

**DEVELOPMENT OF SOLAR POWER PROJECT IN  
THE STATE OF KARNATAKA**

**VOLUME I  
Request for Proposal**

**OCTOBER 2011**



**KARNATAKA RENEWABLE ENERGY  
DEVELOPMENT LIMITED**

## Request for Proposal

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<b>Volume I</b>	<b>Request for Proposal (RFP)</b>
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## GLOSSARY

Discount in Tariff	As defined in Clause 2.14.1
Group Business Entity	As defined in Clause 3.3.2(b)
Authority	As defined in Clause 1.1.1
Bid(s)	As defined in the Disclaimer
Bidder	As defined in Clause 1.2.1
Bidding Process	As defined in Clause 1.2.1
Bid Due Date	As defined in Clause 1.2.2
Bid Security	As defined in Clause 1.2.4
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Developer	As defined in Clause 1.1.1
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Financial Capacity	As defined in Clause 3.3.2
Government	Government of Karnataka
Request for Proposal (RFP)	As defined in Clause 1.1.7
Jt. Bidding Agreement	As defined in Clause 2.1.17(g)
Lead Member	As defined in Clause 2.1.17 (d)
LOA	As defined in Clause 3.6.4
Member	Member of a Consortium
Other Members	As defined in Clause 2.1.17 (d)
Performance Security	As defined in Article 1 of Power Purchase Agreement
PPP	Public Private Partnership
Project	As defined in Clause 1.1.1
Power Purchase Agreement	As defined in Clause 1.1.1
Re. or Rs. or INR	Indian Rupee
RFP or Request for Proposals	As defined in the Disclaimer
Right	As defined in Clause 1.1.7
SPV	As defined in Clause 1.1.1
Technical Capacity	As defined in Clause 3.3.2
Tie Bidders	As defined in Clause 3.6.1

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

## DISCLAIMER

The information contained in this Request for Proposal document (the “RFP”) or subsequently provided to Bidder(s), whether verbally or in documentary or any other form by or on behalf of the Authority or any of their employees or advisors, is provided to Bidder(s) on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This RFP is not an agreement and is neither an offer nor invitation by the Authority to the prospective Bidders or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in preparing their proposal pursuant to this RFP (the "Bid"). This RFP includes statements, which reflect various assumptions and assessments arrived at by the Authority in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This RFP may not be appropriate for all persons, and it is not possible for the Authority, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements and information contained in this RFP may not be complete, accurate, adequate or correct. Each Bidder 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 RFP and obtain independent advice from appropriate sources.

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

The Authority, its employees and advisors make no representation or warranty and shall have no liability to any person, including any 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 RFP or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way in this Bidding Process.

The Authority also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Bidder upon the statements contained in this RFP.

The Authority 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 RFP.

The issue of this RFP does not imply that the Authority is bound to select a Bidder or to appoint the Selected Bidder or Developer, as the case may be, for the Project and the Authority reserves the right to reject all or any of the Bidders or Bids without assigning any reason whatsoever.

The Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Authority or any other costs incurred in connection with or relating to its Bid. All such costs and expenses will remain with the Bidder and the Authority

shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the Bidding Process.

## 1. INTRODUCTION

### 1.1. Background

Karnataka Renewable Energy Development Ltd. ("**Authority**" / "**KREDL**") incorporated under the Companies Act, 1956 is a nodal agency of the Government of Karnataka to facilitate the development of renewable energy in the State of Karnataka. KREDL processes all applications received for setting up of renewable energy generations plants and based on their recommendation, Government of Karnataka ("**GoK**") approves and grants rights to such independent power producers set up their generation plants in the State. Subsequently, KREDL also monitors progress of various renewable energy projects in the State. In furtherance of the said objective and in line with the Renewable energy Purchase Obligations ("**RPO**") set out by Karnataka Electricity Regulatory Commission ("**KERC**"), GoK intends to undertake development of 80 (Eighty) MW of solar power energy in the State of Karnataka which will be combination of solar thermal ("**Solar Thermal Project(s)**") and solar PV ("**Solar PV Project(s)**") (hereinafter referred to individually as the "**Project**" and collectively referred as the "**Projects**"). GoK has, through KREDL, decided to carry out the said Project through private sector participation and has decided to carry out the bidding process for selection of the Bidders to whom the Project(s) may be awarded.

Bidders are allowed to bid for one or more Project(s) based on the Eligibility Criteria stipulated in this RFP.

This RFP document is common for all the Projects. It may be noted, however, that for all intents and purposes the Projects are independent of each other and a Bidder should submit Financial Bids for each Project separately, in accordance with this RFP document. Separate agreements shall have to be entered for each Project with concerned electricity supply company ("**ESCOMS**") (hereinafter referred to as the "**Power Purchase Agreement**").

- 1.1.1. The Selected Bidder shall, prior to execution of the Power Purchase Agreement, incorporate as per the terms of this RFP, an appropriate Special Purpose Vehicle (the "**SPV**") under the Companies Act, 1956 to execute the agreement and implement the Project and such SPV (the "**Developer**") shall be responsible for design, finance, engineering, procurement, construction, operation and maintenance of the Project under and in accordance with the provisions of the Power Purchase Agreement to be entered into between the Developer and the concerned ESCOM in the form provided by the Authority as part of the Bidding Documents pursuant hereto.

### 1.1.2. Capacity of the Project

The aggregate capacity for both Solar Thermal Projects and Solar PV Projects is 80 MW, wherein 30 MW is allocated for Solar Thermal Projects and 50 MW is allocated for Solar PV Projects.

In case of Solar Thermal Projects, a Bidder could propose Project(s) having minimum capacity of 5 (five) MW and the maximum capacity of 10 (ten) MW. In case of Solar PV Projects, a Bidder could propose Project(s) having minimum capacity of 3 MW and the maximum capacity of 10 MW.



The maximum capacity to be allotted to any Bidder including Group Business Entity shall be 10 MW. The maximum capacity to be allotted to any Bidder or its Group Business Entity (ies) either bidding as Single Business Entity or as a Consortium shall be 10 MW.

For avoidance of doubt following illustration is provided

- Company A is the Bidder participating in the Bidding Process.
- Company B, C and D are Group Business Entities of Company A.
- Company A, B and C are bidding for Project(s) aggregating to capacity of 10 MW either as a Single Business Entity or as a Consortium inclusive of both Solar Thermal and Solar PV Project.
- Then, company D who is a Group Business Entity of company A cannot bid as a Single Business Entity or as a member of any Consortium

The Bidder shall furnish details of its Group Business Entity (ies) participating in the Bidding Process in the format provided in Appendix I.

#### **Solar Thermal Project**

In case the Bidders are shortlisted and the aggregate capacities of Bids received for developing Solar Thermal Projects are lower than 30 MW, the unmet capacity shall be transferred to Solar PV Project only in case the aggregate capacities of Bids received for developing Solar PV Project(s) are greater than 50 MW. The Selected Bidders shall be declared from the shortlisted Bidder on the basis of Discount in Tariff.

#### **Solar PV Project**

In case the Bidders are shortlisted and the aggregate capacities of Bids received for developing Solar PV Projects are lower than 50 MW, the unmet capacity shall be transferred to Solar Thermal Project only in case the aggregate capacities of Bids received for developing Solar Thermal Projects are greater than 30 MW. The Selected Bidders shall be declared from the shortlisted Bidder on the basis of Discount in Tariff.

#### **Solar Thermal and Solar PV Project**

In the event that the aggregate capacities of Bids received for developing Solar Thermal Projects are lower than 30 MW and Solar PV Projects are lower than 50 MW, then the allotment of generating capacity shall be done to the extent for which Bids are received.

#### **1.1.3. Connectivity with the Grid**

The Developer shall be responsible for power evacuation from the power plant to the nearest sub-station/delivery point. The interconnection to the nearest substation/delivery point shall be at the voltage level of 11KV for electricity generation capacity of less than 5 MW. However for the purpose reliability, the Bidder may interconnect to the nearest substation/delivery point at a higher voltage level.

The interconnection to the nearest substation shall be at the voltage level of 33/66/110 KV for electricity generation capacity of 5 MW and above.

The Selected Bidder shall obtain power evacuation approval within 270 (two hundred and seventy) days of signing of the Power Purchase Agreement from Karnataka Power Transmission Company Limited ("KPTCL")/ESCOM, as the case may be.

The Developer shall carry out maintenance of the transmission line during the Agreement Period. However, Developer shall pay the applicable supervision charges.

