



## **TENDER SPECIFICATION**

**For**

**Procurement of RTC Power by Vedanta Limited,  
Jharsuguda**

**This Document Contains:**

- 1. NIT**
- 2. General Terms and Conditions**
- 3. BIDDERS COMPANY DATA (Annexure-A)**
- 4. PERFORMA FOR PRICE BID (Annexure-B)**
- 5. SCHEDULE OF DEVIATIONS (Annexure-C)**

**(Specification No : Power-2/Del-2/2016)**

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# **CONTENTS**

- 1. Notice inviting tender**
- 2. General terms and conditions**
- 3. Bidders company data (Annexure-A)**
- 4. Performa for price bid (Annexure-B)**
- 5. Schedule of deviations (Annexure-C)**

**NOTICE INVITING TENDER FOR PROCUREMENT OF POWER  
TENDER SPECIFICATION NO. - POWER-2/DEL-2/2016**

VL, Jharsuguda invites tender for supply of electrical energy from interstate/intrastate sources viz. Generators, Traders having valid Inter State Trading License issued by CERC for interstate trading of energy, intrastate trading license issued by OERC for intrastate trading of energy, State Electricity Boards, State Electricity Utilities, States, IPPs & CPPs as per table given below:

A. For Purchase of RTC Power		
Period	Duration (Hrs)	Quantum (MW) ( $\pm 30\%$ )
01-Apr-16 to 31-Mar-17	00:00 - 24:00	Upto 600
01-Apr-17 to 31-Mar-18	00:00 - 24:00	Upto 600
01-Apr-18 to 31-Mar-19	00:00 - 24:00	Upto 600

1	Clarification/Suggestion on tender document	12/03/2016
2	Last date of submission of tender document	16/03/2016
3	Date and time of opening of tender document	17/03/2016 at 15:00 Hrs
4	Contract performance Guarantee (in the form of Bank Guarantee)	Rs. 30 Lakhs/MW

VL, Jharsuguda reserves the right to place the LoI on single or multiple bidders and increase / decrease the quantum mentioned in the above table as per its requirement before placing the LOI to the successful bidders. The minimum quantum offered by any bidder should not be less than 100 MW, otherwise their offer shall be rejected.

Bidder is required to quote fixed quantum from each source for each period mentioned above. In case, different quantum is offered, then Minimum offered quantum during the period will be considered.

In case, above date happens to be a holiday, then the date of submission and opening of tenders will automatically get shifted to the next working day, but the scheduled time will remain same.

The prospective bidders are requested to be extra cautious in filling the tender and to get in touch with this office in case of any difficulty. Once the tender is opened, no request for relaxation or for overlooking any mistake committed by the bidder will be entertained.

VL, Jharsuguda reserves the right to reject any or all tenders or to accept any tender in full or part as may be considered advantageous to VL, Jharsuguda, without assigning any reason what so ever.

Tender specifications can be downloaded from Vedanta Limited website: <http://www.vedantaaluminium.com>.

## **GENERAL TERMS AND CONDITIONS FOR PROCUREMENT OF POWER**

### **1. INTRODUCTION**

VL, Jharsuguda is soliciting bids for supply of Power on RTC (00:00 Hrs to 24:00 Hrs) basis from Inter State/intra state Generators, Traders having interstate trading license issued by CERC or Intra State sources through traders having intrastate trading license issued by OERC, State Electricity Boards, State Electricity Utilities, States, and IPPs & CPPs to enable VL, Jharsuguda to meet demand/requirement of power for the periods from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2019.

### **2. TERMS & CONDITIONS FOR SUPPLY OF ENERGY:**

Interested parties are requested to submit bids for the following:

Period			Duration (Hrs)	Quantum (MW)
01-Apr-16	to	31-Mar-17	00:00 - 24:00	Upto 600
01-Apr-17	to	31-Mar-18	00:00 - 24:00	Upto 600
01-Apr-18	to	31-Mar-19	00:00 - 24:00	Upto 600

Note: - Offers from traders not accompanied by LOI of the respective source(s) will not be considered. Bidder can bid only as per the format annexed to this specification, subject to the terms and conditions as provided in subsequent paras.

### **3. TRADING LICENSE**

The Traders submitting bids should have a valid license from the CERC/OERC for inter State/Intra State trading of Electricity. The trader shall also attach a photocopy of the same along with the bid.

