

Corrigendum - 2

Name of Tender: Appointment of a consultant to provide consultancy services for replacement of conventional street lights with energy efficient LED lights on ESCO basis in different ULBs in the State of Punjab.

Date: 10-11-2016

General Queries of DARASHAW & Response/Clarifications

Query No.	General Query	PMIDC's Response/ Clarification
1	Clause - 19.1 Evaluation Criteria B. Qualification and Experience of Relevant Key Personnel - Energy Auditor (BEE Accredited):In Lieu of it ,it is requested to kindly consider Energy Auditor(BEE Certified)	PMIDC accepted & agreed for Energy Auditor (BEE Certified)
2	Reporting Requirements and time schedule for deliverables Phase-II -Issue of LOI to the successful bidder: within 12 weeks of LOI	No change in existing schedule for deliverables of tender. PMIDC can extend time under permissible rules if required.
3	Technical Proposal and Financial Proposal: In order to use minimum paper we request you to kindly allow us to submit one technical proposal for all the 8 clusters. Financial Proposal will be submitted separately for all the clusters.	No Change in existing Technical proposal & Financial proposal of tender.
<u>General Queries of DELOITTE & Response/Clarifications</u>		
1	Clause 3.1- No Joint Venture or association with Sub consultant is allowed for this tender: terms of reference outlined in the RFP document require the consultant to provide technical services (baseline survey, investment grade energy audit, detailed technical specifications) along with transaction advisory services (advisory services on transaction model (shared savings/annuity based model etc., finalization of transaction framework, bid process management, signing of contracts and ESCO agreements etc.) along with project management support post implementation of project. All the above gamut of services requires specific expertise in respective skill set areas that may not be feasible to be provided by a single consulting firm. From a project risk perspective, it is necessary and therefore recommended to have a consortium of firms or a single firm (with support of sub-consultants) to participate and provide the requisite services commensurate to their respective expertise. Accordingly, it is requested to allow for a consulting firm to participate as a consortium (with a maximum of three members including the Lead Member) or allow the Consultant to sub-contract with sub-consultants (firm or individuals) for required scope of work. The sub consultants should be allowed for equipment handling / data collection as this supports in optimizing the cost. Our success in delivering similar engagements on LED based	No Change in existing clause of tender.

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	street lighting for municipal corporations in Odisha was a result of a consolidated effort put up by the respective members/sub-consultants in the team. Our consortium included Deloitte as the Lead Member and one member being the technical consultant responsible for conducting the baseline survey. The RFP document issued by PMIDC considers past engagements by consultant wherein it was either a single entity or a Lead member in a joint venture and also provide reference of sub-consultants for such engagements. (Ref: Clause 9.4 a)	
2	<p>Clause 19: Sr.No.1: Consultant should be empanelled with BEE as an ESCO: The Engagement requires the consultant to provide feasibility study, conduct baseline survey, prepare investment grade audit and provide transaction advisory services in addition to project management support post implementation. These services are mostly rendered by technical and management consultants. An ESCO, on the other hand, is typically a services company that invests in an energy efficient project and guarantees energy savings to the utility. ESCOs shall be such entities that shall participate in the bid stage (Phase 2) for deployment of energy efficient based LED lights. This essentially means that the selected Bidder for the purpose of development of the project would be an ESCO. The RFP document issued by PMIDC is for selection of an ESCO. Further, participation of an ESCO as a consultant restricts them to participate in the bid stage as per the conflicting activities provision mentioned under Clause 5.2 of the RFP. Accordingly, participation by ESCO at proposal stage shall restrict competition at the bid stage significantly. Hence, the requirement of having empanelled with BEE as an ESCO should be removed as participation of ESCOs shall mostly be in the bid stage. Alternatively, this should not be a mandatory requirement and Consultants who have assisted or worked with BEE on advisory or retainer basis should also be allowed as eligible entities. We have successfully advised municipal corporations on energy efficient based LED street lighting projects. Our experience shows that the entire transaction framework gets designed for selection of an ESCO. Therefore an ESCO is not envisaged to design the transaction framework for selection of another ESCO.</p>	No Change in Existing Clause of the tender.
3	<p>Clause 19: Sr. no. 2: Experience: A firm should have successfully completed preparation..... or at least 2 projects having street lighting system for min. 10000 nos within last three years from the date of publication of this tender. It is requested that the requirement should be assessed for projects having executed within last five (5) years instead of three (3) years. Most of the ESCO based street lighting projects have been executed prior to three (3) years. Further, LED based street lighting systems have been recently introduced in last couple of years and there are limited successful case studies of LED based projects.</p>	<p>PMIDC agreed that the requirement should be assessed for projects having executed within last five years instead of three years.</p> <p>Clause No-19:Sr.No.2 may now be read as A firm should have successfully completed preparation of Detailed Project Report (DPR) for at least one project of City street lighting system for min. 20,000 nos. lights using energy efficient LED lights (DPR should</p>