#### 1.1.4. **Water Availability**

This Clause is applicable in case the Bidder is bidding for the Solar Thermal Project(s). It would be the responsibility of the Developer to make arrangements for the water required for the Project(s). The Bidder shall submit documentary evidence in the form of approval from the Irrigation Department, Government of Karnataka in case the water is proposed to be used from irrigation sources along with the Bid.

- 1.1.5. The scope of work will broadly include development, operation and maintenance of the Project(s) including supply of power as per the draft Power Purchase Agreement during the tenure of the Power Purchase Agreement.
- 1.1.6. The Bidding Documents include this RFP and the draft Power Purchase Agreement.
- 1.1.7. The draft Power Purchase Agreement sets forth the detailed terms and conditions for grant of the right to the Developer to supply solar power to the ESCOM (the "**Right**"), including the scope of the Developer's services and obligations and is enclosed as Volume II of this RFP.
- 1.1.8. The statements and explanations contained in this RFP are intended to provide a proper understanding to the Bidders about the subject matter of this RFP and should not be construed or interpreted as limiting in any way or manner the scope of services and obligations of the Developer set forth in the draft Power Purchase Agreement or the Authority's right to amend, alter, change, supplement or clarify the scope of work, the Right to be awarded pursuant to this RFP or the terms thereof or herein contained. Consequently, any omissions, conflicts or contradictions in the Bidding Documents including this Volume I-Request for Proposal ("**RFP**") are to be noted, interpreted and applied appropriately to give effect to this intent, and no claims on that account shall be entertained by the Authority.
- 1.1.9. The Authority shall receive Bids in accordance with the terms set forth in this RFP and other documents to be provided by the Authority pursuant to this RFP (collectively the "**Bidding Documents**"), as modified, altered, amended and clarified from time to time by the Authority, and all Bids shall be prepared and submitted in accordance with such terms.
- 1.1.10. Under this RFP, a Bidder may submit Bids for one or more Project(s). The Bidder may propose to develop different Project(s) in the same location, provided that each Project is separated by a distinct boundary. It shall be the onus of the Bidder to prove that the Project(s) proposed have distinct boundaries. In the event that the evidence provided by the Bidder is found to be unsatisfactory by the Authority, such Bids shall be summarily rejected. However, the Project would be awarded to the

Bidder subject to it meeting the Eligibility Criteria set out for the Project. Bidders desirous of bidding for more than one Project will be required to submit separate Financial Bids for each of the Project. For the purpose of identifying the Bidder to implement the Project, the Bids submitted by each Bidder would be evaluated on the basis of the evaluation criteria set out in Section 3 of this RFP.

The Selected Bidder may change the location proposed during the RFP stage for the Project in the event that land for the same cannot be acquired. In such a case, the Project may also be split, however, the minimum capacity specified in the Bid Documents are to be maintained. In no circumstance shall the Discount in Tariff offered by the Bidder be changed due to change in location.

## 1.2. Brief Description of Bidding Process

- 1.2.1. The Authority has adopted a single stage process (the “**Bidding Process**”) for selection of Bidders for award of the Projects and invites Bids from eligible parties (“**Bidders**”), which expression shall, unless repugnant to the context include the members of the Consortium for the Project in accordance with the terms of this RFP.
- 1.2.2. The Bidders are requested to submit their Bids in accordance with the Bidding Documents. The Bid shall be valid for a period of not less than 180 (one hundred and eighty) days from the date specified in Clause 1.3 for submission of Bids (the “**Bid Due Date**”).
- 1.2.3. The Bidding Documents include the draft Power Purchase Agreement for the Project. The Bidding Documents and any addenda issued subsequent to this RFP, but before the Bid Due Date, will be deemed to form part of the Bidding Documents.
- 1.2.4. The Bidders are required to deposit, along with its Bid, a bid security (“**Bid Security**”) for each Project for which the Bidder is submitting its Bid, equivalent to an amount of Rs.20,00,000/- (Rupees Twenty Lakhs) per MW of the proposed capacity. The Bid Security shall be refundable not later than 60 (sixty) days from the date of selection of the Bidders except in the case of the Selected Bidders whose Bid Security shall be retained till they have provided a Performance Security under the Power Purchase Agreement. The Bidders will have an option to provide Bid Security in the form of a demand draft or a bank guarantee acceptable to the Authority. Where the Bid Security is submitted in the form of bank guarantee, the validity period of the bank guarantee shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.
- 1.2.5 (A) Bidders would need to submit the following sets of documents (one original and one copy) as part of their Bid;
  - a. Documents mentioned in Clause 2.11.2 - “**Key Submissions and Qualification Submission**”
  - b. Financial Bid as mentioned in Clause 2.11.4 - “**Financial Bid**”
- 1.2.5 (B) The evaluation of the Bid submissions would be carried out in the following three stages:

- a. The first stage would involve opening and evaluation of the Key Submissions and a test of responsiveness based on the provisions of Clause 3.2 of the RFP. Those Bids found to be substantially responsive would be evaluated in the second stage.
  - b. In the second stage, the information of the Bidders relating to their eligible experience comprising Technical Capacity and Financial Capacity ("**Eligibility Criteria**") would be evaluated as per Clause 3.3 of the RFP. Bidders who meet the Eligibility Criteria would qualify for evaluation of their Financial Bid.
  - c. The Financial Bid in accordance with the provision of Clause 3.6 would be opened and evaluated to identify the Selected Bidder.
- 1.2.5. Financial Bids are invited for the Project on the basis of discount in paisa/kWh on KERC Approved Tariff (the "Discount in Tariff") offered by a Bidder for implementing the Project. The Agreement Period is pre-determined, as indicated in the draft Power Purchase Agreement. The Discount in Tariff, as detailed in Clause 2.14, shall constitute the sole criteria for evaluation of the Financial Bids.
- 1.2.6. Generally, the Bidder offering the maximum quantum of Discount in Tariff will be selected first and so on till the total aggregate capacity of 80 MW including, 50 MW for Solar PV Projects and 30 MW for Solar Thermal Projects is reached (the "Selected Bidders"). The remaining Bidders shall be kept in reserve and shall be shortlisted in case any of the Selected Bidders withdraws or is not selected for any reason, in accordance with the process specified in this RFP and as explained in Clause 3.6. In the event that the other Bidders withdraw, the Authority may, in its discretion annul the Bidding Process.
- 1.2.7. The Developer shall be entitled for the revenues from the Project in accordance with the terms of the Power Purchase Agreement.
- 1.2.8. Further and other details of the process to be followed and the terms thereof are spelt out in this RFP.
- 1.2.9. Any queries (including any discrepancy, ambiguity and error) or request for additional information concerning this RFP shall be submitted in writing and shall be submitted through post/courier/fax/e-mail to the officer designated in Clause 2.11.7. The envelopes/ communication shall clearly bear the following identification/ title:

"Queries/Request for Additional Information: RFP for "**Development of Solar Power Project in the State of Karnataka**".

### 1.3. Schedule of Bidding Process

The Authority shall endeavour to adhere to the following schedule:

SI No	Event Description	Date
1.	Last date for receiving queries	August 22, 2011
2.	Pre-Bid Conference	August 23, 2011
4.	Bid Due Date	November 24, 2011
5.	Opening of Key Submission and Qualification Submissions	To be intimated later
6	Financial Bid Opening	To be intimated later

#### Venue of Pre-bid Conference:

KEB Convention Hall  
Anand Rao Circle,  
Bangalore-560001

## 2. TERMS OF BIDDING

### A. GENERAL

#### 2.1. General terms of Bidding

- 2.1.1. A Bidder is eligible to submit only one Bid for each of the Project(s). A Bidder bidding individually or as a member of a Consortium shall not be entitled to submit another Bid either individually or as a member of any Consortium, as the case may be for the same Project(s).

Further, a Bidder or its Group Business Entity (ies) either bidding as Single Business Entity or as a Consortium are eligible for award of Project(s) of aggregate capacity upto 10 MW under this RFP. In the event where the Bid(s) submitted by any Bidder or its Group Business Entity(ies), either as a Single Business Entity or as a Consortium, aggregates to more than 10 MW, in such circumstances all the Bid(s) submitted by such Bidder or such Group Business Entity(ies) under this RFP would be rejected.