### **4. BID QUANTITIES:**

The Bidders shall indicate the capacity (MW) and quantum (MUs), which they are ready to supply at delivery point. The bidder is required to bid for a minimum of 100 MW otherwise his bid will be rejected. Bidder is required to quote fixed quantum from each source for each period mentioned above. In case, different quantum is offered, then Minimum offered quantum during the period will be considered.

### **5. SOURCES:**

The bidder shall provide the details of source(s) of supply i.e. whether the energy will be supplied from a specific generating source or portfolio of sources. In case of portfolio of sources (i.e. Quantum offered from any source is less than 100 MW) then total quantum offered should not be less than 200 MW and billing to these sources shall be fortnightly i.e. on

16<sup>th</sup> of the month and 1<sup>st</sup> day of the next month. The bidder shall state the transmission path that will be used and whether the bidder has transmission rights or other transmission mechanism in place.

## **6. PRICE:**

The Bidder shall quote the price (Rs. / Kwh) at which he is prepared to deliver the energy at the delivery point. The price should be on the following basis:

- a) The delivery point shall be the Buyer's Regional periphery only. Buyer is located in Eastern region.
- b) The rate of offered power (in Rs/kwh) should be quoted at the Delivery Point and shall be inclusive of all taxes, duties, cess etc. imposed by Central Govt. / State Govt./ Local Bodies as applicable on the date of opening of tender enquiry and should be limited to 3 (three) decimal points. The Price/rate should be firm and there shall be no escalation during the contractual period. The quoted rate should be inclusive of trading margin (wherever applicable).
- c) Successful bidder(s) shall be applying for the Short term open access/Medium term open Access as per the latest open access Regulations / Guidelines/IEGC code in vogue as required by VL, Jharsuguda. The successful bidder(s) shall be responsible for the delivery of power at VL, Jharsuguda periphery.
- d) VL, Jharsuguda will in no way be liable for any other charges up to delivery point except for the charges of energy delivered at delivery point on the basis of the Regional Energy Accounts (REA) of the Eastern regional power committee (ERPC) as per the latest open access regulations applicable.
- e) The transmission charges (Injection charges), transmission losses (Injection losses), RLDC/SLDC charges, application/ concurrence charges or any other charges covered in Open Access Regulations notified by Central Electricity Regulatory Commission (CERC) and the procedure for Open Access stipulated by the Central Transmission Utility (CTU) (as amended up to date) for supply of energy up to the delivery point shall be included in the sale price i.e. all the transmission charges, transmission losses, load dispatch center charges, application/ concurrence charges or any other charges for purchase of energy up to the delivery point shall be borne by Seller/bidder, if applicable. Beyond the delivery point, the transmission charges (Withdrawal charges), transmission losses (Withdrawal losses), RLDC charges shall be borne by Buyer.
- f) If the offer is conditional, VL, Jharsuguda reserves the right to accept or reject the same without assigning any reason.

## **7. OPEN ACCESS:**

### **7.1 Booking of Transmission Corridors**

The successful bidder(s) shall apply for booking of the open access transmission corridor to nodal RLDC. The Bidder shall be fully responsible for the timely filing of open access application before the nodal RLDC and coordinating with the relevant RLDC / SLDC so as to get the timely booking of the open access corridor. The energy shall be scheduled and dispatched as per the relevant provisions of CERC regulations for Short/Medium term open access and Procedure for reservation of Transmission Capacity for short-term/Medium term open access customers (Inclusive of all the amendments till date).

The successful bidder(s) shall apply for booking of advance reservation in such a manner so as to get the maximum quantum from the shortest route.

The successful bidder(s) shall have to book the transmission corridor after making advance payment in full to the Nodal RLDC. The open access booking charges as payable by VL,Jharsuguda shall be reimbursed to the successful bidder(s) within 7 days from the receipt of the bill raised by bidder(s) if any.

## **7.2 REFUNDS TOWARDS OPEN ACCESS CHARGES IN CASE VL,JHARSUGUDA / SELLER DOES NOT SCHEDULE POWER TO THE EXTENT OF 100% OF BOOKED OA CORRIDOR.**

In case VL,Jharsuguda surrenders the already booked Open Access corridor, VL,Jharsuguda shall bear the Open Access Charges, to be deducted by concerned RLDC for such surrender of booked corridor as per the prevailing open access regulations.

