

**ANNEXURE - 3****COMMERCIAL TERMS AND CONDITIONS****1. LOCATION & SCOPE:****2. GENERAL:**

Separate sealed competitive bid under Open tender is invited in Duplicate by the under mentioned for and on behalf of TANGEDCO Ltd for Project Management Agency(PMA) services for implementation of Integrated Power Development Scheme (IPDS) in Tamil Nadu.

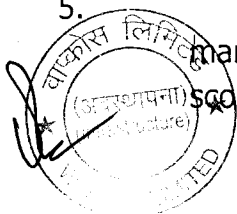
**3. LOCATION & SCOPE:**

- 1) TANGEDCO is envisaging for appointment of consulting organization as Project Management Agency (PMA) to assist TANGEDCO in implementation of IPDS in the State of Tamil Nadu as per "Guidelines issued by the Ministry of Power, Government of India".
- 2) Components under Integrated Power Development Scheme (IPDS):
  - i. Strengthening of Sub-transmission and Distribution network in urban areas;
  - ii. Metering of boundary points/ feeders/ distribution transformers/ consumers in urban areas;
  - iii. Rooftop Solar Project, installation of solar panels on Govt. buildings and smart/net meters as a mandatory component under IPDS; and
  - iv. Continuing IT enablement of distribution sector and distribution network strengthening as per the norms of the ongoing scheme of RAPDRP by subsuming the same in IPDS.

Scope of IT enablement extended to the statutory towns having population upto 5000 as per Census 2011. In 1st phase towns having population upto 15000 may be taken up and the population threshold may be gradually reduced to 5000.

3. The scope of services of PMA shall be as per the guidelines issued by MoP/GoI under IPDS and as per any other subsequent Amendments/Guidelines issued by MoP/GoI from time to time.
4. The illustrative scope of work for PMA includes Monitoring and co-ordination of the Bidding process by TANGEDCO, Project Planning & Implementation, Quality Monitoring, MIS & Webpage updation & Co-ordination with Nodal Agency/MoP and any other works as may be required to achieve the objectives of the scheme.

5. PMA appointed shall handhold and assist the utilities in project management and ensuring timely implementation of projects. The detailed scope of work is furnished in Annexure - I.



## 2.3 TIME LINES:

Timeline for major activities under IPDS are as per **Annexure – I**.

## 2.4 DELIVERABLES:

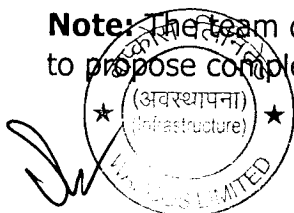
### 2.4.1 Key Personnel to be Deployed, establishment and Coordination:

The Educational Qualification of the key staff professional of Consultant to be deployed shall be as follows:

#### A) Team composition for IPDS:

Sl. No	Team Composition	Number of persons	Required Qualifications
1	Project Group Manager (Project leader for the assignment) at Chennai.	One (1)	Graduate in Electrical Engineering (or equivalent). At least 12 years experience in the power distribution system in India, with experience in quality management in power distribution works, should have excellent project management and interpersonal skills sound experience as team leader in project management of a sizeable team composing national experts plus financial management experience.
2	Project Contracts cum Quality Assurance Specialist at Chennai.	One (1)	Graduate in Electrical Engineering (or equivalent). At least 10 years experience in Electrical Contracts-cum-Quality assurance and out of which at least 5 years in handling of contracts relating to equipment/materials required for construction of 33/11 KV substations, 33 kV and 11 kV lines.
3	Project Engineer (Electrical) one for each Electricity Distribution Circle.	Thirty seven (29)	Graduate in Electrical Engineering (or equivalent). At least 5 years experience in the power distribution system in India, with experience in quality management in power distribution works.
4	MIS Specialist at Chennai	1	MCA/MBA/Graduate Engineer in Electrical with 2 years experience in Power Distribution Sector at Corporate Office.

**Note:** The team deployed for IPDS & DDUGJY should not be overlapped i.e. PMA has to propose completely different team for IPDS & DDUGJY.



- 2.4.1.2 Three designated persons for IPDS viz. one Project Group Manager, one Project Contract cum Quality Specialist, one MIS consultant on full time basis upon commencement of assignment at head quarter (Chennai).
- 2.4.1.3 The respective Project Group Manager shall work as Team leader and coordinate with the designated persons in the TANGEDCO.
- 2.4.1.4 The respective Consultant team shall be available in office(s) of TANGEDCO on all working days of TANGEDCO or as may be desired by TANGEDCO.
- 2.4.1.5 The respective personnel of Consultant should attend all the meetings conducted by the TANGEDCO /GoI/REC/PFC/GoTN/TANGEDCO etc by making their own arrangements. No extra payment will be made in this regard.
- 2.4.1.6 The consultant would be allowed to manoeuvre its manpower deployment for the above assignment to meet the requirements for expediting/completion of various activities and if need to deploy additional manpower without any additional cost whatsoever.

