

Clarification 1 (dated 28.03.2018) to RfS (NVVN-RE-CM-2017-011) for Purchase of Power Through DG Sets to deliver 10 MW Power at IPP COMPLEX, BAMBOOFLAT Andman & Nicobar Islands.

Sr. No.	Page #	Clause No. of RFS	Provision of RFS	Query of bidder	Response
1		5.1.10	The DG Set shall be with all weather proof canopy / acoustic / containerized enclosure type suitable to meet the sound pollution norms.	<p>Noise limit for diesel generator sets are up to 1000 KVA only</p> <p>We are planning to supply 1010kva DG Sets or above. Hence Sound Pollution norms are not applicable to us, as per: The maximum permissible sound pressure level for new diesel generator (DG) sets with rated capacity upto 1000 KVA, manufactured on or after the 1st January, 2005 shall be 75 dB(A) at 1 metre from the enclosure surface</p> <p>Noise Limit for Generator Sets run with Diesel were notified by Environment (Protection) second Amendment Rules vide GSR 371(E), dated 17th May 2002 at serial no.94 and its amendments vide GSR No 520(E) dated 1st July 2003; GSR 448(E), dated 12th July 2004; GSR 315(E) dated 16th May 2005; GSR 464(E) dated 7th August 2006; GSR 566(E) dated 29th August 2007 and GSR 752(E) dated 24th October 2008; G.S.R. 215 (E), dated 15th March, 2011 under the Environment (Protection) Act, 1986</p>	As per RfS Document

2		5.1.15	<p>The bidder / contractor has to deliver power at 33 KV level for which suitable capacity of Power Transformers to step-up the generation voltage to 33 KV for delivery in to the 33 KV indoor bus / switchgear at IPP Complex Bambooflat need to be supplied by the firm</p>	<p>Can we couple 11KV Alternators to the Diesel Engine?</p>	<p>As per RfS Document, Volatge level of alternator has not been specified</p>
3		5.1.19	<p>All the civil works, site development, structure and foundation for DG Set, chimney, fuel tank, switchgears, transformers, cable trenching, drainage, fuel piping etc. as required including cutting & removal trees standing on the proposed site shall be done by the contractor. Statutory clearance for cutting the trees existing on the proposed site shall be arranged by A&N Administration</p>	<p>Can we liquidate the removed trees standing in the proposed site?</p>	<p>As per local government policy</p>
4		5.4	<p>Scheduled Commissioning Date and Commercial Operation Date The installation & commissioning of all-weather proof DG Set shall be in such a manner, (including transportation, shipment, erection, commissioning, testing etc.) so that power is made available within 30 days from the date of Letter of Award</p>	<p>For such a big project supply of Power within 30 days (including transportation, shipment, erection, commissioning, testing etc.) is too short. Can you extend the time up to 90 days?</p>	<p>As per RfS Document</p>

5		5.6	(b) Penalty for shortfall in plant capacity during peak hours: For shortfall in peak supply below 10 MW capacity, penalty shall be deducted at the rate of Rs 200 per 50 KW shortage or part thereof for every hour. The peak hours shall be from 1700 hrs to 2200 hrs	Penalty is very high. Can you reduce it to Rs.100 per 50KW storage or part thereof for every hour?	As per RfS Document
6		5.7	HSD supply- HSD will be supplied free of cost by A&N Electricity Department through IOCL oil tankers (available grade BS IV) at power plant site and to the HSD storage tank established by the contractor as per clause 5.1.16 above	Penalty for shortfall in plant capacity during peak hours should not be levied if the HSD Supply is short or not continuous.	As per RfS Document
7		5.11	a) Land: Land identified by A&N Electricity Department at IPP Complex Bambooflat as marked on Layout Plan shall be made available on the date of issuance of Letter of Award free from all encumbrances. A&N Electricity Department has confirmed that land at plant site is owned by it. Any site preparation / development work if so required shall be carried out by the contractor	Land should be free of cost and No lease rental will be paid. The material invested for Any development work carried out, such material should be allowed to be taken back by the contractor after the end of contract.	As per RfS Document
8		Section 3-3.25	COD shall be achieved in 30 days from the date of Letter of Award other LD clause will be applicable 1%-10% of cost of supply of power of PPA	For 10 MW 12 DG sets having capacity of 1250 KVA are required. Therefore, time period for COD is not practicable. Time period must be 90 days from the date of LOA.	As per RfS Document