In case if the approved transmission corridor is surrendered/cancelled by the trader / seller then all the transmission charges will be borne by Trader/Seller.

## **8. BILLING AND PAYMENT PROCEDURE FOR ENERGY SUPPLIED:**

### **8.1 Energy Charges.**

For the energy supplies made during the month, the successful bidder(s) will be raising weekly bills on monthly basis. For the purpose of the weekly bills, each month shall be divided into four parts, starting from 00:00 hrs of 1st, 9th, 16th and 24th day of the month to 24:00 hrs of 8th, 15th, 23rd and last day of the month respectively. In case of portfolio of sources (i.e. Quantum offered from any source is less than 100 MW) then total quantum offered should not be less than 200 MW and billing to these sources shall be fortnightly i.e. on 16th of the month and 1st day of the next month. The relevant bill shall be raised based on the provisional weekly energy data (based on the WRLDC data) certified by the successful bidder(s) for the energy delivered at the delivery point. After receipt of the Provisional / Final REA for the previous month issued by ERPC, the final bill shall be raised by the successful bidder(s). In the final bill the adjustment will be made towards the difference in the actual bill on the basis of REA issued by ERPC for the month minus provisional bills issued for the month. The adjustment will also be made

towards the rebate already made. This bill shall indicate the energy (as per REA), rate, the total amount due as per this Agreement, rebate for prompt payment and adjustment if any, for the previous period. Accordingly a No Dues Certificate will be issued by the successful bidder(s) to VL, Jharsuguda within a month of issue of final REA (for contractual Period) for final adjustment, so as to enable VL, Jharsuguda to refund the Performance Guarantee deposited by the successful bidder(s).

In case, energy indicated in REA is more than the schedules approved by Nodal RLDC, then the amount payable will be as per approved schedules for the month.

## **8.2 PAYMENT**

VL, Jharsuguda shall make all payments (open access and energy charges) within 7 days from the receipt of Fax bill (excluding the day of receipt of bill) from successful bidder. The bill must be faxed/sent through E-mail on any working day before 17:00 hrs otherwise the day of receipt of bill will be considered as next working day. However, hard copies of the bill in duplicate shall invariably be sent to the VL, Jharsuguda through courier. In case the seventh day is a holiday, the next working day would be the due day for the payment.

## **8.3 REBATE ON BILLED AMOUNT**

Successful bidder(s) shall allow 2 % rebate on the billed amount of energy charges, if VL, Jharsuguda makes payment of the bill through RTGS by due day of payment. (No rebate shall be applicable on payment of open access charges/Compensation Payments). A surcharge of 15 % per annum shall be applied on all payments (Open Access Charges/PoC Charges/Energy Payments/Compensation Payments and any other charges) outstanding after 30 days from due date of payment. Rebate will be allowed only if VL, Jharsuguda pays the full amount of the Bill. Thereafter surcharge shall be calculated on day-to-day basis for each day of delay.

## **9. SCHEDULING PROCEDURE:**

The scheduling and dispatch of the energy shall be coordinated with respective RLDC(s) as per provisions of IEGC and framework of ABT and decisions of RLDC and REB.

## **10. COMPENSATION FOR DEFAULT IN SCHEDULING.**

a) In case the successful bidder(s) fail to apply for the full contracted quantum as per the Lol (Letter of Intent) for the booking of open access corridor under advance scheduling then bidders shall pay Rs 1/kWh for unapplied quantum.

b) Without prejudice to the provisions of force majeure, If VL, Jharsuguda/Successful

Bidder(s) fail to schedule energy corresponding to the capacity approved for Open Access for the concerned period VL, Jharsuguda/Successful Bidder(s) shall pay compensation @ Rs.1.00/kWh for the difference (shortage) quantity below 90%. Trader shall produce compensation claim from Seller/Generator.

c) The penalty shall be calculated on monthly basis.

The above provision shall be applicable on quantities of supplies below 90% on monthly energy terms. No compensation is applicable for quantities of supplies up to 90 % on monthly energy basis.