#### **2.4.2 Responsibilities of the PMA:**

- 2.4.2.1 The deployed manpower of Consultant will maintain office decorum. They will be courteous, polite and cooperative.
- 2.4.2.2 The deployed manpower will adhere to the office timings and follow all rules, regulations and policies as decided by TANGEDCO.
- 2.4.2.3 The deployed manpower consultants will be responsible for any damage to equipment, property and third party liabilities caused by their acts in the premise of TANGEDCO. They will use all equipment only for the purpose of carrying out their legitimate business of TANGEDCO and will not put them to any other use. For any damages, the extent of damage as decided by TANGEDCO will be final.
- 2.4.2.4 The Consultant needs to possess multi-dimensional capability to adequately meet the requirement of the contract/ award.
- 2.4.2.5 The Consultant & its designated man power will need to be able to work efficiently with respective senior management and officers of TANGEDCO.
- 2.4.2.6 The Consultant will bring proven knowledge and experience of handling project monitoring and efficiency improvement assignments.
- 2.4.2.7 The Consultant and its designated man power shall bring their own laptops and data card for carrying out their activities.

#### **2.4.3 Preparation and Submission of Reports:**

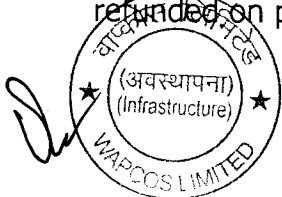
- 2.4.3.1 The consultant shall prepare and submit the reports as per **Annexure - I**.



- 2.4.3.2 The Commencement Report shall contain the details of all meetings held with the Client and the contractor and decisions taken therein, the resources mobilized by the Consultant as well as the contractor and the consultant perception in the management and supervision of the maintenance works. The Report shall also include the Work Program and Resource Mobilization for the Project.
- 2.4.3.3 The Monthly and Quarterly Progress Report shall contain details of all meetings, decisions taken therein, mobilization of resources (Consultant and procuring/executing agencies), Detailed compliance report of each activity, progress with photo and videography of all important installations and the projected progress for the forthcoming periods. The Report shall clearly bring out the delays, if any, and reasons for such delay(s) and the recommendations for corrective measures.
- 2.4.3.4 Final Report-The consultant will prepare a comprehensive final completion report after completion of the work. The report shall incorporate summary of the method of maintenance supervision performed, problems encountered and solutions undertaken thereon and recommendations for future projects of similar nature to be undertaken by the employer.
- 2.4.3.5 The deliverables shall be carried out by the Consultant well in time and in accordance with the mutually determined format and time schedule in consultation with respective officials of TANGEDCO.
- 2.4.3.6 The specifics within the deliverables for each item would be mutually worked out between Consultant & TANGEDCO in consultation with respective officials of TANGEDCO.
- 2.4.3.7 There may be any other deliverables, which are not specifically mentioned above but may be required for successful completion of the assignment. The Consultant shall have to provide such deliverables, as may be desired by TANGEDCO during the course of the assignment for the successful completion of the assignment to its satisfaction free of cost.

## 2.5 PRICES:

- 2.5.1 The contracted price is **FIRM** Price only. The price contracted shall remain **firm** throughout the period of contract i.e. till the closure of the project individually by TANGEDCO. The contracted price will be on lump sum basis inclusive of statutory taxes and duties, all travel, and stay, out of pocket expenses, cost of producing documents etc and exclusive of service tax. Owner will not be required to pay and/or reimburse anything over and above the price quoted.
- 2.5.2 However, the service tax shall be indicated separately. The service tax will be refunded on production of documentary evidence for having paid the same.