- 2.1.2. a. The Bidder may be a single business entity ("**Single Business Entity**") or a group of entities (the "**Consortium**"), coming together to implement the Project. However, no Bidder applying individually or as a member of a Consortium, as the case may be, can be member of another Consortium. The term Bidder used herein would apply to both a single entity and a Consortium.
- 2.1.2 b. A single business entity, [government-owned entity] and in case of Consortium, all the entities forming a Consortium, bidding for the Project, shall be a Company incorporated under the Companies Act 1956 or under an equivalent law abroad, if it is a foreign company. A Consortium shall be eligible for consideration subject to the conditions set out in Clause 2.1.17 below. Unless the context otherwise requires, the terms not defined in this RFP, but defined in the draft Power Purchase Agreement for the Project shall have the meaning assigned thereto in the draft Power Purchase Agreement.
- 2.1.3. Not Applicable
- 2.1.4. Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the draft Power Purchase Agreement shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under Power Purchase Agreement.
- 2.1.5. The Financial Bid should be furnished in the format at **Appendix – VI** clearly indicating the Bid amount in both figures and words, and signed by the Bidder's authorised signatory. In the event of any difference between figures and words, the amount indicated in the words shall be taken into account.
- 2.1.6. The Financial Bid shall consist of Discount in Tariff on KERC approved applicable tariff ("KERC Approved Tariff") to be quoted by the Bidder as per Clause 2.14. The order issued by KERC regarding the tariff for grid connected Solar PV and Solar Thermal Projects is provided in Schedule 2 of this RFP.

- 2.1.7. The Bidder shall deposit a Bid Security as per Clauses 1.2.4 and 2.20 and in accordance with the provisions of this RFP. The Bidder has the option to provide the Bid Security either as a Demand Draft or in the form of a Bank Guarantee acceptable to the Authority, as per format at **Appendix - IV**.
- 2.1.8. The validity period of the Bank Guarantee 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 Authority and the Bidder. The Bid shall be summarily rejected if it is not accompanied by the Bid Security. The Bid Security shall be refundable no later than 60 (sixty) days from the date of selection of Bidders except in the case of the Selected Bidders whose Bid Security shall be retained till they have provided a Performance Security under the Power Purchase Agreement.
- 2.1.9. The Bidder should submit a Power of Attorney as per the format at **Appendix – II**, authorising the signatory of the Bid to commit the Bidder.
- 2.1.10. In case the Bidder is a Consortium, the Members thereof should furnish a Power of Attorney in favour of the Lead Member in the format at **Appendix – III**.
- 2.1.11. Any condition or qualification or any other stipulation contained in the Bid submission shall render the Bid submission liable to rejection as a non-responsive Bid submission.
- 2.1.12. The Bid submission and all related correspondence and documents in relation to the Bidding Documents shall be in English language. Supporting documents and printed literature furnished by the Bidder with the Bid may be in any other language provided that they are accompanied by appropriate translations of the pertinent passages in the English language, duly authenticated and certified by the Bidder. Supporting materials, which are not translated into English, may not be considered. For the purpose of interpretation and evaluation of the Bid, the English language translation shall prevail.
- 2.1.13. The Bidding Documents including this RFP and all attached documents are and shall remain the property of the Authority and are transmitted to the Bidders solely for the purpose of preparation and submission of a Bid in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The Authority will not return any Bid or any information provided along therewith.
- 2.1.14. A Bidder shall not have a conflict of interest (the “**Conflict of Interest**”) that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified. In the event of disqualification, the Authority shall forfeit and appropriate the Bid Security or Performance Security, as the case may be, as mutually agreed genuine loss and damages likely to be suffered and incurred by the Authority and not by way of penalty for, inter alia, the time, cost and effort of the Authority, including consideration of such Bidder’s Bid submission, without prejudice to any other right or remedy that may be available to the Authority hereunder and/ Power Purchase Agreement or otherwise. Without limiting the generality of the above, a Bidder shall be considered to have a Conflict of Interest that affects the Bidding Process, if:
- a. such Bidder (or any constituent thereof) and any other Bidder (or any constituent thereof)

- have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding in a Bidder or a constituent thereof in the other Bidder(s) (or any of its constituents) is less than 5% of its paid up and subscribed capital; or
- b. a constituent of such Bidder is also a constituent of another Bidder; or
  - c. such Bidder has the same legal representative for purposes of this Bid as any other Bidder; or
  - d. such Bidder, or any Group Business Entity thereof, has a relationship with another Bidder or any Group Business Entity thereof, directly or through common third parties, that puts them in a position to have access to each others' information about, or to influence the Bid of either or each; or
  - e. such Bidder or any Group Business Entity thereof has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.

2.1.15. This RFP is not transferable.

2.1.16. Any award of Right pursuant to this RFP shall be subject to the terms of Bidding Documents.

2.1.17. Where the Bidder is a Single Business Entity, it may form an appropriate SPV to execute the Power Purchase Agreement and implement the Project. In case the Bidder is a Consortium, it shall, in addition to forming an SPV, comply with the following requirements:

- a. The number of members in a Consortium would be limited to 3 (three);
- b. The shareholding commitments of all the members of the Consortium shall be in accordance with Clause 2.3;
- c. The Bid should contain the information required for each member of the Consortium;
- d. Members of the Consortium shall nominate one member as the lead member (the "**Lead Member**") who shall have an equity share holding of at least 26% (twenty six percent) of the paid up and subscribed equity of the SPV until third anniversary of the Commercial Operation Date. The other members of the Consortium shall be termed as "**Other Members**". The nomination(s) shall be supported by a Power of Attorney, as per the format at **Appendix - III**, signed by all the members of the Consortium;
- e. The Bid should include a brief description of the roles and responsibilities of individual members, particularly with reference to equity shareholding commitment, financial, technical and O&M obligations;
- f. An individual Bidder cannot at the same time be member of a Consortium applying for qualification. Further, a member of a particular Bidder Consortium cannot be a member of any other Bidder Consortium applying for qualification;
- g. The Parties to the Consortium should establish SPV and execute the Power Purchase Agreement in respect of the Project(s) awarded to such consortium.



- h. Members of the Consortium shall enter into a binding Joint Bidding Agreement (the “**Jt. Bidding Agreement**”), as per the format provided in **Appendix – V**, for the purpose of submitting Bid and should submit the same along with the Bid. The Jt. Bidding Agreement should be specific to the Project and should fulfill the requirements set out below, failing which the Bid shall be considered non-responsive. The Jt. Bidding Agreement shall, inter alia:
- (i) convey the intent to form an SPV with shareholding/ ownership equity commitment(s) in accordance with Clause 2.3, which would enter into the Power Purchase Agreement and subsequently carry out all the responsibilities as Developer in terms of the Power Purchase Agreement, in case the Project is awarded to the Consortium;
  - (ii) clearly outline the proposed roles and responsibilities of each member at each stage;
  - (iii) commit the minimum equity stake to be held by each member; and
  - (iv) include a statement to the effect that all members of the Consortium shall under the Power Purchase Agreement, be liable jointly and severally for all obligations of the Developer in relation to the Project until the Condition Precedent of the Project is achieved in accordance with the Power Purchase Agreement.

2.1.18. Any entity which has been barred by the Central/ any State Government, or any entity controlled by them, from participating in any project (BOT or otherwise), and the bar subsists as on the date of Bid, would not be eligible to submit a Bid, either individually or as member of a Consortium.

2.1.19. A Bidder/ Consortium Member should, in the last three years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Bidder, nor been expelled from any project or contract nor have had any contract terminated for breach by such Bidder/ Consortium Member.

2.1.20. The following conditions shall be adhered to while submitting a Bid:

- a. Bidders should attach clearly marked and referenced continuation sheets in the event that the space provided in the prescribed forms in the Annexes to Appendices is insufficient. Alternatively, Bidders may format the prescribed forms making due provision for incorporation of the requested information;
- b. information supplied by a Bidder (or other constituent Member if the Bidder is a Consortium) must apply to the Bidder, Member or Group Business Entity named in the Bid and not, unless specifically requested, to other associated companies;
- c. Bidders should demonstrate their Eligibility Criteria in accordance with Clause 3.3 of this RFP; an

## **2.2. Change in composition of the Consortium**

A Bidder shall not be allowed to change its composition for any of the Project(s), i.e. single entity bidding for a Project cannot bid as a Consortium for any other Project and a group of entities

bidding as a Consortium for a Project cannot change its composition for any other Project. However within a Consortium the members could change the Lead Member for different Project(s).

### **2.3. Shareholding Commitments**

- 2.3.1. In case the Selected Bidder is a Consortium, Members of the Consortium shall collectively hold at least 51% of subscribed and paid up equity share capital of the SPV at all times until third anniversary of the Commercial Operations Date of the Project. Lead Member shall have 26% shareholding of the SPV until third anniversary of the Commercial Operations Date of the Project. The Bidder further acknowledges and agrees that the aforesaid obligation shall be the minimum, and shall be in addition to such other obligations as may be contained in the Power Purchase Agreement, and a breach hereof shall, notwithstanding anything to the contrary contained in the Power Purchase Agreement, be deemed to be a breach of the Power Purchase Agreement and dealt with as such thereunder.
- 2.3.2. In case the Selected Bidder is a single entity, it shall hold at least 51% (fifty one percent) of subscribed and paid up equity share capital of the SPV, until third anniversary of the Commercial Operations Date of the Project. This condition is applicable only in case the Single Business Entity incorporates an SPV to execute the PPA and implement the Project.

