

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
SCO 220-221, SECTOR 34-A, CHANDIGARH**

**CORRIGENDUM**

A Notice for inviting Proposals for assisting the Commission in review of existing MYT Regulations and notification of revised MYT Regulations to be made applicable for the next (2<sup>nd</sup>) control period of 3 years i.e. FY 2020-21 to FY 2022-23 and for assisting the Commission in carrying out the jobs incidental to the MYT Regulations including processing of the petitions such as Capital Investment & Business Plan, Aggregate Revenue Requirement (ARR)/Annual Performance Review (APR)/True-up and Tariff Determination of PSPCL & PSTCL, during the 2<sup>nd</sup> MYT Control Period as per MYT Regulations was published in various newspapers on 09.06.2018 and the last date for receipt of the same was 16.07.2018.

In the pre-bid meeting/conference held on 05.07.2018, certain clarifications were sought and request was made for extension in date for submission of bids. The clarifications and amendments in the "Request for Proposal (RFP)" document are available on the website of the Commission, [www.pserc.in](http://www.pserc.in), and can be downloaded there from.

Also, the last date for receipt of proposals has been now extended to **31.07.2018 upto 3.00 PM.** The bidders who have already submitted the bids can also submit their revised bids by the extended date.

Secretary

**Pre-Bid Conference dated 05.07.2018**

The summary of queries raised/changes suggested and clarifications by the Commission are as follows:

<b>Sr. No.</b>	<b>RFP Document Clause No.</b>	<b>Queries raised/changes suggested</b>	<b>Clarifications by the Commission</b>
<b>A</b>	<b>Sh. Girish Patel of Stern &amp; Wise Management Consulting</b>		
1	4.1 and 4.2	<p>The experience of review of the MYT regulations shall be treated equally as also filing of petitions on behalf of utilities based on MYT Regulations shall be counted at par with assistance to ERC in processing of ARR/Tariff Petitions.</p> <p>In case of Association of Persons, the experience of team and experience of organization mean the same. Therefore, while evaluating, appropriate scores may be given in 4.2 and 4.1 both</p>	<p>Not agreeable.</p> <p>The experience of an individual cannot be considered as experience of the organization. In case, the association of persons have formed a duly registered firm under the provisions of law, the experience of such firm (orders executed in the name of firm) shall be considered as experience of organization.</p>
2	2.10	Request PSERC to keep the pre-bid meeting at 11.30 AM instead of 11.00 AM	The meeting was re-scheduled as requested.
3	Annexure-III (1)	Following may be clarified: At places, word "Utilities" is used which means PSPCL and PSTCL only and there are no other utilities for which Tariff process is to be carried out.	Scope of Work limited to PSPCL and PSTCL as specified in the RFP document.
4	2.6 & 2.8	Timeline for submission of RFP may be extended up to 31 July 2018	Agreed
<b>B.</b>	<b>Sh. Kamlesh Rampal of Realidea Consultant</b>		
1	2.27	Clause 2.27 concerning "Performance Bank Guarantee" may be omitted.	<p>Not agreeable.</p> <p>This clause binds the bidder to perform all their obligations under the contract. This is a general Clause common in all kinds of contracts.</p>
2	2.31(a)	Limit Clause 2.31 concerning "Penalties" to maximum 5%.	Agreed to the extent that penalty shall be limited to 10% of respective assignment, for each instance.
3	3.1(i)	Adding a clarification at the end of this sub-Clause 3.1(i) "For a Proprietary Firm, the experience of the Proprietors shall be	<p>Not agreeable.</p> <p>Pease refer to Point A(1)</p>