## **11 SUBMISSION OF TENDER**

- a) The Bidder shall submit the tender only through E-mail indicated in tender notice. Bids complete in all respects must be submitted by 16/03/2016 through email only on [Power.Sales@vedanta.co.in](mailto:Power.Sales@vedanta.co.in)
- b) Each Bid shall consist of
  - a. Copy of valid inter-state/intra-state Energy Trading License issued by CERC/OERC to deal in inter-state/intra-state trading of energy. (In case of bid by trader).
  - b. LOI (Letter of Intent) of Seller(s).
  - c. Deviations if any, from these General Terms and Conditions of tender documents, as per Annexure C.
  - d. Price bid for supply of energy to VL, Jharsuguda as per Annexure B.

All the bidders should submit their tenders with all the annexure duly filled & complete in all respects. Bidder may enclose and supply any additional information / documents, which he feels is relevant for this tender. However, VL,Jharsuguda reserves the right to consider or reject this information at its sole discretion.

## **12 EVALUATION OF TENDER**

The bids shall be evaluated at the VL, Jharsuguda's Periphery after taking into account the applicable PoC charges (Odisha State with drawl PoC Charges & losses).

## **13 CONTRACT PERFORMANCE GUARANTEE (CPG)**

- a) Every successful bidder shall be required to furnish CPG within 7 days from the date of selection of successful bidder(s) for an amount calculated at Rs. 30 lac per MW of contract period or part thereof. VL, Jharsuguda will provide the CPG format to the successful bidder upon placement of Lol
- b) The CPG shall be in the form of BG issued by any Nationalized / Scheduled Bank and valid for the period of contract with a claim period of 1 month after the expiry of contract period.



- c) The CPG provided by the successful bidder shall be forfeited for non performing the contractual obligations. The CPG shall be released within 30 days after completion of contract period after the Bidder(s) has fulfilled his obligation under the contract.

#### **14 PAYMENT SECURITY MECHANISM**

On receipt of CPG, VL, Jharsuguda shall open unconditional standby irrevocable revolving letter of credit equivalent to 8 days billing based on approved open access quantum or any other equivalent payment security mechanism as mutually discussed.

All charges excluding negotiation charges shall be in account of VL, Jharsuguda.

#### **15 FORCE MAJEURE**

Force Majeure events shall mean the occurrence of any of the following events:-

- a. Any restriction imposed by RLDC/SLDC in scheduling of power due to break down of Transmission/Grid constraint shall be treated as Force Majeure without any liability on either side.
- b. Non consent by SLDC for flow of power
- c. Any of the events or circumstances or combination of events and circumstances such as act of God, exceptionally adverse weather Conditions , lightning, flood, cyclone, earthquake, volcanic eruption, fire or landslide or acts of terrorism causing disruption of the system.

The contracted power will be treated as deemed reduced for the period of transmission constraints.

Note: -Occurrence of Force Majeure conditions must be intimated immediately on their occurrence but in no case later than 24 hrs.

#### **16 VALIDITY OF BID**

Bids shall remain valid and shall be irrevocable for a period of 30 days from the date of bid opening.

#### **17 PREFERENCE TO UNCONDITIONAL OFFER**

VL, Jharsuguda reserves the right to give preference to the unconditional bid in the first instance.

#### **18 RESPONSE DATE AND DATE OF OPENING:**

Bids complete in all respects must be submitted by 16/03/2016 through email only on [Power.Sales@vedanta.co.in](mailto:Power.Sales@vedanta.co.in). The bids shall be opened on the next day at 15:00 Hrs. In case,

above date happens to be a holiday, then the date of submission and opening of bids will automatically get shifted to the next working day, but the scheduled times will remain the same.

**19 SUBMISSION OF BIDS:**

- i) All pages of the tender documents shall be signed in full at the lower right hand corner with ink only by the bidder or any person holding Power of Attorney authorizing him to sign on behalf of the bidder. (Copy of Power of Attorney to be enclosed)
- ii) The tender shall contain the name, residence and place of business of person or persons submitting the tender.
- iii) In the event of tender being submitted by other than a firm, it must be signed by a partner (copy of partnership deed should be enclosed) and in the event of absence of any partner, it shall be signed on his behalf by a person holding a Power of Attorney authorizing him to do so, certified copies of which shall be enclosed.
- iv) Tender submitted on behalf of Companies registered with the Companies Act, for the time being in force, shall be signed by persons duly authorized to submit the tender on behalf of the Company and shall be accompanied by certified true copies of the resolutions, extracts of Articles of Registration, Special or General Power of Attorney etc. to show clearly the title, authority and designation of persons signing the tender on behalf of the Company, copies of which shall also be enclosed with tender.
- v) All the Annexure from A to C shall be duly filled and signed.

