



FORUM OF REGULATORS (FOR)

Sectt: Central Electricity Regulatory Commission (CERC)

3rd & 4th Floor, Chanderlok Building, 36, Janpath,

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Quotation No.: 1/19/2013-Study(DRB)/FOR/CERC

'FOR' invites sealed quotations from reputed Consultancy firms by 20.02.2013 upto 1500 Hrs. for "**Engagement of Consultant to draft a Model Legislation on State Electricity Distribution Responsibility Bill**". Detailed Terms of Reference (TOR) are available on the website of 'FOR' i.e. www.forumofregulators.gov.in.

Secretary (FOR)

Engagement of Consultant by Forum of Regulators to draft a Model Legislation on State Electricity Distribution Responsibility Bill

Terms of Reference (ToR)

1.0 Context/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 Commission is the Chairperson of the Forum of Regulators and secretarial assistance to the Forum is provided by the Central Commission. 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 power sector.
- 1.2 A scheme for Financial restructuring of State owned Discoms has been formulated and approved by the Government to enable the turnaround of the State Discoms and ensure their long term viability. The scheme contains measures to be taken by the State Discoms and State Government for achieving financial turnaround by restructuring their debt with support through a Transitional Finance Mechanism by the Central Government.
- 1.3 As per the scheme for Financial Restructuring of State Distribution Companies (Discoms), a model legislation on the State Electricity Distribution Responsibility Bill is to be formulated. Ministry of Power has requested the Forum of Regulators to evolve the model legislation for which

FOR has decided to engage a Consultant to suggest draft model legislation on State Electricity Distribution Responsibility Bill.

2.0 Objective :

The model legislation on State Electricity Distribution Responsibility shall seek to ensure efficiency in the performance of the distribution business of the State owned distribution utilities. It shall aim at identifying the responsibility and areas of accountability for the State Government to ensure viability of distribution business.

3.0 Scope of the work assigned to the Consultant:

3.1 To suggest draft model legislation on State Electricity Distribution Responsibility Bill.

3.2 Inception Report: To study the following schemes/ reports/ documents to identify the issues and the ways to address them through this model legislation.

- (i) Financial Restructuring of State Distribution Companies (Discoms)” approved by Government of India for identifying the drivers for implementation of the scheme.
- (ii) Ahluwalia Committee Report on “Financing of Power Sector during X & XI Plan” and its impact which included the tripartite agreement executed between the Central Government, State Governments and the Reserve Bank of India.
- (iii) To consult at least two 2 Chairperson/members of the committees formed under the “Scheme for Turnaround of State Discoms” or similar schemes implemented in the past.

(iv) CPSE guidelines for infusing professionalism in the Distribution Companies.

3.3 Based on the Inception Report the draft legislation shall be evolved with due regard inter-alia to the followings:-

(i) Responsibilities of the State Government in the areas of long term planning, support to utility on sustainable basis, corporate governance, restructuring plans, compliance of the Act and policy directives, independence in operations to ensure financial viability of distribution business and improve consumer services.

(ii) Requirement for preparing and monitoring long-term, medium-term and short-term financial and operational performance indicators involving

- designing of performance indicators/ targets and setting targets for next 5-10 years
- ways to monitor and ensuring compliance these indicators/ targets.
- Designing feedback loop for in/mid-course corrections.

(iii) Assessment of sustainability with reference to factors including but not limited to cost coverage, relationship between debt and fixed asset creation and other related financial/operational principles/ indicators/ targets.

(iv) Requirement for preparing the strategy to achieve the objectives of the legislation including details of execution plan with strategic priorities, key indicators, major deviations in indicators and reasons thereto, in/mid-course based on assessments, etc.

(v) Such other provisions as may be required to achieve the financial and operational discipline and professionalism in the distribution business of the State owned utilities.

- (vi) Provision for ‘Application of other laws’ and ‘Power to remove difficulties’.
- (vii) Any other provision in consultation with FoR secretariat.

4.0 Deliverables and duration of the Assignment:

- 4.1 The assignment shall be completed within a period of 60 days from the date of award of consultancy.
- 4.2 The Consultant will be required to submit the inception report at the end of 15 days and first draft of model legislation at the end of 25 days from the date of award of assignment;
- 4.3 Submit the revised draft legislation after discussion with FOR secretariat at the end of 30 days from the date of award of assignment followed by a presentation before Forum of Regulators;
- 4.4 Submit the draft final model legislation at the end of 60 days from the date of award of assignment.

5.0 Payment Schedule:

- 5.1 10% 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 amount is to be absorbed in the amount payable to the Consultant.
- 5.2 15% on submission of the inception report;
- 5.3 30% on submission of draft legislation;
- 5.4 30% on submission of the final model legislation after incorporating suggestions/comments of the Forum; and
- 5.5 balance 15% on successful completion and acceptance of the final model legislation by the ‘FOR’.

6. Qualification Criteria:

6.1 The Consultant should have completed at least five assignments in the last five years of assisting power sector entities or Electricity Regulatory Commission's (ERC's) in the field of regulatory, financial, legal and power distribution operations. The Consultant should have strong legal and financial background. The Consultant should have mix of manpower personnel with legal knowledge and experience as also personnel with the knowledge and experience in public finance. Preference would be given to the firms with experience of drafting legislations, bills etc.

7.0 Application and Evaluation Criteria:

7.1 The format of application is at **Annexure-I** and **Annexure-II**.

7.2 The Consultant is required to submit **four (4)** copies of bids for Technical offer (each of which will be treated as original) and **one copy** of Financial offer, duly sealed in separate envelopes.

7.3 Technical component will carry 70% weightage and Finance component 30% weightage.

7.4 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 and their technical performance will be evaluated based on the following criteria:

Technical Parameters	Score
The Consultants relevant experience for the assignment	30
Understanding of the issues and approach to be followed	30
The qualifications and experience of the key staff proposed	40
Total Technical Score	100

7.5 The minimum qualifying marks in the Technical Evaluation is 70% of the total score for technical component.

7.6 Only those bidders, who qualify technically as per Clause 7.5, would be considered for Financial Evaluation.

- 7.7 Weight for Financial Evaluation Proposal with the lowest quoted price will be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices.
- 7.8 The total score will be obtained by weighting the Technical and Financial scores.
- 7.9 Only successful bidder would be communicated the award of consultancy assignment.
- 7.10 The right to reject any or all bids rests with the FOR Secretariat without assigning any reason.
- 7.11 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.
- 7.12 The consultant shall abide with the contract as per **Annexure-III**.

DETAILED PROPOSAL FOR STUDY

(TECHNICAL)

Four (4) copies of the proposal along with project summary to be submitted to Secretary, 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

II. TECHNICAL SPECIFICATIONS:

06. 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

07. Brief review of the state-of-art in the field (National and International)

08. Detailed Approach & Methodology for undertaking the assignment

09. Facilities available for the proposed work in the applicant's organization/institution

10. Previous experience of the proposer in this or related field

11. 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)

12. Capacity to impart training/transfer of knowledge

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		

(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 Please

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 4th Floor Chandernagore 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**] for study on “**Model Legislation on State Electricity Distribution Responsibility Bill**” 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**] for the study on “**Model Legislation on State Electricity Distribution Responsibility Bill**” 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 3 months which may be extended with the mutual consent of the parties without any financial commitment.

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/its 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