Sr. No.	RFP Document Clause No.	Queries raised/changes suggested	Clarifications by the Commission
		considered	
4	3.1(i)	<p>Regarding Clause 3.1 i) concerning 'Experience of the bidder organization' Limiting the consultancy to Regulatory Commissions makes it restrictive and restricts the participation of new entrants in the Field.</p> <p>The Commission may consider satisfying itself with the capability of the Bidder separately for (i) Knowledge of MYT Tariff Regulations (ii) Process of making and Notifying the Regulation and (iii) Knowledge of the components of the Retail Tariff including the Renewable Energy Sources and RPO.</p> <p>Further, the Commission may re-consider the wordings of this clause and modify the wordings so as to strike a balance between "PSERC Requirement being met" and "Encouraging New (Potential) Parties to enhance Competition".</p>	<p>Not agreeable.</p> <p>Experience Clause has been incorporated after due diligence.</p>
5	3.3	<p>Add a line in the Bid that "80% of the amount shall be adjusted with inflation, based on the CPI as on preceding 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September or 31<sup>st</sup> December as the case may be with reference to 30<sup>th</sup> June 2018 (being previous to the date of bid)".</p>	<p>Not agreeable.</p> <p>The firm bid price is a pre-requisite criteria. Variation allowed, if any, will cause problem in evaluation.</p>
6	4	<p>Regarding Clause 4 concerning 'Proposal Evaluation Criteria' The Commission may consider for "Presentation before the Consultancy Evaluation Committee" constituted by PSERC to evaluate the 'real' capability of the Bidders.</p> <p>The knowledge of 'Gurmukhi' (Write and Speak) is to be demonstrated during this interaction so that the Assignment is accomplished efficiently.</p>	<p>Agreed.</p> <p>The knowledge of "Gurmukhi" is not a pre-requisite.</p>
<b>C Sh. Vaibhav Mahajan of PWC</b>			
1	2.4	<p>Considering the nature of engagement and requirement of resources, it would be appropriate to not allow the consortiums to participate in the bidding and the bidder should submit all necessary documentary evidence to reveal that the bidder meets the entire qualifying requirement.</p> <p>The Clause may be amended as provided: <i>Consortium are not allowed to participate in the bidding</i></p>	<p>Not agreeable.</p> <p>The said Clause has been incorporated after due diligence.</p>

Sr. No.	RFP Document Clause No.	Queries raised/changes suggested	Clarifications by the Commission
		<i>The bidder must submit all necessary documentary evidence to reveal that the bidder meets all of the qualifying requirements</i>	Already specified in checklist provided in Annexure –VI.
2	4	While the evaluation criteria lay down the technical parameters to be assessed, there are no prescribed minimum eligibility criteria. Considering the importance of the engagement, it is essential to ensure that only firms with unblemished track record and necessary resources are eligible to bid. As such, minimum eligibility criteria may be added by the Commission	
3	4.1	While total of 40 marks for experience of organisation has been assigned, it is unclear as to how the scoring will be done with respect to number of engagements. Further to ensure that the Commission gets the maximum benefits of engaging a consultant, the Commission should select a consultant who can provide experience of varied methodologies. As such experience of working with various state ERCs should be preferred. Therefore the minimum requirement for experience of organisation may be amended to reflect the same.	Agreed, the evaluation criteria is also uploaded on the Commission's website.
4	4.2	While total of 40 marks for qualification and experience of team/consultant's personnel has been assigned, it is unclear as to how the scoring will be done. Further minimum experience level for the resources has not been defined. To ensure resources with appropriate years of experience are given a preference and to provide clarity, the clause may be amended as provided below: <i>The team should comprise of 5 members (including team leader) with background in engineering/finance, out of which 2 member should be engineering graduate (electrical/mechanical) and 2 member of the team should be MBA(Finance)/CA/MA(Economics)/equivalent qualifications. Each member of the team should have handled at least one assignment of assisting the ERCs in preparation of MYT</i>	

Sr. No.	RFP Document Clause No.	Queries raised/changes suggested	Clarifications by the Commission
		<i>Regulations and two assignments of assisting the ERCs in process of ARR/Tariff Petition under the MYT Regulations</i>	
5	Note for 4.1 & 4.2	<p>As ERCs usually give work orders for assistance in processing of petitions for several years together, to get experienced consultants, it would be beneficial and simpler for the Commission to consider one work order as one assignment instead of counting the financial years.</p> <p>The Commission may clarify if the proviso is only for assignments where assistance has been provided in processing of petitions or engagements for assisting the commission in framing of regulations will also necessarily require the processing of distribution petitions.</p>	<p>Not agreeable. Since some of the ERCs issue one work order for the entire Control period while other ERCs issue different work Orders for different years of the Control Period. Further, MYT Control Period is also different for different ERCs.</p> <p>Not Required. Since all MYT Regulations (except CERC) covers distribution function as well.</p>
6	2.31 (a)	<p>Timely completion of work is of utmost importance to the Commission and to the consultants alike. However a maximum limit on penalty may be prescribed as suggested below:</p> <p><i>“a) In case, the finalization of Regulations/Capital Investment &amp; Business Plans/ARR Petitions/APR Petitions/True-Up Petitions within the prescribed time is delayed for the reasons attributable to the firm, deduction shall be made @1.00% (one percent) per day of the amount due subject to a maximum of 10% (ten percent) for that assignment (refer Annexure V (Schedule of Payment) of this document).”</i></p>	Please refer to Point B(2).
7	2.31 (b)	<p>While the need of a local professional staff deputed in the Commission is appreciated, it is suggested that the penalty be levied only if the resource is absent without prior information or appropriate replacement.</p> <p>The clause may be amended as provided:</p> <p><i>“b) In case, the local professional staff deputed in the Commission is found absent <b>without prior information or appropriate replacement</b> on any day during the period of execution of assignment, deduction</i></p>	It is logical that penalty will be levied only if the staff of the consultant is absent without prior approval of the Commission.