- 2.5.3 In the event of an award of contract, Income tax at source will be deducted by Owner as per law and Tax Deduction at Source certificate shall be issued to the Consultant by Owner.
- 2.5.4 The service tax during the stipulated contract period of 33 months only be paid in applicable rate during that period. Increase in the rate of service tax, if any, during the extension period of contract due to the delay which is not caused by TANGEDCO, will be to the account of the PMA and it will not be attributable to TANGEDCO.
- 2.5.5 In case of delay i.e delay attributed on the part of PMA, the service tax prevailing on the last date of scheduled period or actual period of execution whichever is less only will be admitted.
- 2.5.6 If the extension of contract is due to the delay of TANGEDCO, then increase in service tax if any during the contract period will be paid at the applicable rate of extension period.
- 2.5.7 All related travel expenses incurred by the Consultant's personnel for journeys to site or Owner's Office or anywhere in connection with the consultancy services/study under Scope of this Specification will be borne by the Consultant and the Owner will not take any responsibility whatsoever on this account.
- 2.5.8 **Quantity variation** : The price quoted by PMArer shall be firm for variation in quantity/value of scheme works to the tune of  $\pm 10\%$
- 2.5.9 In case of variation beyond  $\pm 10\%$ , the payment will be regulated on prorata basis.

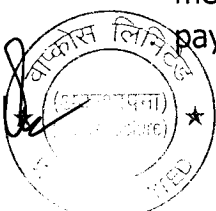
**2.5.10 SPECIAL CONDITIONS OF THE CONTRACT**

The contract on PMA is liable to the following terms and conditions.

- i) Board's terms of payment.
- ii) Board's terms of Liquidated damages for delay in delivery.

**2.6 CONTRACT PERFORMANCE SECURITY (SECURITY DEPOSIT )**

- 2.6.1 The consultant have furnished a Security Deposit of five (5) percent of the total value of the Contract after adjusting the proportionate EMD amount already remitted for the faithful performance of the Contract in accordance with the terms and conditions specified in the Contract. This Bank Guarantee should be kept valid for 39 months from the date of receipt of LoI. This B.G should be suitably extended and kept valid till the satisfactory completion of the contract.
- 2.6.2 Failure of the consultant to comply with the requirements under this Section shall constitute sufficient grounds for cancellation of the award and forfeiture of the Bid security.
- 2.6.3 If TANGEDCO incurs any loss or damage on account of breach of any clause mentioned above or any other cause arising out of the Contract that becomes payable by the Contractor to TANGEDCO then TANGEDCO will in addition to



such other rights that they may have under law appropriate the whole or part of the Security Deposit and such amount that is appropriated will not be refunded to the Contractor.

2.7 The executed Contract Agreement may only be amended or supplemented by a written agreement between the parties.

2.8 **TERMS OF PAYMENT:**

Payment terms are stipulated in clause 8 of LoA.

2.9 The Consultant shall furnish the bills in Duplicate to the Superintending Engineer/EDC (Project-in charge) concerned indicating the stage achieved, out of the ones indicated above.

2.10 All expenses including travel expenses incurred by the Consultant for carrying out all the activities as per scope of work will be borne by the Consultant and TANGEDCO will not take any responsibility whatsoever on this account.

2.11 The report on the above works and the bills have to be sent to the Superintending Engineer/EDC concerned.

2.12 Payments will be made within reasonable time from the date of receipt of bills and relevant documents as per clause 8 of GCC (General Conditions of Contract)

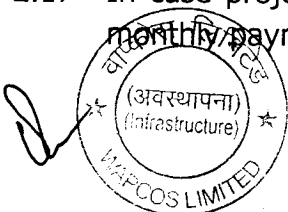
2.13 The reports required by TANGEDCO/PFC/REC/GOTN/GoI shall be prepared and submitted by the PMA within stipulated time.

2.14 All eligible payments will be made directly from the dedicated bank account as per the established procedure through e- banking only, by the Central Payment Division within a reasonable time. However, for delayed payments if any, TANGEDCO will not pay any interest on any account.

2.15 In case of delay in preparation/submission of Reports etc., as per PFC/REC/GoI Stipulations, the Penalty will be levied as in SLA

2.16 Quantity variation : The price quoted by the contractor shall be firm for variation in quantity/value of scheme works to the tune of  $\pm 10\%$   
In case of variation beyond  $\pm 10\%$ , the payment will be regulated on prorata basis.

2.17 In case project successfully finishes before scheduled timeline, the remaining monthly payment(s) will be made together at the end of work.



2.18 Although the period of engagement for the PMA shall be for 33 months from the date of receipt letter of Intent, yet in the event of any project implementation timelines overrun and the same warrants the association of PMA under the project for accomplishment of the leftover milestones, TANGEDCO shall reserve its right to extend the period of engagement for the PMA.

2.19 If any mentioned work is not required to be executed, due to any reason whatsoever: the proportionate cost of the contract fee may be deducted on pro-rata basis, as may be mutually agreed between the employer and bidder.