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		comprise of components like energy efficient lights such as LED, street lighting infrastructure (cable, junction boxes, earthing, etc.), power distribution system, etc.) or at least 2 projects having street lighting system for min. 10,000 nos, within last Five years from the date of publication of this tender. The proof of such engagements should be provided in the form of Client work order or completion certificates. Remaining paras of the clause will remain as same.
4	Clause 19: Sr. no. 3: The consultant should have a minimum average annual turnover of Indian Rs. 10 Cr during the last three (3) financial years. It is requested that the minimum average annual turnover of the consultant should be at least Rs. 100 Cr during the last three (3) financial years. We observe that the subject tender for the engagement envisages deployment of LED based street light for eight ULBs in the state and the no. of street light points are significantly large (approx. 2 lakhs). Advisory services for such large project are prone to various risks and a consultant selected for completion of the transaction services may be required to bear the financial risk associated with any non- performance of services attributable to the consultant. Further, the consultant is required to submit security deposit as 5% of work order value. Hence it is prudent to have a higher eligibility requirement of turnover.	No Change in existing clause of tender.
5	Clause 19: Sr. no. 4: Tentative Team: Team Leader: Bid Process management expert. It is requested that the experience of the team leader be at best restricted to ten (10) years. The requirement can be further strengthened by mandating the team leader to have experience in energy efficient based street lighting projects. Energy efficiency based street lighting initiatives have been implemented in the last 5-7 years and there is no rationale for a team leader to have 20 years of experience to meet the competency requirements mentioned in Clause 19.1 of RFP document.	No change in existing experience clause of tender.
6	Clause 19: Sr. no. 4: Tentative Team: Energy Auditor We have requested in Query 1 (Sr. no. 1) above for consideration of JV or sub-consultant. In the event our request is accepted we are fine with the provision of 4 positions of energy auditors. Else, it is requested to reduce the energy auditor positions to 2 in number. Further we understand that the energy auditors are required to be BEE certified energy auditors and not accredited auditors. Please confirm. Please refer to rationale provided in Sr. 1 in the table.	The Energy auditors are required to be BEE Certified and not accredited auditors as already confirmed.

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7	Clause 19: Sr. no. 7: The consortium or sub-contracting is not allowed. Please refer to Query 1 (Sr. no.1) above. Please refer to rationale provided in Sr. 1 in the table.	No Change in the Clause of tender.
8	Section 5: Terms of Reference: Sr. no.1: Scope of Work: Phase -1: To carry out all kinds of preliminary survey, inventory /load data on minimum 25% population of street light points including feeder pillars. It is requested that sample survey be restricted to 10% of total population. The total number of street lighting points in the eight (8) ULBs is very large. Accordingly, 10% of sample survey shall suffice the requirement for base line audit based on our experience of similar engagement in five (5) cities in Odisha.	No Change in existing Clause of tender.
9	Section 5: Terms of Reference: Sr. no.2: Reporting requirements and time schedule for deliverables. Phase1- Submission and approval of Draft DPR: Within 4 weeks of LoI. The timeline for submission of DPR within 4 weeks is too short to be achieved. Considering the size of the project to be covered in eight ULBs, a realistic time frame of 12 -15 weeks is required. Please confirm. Our experience in advising on similar projects for five (5) cities in Odisha with total street light points of approx. 50000 reveals that a minimum of 8-10 weeks is required.	No change in existing schedule for deliverables of tender. PMIDC can extend time under permissible rules if required.
10	Section 5: Terms of Reference: Sr. no.3: Payment Schedule. It is requested to provision for at least 10% as mobilization advance at the time of issuance of LoI. This 10% may be adjusted against proposed payments provisioned at completion of Phase IV (Handing/taking over of project & completion certificate). The consultant is expected to depute its team for meeting the respective ULBs and initiating the sample survey for preparation of baseline and DPR. A mobilization advance forms part of all standard contracts in such engagements.	No Change in existing clause of payment schedule of the tender.
11	Section 5: Terms of Reference: Sr. no.3: Payment Schedule. We understand that the payments for each milestone shall be done for the respective cluster and not based on completion of the entire project. This essentially means that in the event the DPR for Ludhiana cluster is prepared and submitted, requisite payment (15%) of the price quoted for Ludhiana cluster shall be made by PMIDC to the consultant. Please confirm. The engagement covers eight (8) clusters covering almost 2 lakh light points. Achievement of milestones for each of the cluster will not be simultaneous and it may happen that milestones in some of the clusters may face delay due to unavoidable reasons. However, for milestones that are achieved by the consultant, it should be eligible for payments based on the quoted fees for such clusters.	No Change in existing clause of payment schedule of the tender.

➤ **Note: If the tender date i.e 16-11-2016 declares as Holiday of Punjab Govt, the tenders will be received on next working day.**