Sr. No.	RFP Document Clause No.	Queries raised/changes suggested	Clarifications by the Commission
		<i>@Rs.5000 per day shall be made from the consultant bill."</i>	
8	Annexure IV	The schedule of activities, services and deliverables in Annexure IV (A, B & C) provide the timeline for completion of various milestones. However, finalisation of regulations/orders/public notices would require the input of the Commission. As such, responsibility of purchaser (Commission) may be defined to review the deliverables submitted by the Consultants in a timely manner to ensure that the prescribed timelines are met.	Not agreeable. Existing Clause 2.31 already addresses the apprehensions of the bidders and shall be applicable only in case the delay is for reasons attributable to the firm.
9	2.6 & 2.8	In order to appropriately evaluate any changes the Commission may make in the RFP post pre-bid conference and to submit a detailed proposal, the date of bid submission and EMD submission may be extended till 15:00 Hrs, 31st July 2018.	Please refer to Point A(4).
<b>D</b>	<b>Sh. Brhamesh Alipuria of IDAM INFRA</b>		
1	2.5(a)	Allow submission of EMD amounting to Rs. 50,000/- in the form of bank guarantee instead of crossed demand draft as mentioned in clause 2.5(a) of the RFP document. Also provide the prescribed format, if any.	Not agreeable.
2	4.1	Request for dropping the specific requirement of "Handling atleast 2 assignments of assisting the ERCs in preparation of MYT Regulations".	Not agreeable.
3	4.2	Request to consider MBA (Power Management) and relax eligibility of experience regarding MYT Regulations	Not agreeable.
4	2.27	Request to amend the Bank guarantee clause.	Not agreeable.
<b>E</b>	<b>Sh. Gul Basantani of Mazars Advisory</b>		
1	Annexure –III (1)	Following may be clarified: At places, word "Utilities" is used which means PSPCL and PSTCL only and there are no other utilities for which Tariff process is to be carried out.	Scope of Work limited to PSPCL and PSTCL as specified in the RFP document.
2	2.6 & 2.8	Timeline for submission of RFP may be extended up to 31 July 2018	Please refer to Point A (4).
<b>F</b>	<b>Sh. Amiy Chaturvedi of Mercados Energy Markets India Private Limited ('Mercados') received through Email</b>		
1	4.1	Proposed Clause: 4.1. Experience of	Not agreeable.

Sr. No.	RFP Document Clause No.	Queries raised/changes suggested	Clarifications by the Commission
		Organization Number of assignments in which the different Electricity Regulatory Commissions <b>or Utilities</b> has <b>have</b> been assisted for preparation of MYT Regulations and for processing/ <b>filing</b> of the Capital Investment & Business Plans / ARR & Tariff Petitions under MYT Tariff Regulations. The bidder should have handled at least <del>two</del> <b>one</b> assignments of assisting the ERCs in preparation of MYT Regulations and at least four assignments of assisting the ERCs/ <b>utilities</b> for processing/ <b>filing</b> of the ARR & Tariff Petitions under MYT Tariff Regulations.”	
2	Note for 4.1 & 4.2	Note for 4.1 & 4.2: Providing assistance to a ERCs/ <b>Utilities</b> in processing/ <b>filing</b> of Petition(s) for Capital Investment & Business Plans / determination of ARR & Tariff for different functions i.e. Generation/Transmission/ Distribution of utility(ies) a State during a Financial Year shall be counted as one assignment. <del>Provided, no cognizance shall be taken of the assignments during a year, if assistance has not been provided to ERC in determination of ARR/Tariff for the distribution functions</del>	Not agreeable.
<b>G Anujesh Dwivedi of Deloitte Touche Tohmatsu India LLP (DTTILLP) received through post</b>			
1	2.31(b)	The requirement of staff for the assignment could vary from week to week. We therefore request the Commission to clarify the requirement in number of days during each week of the assignment execution and the scope of activities, for which team member are to be deputed in the Commission. Alternatively we believe that consultants should be promoted to ensure, deployment of adequate professional staff as per the requirements of the assignments. To this objective, Clause 2.31(1) of the RFP penalises the consultants for any delay on their account, which would include absence of professional staff during execution of the assignment. Therefore clause 2.31(b) of the RFP may be dropped.	The requirement/purpose for stationing of atleast one team member has been already specified in Note under Clause 2.2 of Annexure-III of RFP document.
2	4.2	The team leader should have handled at least one assignment of assisting the ERCs in preparation of MYT Regulations and TWO assignments of assisting the ERCs in process of ARR/Tariff Petition under the MYT Regulations.	Not agreeable