### **2.4. Cost of Bidding**

- 2.4.1. The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the Bidding Process. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

### **2.5. Verification of information**

- 2.5.1. It shall be deemed that by submitting a Bid, the Bidder has:
- a. made a complete and careful examination of the Bidding Documents;
  - b. received all relevant information requested from the Authority;
  - c. acknowledged and accepted the risk of inadequacy, error or mistake in the information provided in the Bidding Documents;
  - d. satisfied itself about all matters, things and information necessary and required for submitting an informed Bid, execution of the Project in accordance with the Bidding Documents and performance of all of its obligations thereunder;
  - e. acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Bidding Documents shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from the Authority, or a ground for termination of the Power Purchase Agreement; and

f. agreed to be bound by the undertakings provided by it under and in terms hereof.

2.5.2. The Authority shall not be liable for any omission, mistake or error on the part of the Bidder in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to RFP, the Bidding Documents or the Bidding Process, including any error or mistake therein or in any information or data given by the Authority.

## **2.6. Right to accept and to reject any or all Bids**

2.6.1. Notwithstanding anything contained in this RFP, the Authority reserves the right to accept or reject any Bid and to annul the Bidding Process and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof.

2.6.2. The Authority reserves the right to reject any Bid and appropriate the Bid Security if:

- a. at any time, a material misrepresentation is made or uncovered, or
- b. the Bidder does not provide, within the time specified by the Authority, the supplemental information sought by the Authority for evaluation of the Bid.

Such misrepresentation/improper response shall lead to the disqualification of the Bidder. If the Bidder is a Consortium, then the entire Consortium shall be disqualified /rejected. If such disqualification/rejection occurs after the Bids have been opened and one of the Selected Bidder gets disqualified/ rejected, then the Authority reserves the right to:

- (i) invite the remaining Bidders in accordance with Clause 3.6; or
- (ii) take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Bidding Process.

2.6.3. In case it is found during the evaluation or at any time before signing of the Power Purchase Agreement or after its execution and during the period of subsistence thereof, including the Right thereby granted by the Authority, that one or more of the qualification conditions have not been met by the Bidder or the Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet appointed as the Developer either by issue of the LOA or entering into the Power Purchase Agreement, and if the Bidder has already been issued the LOA or has entered into the Power Purchase Agreement, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFP, be liable to be terminated, by a communication in writing by the Authority to the Bidder, without the Authority being liable in any manner whatsoever to the Bidder or Developer, as the case may be. In such an event, the Authority shall forfeit and appropriate the Bid Security or Performance Security, as the case may be, as mutually agreed genuine compensation and damages payable to the Authority for, inter alia, time, cost and effort of the Authority, without prejudice to any other right or remedy that may be available to the Authority.

The Authority reserves the right to verify all statements, information and documents submitted by the Bidder in response to the RFP. Failure of the Authority to undertake such verification shall not relieve

the Bidder of its obligations or liabilities hereunder nor will it affect any right of the Authority thereunder.

## **B. DOCUMENTS**

### **2.7. Contents of the RFP**

2.7.1. This RFP comprises the Disclaimer set forth hereinabove, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.9.

#### **a. Instructions to Bidders (Volume I)**

- Section 1. Introduction
- Section 2. Terms of Bidding
- Section 3. Evaluation of Bids
- Section 4. Fraud and Corrupt Practices
- Section 5. Pre-Bid Conference
- Section 6. Miscellaneous

#### **Appendices**

Appendix I- Letter of Bid

Annexes to Appendix I

- Annex I - Details of Bidder
- Annex II- Technical Capacity Undertaking
- Annex III - Financial Capacity of the Bidder
- Annex III -A Format for certificate from Statutory Auditor
- Annex IV-Format for certificate from Statutory Auditor for Group Business Entity
- Annex V -Statement of Legal Capacity
- Appendix II - Power of Attorney for signing of Bid
- Appendix III - Power of Attorney for Lead Member of Consortium
- Appendix IV - Format for Bank Guarantee for Bid Security
- Appendix IV B- Format for Bid Bond Guarantee
- Appendix V - Joint Bidding Agreement
- Appendix VI - Format for Financial Bid
- Appendix VII – Anti Collusion Certificate
- Appendix VIII- Anti Blacklisting Affidavit
- Appendix –IX- Information sought by the Bidder in MS Excel format
- Schedule -1 A – Technical Qualification Requirement in case of Solar Thermal Project
- Schedule -1 B- Technical Qualification Requirement in case of Solar PV Project
- Schedule -2- Solar Tariff Order issued by KERC
- Schedule -3- Sample Bid Bond Calculation

#### **b. Draft Power Purchase Agreement (Volume II)**

### **2.8. Clarifications**

2.8.1. Bidders requiring any clarification on the RFP may notify the Authority in writing or by fax and email to the address provided in Clause 2.11.7. They should send in their queries before on or before the

date mentioned in the Schedule of Bidding Process specified in Clause 1.3. The Authority shall endeavour to respond to the queries within 15 (fifteen) days prior to the Bid Due Date. The responses will be sent by fax or e-mail without identifying the source of queries.

- 2.8.2. The Authority shall endeavour to respond to the queries raised or clarifications sought by the Bidders. However, the Authority reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause 2.8.2 shall be taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.
- 2.8.3. The Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by the Authority shall be deemed to be part of the Bidding Documents. Verbal clarifications and information given by Authority or its employees or representatives shall not in any way or manner be binding on the Authority.

## **2.9. Amendment of RFP**

- 2.9.1. At any time prior to the Bid Due Date, the Authority may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the RFP by the issuance of Addenda.
- 2.9.2. Any Addendum thus issued hereunder will be in writing and shall be sent to all the Bidders.
- 2.9.3. In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, the Authority may, at its own discretion, extend the Bid Due Date.

## **C. PREPARATION AND SUBMISSION OF BIDS**

### **2.10. Format and Signing of Bid**

- 2.10.1. The Bidder shall provide all the information sought under this RFP. The Authority will evaluate only those Bids that are received in the required formats and complete in all respects. Incomplete and/or conditional Bids shall be liable to rejection.
- 2.10.2. The Bidder shall prepare one original set of the Bid (together with originals/ copies of documents required to be submitted along therewith pursuant to this RFP) and clearly marked "**ORIGINAL**". In addition, the Bidder shall submit 1 (one) copy of the Bid, along with Documents required to be submitted along therewith pursuant to this RFP, marked "**COPY**". In the event of any discrepancy between the original and the copies, the original shall prevail.
- 2.10.3. The Bid and its copy shall be typed or written in indelible ink and signed by the authorised signatory of the Bidder who shall also initial each page, in blue ink. In case of printed and published documents, only the cover shall be initialled. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialled by the person(s) signing the Bid. The Bid shall contain page numbers

## 2.11. Sealing and Marking of Bid

- 2.11.1. The Bidder shall submit a Financial Bid, consisting of the Bidders financial offer for each of the project in the format provided in Appendix VI in the in the manner specified in Clause 2.11.4.
- 2.11.2. A Bidder shall submit in a separate envelop, a common Key Submission and Qualification Submission containing the following documents for all the Project(s) marked as **“Original Key Submission and Qualification Submission”**.

