

**Request for Qualification –**

**for**

**Power Supply Agreement**

**for**

**Procurement of 2400 MW of electricity  
under long term on Design, Build, Finance,  
Own and Operate (DBFOO) basis using  
concessional fuel allocated by Coal India  
Limited (CIL)**

**Issued by:**

**Gujarat Urja Vikas Nigam Limited (GUVNL)  
Sardar Patel Vidyut Bhawan, Race Course,  
Vadodara, 390007**

**Issued on: 30<sup>th</sup> September - 2023**

**GUVNL/Long/Coal from CIL/23-24/ET/RFQ/132**

## GLOSSARY

<b>Allocated Coal Linkage</b>	Linkage Coal allocated to the Utility under SHAKTI Scheme of Govt. of India
<b>Applicant(s)</b>	As defined in Clause 1.2.1
<b>Application</b>	As defined in the Disclaimer
<b>Application Due Date</b>	As defined in Clause 1.1.5
<b>Associate</b>	As defined in Clause 2.2.9
<b>Bids</b>	As defined in Clause 1.2.4
<b>Bid Due Date</b>	As defined in Clause 1.2.4
<b>Bid Security</b>	As defined in Clause 1.2.5
<b>Bidders</b>	As defined in Clause 1.1.1
<b>Bidding Documents</b>	As defined in Clause 1.2.4
<b>Bidding Process</b>	As defined in Clause 1.2.1
<b>Bid Stage</b>	As defined in Clause 1.2.1
<b>BOLT</b>	Build, Own, Lease and Transfer
<b>BOO</b>	Build, Own and Operate
<b>BOOT</b>	Build, Own, Operate and Transfer
<b>BOT</b>	Build, Operate and Transfer
<b>Capacity Required</b>	As defined in Clause 1.1.1
<b>CIL</b>	As defined in Clause 1.2.9
<b>Conflict of Interest</b>	As defined in Clause 2.2.1(c)
<b>Consortium</b>	As defined in Clause 2.2.1(a)
<b>Eligible Experience</b>	As defined in Clause 3.2.1
<b>Eligible Projects</b>	As defined in Clause 3.2.1
<b>Financial Capacity</b>	As defined in Clause 2.2.2 (B)
<b>Government</b>	Government of India/State
<b>Joint Bidding Agreement</b>	As defined in Clause 2.2.6(g)
<b>Lead Member</b>	As defined in Clause 2.2.6 (c)
<b>LOA</b>	Letter of Award
<b>Lowest Bidder</b>	As defined in Clause 1.2.9
<b>Member</b>	Member of a Consortium
<b>Net Worth</b>	As defined in Clause 2.2.4 (ii)
<b>PSA-DBFOO</b>	As defined in Clause 1.1.2
<b>PPP</b>	Public Private Partnership
<b>Qualification</b>	As defined in Clause 1.2.
<b>Qualification Stage</b>	As defined in Clause 1.2.1
<b>Re. or Rs. or INR</b>	Indian Rupee
<b>Request for Proposals - DBFOO or RFP - DBFOO</b>	As defined in Clause 1.2.1
<b>Request for Qualification – DBFOO or RFQ - DBFOO</b>	As defined in the Disclaimer
<b>SPV</b>	As defined in Clause 2.2.6
<b>Supplier</b>	As defined in Clause 1.1.2
<b>Tariff</b>	As defined in Clause 1.2.9
<b>Technical Capacity</b>	As defined in Clause 2.2.2 (A)
<b>Threshold Technical Capacity</b>	As defined in Clause 2.2.2 (A)
<b>Utility</b>	As defined in Clause 1.1.1

The words and expressions beginning with capital letters and defined in this document shall, unless repugnant to the context, have the meaning ascribed thereto herein.

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## DISCLAIMER

The information contained in this Request for Qualification-DBFOO (the “**RFQ-DBFOO**”) document or subsequently provided to Applicant(s), whether verbally or in documentary or any other form, by or on behalf of the Utility or any of its employees or advisors, is provided to Applicant(s) on the terms and conditions set out in this RFQ-DBFOO and such other terms and conditions subject to which such information is provided.

This RFQ-DBFOO is not an agreement and is neither an offer nor invitation by the Utility to the prospective Applicants or any other person. The purpose of this RFQ-DBFOO is to provide interested parties with information that may be useful to them in the formulation of their application for qualification pursuant to this RFQ-DBFOO (the “**Application**”). This RFQ-DBFOO includes statements, which reflect various assumptions and assessments arrived at by the Utility in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Applicant may require. This RFQ-DBFOO may not be appropriate for all persons, and it is not possible for the Utility, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFQ-DBFOO. The assumptions, assessments, statements and information contained in this RFQ-DBFOO may not be complete, accurate, adequate or correct. Each Applicant should therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this RFQ-DBFOO and obtain independent advice from appropriate sources.