9		Section 3-3.23(ii)	PBG for Rs. 2,78,00,000.00 to be submitted to NVVN within 7 days from the date of LOA and before Signing the PPA which 15 days from LOA	PBG is of high amount and for beyond 3 year, therefore, bank has so many formalities. Therefore , time of PPA must be at least 30 days from LOA	As per RfS Document
10		PPA-18	NVVN shall provide LC equivalent to the expected invoice value in INR for 105 % of monthly billing.	Whether this clause is applicable in 10 MW supply also in A&N. If yes, whether any guarantee is there?	As per PPA Document
11		Clause 1.0	NTPC Vidyut Vyapar Nigam Limited (hereinafter called NVVN) intends to procure power from DG sets based power plant to deliver	Turbine Generators are much more efficient than Diesel Engine Generators. Can we supply Deisel Turbine Generators? Or Low Speed Diesel Generators? These Generators have much higher fuel efficiency the currently mentioned 3.7 kWh/ltr.	As per RfS Document

12		Clasue 3.8 A	<p>The bidder shall provide Experience certificate for having been successfully completed grid connected operation / delivery of power to the Electricity Grid of States / UT's with MW size DG Set / DG Power Plant for atleast 18 months, of having successfully completed works during last 15 years ending last day of month, previous to the one in which applications are invited.</p>	<p>DG power is costlier than Power Available from State Electricity Board. Thus all grid synchronised DG power sets are used as back up. Can a Bidder be technically qualified if he has completed Operations on Grid synchronised DG Sets? Also can a bidder having experience with much more advanced Grid Connected operation of a Power plant, be eligible for Bidding. The nature of work in both cases remain same, the latter one been more inrivative and difficult.</p>	<p>The bidder should have experience of operating DG sets of 1 MW size or more for atleast 18 months.</p> <p>The bidder shall also provide Experience certificate for having been successfully completed grid connected operation / delivery of power to the Electricity Grid of States / UT's with MW size Power Plant for atleast 18 months.</p> <p>The bidder should have successfully completed above works during last 15 years ending last day of month, previous to the one in which applications are invited.</p> <p>The amendment to this has already been issued.</p>
13		Clause 5.1.6	<p>Power transformers, auxiliary transformers, LT / MV switchboards with associated equipments and accessories, power, control, instrumentation cables, cabling, battery bank and charger, etc. shall also be supplied and installed by the Bidder.</p>	<p>New Power transformers transformers take a delivery period of atleast 6 months. Can we use Old transformers?</p>	<p>As per RfS Document</p>