### **“Key Submissions and Qualification Submission”**

- a. A Demand Draft of Rs. 10,000/- (Rupees Ten Thousand only) towards the cost of the RFP Document (non-refundable). The Demand Draft shall be from a Nationalized Bank or a Scheduled Bank<sup>1</sup> in India drawn in favour of “Managing Director, Karnataka Renewable Energy Development Limited”.
- b. Letter of Bid in the prescribed format provided in **Appendix - I** along with Annexes and supporting documents;
- c. Power of Attorney for signing of Bid in the prescribed format (**Appendix – II**);
- d. If applicable, the Power of Attorney for Lead Member of Consortium in the prescribed format (**Appendix – III**). Where the Bidder is bidding for more than one Project(s) with different Lead Member, then in such case for each such Project(s), it shall submit the Power of Attorney for Lead Member separately;
- e. Bid Security as Bank Guarantee in the prescribed format (**Appendix - IV**) or as Demand Draft.
- f. Copy of Memorandum and Articles of Association of the Bidder;
- g. [In case the Bidder is bidding for Solar Thermal Project, documentary evidence in the form of approval from the Irrigation Department, Government of Karnataka in case the water is proposed to be used from irrigation sources.]
- h. Copies of Bidder’s or each Consortium Member’s duly audited annual reports and financial statements (balance sheets and profit and loss account) for the latest financial year as on March 31, 2011 or as on September 30, 2011.
- i. If applicable, the certificate from the Statutory Auditor for Group Business Entity (format provided as Annexe IV of Appendix I); and
- j. Jt. Bidding Agreement, in case of a Consortium in the format provided in **“Appendix V”**. It may be noted that if the shareholding pattern of the Consortium members are varying in each of the Project(s) for which it is submitting Bids, then such Bidder shall furnish separate Jt. Bidding Agreements for such Project(s);

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<sup>1</sup> excluding Co-operative Banks

- k. A copy of the draft Power Purchase Agreement with each page initialled by the person signing the Bid in pursuance of the Power of Attorney referred to in sub-clause (c) hereinabove.
  - l. Anti Collusion Certificate in the format provided -in Appendix – VII.
  - m. Anti Blacklisting Affidavit in the format provided in Appendix – VIII.
  - n. Non rewritable Compact Disc in xls format containing the information and details of the Bidder as set out in Appendix IX.
- 2.11.3. A true copy of the documents as specified in Clause 2.11.2 above, shall be shall be numbered serially and shall be initialed in blue ink by the authorized signatory of the Bidder. This copy of the documents shall be placed in a separate envelope and marked “**Copy of Key Submission and Qualification Submission**”.
- 2.11.4. The Bidder shall submit the original and copy of the Financial Bid for each Project separately in the format set out in **Appendix – VI**. Financial Bid shall consist of the financial offer of the Bidders. The Bidder shall also along with its financial offer submit Bid Bond, in the form of a bank guarantee based on the Discount in Tariff calculated as per Clause 2.21 of this RFP.
- 2.11.5. Financial Bid for each Project(s) should be marked “**Original**” or “**Copy**” as appropriate. The original and copy of the Financial Bid shall be placed in a separate sealed envelope clearly marked as “**Original Financial Bid**” and “**Copy Financial Bid**” for **Development of \_\_\_ MW (indicate capacity) of Solar \_\_\_\_\_ (indicate the technology proposed to be adopted – Thermal/ PV) Power Project at \_\_\_\_\_(indicate the location ) in the State of Karnataka .**
- 2.11.6. The documents specified in Clause 2.11.2, 2.11.3 and 2.11.5 above shall be placed in an outer envelope, which shall be sealed and clearly bear the following identification:

**“Bid for Development of Solar Power Project(s) in the State of Karnataka”**

and shall also clearly indicate the name and address of the Bidder. In addition, the Bid Due Date should be indicated on the right hand top corner of each of the envelopes.

- 2.11.7. The envelopes shall be addressed to:

ATTN. OF:	Managing Director
ADDRESS:	Karnataka Renewable Energy Development Ltd. No.39, "Shanthigruha" Bharath Scots & Guides Building, Palace Road. Bangalore-560 001
FAX NO:	080-22257399
E-MAIL ADDRESS:	kredlnce@yahoo.co.in



2.11.8. If the envelopes are not sealed and marked as instructed above, Authority assumes no responsibility for the misplacement or premature opening of the contents of the Bid submitted and consequent losses, if any, suffered by the Bidder.

2.11.9. Bids submitted by fax, telex, telegram or e-mail shall not be entertained and shall be rejected.

## **2.12. Bid Due Date**

2.12.1. Bids should be submitted on or before 1600 hours IST on the Bid Due Date at the address provided in Clause 2.11.7 in the manner and form as detailed in this RFP. A receipt thereof should be obtained from the office of the person specified at Clause 2.11.7.

2.12.2. The Authority may, in its sole discretion, extend the Bid Due Date by issuing an Addendum in accordance with Clause 2.9 uniformly for all Bidders.

2.12.3. The Authority reserves the right to seek original documents for verification of any of the documents or any other additional documents upon opening of the Bidding Documents.

## **2.13. Late Bids**

Bids received by the Authority after the specified time on the Bid Due Date shall not be eligible for consideration and shall be summarily rejected.

## **2.14. Financial Bid**

2.14.1. The Financial Bid submission shall be furnished in the format at **Appendix – VI**. The Financial Bid shall consist of discount in paisa/kWh on KERC Approved Tariff, to be quoted by the Bidder. The tariff arrived at after applying the Discount in Tariff shall be payable by the ESCOM to the Developer in accordance with this RFP and the provisions of the Power Purchase Agreement.

2.14.2. The Project will be awarded to the Bidders on the basis of quantum of Discount in Tariff in accordance with the procedure described in the Clause 3.6.

2.14.3. The opening of Bids and acceptance thereof shall be substantially in accordance with this RFP.

## **2.15. Modifications/ Substitution/ Withdrawal of Bids**

2.15.1. The Bidder may modify, substitute or withdraw its Bid after submission of the Bids prior to Bid Due Date. No Bid shall be modified, substituted or withdrawn by the Bidder after the Bid Due Date. Provided that the Bidder may withdraw the Bid prior to Bid Due Date only upon submission of a written notice of withdrawal is submitted to the Authority.

2.15.2. The modification, substitution or withdrawal of the documents submitted shall be effected by sending a written notice to the Authority and shall be prepared, sealed, marked, and delivered in accordance with Clause 2.11, with the envelopes being additionally marked “MODIFICATION”, “SUBSTITUTION” or “WITHDRAWAL”, as appropriate.

2.15.3. Any alteration/ modification in the Bid or additional information supplied subsequent to the Bid Due Date, unless the same has been expressly sought for by Authority, shall be disregarded.

## **2.16. Rejection of Bids**

2.16.1. The Authority reserves the right to accept or reject all or any of the Bids without assigning any reason whatsoever. It is not obligatory for the Authority to accept any Bid or to give any reasons for their decision.

2.16.2. The Authority reserves the right not to proceed with the Bidding Process at any time, without notice or liability, and to reject any Bid without assigning any reasons.

## **2.17. Validity of Bids**

The Bids shall be valid for a period of not less than 180 (one hundred and eighty) days from the Bid Due Date (the “**Bid Validity Period**”). The Bid Validity Period may be extended by mutual consent of the respective Bidders and the Authority.

## **2.18. Confidentiality**

Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the Authority in relation to, or matters arising out of, or concerning the Bidding Process. The Authority will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. The Authority may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the Authority.

## **2.19. Correspondence with the Bidder**

The Authority shall not entertain any correspondence with any Bidder in relation to acceptance or rejection of any Bid.

## D. BID SECURITY

### 2.20. Bid Security

- 2.20.1. The Bid Security to be submitted in the form of a bank guarantee referred in Clause 1.2.4 hereinabove shall be issued by a Nationalized Bank, or a Scheduled Bank<sup>2</sup> in India, in favour of “Managing Director, Karnataka Renewable Energy Development Limited” in the format at **Appendix IV** (the “**Bank Guarantee**”) and having a validity period of not 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 by the Bidder from time to time. In case the Bank Guarantee is issued by a foreign bank outside India, confirmation of the same by any nationalized bank in India is required. For the avoidance of doubt, Scheduled Bank shall mean a bank as defined under Section 2(e) of the Reserve Bank of India Act, 1934.
- 2.20.2. Bid Security referred in the above clause can also be in the form of a demand draft (the “**Demand Draft**”) issued by a Nationalized Bank or a Scheduled Bank<sup>9</sup> in India, drawn in favour of “Managing Director, Karnataka Renewable Energy Development Limited” and payable at Bangalore. Authority shall not be liable to pay any interest on the Bid Security deposit so made and the same shall be interest free.
- 2.20.3. Any Bid not accompanied by the Bid Security shall be rejected by the Authority as non responsive. Save and except as provided in Clause 1.2.4, the Bid Security of unsuccessful Bidders will be returned by the Authority, without any interest, as promptly as possible on acceptance of the Bid of the Selected Bidder or when the Bidding process is cancelled by the Authority, and in any case within 60 (sixty) days from the Bid Due Date. Where Bid Security has been paid by demand draft, the refund thereof shall be in the form of an account payee demand draft in favour of the Bidder(s). Bidders may, by specific instructions in writing to the Authority give the name and address of the persons in whose favour the said demand draft shall be drawn by the Authority for refund, failing which it shall be drawn in the name of the Bidder and shall be mailed to the address given on the Bid and in case of a Consortium, it will be drawn in favour of the Lead Member and shall be mailed to the address given on the Bid.
- 2.20.4. The Selected Bidder’s Bid Security will be returned, without any interest, upon the Bidder signing the Power Purchase Agreement and furnishing the Performance Security in accordance with the provisions thereof.
- 2.20.5. The Authority shall be entitled to forfeit and appropriate the Bid Security as mutually agreed genuine compensation / damages to the Authority in any of the events specified in Clause 2.20.6 herein below. The Bidder, by submitting its Bid pursuant to this RFP, shall be deemed to have acknowledged and confirmed that the Authority will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the Bid Validity Period. No relaxation of any kind on Bid Security shall be given to any Bidder.