## 2.20 **COMPLETION PERIOD**

### 2.20.1 **PERIOD OF ENGAGEMENT :**

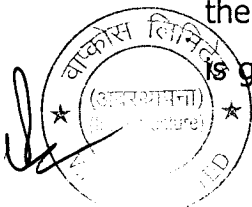
The period of engagement would be thirty three (33) months from the date of receipt of Letter of Intent(LoI), or till the closure of the entire project by the TANGEDCO, whichever is later. The contract shall be suitably extended without any financial commitment to TANGEDCO in case of delay in completion of the schemes is attributable to the PMA. If the delay in completion of the schemes is not attributable to PMA, then contract price shall be on prorata basis for the extended period.

### 2.21 **CONTRACT QUALITY ASSURANCE:**

The tenderer shall include in his proposal the Project Planning and Implementation, Quality Monitoring, MIS & Web Portal up-dation and Coordination with Nodal Agency/ MoP and any other works of various components under IPDS covered in the scope of this contract to be carried out and it shall contain the overall quality, and procedures that would be followed to assess the performance of the work to be executed.

## 2.22 **FORCE MAJEURE**

2.22.1 Neither the Contractor nor the Purchaser shall be considered in default in performance of its obligations hereunder if such performance is prevented or delayed for any causes beyond the reasonable control of the party affected, such as war, hostilities , revolution, riot, civil commotion, epidemic, major fires, explosions, floods, earthquakes or because of any law, order, proclamatory regulations or ordinance of Government or because of any act of God, provided notice in writing of such cause with necessary evidence that the obligation under the Contract is thereby affected or prevented or delayed, is given within 14 days from the happening of the event and in any case it is



not possible to serve the notice within 14 days period, then within the shortest possible period without delay. In case the force majeure conditions prolong beyond a continuous period of 6 months, the Purchaser/Employer shall be entitled to decide the further course of action including revisions in the terms of Contract, if any.

2.22.2 As soon as the cause of Force Majeure has been removed, the party whose ability to perform its obligation has been affected shall notify the other party the actual delay occurred on account of such activities.

2.22.3 Although the time for completion of work shall be suitably extended (not exceeding the period during which the work was stopped on account of Force Majeure clause), such extension shall not result in any financial claim by the Contractor against the Purchaser or any account of such a delay for any other reason whatsoever.

## 2.23 JURISDICTION FOR LEGAL PROCEEDINGS

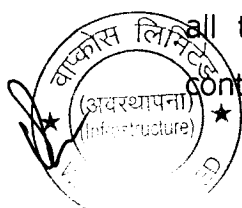
No suit or any proceedings in regard to any matter arising in any respect under this contract shall be instituted in a Court Save in the City Civil Court of Chennai or the Courts of Small Causes at Chennai. It is agreed that no other courts shall have jurisdiction to entertain any suit or proceedings even though part of the cause of action might arise within their jurisdiction. In case any part of cause of action arises within the jurisdiction of any of the courts in Tamil Nadu and not in the courts in the Chennai City, it is agreed to between the parties that such suits or proceedings shall be instituted in a court within Tamil Nadu and no other court outside Tamil Nadu shall have jurisdiction, even though any part of the cause of action might arise within the jurisdiction of such courts.

## 2.24 ARBITRATION

Arbitration is not applicable to this contract.

## 2.25 THE BOARD RESERVES THE RIGHT,

- a) To relax or waive any of the conditions stipulated in the tender specification as deemed necessary in the best interest of the Board for good and sufficient reasons.
- b) To revise the quantum of works/completion delivery schedule of any or all the items covered by this specification during the pendency of contract.

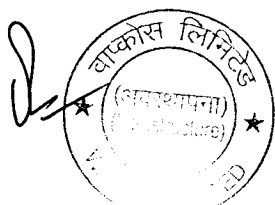




## 2.26 LIQUIDATED DAMAGES AND PENALTIES.

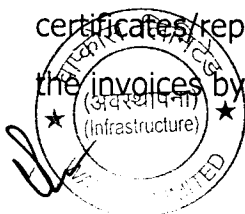
The completion period given in the clause "Completion Period" shall be guaranteed under liquidated damages clause given below:

