

## **FORUM OF REGULATORS (FOR)**

**Secretariat: C/o. Central Electricity Regulatory Commission (CERC)**

3rd & 4<sup>th</sup> Floor, Chanderlok Building, 36, Janpath, New Delhi-110001

Ph: 011-23753915/23753920

### **Engagement of Consultant for Conducting a study on Best Practices on and Strategies for Distribution Loss Reduction**

In addition to the terms specified earlier vide detailed TOR, the following clarifications are provided.

1. States whose primary data is to be collected and analysed would be finalized after the award of the Consultancy as per the practice in the past. Generally, the questionnaire based approach is followed. This has not been an issue for any bidder so far.
2. The assignment needs to be completed within a period of 120 days from the date of award as per the TOR.
3. Qualification criterion for the consultant having financial and legal background is clear in the TOR. Therefore, having a legal expert as a part of the consultancy team is at the discretion of the consultant.
4. Request for the aggregate liability of the consultant not to exceed the contract price can be considered to be incorporated in the agreement.
5. The consultant is engaged to assist the FOR and the reports prepared is the property of FOR. FOR is a statutory body and all its reports are publically available. Hence, no prior written consent of the Consultant would be taken by FOR in this regard.
6. No extension of time will be allowed for submitting the bid, as no change in TOR is involved.

**FORUM OF REGULATORS (FOR)**  
C/o: Central Electricity Regulatory Commission  
1<sup>st</sup> Floor, Chanderlok Building, 36, Janpath,  
New Delhi – 110 001, Tel : 23753920/ Fax : 23753923

'FOR' invites sealed quotations from reputed Consultancy firms by 25.02.2015 upto 1500 Hrs. for "Engagement of Consultant for conducting a study on Best Practices on and Strategies for Distribution Loss Reduction". Detailed Terms of Reference (ToR) are available on the website of "FOR" i.e.

[www.forumofregulators.gov.in](http://www.forumofregulators.gov.in)

**Executive Secretary(FOR)**

**Engagement of Consultant by Forum of Regulators to study and  
recommend on  
"Best Practices on and Strategies for Distribution Loss Reduction"  
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 power sector.

Distribution segment continues to remain the weakest link in the power sector. Poor financial health of the distribution companies has been affecting the performance of the entire power sector. One of the critical factors for the present state of DISCOMs is the high level of distribution losses. FOR has been discussing this issue at regular intervals and has now decided to engage a Consultant to study and suggest recommendations on "Best Practices on and Strategies for Distribution Loss Reduction".

**2.0 Objective:**

To conduct a study and recommend on "Best Practices on and Strategies for Distribution Loss Reduction".

**3.0 Scope of the work assigned to the Consultant:**

The consultant is to work on the following areas but not limited to (individually for States if need be and develop a comprehensive mechanism for loss reduction:-

- A. Identify the components of distribution losses
  
- B. Study Distribution Loss Reduction Strategies and Practices followed in Indian States. Primary data is to be collected and provided for 10 (ten) Indian States to be identified in consultation with FOR secretariat.
  - i. Study the existing strategies and practices followed
  - ii. Analyse the results achieved
  - iii. Analyse the resources deployed in terms of money and manpower
  - iv. Compare the costs, efforts and time devoted
  
- C. Identify the Best Practices followed for Distribution Loss Reduction

- i. Identify the existing best practices followed in Indian States and Countries outside India (whose profile is similar to India)
- ii. Analyse the results achieved
- iii. Analyse the resources deployed in terms of money and manpower
- iv. Compare the costs, efforts and time devoted

#### D. Analysis of identified Best Practices

- i. Analyse the suitability of identified Best Practices in Indian context
- ii. Shortlist the Best Practices to suit Indian Electricity system
- iii. Recommend Best Practices and compute the Costs involved

#### E. Development of Loss Reduction Strategy:-

- i. Develop a comprehensive mechanism consisting of strategies to accelerate the distribution loss reduction
- ii. Major areas to be focussed upon:
  - Segregation of T&D Losses
  - Computation of AT&C Loss
  - Baseline data for segregating Technical & Non-technical Losses
  - Trajectory for loss reduction
  - Selection of appropriate technological intervention for reducing the technical losses
  - Agricultural feeder separation
  - Energy Audit
  - Incentives/ disincentives schemes
  - Incentives/ disincentives schemes for the staff
  - Controlling Theft

### **4.0 Deliverables and duration of the Assignment:**

- 4.1 The assignment shall be completed within a period of 120 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 draft of the Report based on detailed study by the end of 80 days from the date of award of assignment;
- 4.3 Submit the revised Report after discussion with FOR secretariat by the end of 100 days from the date of award of assignment followed by a presentation before Forum of Regulators;
- 4.4 Submit the final Report "Best Practices on and Strategies for Loss Reduction" by the end of 120 days from the date of award of assignment.

## 5.0 Payment Schedule:

- 5.1 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 end of the agreement.
- 5.2 15% of the professional fee on submission of the Inception Report;
- 5.3 30% of the professional fee on submission of draft detailed report;
- 5.4 30% of the professional fee on submission of the final Report after incorporating suggestions/comments of the Forum; and
- 5.5 Balance 15% of the professional fee on successful completion and acceptance of the final Report by the 'FOR'.

## 6. Qualification Criteria:

- 6.1 The Consultant should have completed at least 2 (two) assignments in the last 5 (five) years of assisting the Electricity Regulatory Commissions and/or Electricity Distribution Entities. Additional weightage would be given for work on Distribution Losses.
- 6.2 The Consultant should have strong legal and financial background.

## 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 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.
- 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:

<b>Technical Parameters</b>	<b>Score</b>
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
<b>Total Technical Score</b>	<b>100</b>

- 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 would be 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.
- 7.13 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**  
**1<sup>st</sup> Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001**  
**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 organisation/ institution

**II. TECHNICAL SPECIFICATIONS:**

07. Details of
  - (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



**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)		
<b>Total</b>		

(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

Official stamp of  
Organization/Institution

Date

**On Rs 50 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**] for study on “**Best Practices on and Strategies for Distribution Loss Reduction**” 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” means 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 “Best Practices on and Strategies for Distribution Loss Reduction” 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 120 days 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