

PUNJAB STATE POWER CORPORATION LIMITED

CONSULTANCY SERVICES

TO THE

PUNJAB STATE POWER CORPORATION LIMITED

(PSPCL)

In

Various fields of Accounts, Finance & Internal Controls systems,
Compliance of various provisions of Companies Act, 1956 & other
Applicable Acts, Rules, Guidelines etc thereof after un-bundling and
Finalization of Annual Accounts.

REQUEST FOR PROPOSALS

Bid-CAO/A&R/2010-11

(RFP)

**Chief Accounts officer/
Punjab State Power Corporation Limited (PSPCL),
The Mall, PATIALA-147 001,**

**APPOINTMENT OF CONSULTING/PROFESSIONAL FIRMS
National Competitive Bidding (NCB)**

PUNJAB STATE POWER CORPORATION LIMITED
APPOINTMENT OF CONSULTING/PROFESSIONAL FIRMS

National Competitive Bidding (NCB)

Bid-CAO/A&R/2010-11

(1) Keeping in line with the provisions of the Electricity Act 2003, the Punjab State Electricity Board (PSEB) has been restructured and unbundled into two successor entities. Govt. of Punjab, vide notification no. 1/9/08-EB (PR) 196 dated 16.04.2010, has unbundled the erstwhile PSEB into two successor companies, viz.:

- Punjab State Power Corporation Limited (PSPCL), to undertake the Distribution, Trading and Generation Businesses, and
- Punjab State Transmission Corporation Limited (PSTCL), to undertake transmission of electricity to the State alongwith the operation of SLDC functions. PSTCL has been notified as the State Transmission Utility.

(2) Sealed tenders in three part (Part I EMD, Part II Proof of Eligibility & Technical proposal and Part III Financial Proposal) are invited by the undersigned on behalf of Punjab State Power Corporation Limited (PSPCL), from eligible Consulting/Professional Firms for rendering Consultancy Assistance and advisory services to Punjab State Power Corporation Limited (PSPCL) in Various fields of Accounts, Finance & Internal Controls systems, Compliance of various provisions of Companies Act, 1956 & other Applicable Acts, Rules, Guidelines etc thereof and finalization of Annual Accounts.

(3) The broad eligibility criteria for selection of consulting firm would be as below:-

- a) The Consulting/Professional firm should have minimum experience of 10 (ten) years in advising various private and/or public corporate sectors in India in the fields of Accounts, Finance, Audit & Internal Controls systems and
- b) The Consulting /Professional firm should have experience of providing consultancy services to at least two public sector power utilities/SEBs in consultancy in various fields of Accounts, Finance, Audit & Internal Controls systems, compliance of various provisions of Companies Act, 1956 & other Applicable Acts, Rules, Guidelines etc. and assistance in preparing Final Accounts. The Consulting Professional firm should also demonstrate experience of having designed Accounting manuals for Public Sector Power utilities/SEBs.
- c) Annual turnover (average of last 5 years and in each of the preceding two years) of the firm should be equal to or more than Rs. 10.00 crores from Consultancy profession. Annual Turnover should be as per the duly audited annual accounts by the statutory body like Chartered Accountant.

(4) “REQUEST FOR PROPOSAL” containing eligibility criteria, terms of reference and general terms & conditions etc. can be downloaded from our website <http://www.PSPCL.in> against non-refundable cost of Rs. 1,000/- (one thousand only) in the form of demand draft in favour of “Accounts Officer/Cash, PSPCL, payable at Patiala. This cost for document of “REQUEST

- FOR PROPOSAL” must be furnished in a separate envelope along with the tender failing which the tender of the firm shall not be accepted.
- (5) The bid documents can be downloaded from 9th February,2011 to 9th March 2011 & tender should be submitted in sealed cover and delivered at the address given below latest by 10th March 2011 up to 3.00 PM. which shall be opened on the same date at 3.30 PM.
 - (6) In case the due date of tenders happens to be a holiday, tenders shall be received and opened at the same time on the next working day.
 - 7) The documents for the EMD, Eligibility and Technical bids will be **opened at 3.30 PM on the 10th, March 2011** at the address given below in the presence of authorized representatives of the bidders, who may like to attend. The part III i.e Financial proposal of only those bidders shall be opened who are short listed on the basis of qualifying criteria and technical evaluation. The date and time for opening of part III of the bids will be intimated to the qualifying firms.
 - (8) The Consultant shall be required to submit fixed Earnest Money of Rs. 5,00,000/- (Rupees Five Lakhs only) in the form of demand draft favoring ‘Account Officer/Cash, Punjab State Power Corporation Limited (PSPCL), payable at Patiala along with the tender. If the Earnest money is not submitted with the proposal or is not found in order, the Technical proposal will not be opened and the bid will be rejected. The Earnest Money Deposit, proof of eligibility, technical proposal and financial proposal each shall be properly bound separately with all pages numbered serially.
 - (9) Based on overall evaluation of Technical bids of the short listed bidders and their financial bids, PSPCL will appoint the consulting firm (hereinafter referred to as Consultant)
 - (10) The offer should be valid for 120 days from the date of opening of tenders.
 - (11) The Chief Accounts Officer, PSPCL reserves the right to reject any or all tenders without assigning any reason and no claim on this account shall be acceptable.
 - (12) Any other information/details required in this regard can be had from the office of undersigned or from website <http://www.PSPCL.in>

Chief Accounts officer
Punjab State Power Corporation Limited (PSPCL),
The Mall, PATIALA-147 001
(PUNJAB)
Phone 0175-2213046

Request for Proposal

Regarding: Consultancy services in Various fields of Accounts, Finance & Internal Controls systems, Compliance of various provisions of Companies Act, 1956 & other Applicable Acts, Rules, Guidelines etc thereof after un-bundling and Finalization of Annual Accounts

1. INTRODUCTION

- 1.1 You are required to submit Proof of Eligibility, Technical Proposal and Financial Proposal, for consulting services required for the Assignment named in the attached Data Sheet. Your Proposal could form the basis for future negotiations and ultimately a contract between your firm and the PSPCL (“Client”).
- 1.2 A brief description of the assignment and its objectives are given in data sheet.
- 1.3 The Assignment shall be implemented in accordance with the phasing indicated in the Data Sheet and TOR. Continuation of services for the second phase shall be subject to satisfactory performance of the previous phase, as determined by PSPCL.
- 1.4 You must familiarize yourself with local conditions and take them into account in preparing your Proposal. To obtain first-hand information on the Assignment and on the local conditions, you are encouraged to pay a visit to PSPCL before submitting a Proposal.
- 1.5 Please note that
 - (i). The costs of preparing the proposal and of negotiating for the contract, including a visit, shall be borne by your firm and are not reimbursable as a direct cost of the Assignment; and
 - (ii) PSPCL is not bound to accept any of the Proposals submitted.
- 1.6 PSPCL policy requires that consultants provide professional, objective, and impartial advice and at all times hold the Client’s interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client.
- 1.7 Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:
 - (i). A firm, which has been engaged by the Client to provide goods or works for a project, and any of their affiliates, shall be disqualified from providing consulting services for the same project. Conversely, firms hired to provide consulting services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm’s earlier consulting services) for the same project.
 - (ii). Consultants or any of their affiliates shall not be hired for any assignment, which, by its nature, may be in conflict with another assignment of the consultants.

