their prices.
- viii. The total score will be obtained by weighting the Technical and Financial scores.
- ix. Only successful bidder would be communicated the award of consultancy assignment.
- x. The right to reject any or all bids rests with the FOR Secretariat without assigning any reason.
- xi. The 'FOR' and the Consultant both would have option to terminate the contract by giving a notice of one month or the equivalent remuneration in lieu thereof. In such cases, the Consultant shall be paid fees 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 'FOR', and the decision of the 'FOR' shall be conclusive and binding. The fees so fixed and paid shall be deemed to be final payment in such cases.
- xii. The consultant shall abide with the contract as per **Annexure-III**.
- xiii. The address for submission of the proposal and seeking clarifications is given below:

The Deputy Chief (Regulatory Affairs)
Forum of Regulators (FOR)
Central Electricity Regulatory Commission
3rd Floor, Chanderlok Building, 36, Janpath, New Delhi – 110 001
Ph: 91-11-23353503 Fax: 91-11-23753923

DETAILED PROPOSAL FOR STUDY
(TECHNICAL)

Two (2) copies of the proposal along with project summary to be submitted to Dy. Chief (RA), CERC/FOR.

I. GENERAL INFORMATION:

01. Title of the Proposed Study :
02. Name and address of the Organization/ :
Institution
03. Name & Designation of the Key Person :
04. Contact address of the Key Person :
(e-mail/fax/telephone)
05. Net-worth/Turnover of the Organization/ :
Institution
06. PAN No. of the organization/institution

II. TECHNICAL SPECIFICATIONS:

- 07. i. Department(s) of the organization/Institution(s) where the study will be carried out
 - ii. Other department(s), if any, which will collaborate in this study
 - 08. Brief review of the state-of-art in the field (National and International)
 - 09. Detailed Approach & Methodology for undertaking the assignment
 - 10. Facilities available for the proposed work in the applicant's organization/institution
 - 11. Previous experience of the proposer in this or related field
 - 12. Biographical sketch of the Study Team
 - (i) Name:
 - (ii) Designation:
 - (iii) Date of Birth:
 - (iv) Education and Experience:
- (a) Academic Qualifications

Degree	University	Field(s)	Year

(b) Experience

Institution	Topic of work done	Period

(v) Field of major interest

(vi) Additional information (if any)

13. Capacity to impart training/transfer of knowledge

/ ANNEXURE – II /

DETAILED PROPOSAL FOR STUDY
(FINANCIAL)

I. GENERAL INFORMATION:

01. Title of the Proposed Study :

02. Name and address of the Organization/ :
Institution

03. Name & Designation of the Key Person :

04. Contact address of the Key Person :
(e-mail/fax/telephone)

05. Net-worth/Turnover of the Organization/ :
Institution

06. Certificate of authorization in case of Institutes/other organizations (Format enclosed at **Appendix-‘A’**).

II. Fee Proposed:

07. Amount of Fee proposed for:

Components	Basis	Amount (in Rs.)
(I) Consultant Charges		
(II) Misc./Others (if any)		
Total		

(The above is inclusive of all taxes, levies etc.)

(**RUPEES** _____)

Signature of the Principal Investigator /
Head of the Study Team

CERTIFICATE

The undersigned agree to abide by the conditions of the grants and certify that available facilities for proposed work shall be extended to the investigator/study team.

Signature of Executive Authority
Investigator/of the Organisation

Signature of the Principal
Head of the Study Team

Name and Designation

Name and Designation

Date

Date

Signature of Co-investigator
Name and Designation
Date

Official stamp of
Organization/Institution

On 50Rs Stamp Paper

AGREEMENT

This agreement made on this day of [here give the date of the agreement] at New Delhi BETWEEN [here give the Name and address of the consultant or Professional Expert] hereinafter referred to as “the consultant/professional expert” of one part and the **Forum of Regulators, C/o. Secretariat: Central Electricity Regulatory Commission, 3rd and 4 the Floor Chanderlok Building, 36 Janpath, New Delhi -110001** (herein after called "the FOR") of the other part.

WHEREAS

- (A) the FOR, on being satisfied that there is a need to appoint a [**Corporate consultant or Professional Expert**] to study and recommend on "**Roll out Plan for Introduction of Competition in Retail Sale of Electricity (Separation of Carriage & Content)**" invited quotations vide notice [here give the No and date of the notice]
- (B) the [consultant/Professional Expert] responded to the above notice and submitted his quotations vide his letter [here give the No and date of the quotation of the consultant]
- (C) the FOR, on scrutiny of the responses received in response to its above mentioned notice dated [here give the date of the notice inviting quotations] including the one received from the [consultant/professional Expert] has decided to engage the consultant/professional expert for the above said assignment.
- (D) the consultant/professional expert has agreed, to take up the above said assignment

NOW THIS AGREEMENT WITNESSETH AS UNDER:

That the Parties to this Agreement have agreed to terms and conditions mentioned below:

1. Definitions:

- (i) “Confidential information” mean any and all information communicated to the consultant by the FOR duly marked so.
- (ii) “Person” shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (iii) “Secretary” means the Secretary of the FOR.