Information provided in this RFQ-DBFOO to the Applicant(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Utility accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Utility, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Applicant or Bidder, under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFQ-DBFOO or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFQ-DBFOO and any assessment, assumption, statement or information contained therein or deemed to form part of this RFQ-DBFOO or arising in any way with pre-qualification of Applicants for participation in the Bidding Process.

The Utility also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Applicant upon the statements contained in this RFQ-DBFOO.

The Utility may, in its absolute discretion but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFQ.

The issue of this RFQ-DBFOO does not imply that the Utility is bound to select and pre-qualified Applications for Bid Stage or to appoint the selected Bidder or Supplier, as the case may be, for the Project and the Utility reserves the right to reject all or any of the Applications or Bids without assigning any reasons whatsoever.

The Applicant shall bear all its costs associated with or relating to the preparation and submission of its Application including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Utility or any other costs incurred in connection with or relating to its Application. All such costs and expenses will remain with the Applicant and the Utility shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an Applicant in preparation or submission of the Application, regardless of the conduct or outcome of the Bidding Process.

## 1. INTRODUCTION<sup>s</sup>

### 1.1 Background

1.1.1. The Gujarat Urja Vikas Nigam Ltd. (the “Utility”) is engaged in the business of bulk purchase and sale of electricity for & on behalf of its subsidiary four Distribution Companies namely Uttar Gujarat Vij Company Ltd. (UGVCL), Dakshin Gujarat Vij Company Ltd. (DGVCL), Madhya Gujarat Vij Company Ltd. (MGVCL) and Paschim Gujarat Vij Company Ltd. (PGVCL). As part of this endeavor, the Utility, for and on behalf of its four electricity distribution companies, the Utility has decided to procure electricity on a long term basis from Power Station (the “Project”) through Public-Private Partnership (the “PPP”) on Design, Build, Finance, Own and Operate (the “DBFOO”) basis by sourcing fuel Linkage Coal from Coal India / its subsidiaries arranged by Utility pursuant to allocation under para B (iv) of SHAKTI Scheme of Govt. of India, and has, therefore decided to carry out the Bidding Process for selection of a corporate entity(ies) as the Bidder(s) to whom the contract may be awarded for production of electricity and supply thereof as per the terms and conditions specified in the Bidding Documents.

GUVNL solicits bids from the following types of Projects:

Type 1: Projects / Units that are already commercially operationalized on or after 1<sup>st</sup> January 2013

Type 2: New Projects that are yet to be commercially operationalized

Brief particulars of the Project are as follows:

<b>Capacity Required at Delivery Point (in MW)</b>	<b>Minimum Capacity not less than 6.25% six point two five per cent of Capacity Required (in MW)</b>	<b>Period when supply must commence (indicative)</b>
<b>2400 MW</b>	150 MW	1 <sup>st</sup> January 2024 (exact supply commencement month would be indicated prior to Bid Due Date)

Type – 2 projects which are under-construction shall submit a detailed application covering the present status of the progress, anticipated Commercial Operation Date, capacity available for participation with percentage physical and financial progress

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#### <sup>s</sup> Instructions for Applicants

**Note 1:** The provisions in curly brackets shall be suitably modified by the Applicants after the RFQ - DBFOO is issued. (See Appendix-VIII)

**Note 2:** Blank spaces contain formats that are to be used by the Applicants after the RFQ- DBFOO is issued. (See Appendix-VIII)

**Note 3:** Footnotes marked “\$” in the relevant Clauses of the RFQ-DBFOO are for guidance of the Applicants. In case of Appendices, the footnotes marked “\$” or in other non-numerical characters shall be omitted by the Applicants while submitting their respective Applications. (See Appendix-VIII)

The Utility intends to pre-qualify suitable Applicants (the “**Bidders**”) who will be eligible for participation in the Bid Stage, for awarding the Project through an open competitive bidding process in accordance with the procedure set out herein.

- 1.1.2. The Bidder(s) who are issued Letter of Award (LoA) (the “**Selected Bidder(s)**”) shall accept the LoA (the “**Successful Bidder**”). The Successful Bidder, who is either a company incorporated under the Companies Act, 1956/2013 or undertakes to incorporate as such prior to execution of the Power Supply Agreement-DBFOO (the “**Supplier**”) shall be responsible for designing, engineering, financing, procurement, construction, operation and maintenance of the power station under and in accordance with the provisions of a long term agreement for supply of Electricity (the “**Power Supply Agreement- DBFOO**” or the “**PSA- DBFOO**”) to be entered into between the Supplier and the Utility in the form provided by the Utility as part of the Bidding Documents pursuant hereto.
- 1.1.3. The scope of work will broadly include designing, financing, operation and maintenance of the Power Station and supply of power in accordance with the terms of the PSA.
- 1.1.4. All Applicants shall indicate the particulars of their power station in the form specified at Annex-VI of Appendix-I and at National e-Bidding Portal (“**DEEP Portal**”) developed by PFC Consulting Ltd. Applicants may Bid for the capacity specified in Clause 1.1.1, or a part thereof, not being less than 6.25%% (six point two five per cent) of such capacity. Provided, however, that the Utility may, in its sole discretion, accept only those Bids which match the lowest Bid.
- 1.1.5. The Utility shall receive Applications pursuant to this RFQ - DBFOO in accordance with the terms set forth herein as modified, altered, amended and clarified from time to time by the Utility, and all Applications shall be prepared and submitted in accordance with such terms on or before the date specified in Clause 1.3 for submission of Applications (the “**Application Due Date**”).