2. DOCUMENTS COMPRISING THE RFP

- 2.1 To enable you to prepare a proposal, please use attached documents as listed in the data sheet.
- 2.2 Firms requiring a clarification of the document must notify PSPCL, in writing before the pre-proposal meeting to be held on as indicated in data sheet.
- 2.3 At any time before the submission of Proposals, PSPCL may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, modify the RFP documents by amendment. The amendment shall be notified on our website and shall be binding on all the firms. PSPCL may at its discretion extend the date and time for the submission of Proposals.

3. PREPARATION OF PROPOSAL

You are requested to submit proof of eligibility, a technical and a financial proposal. Your proposal shall be written in the language specified in the Data Sheet.

Proof of eligibility

- 3.1 You are requested to provide information regarding proof of eligibility in the format attached in Appendix-I and Appendix-I-A

Technical Proposal

- 3.2 You are expected to examine all terms and conditions included in the documents. Material deficiencies in providing the information requested may result in rejection of a Proposal.
- 3.3 While preparing the technical proposal, you must give particular attention to the following:
 - (i). The key professional staff proposed should be permanent employees of the firm.
 - (ii). Proposed professional staff must have adequate experience for the assignment, preferably under conditions similar to those prevailing in the country.
 - (iii). Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
- 3.4 Your technical proposal should provide the following information using but not limited to the attached Standard Forms (Appendix-II):
 - (i). The technical Submission Form (Appendix-II-A)
 - (ii). A brief description of the firm's organization and an outline of recent experience on assignments (Appendix-II-B) of a similar nature.
 - (iii). Description of the methodology (work plan) by which the firm proposes to execute the services, illustrated, as appropriate, with the work plan. (Appendix-II- C).

- (iv). The composition of the proposed staff team, the position and the tasks that would be assigned to each staff team member (Appendix-II-D).
- (v). Latest CVs recently signed by the proposed key professional staff and the authorized representative submitting the proposal (Appendix-II-E). Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments.
- (vi). Estimates of the total staff effort (professional and support staff; staff time) to be provided to carry out the Assignment, supported by bar chart diagrams showing the time proposed for each key staff team member. (Appendix-II-F)
- (vii). Any additional information requested in the Data Sheet.

3.5 The technical proposal shall not include any financial information.

Financial Proposal

- 3.6 In preparing the financial proposal, consultants are expected to take into account the requirements and conditions of the RFP documents. The financial proposal should follow Standard Forms (Appendix-III). It should list all costs associated with the Assignment. These normally cover; remuneration for staff (in the field and at headquarters), accommodation (per diem, housing), transportation (for mobilization and demobilization), equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys etc;
- 3.7 The Financial proposal must take into account all taxes, duties excluding service tax. The service taxes shall be quoted separately in the prescribed format.

4. SUBMISSIONS OF PROPOSAL

- 4.1 You must submit one original copy of the proposal and the number of copies indicated in the Data Sheet. Each copy of the Proof of Eligibility & Technical Proposal and Financial proposal shall be separately sealed and put in an outer envelope, which shall bear the address and information indicated in the data sheet.
Note: - Proof of Eligibility & technical proposal and Financial Proposal shall be properly in bounded form, separately with all pages numbered serially and by giving an index of submission.
- 4.2 The Firm shall be required to submit fixed Earnest Money of Rs. 5,00,000/- (Rupees Five Lacs only) in the form of demand draft favouring 'Accounts Officer/Cash, Punjab State Power Corporation Limited payable at Patiala along with the tender.
- 4.3 The outer envelope shall include three separate envelopes; one clearly marked "EMD", second one marked as "Proof of Eligibility, & Technical proposal" and third one clearly marked as "Financial proposal". All the three envelopes containing three nos. of copies should be marked "Original" or "Copy" as appropriate. EMD to be submitted only with the "Original"

- 4.4 If the Earnest money is not submitted with the proposal or is not found in order, the Technical proposal will not be opened and the bid will be rejected. If there are any discrepancies between the original and the copies of the Proposal, the original shall govern. An authorized representative of the firm is required to give initials on all pages of the proposal. The representative's authorization is confirmed by a written power of attorney or copy of Board Resolution accompanying the Proposal.
- 4.5 The part III i.e Financial proposal of only those bidders shall be opened who are short listed on the basis of qualifying criteria. The date and time for opening of part III of the bids will be intimated to the qualifying firms.
- 4.6 The proposal must not contain any interlineations or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the authorized person or persons who sign(s) the Proposals.
- 4.7 The completed technical and financial proposal must be delivered at the submission address on or before the time and date stated in the Data Sheet. Any Proposal received after the closing time for submission of proposals shall be returned unopened. The proof of eligibility and technical proposal shall be opened on the date and time indicated in the data sheet.
- 4.8 The proposal should be valid for the number of days stated in the data sheet from the date of its opening prescribed in the data sheet, during which you must maintain the available professional staff proposed within this period for the assignment.

5. PROPOSAL EVALUATION

- 5.1 The following procedure shall be adopted in evaluating the proposals.
- (i). **Evaluation of Proof of Eligibility Document.:** - The Evaluation committee appointed by PSPCL shall carry out its evaluation of the proof of eligibility from the documents submitted by bidder in the format / form given in Appendix-II. If any firm does not fulfill eligibility criteria, its technical evaluation shall not be done and its financial bids shall also not be opened.
- (ii). **Technical evaluation:** which shall be carried out prior to Financial Proposals are taken into consideration.
- (iii). **Financial evaluation:** Financial evaluation of only those firms shall be taken which are considered eligible and are technical suitable.
- 5.2 Firms shall not contact the Client on any matter relating to their Proposal from the time of the opening of the technical proposal to the time the contract is awarded. If a firm wishes to bring additional information to the notice of the client, it should do so in writing at the address indicated in the Data Sheet but before opening of tender. Any effort by the firm to influence the Client in the Client's Proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the consultant's proposal.

Evaluation of Technical Proposals

- 5.3 The evaluation committee appointed by the PSPCL will carry out the evaluation of proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria and point system specified in the Data Sheet. Each responsive proposal will be given

a technical score. A proposal to be considered unsuitable shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet as may be determined by the evaluation committee of PSPCL.

Evaluation of Financial Proposals

- 5.4 The financial Proposals of only those firms shall be opened which fulfill qualifying criteria and are technically & commercially suitable as per evaluation committee report. The evaluation committee will determine whether the financial proposals are complete. The lowest financial proposal will be given 100 points and will be awarded contract after the approval of the competent authority.
- 5.5 The Client reserves the right of negotiation with qualifying bidders (firm) after the Technical and Financial Evaluation.

6. AWARD OF CONTRACT

- 6.1 The contract shall be awarded after negotiations if required with the successful firm.
- 6.2 In case there is only single eligible bid or only one bidder qualifying after proof of eligibility and technical evaluation, the PSPCL reserves the right to award the assignment to the qualifying bidder after successful negotiations.

7. CONFIDENTIALITY

- 7.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the award of contract is notified to the successful firm.

DATA SHEET

Information to Consultants

Clause

Reference

1. **The name of the client is:**
Punjab State Power Corporation Limited,
The Mall, Patiala (Punjab), Pin 147 001.