2. **Nature of work:** The consultant/professional expert shall be engaged as [**Corporate consultant or Professional Expert**] to study and recommend on "**Roll out Plan for Introduction of Competition in Retail Sale of Electricity (Separation of Carriage & Content)**" in accordance with the Terms of Reference (**Annexure-I**) attached hereto and which shall be deemed to be a part of this agreement for all intents and purposes.

3. **Commencement and duration of assignment:** The above assignment shall commence with effect from [the date of this agreement] and shall be valid for a period of **90 Days**.

4. Obligations of the consultant:

- (i) The consultant shall adhere to the time-frame specified in the Terms of Reference and submit the deliverables to the Secretary.
- (ii) The consultant shall make the presentations before the FOR as required by the Secretary.
- (iii) The consultant shall ensure that the interim and final findings of the study and the contents of his interim and final reports to the FOR are not disclosed to any person unless expressly authorized by FOR.

5. Entitlements of the Consultant:

- (i) The consultant/professional expert shall be entitled to Rs. [Here give the amount payable and the schedule of payment and any other provision such as TDS, etc.]
- (ii) The consultant/professional expert shall be paid as per clause 5 of Terms of Reference (**Annexure-I**).
- (iii) The consultant/professional expert shall not be entitled to any other remuneration or reimbursement or perquisites or facilities.

6. Restrictive terms:

- (i) The consultant further affirms and confirms that the current assignment is not and shall not be, in conflict with any of its present obligations to any party with whom he/she/it has association.

- (ii) The consultant further affirms and confirms that he/she/it shall hold all Confidential Information in confidence and with the same degree of care he/she/it uses to keep his/her/it own similar information confidential, but in no event shall it use less than a reasonable degree of care; and shall not, without the prior written consent of FOR, disclose such information to any person for any reason at any time;
- (iii) The FOR shall be entitled to, without prejudice to any other right for civil or criminal proceedings, receive from the consultant/ professional expert a compensation for the damages for violation by him/her/it of any of the terms of the agreement which shall be limited to the total fee of the assignment.

7. **Termination of contract:**

At the option of the FOR:

- (i) Without any notice: The assignment may be terminated by the FOR, any time, with immediate effect, under any of the following circumstances:
 - (a) It has come to notice that the consultant/professional expert has been convicted for an offence involving moral turpitude or unethical professional practices.
- (ii) With one month notice: The assignment may be terminated by the FOR, under any of the following circumstance, by giving one month's notice and after providing an opportunity to the consultant/professional expert to offer explanation:
 - (a) It has come to the notice of the FOR that the consultant/professional has resorted to fraud or suppression of material information or submission of false information or unethical means to secure the assignment.
 - (b) It has come to the notice of the Forum that there is a material change in the circumstances of the Consultant based on which the assignment was awarded to the consultant/professional expert.
 - (c) The consultant/professional expert has failed, without any valid justification, to adhere to the time-frame specified by the FOR in the assignment.
 - (d) The consultant has violated any of the provisions of the agreement.

At the option of either parties

- (iii) Both the parties namely, the FOR and the Consultant/professional expert have the option to terminate the assignment by giving a notice of one month or the equivalent remuneration in lieu thereof.

8. **Effect of termination:** On pre-mature termination of the assignment, the FOR shall pay the consultant/professional expert, the remuneration for the work performed by him/her/it till the date of termination of the Contract.

Provided that in case of any dispute as to what is the entitled remuneration for the work the matter shall be referred to arbitration under the provisions of this agreement.

9. **Notice** Any notice between the parties shall be in writing and posted to the other party to the last known address.

10. **Arbitration:**

- (i) Any difference, dispute, claims which may arise between the parties hereto as to the construction or true intent and meaning of any of the terms and conditions herein contained or as to any payment to be made in pursuance hereof or as to any other matter arising out or as to any other matter arising out of or connected with or incidental to these presents or as to the rights, duties and obligations of any of the parties, such difference, dispute or claim shall be mutually settled amicably by arbitration through a sole arbitrator appointed by the FOR.
- (ii) The arbitration shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof. The venue of such arbitration will be Delhi/New Delhi.
- (iii) Arbitration shall be subject to English language.

11. **JURISDICTION:** In respect of any legal proceedings arising as a result of or relating to or incidental to this agreement, the courts in Delhi/New Delhi alone shall **have exclusive jurisdiction**

IN WITNESS WHEREOF, the Parties above named have executed this Agreement of the day, month and year mentioned hereinabove.

Signed by, [the consultant/Professional party or on behalf of] in the presence of

Signed by, on behalf of the FOR in the presence of