14		5.1.16	<p>The contractor is required to establish, on his own cost, suitable capacity of HSD storage tank facilities at the plant site, so as to store HSD at least for 5 days requirement. Meeting all the statutory norms / explosive norms / fire fighting norms for construction, testing & installation of HSD storage tank and finally explosive license shall be the responsibility of the contractor and shall be obtained by the contractor on his own cost including requisite license fees etc. However, A&N Administration shall extend necessary support to get the statutory approval and requisite license. Available grade of HSD is BSIV.</p>	<p>The certificate for installation of HSD storage tanks take atleast 180 days. Can a bidder be allowed to start construction if the application is under consideration for explosive license. What are the repercussions if the bidder does not get explosive license?</p>	<p>Meeting statutory requirement is the responsibility of bidder</p>
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15		5.4	<p>The installation & commissioning of all-weather proof DG Set shall be in such a manner, (including transportation, shipment, erection, commissioning, testing etc.) so that power is made available within 30 days from the date of Letter of Award. The commissioning of the DG Set shall be done in such a manner so that delivery of full 10 MW power is achieved within 30 days from the date of Letter of Award. The date on which full 10 MW Power is delivered to the Grid continuously at least for 8 hours will be considered as Commercial Operation Date (COD) and the period of Power Purchase Agreement will be valid for three (03) years from COD which can be extended for one year at the same tariff and terms and conditions of PPA subject to acceptance by the End Procurer. Unit delivered during testing & commissioning period will be paid on per unit cost basis. No penalty on the account of less unit generation, peak load shortage shall be imposed during testing period. However, penalty will be imposed on account of excess HSD consumption of 0.270 Ltr / kWh (below 3.7 kWh / Ltr) during the testing and commissioning period. The monthly invoice for the month in which COD will be achieved</p>	<p>Q- 1 Looking at the plant requirements it is advisable to install brand new desel generators. Minimum supply time for these generators is 3-4 Months. Can the period for commisiionng of Power plants be extended to 180 days instead of 30 days ? Q-2 The deisel consumption of 3.7 kWh / Ltr is very inefficient. If utilisation of Low Speed engines or Turbines the Ratio increases upto 5 kWh/Ltr. Why is there no incentive in making substantial savings to the nation ? Can we install Steam Turbines from waste exhaust?</p>	As per RfS Document
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16		3.23 (i)	<p>Earnest Money Deposit (EMD) of Rs. 46,68,000/- (Rupees Forty Six Lakh Sixty Eight Thousand only) in the form of Bank Guarantee (valid for a period of 60 days beyond the Bid Validity period mentioned at clause 3.19 of RfS i.e. 240 days from technical bid opening date) as per Format 6.2A. The original Bank Guarantee towards EMD is to be submitted in a separate sealed envelope before the bid submission date and time mentioned at clause 3.3 and at the address mentioned at clause 3.12.</p>	<p>With Financial year closing on 31st march and considering extensive changes in the TAX system for current financial year. The Bank Guarantee Submission date can be extended? Also there are bank holidays on 29/30, 31st being year closing day. Can the Last date be extended by 7 days?</p>	<p>The last date and time for submission and Technical bid opening has been extended to 04.04.2018. The amendment to this has already been issued</p>
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17		4	<p>Liquidated Damage</p> <p>The Project shall be commissioned to the rated capacity and COD shall be achieved in 30 days from the Effective date of PPA. The deduction under liquidated damage shall be regulated as under:</p> <p>(a) 1% per week or part thereof of delayed COD period of the contract subject to maximum of 10% of cost of supply of power for PPA duration (i.e. Tariff X minimum guaranteed Generation per year X PPA period in year). In case the bidder fails to achieve the COD (Commercial Operation Date) due to his own fault beyond 2 weeks after expiry of LD period. NVVN will be at the discretion to invoke termination clause.</p>	<p>We request you to relook on the timeline of 30 days given for commissioning of the project to the rated capacity considering below points. Particularly in light of monsoon season :</p> <ol style="list-style-type: none"> 1) Supply, install & commission 300 KL to 350 KL capacity HSD tank. 2) Chimney Work as 30 meter height Chimney installation is part of the scope. 3) Civil Work activities including ground preparation, excavation, filling, compacting & civil foundations for chimney, fuel tank & transformer including curing time. 4) Transport of the Material. Please note that there is only way to deliver material at site is by ship. There is weekly ship is available from Chennai port to Port Blair. 5) Geographical & Location Challenges for Delivery, Movement from Port to site, Work at site, etc. 	As per RfS Document
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The LD shall be deducted from monthly Bills in ten (10) instalments. Any LD amount deducted from the successful bidder will be transferred to concerned Electricity Department, Andaman & Nicobar Administration.