Name of the Assignment:

Consultancy services in Various fields of Accounts, Finance & Internal Controls systems, Compliance of various provisions of Companies Act, 1956 & other Applicable Acts, Rules, Guidelines etc thereof after un-bundling and Finalization of Annual Accounts

2. **Description and the Objectives of the Assignment**

The main objective of this consultancy assignment is to seek consultancy Services/ Assistance for Punjab State Power Corporation Limited (PSPCL) in Various fields of Accounts, Finance & Internal Controls systems, Compliance of various provisions of Companies Act, 1956 & other Applicable Acts, Rules, Guidelines etc thereof after un-bundling and Finalization of Annual Accounts

The detailed scope of work has been defined in the attached Terms of Reference and commercial terms and conditions.

3. A pre-bid conference will be held if required by giving intimation.
4. The Documents are:
 - (i). Appendix-I: Formats for proof of eligibility
 - (ii). Appendix-II: Formats for Technical Proposal
 - (iii). Appendix-III: Formats for Financial Proposal (Separate Sealed Envelop)
 - (iv). Appendix-IV: - The Terms of Reference (TOR)
 - (v). Appendix-V- General Terms and Conditions
 - (vi). Appendix-VI-Format for Contract Agreement along with Annexures.

5. The details of the contact person and address for correspondence and submission of the proposal is

Chief Accounts officer
Punjab State Power Corporation Limited (PSPCL),
The Mall, PATIALA-147 001
(PUNJAB)
Phone 0175-2213046

6. The language(s) to submit proposal is: English
7. Reports, which are part of the assignment must be written in the following languages: English.
8. The firm must submit an original and two additional copies of each proposal.
9. The proposal complete in all respect shall reach PSPCL on or before 10th March,2011 at 3.00 PM. The proposal submission address is:

Chief Accounts officer
Punjab State Power Corporation Limited (PSPCL),
The Mall, PATIALA-147 001
(PUNJAB)
Phone 0175-2213046

The Earnest Money Deposit and Cost of Tender document (Part I), proof of eligibility & technical bid (Part II) shall be opened on 10th March, 2011 at 3.30 PM in the office of Chief Accounts officer/ (A&R Section), PSPCL, The Mall, PATIALA-147 001(PUNJAB)

The EMD (Part I) shall be opened first and if it is not found in order, the technical/financial proposal shall not be opened and the tender shall be rejected. If the EMD is in order, the Technical Proposal shall be opened.

Financial proposal (Part III) of only those bidders shall be opened who are short listed on the basis of qualifying criteria & technical evaluation. The date and time for opening of part III of the bids will be intimated to the qualifying firms.

11. The Proposal must remain valid for 120 days after the opening date. PSPCL may by a written notice request the bidders to extend the validity of the proposals
12. **Proof of Eligibility Criteria** The Consulting firms are required to fulfill the following essential conditions of eligibility criteria:

- a) The Consulting/Professional firm should have minimum experience of 10 (ten) years in advising various private and/or public corporate sectors in India in the fields of Accounts, Finance, Audit & Internal Controls systems and
- b) The Consulting /Professional firm should have experience of providing consultancy services to at least two public sector power utilities/SEBs in consultancy in various fields of Accounts, Finance, Audit & Internal Controls systems, compliance of various provisions of Companies Act, 1956 & other Applicable Acts, Rules, Guidelines etc. and assistance in preparing Final Accounts. The Consulting/Professional firm should also demonstrate experience of having designed accounting manuals for public sector power utilities/SEBs.
- c) Annual turnover (average of last 5 years and in each of the preceding two years) of the firm should be equal to or more than Rs. 10.00 crores from Consultancy profession. Annual Turnover should be as per duly audited annual accounts by the statutory body like Chartered Accountant.
- d) The supporting details and clients certificate in support of points at (a) to (c) be attached along with the bid.
13. The points given to the evaluation criteria are:-
- (i). The evaluation of the proposals shall be carried out in two stages: Technical and Financial
The financial proposals shall be opened only after the technical proposals have been evaluated and concluded. The technical proposals shall be evaluated by an evaluation committee, taking into account several criteria:
- (a). The consultants' relevant experience for the assignment,
- (b). The quality of the methodology proposed,
- (c). The team composition and qualification of the key staff

The likely weight age to each of the above criterion shall be:

| Item | Evaluation Criteria | Maximum Points |
|-------------|---|-----------------------|
| a) | Consultants experience in advising the power sector | 10 |
| b) | Consultants prior experience in similar assignments for public sector power utilities or SEBs including design of accounting manuals. | 40 |
| c) | Approach and methodology | 20 |
| d) | Qualification of key personnel | 30 |
| | Total | 100 |

APPENDIX-I

(i) CONSULTANCY ASSIGNMENTS HANDLED BY THE CONSULTING FIRM DURING THE LAST TEN YEARS IN PRIVATE/PUBLIC CORPORATE SECTOR

(Supporting Statements to Clients' certificates may be furnished with full details of the ASSIGNMENTS carried out)

(ii) Annual Turnover from Consultancy profession for the last FIVE Financial Years Ending 2009-2010

| Sr. No. | Particulars | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|---------|---|---------|---------|---------|---------|---------|
| I | Annual turnover from consultancy profession | | | | | |

Attach supportive statutory audited financial statements

APPENDIX I-A

Firm credential showcasing relevant assignments for public sector power utilities/SEBs

| S.No. | Name of assignments | Client name | Duration of assignment (months) |
|--------------|----------------------------|--------------------|--|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Appendix-II. Technical Proposal - Standard Forms

- A. Technical proposal submission form.
- B. Firm's references.
- C. Approach paper on methodology and work plan for performing the assignment.
- D. Composition of the team.
- E. Curricula vitae of proposed professional staff.
- F. Team Composition and Task Assignment.
- G. Undertaking by the firm to the effect that the firm shall not pay any Commission etc. or engage any Commission agent or liaison agent for dealing with PSPCL in any matter.

APPENDIX II-A

Technical Proposal Submission Form

[*Location, Date*]

FROM: (Name of Firm)

TO: (Name and Address of Client)

Ladies/Gentlemen:

Subject: Consultancy Services for -----

-----Technical Proposal.

We, the undersigned, offer to provide the consulting services for the above in accordance with your Request for Proposal dated [*Date*], and our Proposal. We are hereby submitting our Proposal which includes this technical proposal, and a financial proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Proposal, i.e., before [*Date*] we undertake to negotiate. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

APPENDIX II-B

Firm's References

Relevant Services Carried Out in the Last Ten Years that Best Illustrate Qualifications

Using the format below, provide information on each reference assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

| | | |
|--|--------------------------|--|
| Assignment Name: | | Country: |
| Location within Country: | | Professional Staff Provided by Your Firm/entity(profiles): |
| Name of Client: | | No. of Staff: |
| Address: | | No. of Staff-Months; duration of assignment: |
| Start Date (Month/Year): | Completion (Month/Year): | Date |
| | | Approx. Value of Services (in Rs): |
| | | No. of Months of Professional Staff, provided by Associated Consultants: |
| Name of Senior Staff (Project Director/Coordinator, Team Leader) involved and functions performed: | | |
| Narrative Description of Project & Services Provided: | | |
| | | |

Firm's Name: _____

APPENDIX II-C

Consulting Firm's Name:

Approach Paper on Methodology and Work Plan for performing the assignment

APPENDIX II-D

Composition of the Team Personnel, And Task(s) of each Team Member

1. Technical/ Managerial Staff

| Sl. No. | Name | Position | Task |
|---------|------|----------|------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| .. | | | |
| .. | | | |

2. Support Staff

| Sl. No. | Name | Position | Task |
|---------|------|----------|------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| .. | | | |
| .. | | | |

Authorized Signature:

Name and Title of Signatory:

Name of the Firm:

Address:

APPENDIX II-E

Format of Curriculum Vitae (CV) for Proposed Professional Staff

Proposed Position: __

Name of Firm: _____

Name of Staff: _____

Profession: __

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _

Membership in Professional Societies: _____

Detailed Tasks Assigned: __

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about three-quarters of a page.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor; in speaking, reading, and writing]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Date:

[Signature of staff member and authorized representative of the Firm] Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

APPENDIX-II-F

TEAM COMPOSITION AND TASK ASSIGNMENTS

| | Name | Position | Reports Due/Activities | Months (in the form of Bar Chart) | | | | | | | | | | | | Number of months | | |
|----|------|----------|------------------------|-----------------------------------|---|---|---|---|---|---|---|---|----|----|----|------------------|--------------------|--------------------|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | |
| 1. | | | | | | | | | | | | | | | | | Subtotal(1) | |
| 2 | | | | | | | | | | | | | | | | | | Subtotal(2) |
| 3 | | | | | | | | | | | | | | | | | | Subtotal(3) |
| 4 | | | | | | | | | | | | | | | | | | Subtotal(4) |

Signature:

(Authorized Representative)

Full Name:

Title:

Address:

APPENDIX III

Financial Proposal Submission Form

[Location, Date]

FROM: (Name of Firm)

TO: (Name and Address of Client)

Ladies/Gentlemen:

Subject: Consultants' Services for -----
----- Financial Proposal.

We, the undersigned, offer to provide the consulting services for the above in accordance with your Request for Proposal dated [Date], and our Proposal (technical and financial proposals). Our attached financial proposal is inclusive of statutory taxes and duties except service Tax. The financial proposal is as under:

| For Consultancy | Cost (including Taxes & Duties) | | Service Tax @ | Total Amount | |
|-----------------|---------------------------------|----------|---------------|--------------|----------|
| | In figure | In Words | | In figure | In Words |
| | | | | | |

Our financial proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the Proposal, i.e., 120 days from the submission date or up to any further extension given thereafter.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of the Firm:
Address:

APPENDIX IV

PUNJAB STATE POWER CORPORATION LIMITED (PSPCL) CONSULTANCY SUPPORT IN THE AREAS OF ACCOUNTS, FINANCE & INTERNAL CONTROL SYSTEMS AND IN FINALIZATION OF ANNUAL ACCOUNTS TERMS OF REFERENCE (TOR)

Background

Keeping in line with the provisions of the Electricity Act 2003, the Punjab State Electricity Board (PSEB) has been restructured and unbundled into two successor entities. Govt. of Punjab, vide notification no. 1/9/08-EB (PR) 196 dated 16.04.2010, has unbundled the erstwhile PSEB into two successor companies, viz.:

- Punjab State Power Corporation Limited (PSPCL), to undertake the Distribution, Trading and Generation Businesses, and
- Punjab State Transmission Corporation Limited (PSTCL), to undertake transmission of electricity in the State along with the operation of SLDC functions. PSTCL has been notified by the State Govt. as the State Transmission Utility.

The restructuring process involves a complex and challenging change management exercise. Post restructuring, an effective change management process is the critical success factor for achieving enhanced performance. The following are the key post reform challenges likely to be faced by the accounts and finance department of PSPCL:

- Compliance of the provisions of Companies Act, 1956;
- Compliance of Accounting Standards issued by ICAI; & Convergence with IFRS, if applicable;
- Compliance of Distribution License conditions and other regulatory compliances for finance functions
- Mandatory requirement to maintain cost records in accordance with the Cost Accounting Records Rules, 2001;
- Timely finalization of as per changed scenario.
- Establishment of new cash flow mechanism;
- Revision of manuals in respect of Financial accounting, Budgeting, Internal audit and internal control system;
- Organization restructuring, if required
- Inter-corporate transactions;
- Formulation of key performance indicators (KPIs), their monitoring and evaluation mechanism and
- Development of MIS for effective decision making purpose.

- In light of the above mentioned restructuring and post reform challenges, PSPCL requires consultancy support for institutional capacity building consisting of process study, organizational restructuring if required, defining key performance indicators (KPIs), preparation of manuals relating to Financial accounting, Budgeting, Internal audit and internal control system, cost system and implementation support for improvement of processes in the finance and accounts function.

Objectives

The objective for conducting this study for PSPCL is to:

- Identify areas for efficiency improvement measures in the processes of accounts and finance, and reengineering of existing processes to improve the financial function effectiveness;
- Standardize various procedures and processes, by developing and documenting the manuals with respect to:
 - Financial Accounting manuals;
 - Budget manuals
 - Audit & Internal Control Systems;
 - Costing system as per the mandatory requirement to maintain cost record in accordance with the cost accounting record rules-2001.
- Strengthen the decision making process of the management of PSPCL by identification of financial key performance indicators of individuals, and at various levels of the organization;
- Optimize resource strength through organization restructuring, if required and redesigning; and
- Enhance skill set of the staff through capacity building measures and training.

Detailed scope of work

The assignment is divided into **two phases**. Phase I will include the following **five modules**:

Phase I

Module 1: Study of existing processes/ systems in respect of accounts, audit and finance functions, identify process gaps and suggest improvements

This module would cover the study of existing accounting and financial processes / systems to identify the weaknesses (if any) of the existing processes / systems. The study would also cover the comparison of the existing processes / systems with the best practices in the sector. Based on this gap analysis study and identified areas for improvement in the existing processes / systems, the consultant would be required to recommend reengineering of various financial management processes to enable PSPCL to align with best practices in the sector. Various activities involved under this module would be as follows:

Activity 1 – Study of existing processes systems

The existing processes / systems need to be studied at the unique sample generating stations field units for distribution and Head Quarter (HQ) to understand the flow of information / data for the various transactions in respect of accounts (financial and cost accounting), audit (internal control and internal audit functions) and budgeting functions.

This would include the study of:

- Existing processes / systems and mapping of important processes;
- Applicable statutes and the impact thereof on the existing processes / systems;
- Financial Management Information Systems (MIS);
- Review of the exiting Organizational structure and skill sets of the personnel in accounts, audit and finance wings.

Activity 2 – Identification of weakness of existing processes/ systems

Based on the study of existing processes / systems and comparison with the best practices in the sector, the consultants would be required to conduct a gap analysis in respect of various functional areas such as finance, accounts, audit, internal control system, budgeting, etc.

Activity 3 – Recommendations for process reengineering

On the basis of the gaps identified in the processes / systems and best practices in the sector, the consultants would be required to suggest improvements through process reengineering in respect of the various functional areas of accounts, internal control system, costing, etc.

Based on identification of areas of improvement in the existing processes / systems, the required improvements would be finalized in consultation with the management of PSPCL to prepare a feasible and implementable roadmap for the effective financial management functions. The suggested process reengineering should be discussed and agreeable to the management of PSPCL and should be in support of the proposed manuals and organization structure.

