Request for Proposals

Sub: Empanelment of Consultants/Agencies for conducting Prudence check of capex of KPTCL, ESCOMs & HRECS in Karnataka.

Section 86 of the Electricity Act, 2003 empowers the Karnataka Electricity Regulatory Commission to discharge various functions such as issue of Licenses for Transmission, Distribution and Trading of electricity, determine Tariff for generation, transmission, wheeling of electricity, bulk and retail distribution and supply of electricity, regulate electricity purchase by the Distribution Licensees, promote generation/cogeneration of electricity from renewable sources, etc..

In terms of Section 61 of the Act, the Commission, while specifying the terms and conditions for determination of tariff, is also guided by several factors which include encouraging competition, efficiency, economical use of resources, good performance and optimum investment. With a view to ensure optimum use of resources and good performance, the Commission has been undertaking Prudence check of capex incurred by the KPTCL (transmission licensee) and the ESCOMs/HRECS (distribution licensees). The prudence check exercise is basically aimed at ensuring that the primary and secondary objectives of the investment have been achieved after the creation of asset out of the capex incurred by the licensees.

The Commission, for the last couple of years, has been engaging the services of consultants through transparent method of bidding for the purpose of prudence check by random selection of the capex incurred by the licensees during a
Financial year. Now, for the purpose of conducting random check of prudence of capex incurred by the transmission and the distribution licensees in Karnataka, the Commission proposes to empanel qualified and experienced consultants/agencies, so as to ensure participation of adequate number of consultants/experts in the tendering process. This is for ensuring larger competition among the participating consultants, in terms of the price to be paid for the work and quality of work to be turned out.

Hence, the Commission hereby invites Request for Proposal (RFP) to undertake the Prudence Check of capex for years (to be specified later), from interested consultants/agencies fulfilling the following requirements to submit the applications for being shortlisted:

(a) The consultants/agencies willing to participate should have an annual turnover of Rs.50 Lakhs for the last two consecutive years from power sector related services rendered (proof in respect of the financial capabilities needs to be submitted).

(b) The Consultants/agencies shall be familiar with the functioning of the power sector and their exposure as consultants/service providers to any of the power utilities in India/Karnataka shall be given additional weightage.

(c) The consultants/agencies willing to participate should have qualified staff on their rolls (both with technical and financial background), who have knowledge about the process of the capital expenditure programmes of the Transmission and the Distribution licensees (the applicant shall not propose to hire the qualified staff through outsourcing or on contract). No part of the work of prudence check will be allowed to be carried out by persons who are not on the rolls of the consultants/agencies and the awarded work will not be allowed to be undertaken by a third party on back to back agreement (list of qualified officers on roll with full details shall be furnished).
(d) The consultants/agencies should submit the details of the prudence checks, or post-commissioning analysis of completed and commissioned projects, if any, conducted by them in the previous years and the details of their current engagement.

(e) The consultants/agencies should give a brief methodology about their proposed approach to carry out the work involved and their preparedness to collect data, conduct physical inspection (which includes extensive travelling to distance places to visit the completed projects’ site), etc.

The Commission, after receiving the proposals, would invite the applicants for giving a presentation on their conceptualization and methodology to carry out the proposed work. Based on the outcome of the presentation and scrutiny of the documents submitted, the Commission will decide to empanel the qualified consultants/agencies for assigning the Prudence Check work. The actual work to be entrusted would be decided by the Commission, based on the price to be quoted by the empaneled consultants/agencies, through competitive bidding.

Interested consultants/agencies are hereby requested to submit the RFP along with the required details on or before 16th of August, 2018.

Secretary
for Karnataka Electricity Regulatory Commission