(b) We NVVN shall forfeit the performance bank guarantee in proportion to the unexecuted portion of the contract @ Rs. 27,00,000/- per MW (Rs. 27 Lakh/ MW only) submitted by the (name of the DG Set Generating Company) and shall be transferred to concerned Electricity Department, Andaman & Nicobar Administration.

Considering all above points and unpredictable bad weather conditions shall add to lot of contingences. On account of this the fair and optimal COD should be 95 Days and above.

18		4	<p>Liquidated Damage</p> <p>The Project shall be commissioned to the rated capacity and COD shall be achieved in 30 days from the Effective date of PPA. The deduction under liquidated damage shall be regulated as under:</p> <p>(a) 1% per week or part thereof of delayed COD period of the contract subject to maximum of 10% of cost of supply of power for PPA duration (i.e. Tariff X minimum guaranteed Generation per year X PPA period in year). In case the bidder fails to achieve the COD (Commercial Operation Date) due to his own fault beyond 2 weeks after expiry of LD period. NVVN will be at the discretion to invoke termination clause.</p> <p>The LD shall be deducted from monthly Bills in ten (10) instalments.</p>	<p>We have a clarification regarding the sub-clause (b) of clause 4.0.</p> <p>We understand that sub-clause (b) will be only applicable only if NVVN chooses to invoke the termination clause in the event the delay of COD continues beyond a period of 2 weeks from the date of exhaustion of the 10% limit for applicable liquidated damages.</p> <p>Please confirm.</p> <p>Further, we request you to reduce the LD rate to 0.5% per week from 1% per week.</p>	<p>LD Clause will be imposed if the notified COD date extends beyond 30 days of LoA and NVVN will be at the discretion to invoke the termination clause beyond 44 days of LoA.</p> <p>NVVN shall forfeit the performance bank guarantee as per clause 4.0 (b) on the un executed portion of contract as on COD</p>
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Any LD amount deducted from the successful bidder will be transferred to concerned Electricity Department, Andaman & Nicobar Administration.

(b) We NVVN shall forfeit the performance bank guarantee in proportion to the unexecuted portion of the contract @ Rs. 27,00,000/- per MW (Rs. 27 Lakh/ MW only) submitted by the (name of the DG Set Generating Company) and shall be transferred to concerned Electricity Department, Andaman & Nicobar Administration.

19			General Clarification	<p>The PPA is currently silent on the overall limitation of liabilities arising under or in connection with the PPA. In light of Company's ("Company") internal risk management policies and procedures which recommend having a limit on overall liabilities arising under or in connection with any contract, we wanted you to include a provision limiting Company's liability in the following terms:</p> <p>"It is hereby agreed that Company's (DG Set Generating Company) maximum liability towards any form of penalties payable and/or arising under or in connection with this contract/agreement shall at all times be limited to total value of the contract/agreement.</p> <p>Further, Company (DG Set Generating Company) shall in no event be liable whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of production, loss of revenue, financial loss or for any indirect or consequential loss in each case, however caused, even if foreseeable, arising under or in connection with this contract/agreement."</p>	As per RfS Document
20		13(a)	Penalty at the rate of Rs. ----- (Double the per unit cost) will be paid by (name of the DG Set Generating company) to NVVN for the shortfall of average generation below 0.192 MU per day accounted on monthly basis after adjustment of deemed generation as per clause 13.0 (d).	We request you to reduce the penalty to the tune of 1.25 x Tariff rate.	As per RfS Document