<b>Sr. No.</b>	<b>RFP Document Clause No.</b>	<b>Queries raised/changes suggested</b>	<b>Clarifications by the Commission</b>
		The Team members should have experience of working with ERCs, utilities, consumer bodies and other institutions in power sector on matters related to regulatory, tariff and policy.	



### Amendments Caused to RFP Document

Sr. No.	Clause No.	Existing Clause	Amended Clause
1	2.6	Proposal document shall be submitted at the following address <b>on or before 15:00 Hrs. on <u>16.07.2018.</u></b>	Proposal document shall be submitted at the following address <b>on or before 15:00 Hrs. on <u>31.07.2018.</u></b>
	2.8.1	1 <sup>st</sup> envelope containing 'Earnest Money deposit' of all the bidders shall be opened <b>at 16:00 Hrs on <u>16.07.2018.</u></b>	1 <sup>st</sup> envelope containing 'Earnest Money deposit' of all the bidders shall be opened <b>at 16:00 Hrs on <u>31.07.2018.</u></b>
	2.8.2	The 2nd envelope containing 'Technical bid' of only those bidders, whose 'Earnest Money deposit' is found in order (i.e. after verifying the validity, amount of demand draft payable, place and name of payee etc.) shall be opened on the same day <b>i.e. on <u>16.07.2018.</u></b>	The 2nd envelope containing 'Technical bid' of only those bidders, whose 'Earnest Money deposit' is found in order (i.e. after verifying the validity, amount of demand draft payable, place and name of payee etc.) shall be opened on the same day <b>i.e. on <u>31.07.2018.</u></b>
	2.8.3	The 3rd envelope containing 'Financial bid' of only those bidders shall be opened <b>on <u>23.07.2018,</u> at 11.00 Hrs,</b> whose score is 50% or more as specified under para 4.4 of Section-III of this document.	The 3rd envelope containing 'Financial bid' of only those bidders shall be opened <b>on <u>13.08.2018,</u> at 11.00 Hrs,</b> whose score is 50% or more as specified under para 4.4 of Section-III of this document.
2	2.31(a) & (b)	<p><b>Penalties:</b></p> <p>(a) In case, the finalization of Regulations/Capital Investment &amp; Business Plans/ARR Petitions/APR Petitions/True-Up Petitions within the prescribed time is delayed for the reasons attributable to the firm, deduction shall be made @1.00% (one percent) per day of the amount due for that assignment (refer Annexure V (Schedule of Payment) of this document).</p> <p>(b) In case, the local professional staff deputed in the Commission is found absent on any day during the period of execution of assignment, deduction @ ₹ 5000 per day shall be made from the consultant bill.</p>	<p><b>Penalties:</b></p> <p>a) In case, the finalization of Regulations/Capital Investment &amp; Business Plans/ARR Petitions/APR Petitions/True-Up Petitions within the prescribed time is delayed for the reasons attributable to the firm, deduction shall be made @1.00% (one percent) per day of the amount due for that assignment (refer Annexure V (Schedule of Payment) of this document).</p> <p>b) In case, the local professional staff deputed in the Commission is found absent on any day during the period of execution of assignment, deduction @ ₹ 5000 per day shall be made from the consultant bill.</p> <p><b>Note:</b> <u>Above penalty shall be limited to 10% of respective assignment for each instance</u></p>
3	4	<p><b>Section- III</b></p> <p><b>4. Proposal Evaluation Criteria</b></p>	<p><u>The detailed evaluation criteria to be read along with Clause 4 (Section-III) of the existing RFP document is placed at Annexure-A.</u></p>