Module 2 – Revision / development of manuals

This module would involve development of the following manuals:

- Financial accounting manuals; The Financial Accounting Manuals shall include but not limited to:
 1. Store/Material Accounting.
 2. Purchase Accounting.
 3. Payroll and personnel payment Accounting.
 4. Cash and Bank Accounting.
 5. Construction works Accounting.
 6. Fixed Assets Accounting
 11. Expense Accounting
 12. Meter Accounting
 13. Inter Unit Transfer Accounting
 14. Basic Accounting Principles & policies.

- | | |
|--|---|
| 7. Revenue Accounting | |
| 8. Compilation of accounts and Final accounts. | 15. Transformer Accounting including damaged T/F & Power T/F. |
| 9. Chart of accounts | |
| 10. Fuel accounting. | 16. Sale of Power Accounting. |

- Audit and Internal controls manuals and
- Budget manuals. The budget manual shall be prepared separately for Capital Budgeting and O&M budgeting.
- Cost accounting manual.
- The Consultants shall submit one copy of the Manual along with a soft Copy in CD.

The development of the manuals should be based on the following:

- Study of the existing manuals, existing processes / systems, identified areas for improvement/ gaps in the existing manuals / processes, proposed reengineering of processes and proposed organizational structure; and
- Relevant provisions / requirements of the following:
 - Companies Act, 1956;
 - Accounting standards issued by ICAI;
 - Application of IFRS as relevant.
 - Companies (Auditor's Report) Order, 2003 (and as amended upto date);
 - Cost Accounting Records (electricity industry) Rules, 2001 and Cost Audit Report Rules, 2001;
 - Electricity Act, 2003;
 - Regulation and guidelines notified by Punjab State Electricity Regulatory Commission, and
 - Direct and Indirect taxes - Income tax Act, 1961/Direct Tax Code, Excise duty, customs duty, service tax, etc.

The manuals should cover the detail processes and procedures to be carried out by the accounts (financial and cost accounting), audit (internal control and internal audit functions) and Budgeting wings. Before finalization of the manuals, the consultants would be required to discuss with the management of PSPCL.

The Finance and accounts manuals shall cover the activities/processes carried out by the finance and accounts department and the manuals are not envisaged to cover the activities/functions/processes carried out by the other department (such as material management department, store department, human resources department, technical department etc.)only. However the manual will briefly describe the inter face with the other department for carrying out accounting function.

Module 3 - Organization Restructuring

Based on the re-engineered processes, procedures, policies, functions, systems, and revised manuals, the module will cover the following tasks:

- The study of the existing structure of accounts, finance & audit at the Head Quarter and Unit/Field offices .and suggest any minor modification, if required in consultation with PSPCL.
- Identification of key job positions of the organization structure; and
- Development of job descriptions for each key position.

The organization restructuring is envisaged in the context of changes required if any due to the revised accounting system, and as consequence identifying any new job position required and the providing job description for the new job position.

Module 4: Formulation of key performance indicators (KPIs), their monitoring and evaluation mechanism

This module shall identify the financial key performance indicators (KPIs) for the F&A Department at the corporate level and unit/field offices level and benchmark the same against the best achievable targets for financial functional effectiveness.

The various activities involved under this module would be as follows:

- Formulation of the KPIs considering the requirement of the management of PSPCL, best practices in the sector and any other requirement of the Regulatory, Statutory and other bodies;
- Diagnostic study to assess the feasibility of recording and reporting of the data required for the KPIs;
- Development of procedures in respect of recording and reporting for monitoring and evaluation of the identified KPIs after discussion with the management of PSPCL;
- Providing assistance in capturing and evaluating the baseline information for a period of first six calendar months after the finalization of the procedures;
- Providing assistance in capacity building of the officers and staff to gather and evaluate the baseline information for the identified KPIs for a period of first six calendar months post finalization of the procedures;
- Suggestions in respect of IT hardware and software requirements for improving the process of data recording and reporting for monitoring and evaluation of the identified KPIs; and
- Development of MIS formats for the integration of key performance indicators into the broader IT architecture of the company.

Module 5: Training to accounts and finance and audit personnel

This module would involve the training to officers and staff of accounts finance and audit function wings at corporate and unit levels on account of the developments of the manuals, policies, procedures, processes, etc.

This module would involve:

- Identification of training needs.
- Development of training calendar;
- Development of training materials, presentations, case studies, examples, etc; and
- Imparting training to the officers and staff.

The consultant/professional firms shall highlight the training delivery mechanism in their technical proposal.

PSPCL will arrange for the training halls and other infrastructure required for training. The Consultants will provide copy of the training material along with a soft copy in CD. Further duplications of the same shall be done by PSPCL.

Phase II

Implementation support

It would include the implementation support to the PSPCL after finalization of the road-map for migration to new processes and the Manuals. The objective of this phase would be to assist PSPCL to achieve the desired ‘**To- Be**’ status and to effectively communicate and disseminate the changes across the affected staff to reduce anxiety and assist in smooth implementation. It is envisaged that the implementation assistance shall be provided for a period of one calendar year from the date of preparation of accounting manuals. For this purpose, the consultant/professional firm shall deploy operating level resources for a total period spread over 12 months. In case PSPCL requires any further implementation/assistance beyond one year, the same shall be discussed and agreed mutually.

At this stage, the consultant would be required to support the accounts and finance team in respect of the following:

- Periodic review of the accounting system, accounting policies & procedures and compilation of the trial balances to ensure the compliance with the requirements in respect of the re-engineered processes, policies and procedures prescribed in the respective manuals;

(For Phase-II the consultant/professional firm can associate with local firm (s)/individual chartered accountants to conduct the reviews. However the overall responsibility for the reviews shall rest with the consultants/professional firm.)

Provide any inputs for two years with respect to the new policies and procedures required for the finalization of annual accounts. Finalization of annual accounts as on 31-03-2011 and 31-03-2012 (including accounting policies. Notes to accounts) for two years based on the revised accounting system/processes and:

Activities and Timelines

| Sl. No. | Activities | Deliverables | Time line |
|----------------|--|---|--|
| 1 | Study of existing processes / systems. Identification of weaknesses of existing processes/systems. | As-Is report including gap analyses report. | 2 month from the commencement of the assignment |
| 2 | Recommendations for process reengineering. | To- Be report. | 1 month from As-Is report |
| 3 | Revision/development of Financial accounting manuals' Internal Audit and Internal controls manuals and Budget manuals, costing manuals. | Finance, accounts manuals as per scope of work. | 3 months from To-Be report |
| 4 | Re-study of existing organization structure of accounts, finance & audit function and recommend modifications if required | To-Be report on organization structure | 1 month from to be report. |
| 5 | Identification of key job positions and development of job descriptions for each position | Detailed report on job positions in the proposed organization structure | 1 month from To-Be report on organization structure |
| 6 | Identification of key performance indicators(KPIs) and determination of procedures for monitoring and evaluation thereof. | List of identified KPIs and feasibility study report thereof | 1 month from To-Be report on organization structure |
| 7 | Training and capacity building | Training material and imparting of training | Within 2 month from the identification of JDs and finalization of manuals. |
| 8. | Providing assistance in capturing and evaluating the base line information and providing assistance in capacity building of the officers and staffs together and evaluate the base line information for the identified KPIs. | Implementation support | 6 calendar months from the commencement of Phase-II. |

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|----|-------------------------|------------------------|---|
| 9. | Implementation support. | Implementation support | 1 year from the commencement of Phase-II. The requirement of implementation support beyond one year shall be discussed mutually and agreed upon. |
|----|-------------------------|------------------------|---|

Expected Skill Sets

The consultant's team should have an appropriate mix of experience and expertise in India or abroad in respect of accounts, finance functions, audit & internal control systems, developing of manuals, developing MIS and their monitoring and evaluation for power companies. The consultants should have strong accounting, and financial skill sets and management experience of dealing with utilities, including:

- In-depth knowledge of Indian power sector, especially in respect of the issues relating to accounts, finance functions, audit and internal control systems and;
- Experience of revision/ development of manuals for power companies in India;
- Experience of organization restructuring in respect of power companies in India; and
- Experience of developing MIS system for utilities.