**20 ISSUE OF LETTER OF INTENT (LOI)**

VL, Jharsuguda shall issue LOI to the successful bidder(s) as soon as the decision on the bids is taken. The bidder shall convey acceptance of LOI within one day through email and provide the CPG in favor of VL, Jharsuguda within 7 days from placement of Lol. Subject to furnishing of valid CPG by the Bidder, Parties will execute the Power Purchase Agreement within 15 days from placement of Lol.

**21 ADDITIONAL INFORMATION:**

All the information shall be comprehensive as far as possible to help VL, Jharsuguda in properly assessing the capability of the bidder. VL, Jharsuguda reserves the right to obtain additional information from the bidders including, but not limited to, affiliated entities and joint ventures of the bidders, bidder's financial strength, litigation and penalties, as VL, Jharsuguda may deem necessary to evaluate the bidder(s) and the bids.

**22 BID PREPARATION COST**

The bidder shall be responsible for all the costs associated with the preparation of its bid and participation in the negotiation process. VL, Jharsuguda will not be responsible or in

any way liable for such costs regardless of the conduct or outcome of this process.

## **23 INCOMPLETE / AMBIGUOUS BIDS**

VL, Jharsuguda reserves the right to reject any bid which is incomplete or ambiguous vis a vis the information required to be submitted as per this document.

## **24 LANGUAGE OF DOCUMENTS**

All information and documents submitted must be in English language.

## **25 RESOLUTION OF DISPUTES ARBITRATION AND GOVERNING LAW**

In the event of any dispute arising out of the performance or the interpretation of this tender document, the representatives of Procurer and Seller hereby agree to meet and discuss to find an amicable settlement to the disputes failing which it shall be referred to the Sole Arbitrator to be mutually appointed by both the parties in accordance with Arbitration and Conciliation Act, 1996 and amendments thereof. The seat and venue of arbitration shall be Jharsuguda, Orissa. The parties hereby irrevocably submit to the exclusive jurisdiction of the appropriate courts in Jharsuguda, Orissa, India.

## **26 DISCLAIMER AND VL, JHARSUGUDA RIGHTS:**

This Tender shall not be construed as an offer and VL, Jharsuguda is not bound to purchase energy from any bidder pursuant to this Tender. VL, Jharsuguda reserves the right to modify or withdraw from the process initiated. VL, Jharsuguda reserves the right to reject any or all bids, or any portion of a specific bid for any reason. VL, Jharsuguda reserves the right to issue Lol with one or more of the bidders. VL, Jharsuguda assumes no obligation to provide a reason for rejection of a bidders' bid in full or in part.

VL, Jharsuguda reserves the right to cancel the order as a whole or in part at any time or in the event of default on the part of the bidder.

**BIDDER'S DETAIL**

- a) Name:
- b) Name of the Contact Person:
- c) E-Mail Address:
- d) Postal Address:
- e) Telephone:
- f) Fax Number:
- g) Inter/Intra state trading license (Scanned copy enclosed)
  - i. Category of License (in case of traders alone)
  - ii. Validity
- h) LOI of each Source (Scanned Copy enclosed)
- i) Other Information, if any.

Signature of the Authorized Representative.

**PRICE BID**

Period	Source	Transmission Route	Duration	MW	Rate including trading margin (Rs per kWh) at delivery point and taxes.
1 <sup>st</sup> Apr'16 to 31 <sup>st</sup> Mar'17			RTC		
1 <sup>st</sup> Apr'17 to 31 <sup>st</sup> Mar'18			RTC		
1 <sup>st</sup> Apr'18 to 31 <sup>st</sup> Mar'19			RTC		

**Note: - Rates at delivery point includes trader margin and Open access charges.**

Signature of the Authorized Representative.

Name:\_\_\_\_\_

Designation:\_\_\_\_\_

**SCHEDULE OF DEVIATIONS**

(To be filled by bidder)

Sr. no	Clause no of specification	Deviations

We hereby certify that the above mentioned are the only deviations from Purchaser's aforesaid specifications and general conditions. Except for the above deviations in General terms and Conditions of Specification No Power-2/Del-2/2016, all other terms and provisions are hereby accepted

Signature of Authorized Signatory

Dated.

Name:\_\_\_\_\_

Designation:\_\_\_\_\_