Sr. No.	Clause No.	Existing Clause	Amended Clause
4	4.3	<p><b>Approach for preparation of Regulations</b> including comparison of MYT Regulations of other States and the approach to tariff setting including model for determination of Revenue requirements of the petitioner by adopting various methodologies, Tariff setting for generation, transmission &amp; SLDC charges and wheeling of electricity and retail supply of electricity to various classes of consumers taking into consideration associated factors like fuel adjustment, power factor, fixed charges etc and Rationalization of categories of consumers.</p>	<p><b>Approach and <u>methodology</u></b> for preparation of Regulations including comparison of MYT Regulations of other States and the approach to tariff setting including model for determination of Revenue requirements of the petitioner by adopting various methodologies, Tariff setting for generation, transmission &amp; SLDC charges and wheeling of electricity and retail supply of electricity to various classes of consumers taking into consideration associated factors like fuel adjustment, power factor, fixed charges etc and Rationalization of categories of consumers.</p> <p><u>The prospective bidders shall be required to give presentation on the approach and methodology to be adopted by them for undertaking the assignment.</u></p>

## Annexure-A

### Criteria for Evaluation of Bid Documents and awarding of marks

#### 1. Experience of the Organization (Maximum Marks 40)

a) The bidder should have handled at least two assignments of assisting the ERCs in preparation of MYT Regulations. The bidder which has handled maximum number of said assignments will be allotted **20 marks**. The other bidders shall be allotted marks in proportion to number of assignments in which assistance has been provided by them.

and

b) The bidder should also have handled at least four assignments of assisting the ERCs in processing of the ARR & Tariff Petitions under MYT Tariff Regulations. The bidder which has handed maximum number of said assignments will be allotted **20 marks**. The other bidders shall be allotted marks in proportion to number of assignments in which assistance has been provided by them.

#### 2. Experience and qualification of the team proposed to be deputed: (Maximum Marks 40)

i) Team Leader : 12 Marks

ii) Team Members: 28 Marks

#### i) Team Leader (one) (1x12=12 Marks) (Maximum Marks 12)

Sr. No.	Description of Item	Max. Marks	Marks to be awarded
1.	Educational Qualification	3	Graduate in Elect. / Mech. Engg / MBA (Finance) / CA / MA(Eco) / equivalent qualification For additional post graduate qualification* : 2 marks : 3 marks
2.	Experience in assisting the ERCs in:		
	MYT Regulations	3	One case : 1 mark More than one case (1 mark for each additional assignment) : 2/3 marks
	ARR/Tariff Petitions under MYT Regulations	3	Two cases : 1 mark More than two cases (1 mark for each additional assignment) : 2/3 marks
3.	Experience in power sector	3	Upto 5 years : 2 marks More than 5 years : 3 marks

**Total Marks (Maximum): 12**

\* Graduate in Elect. / Mech. Engineering with additional post graduate qualification will be awarded 3 Marks.

**ii) Team Members (Four)****(4x7 = 28 Marks)**

Sr. No.	Description of Item	Max. Marks	Marks to be awarded
1.	Educational Qualification	2	Graduate in Elect. / Mech. Engg / MBA (Finance) / CA / MA(Eco) / equivalent qualification For additional post graduate qualification* : 1 mark : 2 marks
2.	Experience in assisting the ERCs in:		
	MYT Regulations	2	One case : 1 mark More than one case : 2 marks
	ARR/Tariff Petitions under MYT Regulations	2	Two cases : 1 mark More than two cases : 2 marks
3.	Experience in power sector	1	5 years or more : 1 mark

**Total Marks: 28**

\* Graduate in Elect. / Mech. Engineering with additional post graduate qualification will be awarded 5 Marks.

3. Concept note/approach and methodology for preparation of Regulations including comparison of MYT Regulations of other States and the approach to tariff setting including model for determination of Revenue requirements of the petitioner by adopting various methodologies, Tariff setting for generation, transmission & SLDC charges and wheeling of electricity and retail supply of electricity to various classes of consumers taking into consideration associated factors like fuel adjustment, power factor, fixed charges etc and Rationalization of categories of consumers. The prospective bidders shall be required to give presentation on the approach and methodology to be adopted by them for undertaking the assignment.

**Maximum Marks: 20****Grand Total: 100****4. Financial Evaluation**

The proposal with lowest financial bid shall be given a score of 30 and score of other bidders shall be inversely proportional to their prices.

**5. Technical Evaluation**

The bidder with highest technical score shall be given a score of 70 and score of other bidders shall be normalized accordingly.

**6. Overall Evaluation**

The total score of each bidder may be worked out by adding financial score and technical score as worked out at (4) and (5) above.