Team Composition

The Consultant would be required to deploy separate teams to work on each segment / module under one Project Manager to ensure smooth liaison, single point of contact / accountability and lesser duplication in case of common areas. If required, the consultant/professional firm can group the various modules to facilitate the timely, effective delivery and parallel working.

The consultant is required to submit the CVs of Project Manager and all the staff including Group/module leader, proposed to work on each Group/segment. These teams should be adequately staffed and appropriately structured to ensure smooth functioning of the assignment and should be headed by a module leader in each of the five modules. The teams should consist of persons with relevant professional background and experience according to each functional area of the assignment. For handholding support, the consultant must include an expert in each of the segment/module area. The team composition should have an optimum combination of

i) Finance & Accounts expert (CA/ICWA)/MBA) and ii) Human resource and organization restricting expert. Both expert should be in full time employment of consultant/professional firm and should have minimum 7 years of experience. The qualification of module wise expert is discussed below:-

1st. Module Leader:

The 1st module leader should be a CA/ICWA/MBA (finance) having minimum 7 years of experience. He should have an adequate experience of process studies and preparation of manuals on financial accounting, internal audit & internal control systems, budgeting and costing for public sector power utilities. He shall be responsible for timely preparation of reports and other documents required under module I.

2nd. Module Leader:

The 2nd module leader should be a Chartered Accountant having minimum 7 years of experience. He should have an adequate experience of preparation of manuals on financial accounting, internal audit & internal control systems, budgeting and costing for public sector power utilities. He shall be responsible for timely preparation of reports and other documents required under module 2.

3rd. Module Leader:

The 3rd.module leader should be a CA/ICWA/MBA (Finance/HR/IE) having minimum 7 years of experience. He should have an adequate experience of organizational re-structuring, development of manpower plan, preparation of job descriptions, HR planning etc.

4th. & 5th Module Leader:

The 4th.module leader should be a CA/ICWA/MBA (Finance/HR/IE) having minimum 7 years of experience. He should also have an adequate experience of identifying KPIs, monitoring and evaluation mechanism, development of MIS system for performance management. He should have an adequate experience of development of raining programs for finance, accounts & audit functions, conducting training & workshops on finance, accounts & audit manuals

Support from PSPCL

PSPCL would be responsible to provide to the Consultant:

- Existing manuals and any other circular related to the manual;
- Any other information that is necessarily required for understanding the processes including interviews by relevant staff/ officer;
- Adequate time with the relevant personnel for meetings and discussion, subject to due notice, provide timely feedback on draft manuals, training material etc and related sign offs;
- Arranging requisite training infrastructure, projector, multiple copies of training material, local hospitality and other related arrangements for imparting training.
- Reasonable space in PSPCL's offices while working on this assignment;

- Boarding and lodging facility at its VIP Guest Houses at the rate applicable to its officers at HQ/ field unit and
- Any other data, service, facilities, etc. as mutually agreed.

Submission of Bid Document

The Bidders are required to submit their proposal in two parts (i) Technical (ii) Financial).

* The Technical proposal shall cover the following documents:

- Technical proposal submission form as per Appendix II-A.

- Firm's references as per Appendix-II-B.

-Approach paper on methodology and work plan for performing the assignment as per Appendix-II-C.

-Composition of the team and task(s) of each team member as per Appendix-II-D & E.

-Curricula vitae of proposed professional staff as per Appendix-II-F.

The Financial Proposal shall be as per the format provided in Appendix-III.

Appendix-V

General Terms & Conditions

General Instructions to be observed by Tenders

1. The following instructions must be carefully observed by all Tenderers. Quotations/tenders not strictly in accordance with these instructions will be liable to be rejected.
 - i. The tender must be complete in all respects. The following points should carefully be studied in order to ensure submission of a complete and comprehensive tender. Failure to comply with any of these instructions or to offer brief explanation for non compliance is likely to render effective comparison of the tender as a whole impossible and may lead to rejection of an otherwise competitively lowest offer. Further before submission of the tender, the Tenderers are required to make themselves fully conversant with the scope of work, payment and penalty clause, general terms & conditions etc
 - ii. The tenders shall be submitted in Triplicate and all copies shall be separately tagged and marked as Original/Duplicate/ Triplicate as the case may be.
 - iii. The tenders shall be submitted in three parts i.e. Part-I, Part-II & Part-III. Each part will be enclosed in a separate envelope duly super-scribed on the envelope as under. All the three envelopes will be further enclosed in a larger envelope. The following procedure will be adopted for the opening of tenders.
 - a) Part-I Cost of Tender Documents & Earnest Money: The first part will consist of Cost of Tender Documents & Earnest Money in the form of Demand Drafts in favour of AO/Cash, PSPCL, Patiala.
 - b) Part-II Proof of eligibility & Technical bid: The second part will consist of documentary evidence with regard to qualifying conditions and other documents as mentioned in Data Sheet/Various Appendix.
 - c) Part-III Financial Bid: The third part will consist of the Financial bid.
 - d) The tenderer shall supply a list of two authorized persons with their signatures duly attested on the firm's pad so that they may represent on behalf of the firm and participate in the opening process of the tenderers. The firm shall supply one such copy in the tender and one copy should be with the authorized person otherwise he will not allowed to participate in the opening of tender.
 - e) The tenderer revising their offer or withdrawing the same within the validity period after opening of the tenders are liable to be ignored/black listed.

Firstly the main envelope containing the bids will be opened in the presence of the bidders/representatives who choose to be present at the time, date and at the prescribed address. After opening the main envelope, the envelope marked Part-I

(Cost of tender specification & Earnest Money) shall be opened first and if the cost of specification & earnest money will be found to be as per the requirement of the specifications, only then the envelope marked Part-II shall be opened. The bids without earnest money and cost of tender specification shall be out rightly rejected.

After opening Part-II of the bids (Proof of eligibility & Technical bid), the bids will be technically & commercially evaluated by PSPCL. The Part-III will be opened in respect of those tenderers who are short listed on the basis of qualifying criteria and evaluation done by PSPCL as mentioned in Part-II. The date and time for opening Part-III of the bids will be intimated to the qualifying firms. The financial bids (Part-III) will be opened in the presence of the representative of the qualifying bidders who choose to be present.