## **1.2. Brief description of Bidding Process**

- 1.2.1. The Utility has adopted a two-stage bidding process (collectively referred to as the “**Bidding Process**”) for selection of the Bidder for award of the Project. The first stage (the “**Qualification Stage**”) of the process involves qualification (the “**Qualification**”) of interested parties/ consortia who make an Application in accordance with the provisions of this RFQ - DBFOO (the “**Applicant**”, which expression shall, unless repugnant to the context, include the Members of the Consortium). Prior to making an Application, the Applicant shall pay to the Utility a sum of Rs. 30,000 (Rupees thirty thousand + 18% GST) (non-refundable) as the cost of the RFQ - DBFOO process & registration. At the end of this stage, the Utility will announce a list of suitable pre-qualified Applicants who shall be eligible for participation in the second stage of the Bidding Process (the “**Bid Stage**”) comprising Request for Proposals (the “**Request for Proposals-DBFOO**” or “**RFP-DBFOO**”).

Government of India has issued guidelines (see Appendix-V) for qualification of Bidders seeking to acquire stakes in any public sector enterprise through the process of disinvestment. These guidelines shall apply *mutatis mutandis* to this Bidding Process. The Utility shall be entitled to disqualify an Applicant in



accordance with the aforesaid guidelines at any stage of the Bidding Process. Applicants must satisfy themselves that they are qualified to Bid, and should give an undertaking to this effect in the form at Appendix-I.

- 1.2.2. All the Applicants would be able to participate in the e-Bidding events on making payment of the requisite fees of ₹500 per MW for the maximum capacity for which the Applicant is willing to bid, to PFC Consulting Limited (PFCCL). The requisite fee shall be deposited through NEFT/IMPS/RTGS after adding the applicable taxes. After the completion of the Bidding Process, only Selected Bidder(s) will have to pay these charges for the quantum allocated to each bidder. The balance amount will be refunded by PFCCL within seven (7) working days of issuance of LOA without any interest. The fee deposited by non-Selected Bidder(s) will also be refunded by PFCCL within seven (7) working days of issuance of LOA without any interest.
- 1.2.3. In the Qualification Stage, Applicants would be required to furnish all the information specified in this RFQ - DBFOO. Only those Applicants that are pre-qualified by the Utility shall be invited to submit their Bids for the Project. The Utility is likely to provide a comparatively short time span for submission of the Bids for the Project. The Applicants are, therefore, advised to familiarise themselves with the terms of the PSA - DBFOO released by the Utility after approval of the Hon'ble GERC. The said PSA – DBFOO is based on the Model PSA -DBFOO notified by the Government of India under section 63 of the Electricity Act 2003 for tariff-based bidding by the Utilities with certain modifications.
- 1.2.4. In the Bid Stage, the Bidders will be called upon to submit their financial offers (the "**Bids**") in DEEP Portal in accordance with the RFP-DBFOO and other documents to be provided by the Utility (collectively the "**Bidding Documents**"). The Bidding Documents for the Project will be provided to every Bidder on payment of Rs. 300,000 (Rs. three lakh only) + 18% GST (non-refundable). The Bid shall be valid for a period of not less than 120 days from the date specified in Clause 1.3 for submission of Bids (the "**Bid Due Date**").
- 1.2.5. In terms of the RFP-DBFOO, a Bidder will be required to deposit, along with its Bid, a Bid security of Rs. 5 lakh (Rupees five lakh) per MW of maximum capacity offered by the Bidder (the "**Bid Security**"), refundable no later than 120 (One Hundred Twenty) days from the Bid Due Date, except in the case of the Successful Bidder whose Bid Security shall be retained till it has provided a Performance Security under the PSA-DBFOO. The Bidders will have an option to provide Bid Security in the form of a bank guarantee acceptable to the Utility or deposited online through NEFT/IMPS/RTGS payment<sup>§</sup>. In case a bank guarantee is provided, its validity period shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Utility and the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.
- 1.2.6. Generally, the Bidder with the lowest landed Tariff (Lowest Bidder) shall be the selected Bidder. The remaining Bidders shall be kept in reserve and may, in accordance with the process specified in the RFP-DBFOO, be invited to match the Bid submitted by the Lowest Bidder in case such Lowest Bidder withdraws or is not selected for any reason or in case the capacity required as per clause 1.1.1 is