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<sup>2</sup> Excluding Co-operative Banks

2.20.6. The Bid Security shall be forfeited and appropriated by the Authority as mutually agreed genuine compensation and damages payable to the Authority for, inter alia, time, cost and effort of the Authority without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise, under the following conditions:

- I. If a Bidder submits a non-responsive Bid;
- II. If a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Section 4 of this RFP;
- III. If a Bidder withdraws its Bid during the period of Bid validity as specified in this RFP and as extended by the Bidder from time to time;
- IV. In case the Bidder fails to acknowledge the Letter of Award, and fails to fulfil conditions of the Letter of Award.
- V. In the case of Selected Bidder, if it fails within the specified time limit -
  - i) to sign the Power Purchase Agreement and/or
  - ii) to furnish the Performance Security
- VI. In case the Selected Bidder, having signed the Power Purchase Agreement, commits any breach thereof prior to furnishing the Performance Security.

## E. BID BOND

### 2.21. Bid Bond

The Bidder shall furnish bid bond ("**Bid Bond**") as per the format set out in Appendix IV – A on a graded scale along with its Financial Bid as provided hereunder:

<b>Discount offered on KERC Approved Tariff</b>	<b>Amount of Bid Bond applicable for every paisa of discount on KERC Approved Tariff (Per MW)</b>
Up to 10 %	Rs.10,000
More than 10% & up to 15%	Rs.20,000
More than 15% & up to 20%	Rs.30,000
More than 20% & up to 25%	Rs.40,000
More than 25%	Rs.50,000

The Bid Bond<sup>3</sup> shall be payable in the form of a Bank Guarantee in favour of "Managing Director, Karnataka Renewable Energy Development Limited". The validity period of the Bid Bond shall be at least 180 (one hundred and eighty) days from the Bid Due Date.

Any Financial Bid not accompanied by the Bid Bond shall render the Bid submission liable to rejection as a non-responsive Bid submission.

The minimum Bid Bond of Rs.1, 00,000/- (Rupees One Lakh only) shall be furnished by the Bidder.

<sup>3</sup> A sample Bid Bond calculation is provided in Schedule 3 of this RFP

### 3. EVALUATION OF BIDS

#### 3.1. Opening and Evaluation of Bids

- 3.1.1. The Authority shall open the Bids as per the Schedule of Bidding process specified in Clause 1.3, at the place specified in Clause 2.11.7 and in the presence of the Bidders who choose to attend.
- 3.1.2. The Authority will examine and evaluate the Bids in the manner set out in Clause 1.2.5 (B) and in accordance with the provisions set out in this Section ~~33~~.
- 3.1.3. To facilitate evaluation of Bids, the Authority may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.
- 3.1.4. Any information contained in the Bid shall not in anyway be construed as binding on the Authority, its agents, successors or assigns, but shall be binding against the Bidder if the Project is subsequently awarded to it under the Bidding Process on the basis of such information.
- 3.1.5. The Authority reserves the right not to proceed with the Bidding Process at any time without notice or liability and to reject any Bid without assigning any reasons.

#### 3.2. Tests of responsiveness

- 3.2.1. Prior to evaluation of Bids, the Authority shall determine whether each Bid is responsive to the requirements of RFP. A Bid shall be considered responsive only if:
  - a. It is accompanied by the Demand Draft towards cost of the RFP;
  - b. it is received as per the format at Appendix - I and its annexes;
  - c. it is received by the Bid Due Date including any extension thereof pursuant to Clause 2.12;
  - d. it is signed and submitted as stipulated in Clause 2.10;
  - e. It is sealed, marked and bound together in hard cover as stipulated in Clause 2.11;
  - f. it is accompanied by valid Bid Security;
  - g. it is accompanied by the Power of Attorney as specified in Clauses 2.1.9 and 2.1.10, as the case may be;
  - h. it contains all the information (complete in all respects) as requested in this RFP and/or Bidding Documents (in formats same as those specified);
  - i. it provides information in reasonable detail. ("Reasonable Detail" means that, but for minor deviations, non material non – conformities, the information can be reviewed and evaluated by Authority without communication with the Bidder). Authority reserves the right to determine whether the information has been provided in reasonable detail;
  - j. it is accompanied by the Jt. Bidding Agreement (for Consortium), specific to the Project, as stipulated in Clause 2.1.17(h);
  - k. [In case the Bidder is bidding for Solar Thermal Project, documentary evidence in the form of approval from the Irrigation Department, Government of Karnataka in case the water is proposed to be used from irrigation sources].
  - l. it is accompanied by Anti Collusion Certificate as per the format provided -in Appendix – VII.

- m. it is accompanied by Anti Blacklisting Affidavit as per the format provided in Appendix – VIII.
- n. It is accompanied by the non rewritable compact disc in xls format containing the information and details of the Bidder as set out in Appendix IX.
- o. it does not contain any condition or qualification; and
- p. it is not non-responsive in terms hereof.

3.2.2. The Authority reserves the right to reject any Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such Bid.

### **3.3. Evaluation of Eligibility Criteria**

3.3.1. Only those Bidders whose Bids are responsive in accordance with provisions of Clause 3.2.1 above shall be considered for evaluation under this Section 3.

3.3.2. The Bidders' competence and capacity is proposed to be established by following parameters:

- I. Technical Capacity; and
- II. Financial Capacity.

#### **(a) Technical Capacity**

The Bidder shall deploy commercially established technology wherein there is at least one project successfully operational of the proposed technology, for at least one year, anywhere in the world. The Bidder is required to undertake to furnish evidence of meeting the Technical Capacity in line with the provision of Clause 3.8. The Bidders must provide an undertaking for fulfilment of Technical Capacity in the format provided in Annex-II of Appendix – I.

The Bidder shall provide following technology for Solar Thermal or Solar PV Project, as the case may be, which is approved as per the Ministry of New and Renewable Energy (MNRE) or any other technology approved by MNRE prior to Bid Due Date.

#### **In case of Solar Thermal Project**

Solar Power (CSP) technology, such as,

- a. Parabolic Trough Collectors,
- b. Solar Dish Stirling (or any other prime mover),
- c. Linear Fresnel Reflector,
- d. Central Tower with heliostats

or their any other combination could be used.

#### **In case of Solar PV Project**

- |    |  |           |
|----|--|-----------|
| a. | Crystalline Silicon Solar Cell Modules | IEC 61215 |
| b. | Thin Film Modules                      | IEC 61646 |
| c. | Concentrator PV modules                | IEC 62108 |

In case the technology proposed is not as per the approved list of technologies by Ministry of New and Renewable Energy, Government of India ("MNRE") Certificate from ETDC Bangalore, shall be allowed which shall certify the following:

- a. Technology
- b. Energy Produced per hour/square feet
- c. Period for which it is operational
- d. Proof of existing Project

**(b) Financial Capacity:**

The Bidder shall have a minimum net worth equivalent of Rs.3 crore (Rupees three crore) or equivalent US\$ per MW of the proposed capacity as on March 31, 2011 (the “Financial Capacity”).

In case of a Consortium, for the computation of Financial Capacity, the net worth of all the members of the Consortium would be aggregated. In computing the net worth of the Bidder/ Consortium Members, the net worth of their respective Group Business Entities would also be eligible hereunder.

In case a Bidder is found not having the minimum Financial Capacity for the Project(s) for which the Bid(s) have been submitted, the Authority shall have the right to reject such Bid(s).

For the purpose of ascertaining qualification, Financial Capacity of group business entity (“**Group Business Entities**”) can also be submitted by the Bidder in addition to its own Financial Capacity. The Financial Capacity would be summation of the Financial Capacity of the Bidder and the Group Business Entities. For the purpose of this RFP, a Group Business Entity shall mean;

- (a) A Business Entity, which directly or indirectly holds not less than 26% of voting securities in the Bidder; or
- (b) A Business Entity in which the Applicant directly or indirectly holds not less than 26% of voting securities.

The Group Business Entity shall be a Company incorporated under the Companies Act 1956 or under an equivalent law abroad, if it is a foreign company.