21		13(d)	<p>Due to less power demand by Electricity Department, line fault or any other fault in the network of Electricity Department or line of electricity department under maintenance /not available for which the (name of the DG Set Generating company) is not responsible thereby not able to deliver the contracted power, then no penalty will be imposed for such period of non-supply. The energy that could have been generated during such period shall be termed as deemed generation and calculated based on 80% load and period of non-supply (e.g. 8000 KW x duration of non-supply in hours for 10 MW Set) such unit calculation for peak hours shall be 100% load and period of non-supply (e.g. 10000 KW x duration in hours for 10 MW Set). However, such period of non-delivery of power due to fault on the part of the Electricity Department shall be recorded in the log book and log sheets which shall be maintained by the contractor and shall be authenticated by obtaining counter sign of the representative of the Electricity Department. The data related to deemed generation shall be entered into JMR for billing purpose.</p>	<p>In this clause, you are mentioning that due to less power demand by Electricity Department, line fault or any other fault in the network of Electricity Department or line of electricity department under maintenance /not available for which the (name of the DG Set Generating company) is not responsible thereby not able to deliver the contracted power, then no penalty will be imposed for such period of non-supply. You have also give logic of the same to calculate the deemed generation.</p> <p>In the same RfS, against clause no 13 and sub clause no 13 – a, b and c, it is mentioned that penalty on Generating company for any less generation due to company’s fault. Which is double of the tariff rate.</p> <p>With common logic of not to harm any party, such clause should be applicable to both the parties with same spirit.</p> <p>So, please add a complimentary clause as below.</p> <p>“The minimum capacity charge payable to the “Company” at the rate of 90% of the agreed tariff value for the deemed generation in the event Electricity Department is not able to draw power and the “Company” is at no fault.”</p>	As per RfS Document
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22		19	Amicable Settlement	<p>We would like to seek clarification on which Rules of Arbitration would be applicable in the event of a dispute arising in connection with the PPA.</p> <p>The provision presently mentions that a dispute shall ultimately be referred to arbitration for settlement. However, the provisions does not specify which rules of arbitration shall apply and which place would be the venue of arbitration.</p>	Kindly Refer 19.0 (c) & (d) of PPA Document
23		25	Termination of Contract	<p>In light of the service that Company shall be providing, we would like to ensure that payments due to us are made on time since our finance modelling for each project is based on receipt of timely payments. The PPA is currently silent on the termination rights that the DG Generating company must have in the event of continued non –payment for the services being provided. Please add the following provision to clause 25 as sub clause 25 – d under the PPA:</p> <p>“d) Company (The DG Set Generating Company) shall have the right to terminate the contract/agreement in the event the payment due to Company under the contract/agreement remains due for a period of more than thirty (30) days from the scheduled due date.”</p>	As per RfS Document

24		5.1.17	<p>Special design Requirement: The control and protection scheme shall be designed in such a manner so that the DG Sets should not trip and get isolated from the grid in the event of momentary grid disturbance i.e. voltage and frequency fluctuation resulting out of external feeder faults. The droop setting of the 10 MW DG Sets shall match with the existing DG Sets of the Department (4%) so that proper load sharing is achieved. The under / over voltage/frequency setting of the DG Sets shall be in such a manner so that the DG Set sustain the momentary grid fluctuation condition due to feeder fault. This is required to avoid grid failure due to cascading tripping of DG Sets.</p>	<p>With respect to this clause, please confirm the range of frequency and Voltage of the existing DG sets of the department to calculate droop setting so 10 MW DG Sets package shall match with the existing DG Sets of the Department (4%) so that proper load sharing is achieved.</p>	<p>Site condition may be examined by party</p>
25		3.8 A Technical Qualifying Requirement	<p>The bidder shall provide Experience certificate for having been successfully completed grid connected operation / delivery of power to the Electricity Grid of States / UT's with MW size DG Set / DG Power Plant for atleast 18 months, of having successfully completed works during last 15 years ending last day of month, previous to the one in which applications are invited.</p>	<p>For providing experience certificate as required therein if a bidder provides experience certificate similar to as per the conditions stated in the clause of gas based engines instead of DG sets as both are reciprocating engines will it be accepted and will suffice your requirement for qualifying.</p> <p>Please clarify and confirm</p>	<p>Amendment may please be referred.</p>