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<sup>§</sup> The format for the bank guarantee has been published as part of the Model RFP-DBFOO document

not fully met by the Lowest Bidder. It is hereby clarified that the Utility will not accept the entire capacity offered of the last Lowest Bidder in the order of progression, in the event the Capacity Required gets fulfilled by a part thereof. In the event that none of the other Bidders match the Bid of the Lowest Bidder, the Utility may, in its discretion, invite fresh Bids from the remaining Bidders or annul the Bidding Process, as the case may be. Further, it is clarified that any single Bidder cannot quote part capacity from different stations.

- 1.2.7. During the Bid Stage, Bidders are requested to examine the Project in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of the contract including implementation of the Project.
- 1.2.8. As part of the Bidding Documents, the Utility will provide a draft PSA-DBFOO and other information pertaining/ relevant to the Project available with it.
- 1.2.9. Bids will be invited for the Project on the basis of a tariff to be offered by a Bidder for production and supply of electricity in accordance with the terms of the draft PSA-DBFOO forming part of the Bidding Documents. For the purposes of bidding hereunder, the Fixed Charge and Fuel Charge will constitute the tariff for the Power Station (the “**Tariff**”). The element of coal transportation and transit losses may vary from case to case and shall also form part of the Fuel Charge by way of adjustment. The contract period shall be pre-determined, and will be indicated in the draft PSA-DBFOO. The Project shall be awarded to the Bidder whose landed Tariff i.e., quoted Tariff along with applicable Transmission charges and losses, is the lowest.

Explanation

- (a) **Bidder sourcing fuel from CIL:** Since the Bidder is expected to source coal from Linkage as per SHAKTI Policy from Coal India Limited (the “**CIL**”) or a subsidiary thereof, the cost of Fuel which shall be included in the Fuel Charge shall be a “pass through” in accordance with the terms of the PSA- DBFOO. However, the element of coal transportation and transit losses may vary from case to case and shall affect the Fuel Charge offered by each Bidder. The Bid for the Project shall, therefore, comprise the Fixed Charge and Fuel Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder. The Base Fixed Charge shall not be more than 70% of the Tariff and the Base Fuel Charge shall not be more than 50% of the Tariff.
- (b) Deleted.
- (c) Deleted.
- (d) Deleted.

- 1.2.10. The Selected Bidder shall surrender the proportionate quantity of any existing Letter of Assurance /Fuel Supply Agreement to the supplier of the coal, not being the Letter of Assurance/ Fuel Supply Agreement arranged by the Utility, corresponding to the tenure of the Letter of Assurance /Fuel Supply Agreement arranged by the Utility. Further and other details of the process to be followed at the Bid Stage and the terms thereof will be spelt out in the Bidding Documents.

- 1.2.11. Any queries or request for additional information concerning this RFQ - DBFOO shall be submitted in writing by speed post/ courier/ special messenger and e-mail attaching the queries in Microsoft word file so as to reach the officer designated in Clause 2.13.3 by the specified date. The envelopes/ communications shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: RFQ - DBFOO for Procurement of 2400 MW of electricity under long term on Design, Build, Finance, Own and Operate (DBFOO) basis using SHAKTI coal allocated by CIL”.

### 1.3. Schedule of Bidding Process

The Utility shall endeavor to adhere to the following schedule:

	<b>Event Description</b>	<b>Date (Indicative)</b>
	<u>Qualification Stage</u>	
1.	Release of Bid Documents	30-09-2023
2.	Last date for receiving queries from interested parties	10-10-2023
3.	Release of clarification to queries by Utility	12-10-2023
4.	Application Due date - Qualification stage	16-10-2023
5.	Announcement of Pre-qualified Applicants	23-10-2023
	<b>Bid Stage</b>	<b>Estimated Date</b>
1.	Sale of Bid Documents	[To be specified]
2.	Last date for receiving queries	[To be specified]
3.	Pre-Bid Conference – 1	[To be specified]
4.	Utility response to queries latest by	[To be specified]
5.	Pre-Bid Conference – 2	[To be specified]
6.	Bid Due Date	[To be specified]
7.	Opening of Bids	On Bid Due Date
8.	Letter of Award (LOA)	Within 30 days of Bid Due Date
9.	Validity of Bids	120 days of Bid Due Date
10.	Signing of PSA-DBFOO	Within 30 days of award of LOA

*\*Timelines as specified / revised on DEEP Portal from time to time shall be considered*

### 1.4. Omitted