2. PSPCL reserves the right to modify specifications at any time and to reject any or all the tenders received without assigning any reasons. It will not be responsible for and will not pay for expenses or losses that may be incurred by the tenderer in the preparation of the tenders.
3. Tenders shall be received in the office of Chief Accounts Officer, PSPCL, Patiala upto specified hours on the due date given in the tender notice and shall be opened at the fixed hours in the presence of tenderers or their representatives who may like to be present. In case the due date of receiving/opening of tenders happens to be a holiday, tenders shall be received and opened at the same time & place on the next working day.
4. (i) All taxes and duties leviable shall be paid extra and the same should be shown separately as prevalent on the date of opening of tenders, and will be paid at the rate as may be actually prevalent at the time of payment within contractual completion period, otherwise these elements shall be deemed to be included in the quoted prices and will not be paid extra.

(ii) Tenderers should quote FIRM prices only.

(iii) The rate quoted should be given in figures and words and any overwriting, erasion, cutting etc. should be legibly signed or avoided. Hand written rates will not be accepted.

5. CO-ORDINATION WITH OTHER AGENCIES:

During the course of consultant's work, the Consultant is to make his best effort to work in harmony with others in the best overall interest of the PSPCL and comply with Chief Accounts Officer's instructions for making

alternative arrangements at any time for maintaining the work scheduled at no extra cost to the PSPCL.

6. ASSIGNMENT OR TRANSFER OF SUB CONTRACT

The consultant shall not without the prior written approval of the Accepting Authority assign or transfer the Contract or any part thereof, any share, or interest there-in to any other person. The consultant shall not sublet any portion of the Scope of work without the prior written approval of the PSPCL.

7. COMPLIANCE TO REGULATIONS AND BYE LAWS:

The consultant shall conform to the provision of any Statute relating to the work and regulations and bylaws of any local authority and of any Central/State Departments or Undertakings with whose system the work is proposed to be connected. Consultant shall be bound to give notice required by Statute Regulations or Bylaws and to pay all fees and taxes payable to any authority in respect thereof.

8. CHANGE IN CONSTITUTION OF FIRM AND ADDRESS:

In case of any change in the constitution of the firm the same shall be forthwith notified by the consultant to the PSPCL for its information. Any change in the address of the consultant shall also be intimated to the PSPCL.

9. SECURITY DEPOSIT:

- i) The successful tenderer shall be required to submit security deposit for faithful execution of the work order/contract at the rate of five percent (5%) of value of work order. No interest shall be payable to the consultant on the amount of security. Earnest Money received with the tender shall be converted into security deposit and the balance, if any shall be deposited in the form of demand draft in favour of Accounts Officer/Cash, PSPCL, Patiala.
- ii) The security deposit of the consultant shall be released by PSPCL within six months from the date of faithful execution of work order/contract in all respect.

iii) FORFEITURE OF SECURITY DEPOSIT.

In the event of default on the part of consultant in faithful execution, security deposit shall be forfeited by PSPCL. The forfeiture of security deposit shall be without prejudice to any other rights arising or accruing to the PSPCL under relevant provisions of contract like penalty/damages for delay or risk

execution of work including suspension of business dealings with PSPCL for a specific period.

10. EXTENSION OF TIME

- i. If the consultant desires an extension of the time limit for completion of the work on the ground of his having been unavoidably hindered in execution or of any other ground he shall apply in writing to the CAO/, PSPCL and the PSPCL may if in its opinion there are reasonable grounds for granting extension, allow such extension as it thinks necessary or proper. The decision of the PSPCL in this regard shall be final and binding.
- ii. For any delay in work on account of act of omission or commission on the part of the PSPCL, only extension of time will be agreed for the period so lost and no compensation would be given on this account.

11. FORCE MAJEURE.

During the pendency of the Contract, if the performance in whole/part by either party or any obligation there under is prevented/delayed by causes arising out of any war, hostility, civil commotion, acts of the public enemy, sabotage, fire, floods, explosions, epidemics or under order/instructions of Central/State Government/PSERC Regulations, strikes lockout, embargo, acts of Civil/Military authorities or any other causes beyond their reasonable control, neither of the two parties shall be made liable for loss or damages due to delay or failure to perform the contract during the currency of Force Majeure conditions, provided that the happening is notified in writing (with documentary proof) within 30 days from the date of the occurrence.

12. DEDUCTIONS OF AMOUNTS DUE TO PSPCL.

Any excess payment made to the consultant inadvertently or otherwise under this contract or on any account whatsoever and any other sum found to be due to PSPCL by the consultant in respect of this contract or any other contracts of work order or on any account whatsoever may be deducted from any sum whatsoever payable by the PSPCL to the consultant either in respect of this contract or any work order of consultant from any other account by any other office of the PSPCL.

13. NEGLIGENCE AND DEFAULT CLAUSE

In case of negligence on the part of consultant to execute the order/contract with due diligence and expedition and to comply with any reasonable orders given in writing by the consultant in connection with the

Contract or any contravention in the provisions of the contract, the consultant may give 21 days notice in writing to supplier/Consultant to make good the failure or neglect or any Contravention and if the consultant fails to comply with the notice within, time considered to be reasonable by the purchaser, he will suspend/terminate business dealings with the consultant for a specific period apart from claiming reasonable compensation/damages, forfeiture of security etc.

14. CANCELLATION

The PSPCL reserves the right to cancel the work order as a whole or in part at any time or in the event of default on the part of the consultant prior to the receipt of information regarding taking in hand of the work.

15. LEGAL

- i) Consultant will indemnify PSPCL against any liability or damages by way of compensation arising from any accident to person or property of persons in the consultant's employment.
- ii) Consultant shall indemnify PSPCL against any liability or damages by way of compensation arising from any accident to any other person related to or unrelated to consultant or PSPCL.
- iii) Consultant shall bear the entire responsibility, liability and risk relating to coverage of workforce under different statutory regulations including but not limited to Workmen Compensation Act, ESI Act, Factories Act, Contract Labour Act 1970 etc. and other relevant regulations, as the case may be.
- iv) Consultant shall be fully responsible for payment of benefits including but not limited to Provident Fund, Bonus, Retrenchment Compensation, Leave Encashment, etc. as per statutory provisions.
- v) Necessary payment and liabilities as mentioned at (i to iv) above shall be the responsibility of consultant irrespective of payment received from PSPCL or otherwise.
- vi) All taxes and other levies payable to government and or local authorities in respect of these works shall be the responsibility of the consultant.

16. ARBITRATION

- i) If at anytime any question of dispute or difference what so ever shall arise, between the PSPCL and the Consultant upon or in relation to or in connection with work order/contract, either party

may forthwith give to the other notice in writing of the existing of such question, dispute or difference and the same shall be referred for sole arbitration of a nominee of the PSPCL who shall give a reasoned/speaking award. The award of the sole arbitrator shall be final and binding on the parties under the provisions of the Indian Arbitration Act 1996 and of the rules there under. Any statutory amendment, modification or re-enactment thereof for the time being in force, shall be deemed to apply and be incorporated in the contract/work order. The Sole Arbitrator shall be any officer of the PSPCL whose name is approved by the CMD of the PSPCL. It will not be objectionable if the Sole Arbitrator is an officer of the PSPCL and he has expressed his views on all or any of the matter in question of dispute or difference.

- ii) Upon every or any such reference, the cost of and incidental to the reference and award respectively shall be in the discretion of the Sole Arbitrator so appointed who may determine the amount thereof or direct the same to be fixed as between solicitor and client or as between party and shall direct by whom and to whom and in what manner the same is to be borne and paid.
- iii) The work under the contract shall, if reasonably possible continue during the arbitration proceedings and no payment due or payable by the PSPCL shall be withheld on account of such proceedings.