- 2.26.1 Time is essence of the Contract. Except as provided under Force majeure clause, if the Consultant fails to complete any or all of the services within the time period specified as per the approved PERT chart in the Contract or any extension thereof, the Owner (TANGEDCO) shall, without prejudice to all its other remedies under the contract, recover from the Consultant as Liquidated Damages (LD), a sum of Half Percent (1/2%) of the Contract Price for each completed week of delay and the total Liquidated Damages thus recovered shall not exceed 10% of the Total Contract Price. The above LD is payable by the Consultant only when the delay is attributable on the part of Consultant. This will be apart from the penal levy @22% per annum on upfront payment as per clause 8.2(a).
- 2.26.2 The defaulting Contractor should be made liable to pay to the Board, in addition to liquidated damages for delay, the actual difference in price wherever TANGEDCO orders the delayed portion of services executed by other agencies at a higher rate. This is without prejudice to other rights of TANGEDCO under the terms of contract.
- 2.26.3 In addition, the consultant (PMA) is liable to the owner (TANGEDCO) for payment of penalty as specified in the SLA.
- 2.26.4 If the Services performed do not meet the minimum specifications as per the Contract, and the same is not modified by the Consultant to meet the requirements within 14 days of being informed by TANGEDCO, TANGEDCO shall be free to impose any penalty as deemed fit. In addition, the Utility shall reserve the right to terminate the contract and recover liquidated damages by forfeiting the performance guarantee submitted by the Purchaser.
- 2.26.5 If the delay is due to TANGEDCO/Third Party after justification by PMA and acceptance by TANGEDCO, extension of time may be given at the discretion of TANGEDCO and in such cases LD will not be imposed and the contract shall be suitably extended as per clause 2.20.1



## 2.27 GENERAL TERMS & CONDITIONS OF PAYMENT SCHEDULE

- 1 The release of payments will be Performance (output) based, where the payments are made for measured deliverables and outputs. The SLAs will govern the penalty and reductions from payments for inferior deliverables of PMA.
- 2 Payments made under the Contract shall be approved by the MoP/Nodal agency in accordance with the terms and conditions of the financing agreement between the TANGEDCO and the MoP/Nodal agency, and will be subject in all respects to the terms and conditions of that financing/Loan Agreement.
- 3 PMA should obtain Completion Certificate for each project area from the project in charge of TANGEDCO and raise an invoice against the same.
- 4 Payments against invoice submitted (accompanied with all requisite documents) shall be released as per payment clause 8 of GCC
- 5 PMA needs to ensure completion of all works for a project area before submitting the invoice wherever applicable. For fixed payment monthly performance reports will be the validation documents.
- 6 Unit cost of each resource per month should be taken as per formula mentioned in SLA while imposing penalty.
- 7 In case go-live of any project area is delayed, the entire cost and/or time over-run shall be the responsibility of the PMA and LD & Penalty applicable shall be imposed.
- 8 Power to withhold: Notwithstanding anything contained in the payment schedule as in payment terms if in the opinion of the TANGEDCO, any work done or service rendered by PMA is deficient in any manner in comparison to the prescribed standards, owner shall be at liberty to withhold a reasonable portion of the payments due to the PMA, till such work/ supply/ service is made confirming to the prescribed standards. These powers to withhold payments shall be without prejudice to any other power/ right of the owner(TANGEDCO) under this contract.
- 9 All payments for Service shall only be made after submission of the respective certificates/reports (in original) which shall be submitted by PMA along with the invoices by PMA and acceptance of the same by the owner.



## 2.28 OTHER TERMS & CONDITIONS:

- a) No escalation in contract price at any stage during or after the completion of the assignment for any reason whatsoever.
- b) The Consultant shall make available the services of the identified personnel as may be required for successful execution of the assignment and or as may be required by TANGEDCO on specified dates, venues and time in order to meet the obligations of TANGEDCO .
- c) All claims shall be raised by the Consultant as per the terms of payment after being due, and would be accepted for payment based on satisfactory progress and quality of the work at the sole discretion of the competent authority.
- d) In case there is a delay by the Consultant in accomplishing the deliverables which in the opinion of TANGEDCO is attributable to the Consultant, TANGEDCO reserves the right to get such specific work(s) done through any other Agency(ies) at the risk and cost of the Consultant for timely completion of the deliverables.
- e) In case the performance of the proposed team member(s) is not satisfactory, the Consultant will be asked to change/replace the team member(s) within three days of receipt of such request from TANGEDCO with a member acceptable to TANGEDCO .
- f) Any change in the list of key personnel submitted with the bid shall be made only with the prior approval of TANGEDCO or as may be requested by TANGEDCO.

2.29 TANGEDCO with the approval of the competent authority, can cancel the contract at any stage of the work, in case it is found that the knowledge of a team/team member(s) and or his/her performance is not satisfactory, any information given at the time of submission of the bid is found to be incorrect or the team member is not changed in spite of the request made as per clause 2.28 ( e ) above.

2.30 Given the nature of the work being entrusted, the selected organisation would have to give an undertaking to the effect that the contents/ essence of any reference/ documents given would not be disclosed to any third person without the express approval of TANGEDCO , failing which the engagement