The details of Group Business Entities must also be provided as per Annex-I of the RFP.

**3.4. Supporting Financial Documents**

The Bidder must provide the Audited Annual Reports of the Bidder (of each Member in case of a Consortium) as on March 31, 2011.

In case the annual accounts for the latest financial year are not audited and therefore the Bidder could not make it available, the Bidder shall give an undertaking to this effect and the statutory auditor shall certify the same.

### 3.5. Short listing of Projects

#### In case of Solar Thermal Project

In case the Bidders are shortlisted and the aggregate capacities of Bids received for developing Solar Thermal Projects are lower than 30 MW, the excess capacity shall be transferred to Solar PV Project. The shortlisted Bidders shall be selected on the basis of Discount in Tariff.

#### In case of Solar PV Project

In case the Bidders are shortlisted and the aggregate capacities of Bids received for developing Solar PV Projects are lower than 50 MW the excess capacity shall be transferred to Solar Thermal Projects. The shortlisted Bidders shall be selected on the basis of Discount in Tariff.

### 3.6. Selection of Bidder

The Financial Bid envelopes of the Bidders adjudged as responsive in terms of Clause 3.2.1, and who meet the Eligibility Criteria shall be opened.

#### 3.6.1. In case of Solar Thermal Projects

The Financial Bids received for Solar Thermal Projects will be opened first and the Bidder offering the maximum quantum of Discount in Tariff will be selected first and so on till the total aggregate capacity of 30 MW is reached (the "Selected Bidders").

In case the capacity of the last Project selected is higher than the capacity required for meeting the aggregate capacity of 30 MW for Solar Thermal Projects, then the capacity to be awarded to the Bidder of the last Project shall be higher of 5 MW or the residual capacity for Solar Thermal Projects ("Residual Capacity for Solar Thermal Projects").

Residual Capacity for Solar Thermal Projects is the difference between 30 MW and aggregate capacity of Projects selected up to the last Project.

*Illustration: If the aggregate capacity for Solar Thermal Projects selected reaches 28 MW, the Residual Capacity for Solar Thermal Projects is 2 MW. If the proposed capacity of the Project offering the next highest Discount in Tariff is 7 MW, the Bidder will be awarded only 5 MW for development of a Solar Thermal Project.*

In the event that two or more Bidders quote the same amount of Discount in Tariff for the last Project (the "**Tie Bidders**"), the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.

In case the Financial Bids are not accompanied by the Bid Bond, shall render the Bid submission liable to rejection as a non-responsive Bid submission.



### 3.6.2. In case of Solar PV Projects

After meeting the aggregate capacity of 30 MW for Solar Thermal Projects, the Financial Bids received for Solar PV Projects will be opened and the Bidder offering the maximum quantum of Discount in Tariff will be selected first and so on till the total aggregate capacity of 50 MW is reached (the "Selected Bidders").

In case the capacity of the last Project selected is higher than the capacity to be selected for meeting the aggregate capacity of 50 MW for Solar PV Projects, then the capacity to be awarded to the last Project shall be higher of 3 MW or the residual capacity for Solar PV Projects ("Residual Capacity for Solar PV Projects").

Residual Capacity for Solar PV Projects is the difference between 50 MW and aggregate capacity of Projects selected up to the last Project.

*Illustration: If the aggregate capacity for Solar Thermal Projects selected reaches 48 MW, the Residual Capacity for Solar PV Projects is 2 MW. If the proposed capacity of the Project offering the next highest Discount in Tariff is 5 MW, the Bidder will be awarded only 3 MW for development of a Solar Thermal Project.*

In the event that two or more Bidders quote the same amount of Discount in Tariff for the last Project (the "**Tie Bidders**"), the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.

In case the Financial Bids are not accompanied by the Bid Bond, shall render the Bid submission liable to rejection as a non-responsive Bid submission.

- 3.6.3. In the event that the Selected Bidder(s) withdraws or is not selected for any reason in the first instance, the Authority may shortlist the remaining Bidders in the order of the Discount in Tariff offered by them in order to meet the total aggregate capacity of 30MW/50 MW, for Solar Thermal Projects/Solar PV Projects, as the case may be.
- 3.6.4. In the event that the remaining Bidders want to withdraw from the process, the Authority may, in its discretion annul the Bidding Process.
- 3.6.5. After selection, a Letter of Award (the "**LOA**"), shall be issued, in duplicate, by the Authority to the Selected Bidders and the Selected Bidders shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. In the event the duplicate copy of the LOA duly signed by the Selected Bidders is not received by the stipulated date, the Authority may, unless it consents to extension of time for submission thereof, appropriate the Bid Security of such Bidder as mutually agreed genuine loss and damage suffered by the Authority on account of failure of the Selected Bidder to acknowledge the LOA.
- 3.6.6. After acknowledgement of the LOA, the Selected Bidder shall execute the Power Purchase Agreement within 30 (thirty) days of such acknowledgement and within the aforementioned period, shall furnish to the Authority details about the SPV incorporated for the purpose of signing the Power

Purchase Agreement. The Selected Bidder shall not be entitled to seek any deviation in the Power Purchase Agreement..

- 3.6.7. Failure of the Selected Bidder to comply with the requirements of Clause 3.6.6 shall constitute sufficient grounds for the annulment of the LOA, and forfeiture of the Bid Security. In such an event, the Authority reserves the right to take any such measure as may be deemed fit in the sole discretion of the Authority.

### **3.7. Contacts during Bid Evaluation**

Bids shall be deemed to be under consideration from the time immediately after they are opened until such time the Authority makes official intimation of award/ rejection to the Bidders. While the Bids are under consideration, Bidders and/ or their representatives or other interested parties are advised to refrain from contacting by any means, the Authority and/or their employees/ representatives on matters related to the Bids under consideration.

### **3.8. Financial Close**

The Selected Bidder shall within 270 (Two Hundred and Seventy) days from the date of signing of the Power Purchase Agreement shall

- i. Achieve Financial Closure
- ii. furnish documentary evidence that the requisite technical criteria has been fulfilled as per the format provided in Schedule 1A in case of Solar PV Projects and Schedule 1B in case of Solar Thermal Projects and
- iii. Documentary evidence for the required land for project development as per the details set out in Appendix – I Annex- II.

### **3.9. Sharing of Clean Development Mechanism (CDM) Benefits**

The Project shall be compatible to CDM claims and all such CDM claims shall be reported to the Authority periodically. The proceeds of carbon credit from approved CDM project shall be shared between Selected Bidder and concerned ESCOM in the following manner:

- a. 100% of the gross proceeds on account of CDM benefit to be retained by the Selected Bidder in the year after the date of commercial operation of the generating station
- b. In the second year, the share of the concerned ESCOM shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, where after the proceeds shall be shared in equal proportion, by the Selected Bidder and concerned ESCOM.

### **3.10. Commission of Project**

**In case of Solar Thermal Project(s) the following provision would apply:**

The commercial operation date (“**Commercial Operations Date**”/“**COD**”) for the Solar Thermal Project shall be achieved by the Developer within 30 (thirty) months from the date of signing of the Power Purchase Agreement.

Failure to achieve the said milestone the following provision would apply.

ESCOM shall encash and invoke the Performance Security in the following manner: -

Delay upto one month	20% of the total Performance Security
Delay of more than one month and upto three months	40% of the total Performance Security
Delay of more than three months and up to five months	40% of the Performance Security

In case the achievement of COD is delayed beyond 5 (five) months, the Developer shall pay to ESCOM the Liquidated Damages (LD) in a sum calculated at the rate of Rs.1,00,000 (Rupees One Lakh Only)/ MW per day of delay and the same payable in weekly basis. The maximum time period allowed for achieving COD with encashment of Performance Security and payment of Liquidated Damages shall be limited to 36 (thirty six) months from the date of signing of PPA. In case of delay beyond 36 (thirty six) months from the date of signing PPA would amount to termination of Power Purchase Agreement.

**In case of Solar PV Project(s) the following provision would apply:**

The commercial operation date (“**Commercial Operations Date**”/“**COD**”) for the Solar PV Project shall be achieved by the Developer within 18 (eighteen) months from the date of signing of the Power Purchase Agreement.

Failure to achieve the said milestone the following provision would apply.

ESCOM shall encash and invoke the Performance Security in the following manner: -

Delay up to one month	20% of the total Performance Security
Delay of more than one month and upto two months	40% of the total Performance Security
Delay of more than two months and upto three months	40% of the Performance Security

In case the achievement of COD is delayed beyond 3 (three) months, the Developer shall pay to KREDL the Liquidated Damages (LD) in a sum calculated at the rate of Rs.1,00,000 (Rupees One Lakh Only)/ MW per day of delay and the same payable in weekly basis. The maximum time period allowed for achieving COD with encashment of Performance Security and payment of Liquidated Damages shall be limited to 24 (twenty four) months from the date of signing of PPA. In case of delay beyond 24 (twenty four) months from the date of signing PPA would amount to termination of Power Purchase Agreement.