17. CANCELLATION OF CONTRACT FOR INSOLVENCY, ASSIGNMENTS OR TRANSFER OR SUB LETTING OF CONTRACT.

The Accepting Officer, without prejudice to any other right or remedy which shall accrue thereafter to PSPCL, shall cancel the contract in any of the following cases:-

- (a) If the firm or any partner thereof shall at any time be adjudged bankrupt or have a receiving order or order for administration of his Estate made against him or shall take any proceedings for liquidation or composition under any Bankruptcy Act for the time being in force or make any conveyance or assignment of its/effect of composition or arrangement for the benefit of his creditor or purport to do so, or if any application he made under any Bankruptcy Act for the time being in force the sequence of his Estate or if a trust deed granted by him on behalf of his creditors.
- (b) Assigns transfers, sub-lets or attempts to assign, transfer or sub-let any portion of the work without the prior approval of the Accepting Officer.

- (c) Whatever the Accepting Officer exercises his authority to cancel the contract under this condition, he may complete the work by any means at consultants risk and expense provided always that in the event of the cost of completion (as certified by the PSPCL which is final and conclusive) being less than the contract cost, the advantage shall accrue to the PSPCL and that if the cost of completion exceeds the money due to the Consultant under the Contract the consultant shall either pay the excess amount ordered by the PSPCL or the same shall be recovered from the consultant by other means.

18. **SPECIAL POWERS OF DETERMINATION.**

If at any time after the acceptance of the tender, PSPCL shall for any reason whatsoever not requires the whole or any part of the work, to be carried out, the PSPCL shall give notice in writing to the fact to the consultant who shall have no claim to any payment of compensation or otherwise on account of any profit or advantage which he might have derived from the execution of the work in full but which he did not derive in consequences of the foreclosing of the work. He shall be paid at contract rates, for the full amount of the work executed including such additional works, as may be rendered necessary. He shall also be allowed a reasonable payment (as decided by the Accepting Officer) for any expenses sustained on account of workforce but which could not be utilized, as verified by the PSPCL. Neither shall the consultant have any claim for compensation on account of any alterations having been made in the original specifications and instructions involving any curtailment of the work as originally contemplated.

19. **UNDERTAKING**

The tenderers will have to give an undertaking that they shall not pay any commission etc. or engage any commission agent or liaison agent for dealing with PSPCL in any matter. **This undertaking is required to be supplied along with the documents to be supplied in Part-II of the tender, failing which their offer/tender is likely to be ignored.**

20. **PAYMENT CLAUSE**

The consultancy service charges payable to the firm as per terms of the contract shall be released in the following manner:

No advance payment shall be made to the firm and all payment of installments as mentioned above will be released along with the applicable taxes.

| Sr. No. | Particulars | Percentage of Contract Value |
|---------|--|------------------------------|
| 1. | After completion of the job as mentioned in Module-1, i.e. on the submission of implementable road map for effective financial management function as agreed with PSPCL. | 10% |
| 2. | After completion of the job as mentioned in Module-2, i.e. on the submission of all the Manuals as agreed with the PSPCL. Note- The 10% percentage of the contract value is linked after submission of 2 nd draft of all manuals and balance 10% on finalization of manuals. | 20% |
| 3. | After completion of the jobs as mentioned in Module-3 i.e. on the submission of report on organization restructuring and module-4 i.e. formulation of key performance indicators (KPIs) | 10% |
| 4. | After completion of module-5 i.e. on completion of training of officers and staff of accounts and finance personnel, both of cooperative office and at unit level. | 10% |
| 5. | After completion of implementation support to PSPCL as per Phase-II. Note- This 40% shall be apportioned in 4 parts, and each part is payable after every three months from commencement of Phase-II. | 40% |
| 6. | The last installment shall be payable on the faithful execution of entire job as per contract. | 10% |

21. PENALTY CLAUSE

The time allowed for carrying out the work as prescribed, shall be strictly observed by the consultant and shall be reckoned from the date of commencement of work. The work shall throughout the stipulated period of the contract be proceeded with all the due diligence (time being deemed to be the essence of the contract on the part of the consultant) and the consultant shall pay as penalty an amount equal to one half percent (0.5%) of the fee payable for every week, the work remains unfinished after the contract completion period, provided always that the entire amount of compensation to be paid under the provision of this clause shall not exceed five percent (5%) of the fee payable.

22. COMMENCEMENT OF ASSIGNMENT

The date of commencement of assignment shall be the date of execution of contract agreement i.e. within 10 (ten) days from the date of issue of letter of intent.

23. PERIOD OF CONTRACT AGREEMENT

The period of contract agreement shall expire upon successful completion of assignment.

24. LETTER OF INTENT AND EXECUTION OF CONTRACT AGREEMENT

Acceptance of the bid proposal by PSPCL shall be communicated to the successful bidder by issue of Letter of Intent. The successful bidder shall accept the Letter of Intent within 7 (seven) days from the date of issue Letter of Intent by returning a duly signed copy thereof and shall enter into a Contract agreement with PSPCL within 10 (Ten) days of issue Letter of Intent on Non-judicial stamp paper of requisite value with Chief Accounts Officer/, PSPCL, Patiala. Stamp duty is to be borne by the bidder. The bidder shall furnish security deposit as per clause 9 above before signing the contract agreement.

25. LIABILITY CLAUSE

Notwithstanding anything stated hereinabove, the liability of the Consultants shall be governed by the clause as follows.

PSPCL agrees that the Consultant shall not be liable to the Client for any losses for an aggregate amount in excess of the fees paid by the Client to the Consultant under the Contract.

26. TERMINATION OF AGREEMENT

If the work entrusted is not proper and to the satisfaction of PSPCL, then the payment will not be released and if the work of the consultants continues to be unsatisfactory, the agreement shall be terminated by PSPCL by 10 days notice at any time during subsistence of this agreement. The same will be entrusted to another consultant and the extra expenditure incurred by PSPCL will have to be borne by the consultants.

27. JURISDICTION

Jurisdiction for filling any suit in case of any dispute shall be the Civil Courts at Patiala.

APPENDIX VI

CONTRACT AGREEMENT FORM

(To be entered on a Non-Judicial Stamped Paper of Rs. 15/- only)

This contract agreement made this.....day of.....in the year..... between the Chief Accounts Officer, Punjab State Power Corporation Limited, Patiala hereinafter called 'Owner' and M/s.....having their Regd. Office athereinafter called 'Consultant for providing consultancy for.....in accordance with Owners Enquiry No.....dated.....and Consultants proposal No.....Dated.....

This is in confirmation of the advance acceptance notified in the owner letter No.....dated.....wherein the Owner has accepted the proposal of the Consultant for the consultancy of.....as per Work Order No.....dated.....

In view of the foregoing the owner and the consultant have agreed to the scope of work and the terms and conditions of the order settled between them.

The NIT/Tender Specification, the consultant proposal and related correspondence and the work order acknowledge/accepted (with amendment thereof) by the consultant form part of this agreement.

This agreement contains.....pages.

In witness whereof the parties here to have affixed their signature on the day, month and year written as above.

CONSULTANT

OWNER

Witness 1. _____

Witness 1 _____

Witness 2 _____

Witness 2 _____