**3.11. Performance Security**

The Selected Bidder shall furnish performance guarantee by way of an irrevocable Bank Guarantee

for an amount Rs. 30 Lakh/MW (“**Performance Guarantee**”) issued by a Scheduled Bank in India in favour of the concerned ESCOM and as required under the Power Purchase Agreement.

In addition to the Performance Guarantee the Bidder shall convert the Bid Security and Bid Bond into Performance Security in favour of the concerned ESCOM. The Performance Security (after conversion of Bid Security @ 20Lakh/MW, Bid Bond & Performance Guarantee@ Rs.30Lakh/MW) shall be valid for a period of one year from COD both in case of Solar Thermal Project Solar PV Project from COD.

At the time of signing of Power Purchase Agreement the Bidder shall submit three bank guarantees towards the Performance Security and the same shall be submitted in the ratio of 20%, 40% & 40%. (Example - If total Performance Security value including, Bid Security, Performance Guarantee & Bid Bond (after conversion) is Rs.4, 00,00,000/- (Four Crores), then three Bank Guarantees of value Rs.0.80 crores, Rs.1.60 crores & Rs.1.60 crores are to be submitted).

#### 4. FRAUD AND CORRUPT PRACTICES

- 4.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process and subsequent to the issue of the LOA and during the subsistence of the Power Purchase Agreement. Notwithstanding anything to the contrary contained herein, or in the LOA or the Power Purchase Agreement, the Authority shall reject a Bid or withdraw the LOA, as the case may be, without being liable in any manner whatsoever to the Bidder if it determines that the Bidder has directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process. In such an event, the Authority shall forfeit and appropriate the Bid Security as mutually agreed genuine compensation and damages payable to the Authority towards, inter alia, time, cost and effort of the Authority, without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise.
- 4.2 Without prejudice to the right of the Authority under Clause 4.1 hereinabove and the right and remedies which the Authority may have under the LOA, if a Bidder is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, or after the issue of the LOA or the execution of the Power Purchase Agreement, such Bidder or Developer shall not be eligible to participate in any tender or RFP issued by the Authority during a period of 2 (two) years from the date such Bidder or Developer, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.
- 4.3 For the purposes of this Article 4, the following terms shall have the meaning hereinafter respectively assigned to them:
- a. “**corrupt practice**” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly with the Bidding Process or the LOA or has dealt with matters concerning the Power Purchase Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Power Purchase Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Power Purchase Agreement, who at any time has been or is a legal, financial or technical adviser of the Authority in relation to any matter concerning the Project;
  - b. “**fraudulent practice**” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process ;

- c. “**coercive practice**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Bidding Process;
- d. “**undesirable practice**” means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- e. “**restrictive practice**” means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

## **5. PRE-BID CONFERENCE**

- 5.1 A pre-bid conference of the Bidders shall be convened at the designated date, time and place as mentioned in Clause 1.3. A maximum of three representatives of each Bidder shall be allowed to participate.
- 5.2 During the course of the pre-bid conference, the Bidders will be free to seek clarifications for consideration of the Authority. The Authority shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.

## 6. MISCELLANEOUS

- 6.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts at Bangalore shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2 The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- a. suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
  - b. consult with any Bidder in order to receive clarification or further information;
  - c. retain any information and/ or evidence submitted to the Authority by, on behalf of, and/ or in relation to any Bidder; and/ or
  - d. independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 6.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any right and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection herewith and waives any and all right and/ or claims it may have in this respect, whether actual or contingent, whether present or future.



**APPENDIX – I**  
**Letter of Bid**

Dated:

Managing Director  
Karnataka Renewable Energy Development Limited

**Sub: Bid for Development of Solar Power Project in the State of Karnataka**

Dear Sir,

1 With reference to your RFP document dated \*\*\*\*\*, I/we, having examined the Bid Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.

2 I/ We propose to develop the following projects:

Sl.No	Proposed Technology	Proposed Location (Tehsil, District)	Proposed Capacity
1.			
2.			
3.			

3 Following are our Group Business Entity (ies) participating in the Bidding Process:

Sl.No	Name of the Group Business Entity	Capacity for which the Group Business Entity(ies) is Bidding
1.		
2.		

4 All information provided in the Bid and in the Appendices is true and correct.

5 This statement is made for the express purpose of qualifying as a Bidder for the design, finance, construction and operation & maintenance of the aforesaid Project.

6 I/ We shall make available to the Authority any additional information it may find necessary or require to supplement or authenticate the Bid.

7 I/ We acknowledge the right of the Authority to reject our Bid without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.

8 We certify that in the last three years, we/ any of the Consortium Members have neither failed to perform on any contract, as evidenced by imposition of a penalty or a judicial pronouncement or arbitration award, nor been expelled from any project or contract nor have had any contract terminated for breach on our part.

- 9 I/ We declare that:
- a. I/ We have examined and have no reservations to the Bidding Documents, including any Addendum issued by the Authority.
  - b. I/ We do not have any Conflict of Interest in accordance with Clauses 2.1.14 of the RFP document;
  - c. I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of the RFP document, in respect of any tender or request for proposal issued by or any agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and
  - d. I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Clause 4 of the RFP, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
  - e. I/ We hereby declare that in case any of our Group Business Entity (ies) not mentioned herein above participates in the Bidding Process, our Bid and the Bid of our Group Business Entity (ies) will be rejected and the Bid Security shall be forfeited.
  - f. The undertakings given by us along with the Bid in response to the RFP for the Project were true and correct as on date of making the Bid and are also true and correct as on the Bid due date and I/We shall continue to abide them.
- 10 I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Project, without incurring any liability to the Bidders, in accordance with Clause 2.6 of the RFP document.
- 11 I/ We believe that we/ our Consortium satisfy(ies) the Financial Capacity and meet(s) the requirements as specified in the RFP document and are/ is qualified to submit a Bid in accordance with the RFP document
- 12 I/ We declare that we/ any Member of the Consortium are/ is not a Member of a/ any other Consortium submitting a Bid for the Project.
- 13 I/ We certify that in regard to matters other than security and integrity of the country, we have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
- 14 I/ We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our Group Business Entity's.

- 15 I/ We further certify that we are not barred by the Central/ State Government, or any entity controlled by them, from participating in any project (BOT or otherwise), and the bar subsists as on the date of Bid, would not be eligible to submit a Bid, either individually or as member of a Consortium.
- 16 The Statement of Legal Capacity as per format provided at Annex-V in Appendix-I of the RFP document, and duly signed, is enclosed. The power of attorney for signing of Bid [and the power of attorney for Lead Member of consortium (strike out if not applicable),] as per format provided at Appendix II and III respectively of the RFP, are also enclosed.
- 17 I/ We further certify that no investigation by a regulatory authority is pending either against us or against our Group Business Entities or against our CEO or any of our Directors/ Managers/ employees.
- 18 I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the guidelines referred to above, we shall intimate the Authority of the same immediately.
- 19 In an event the SPV is incorporated by a Consortium;

We acknowledge that all the members of the Consortium shall collectively hold at least 51% (fifty one per cent) of the subscribed and paid up equity of the SPV at all times until the third anniversary of the commercial operation date of the Project. Lead Member shall hold 26% shareholding of the SPV until third anniversary of the Commercial Operations Date.

or, in an event the SPV is incorporated by a Single Business Entity;

I acknowledge that the Selected Bidder shall hold at least 51% (fifty one percent) of subscribed and paid up equity share capital of the SPV to implement the Project, until the third anniversary of the Commercial Operations Date.

- 20 In case the Bidder is a Consortium

We understand that in case one of the members of the Consortium is a foreign company, the continued eligibility shall be subject to approval of the Authority from national security and public interest perspective. The decision of the Authority in this behalf shall be final and conclusive and binding on the Bidder.

- 21 I/We hereby irrevocably waive any right which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.
- 22 In the event of my/ our being declared as the Selected Bidder, I/We agree to enter into a Power Purchase Agreement in accordance with the draft that has been provided to me/us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.

- 23 I/We have studied all the Bidding Documents carefully. We understand that except to the extent as expressly set forth in the draft Power Purchase Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the Authority or in respect of any matter arising out of or concerning or relating to the Bidding Process including the award of Rights.
- 24 The Discount in Tariff has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP; draft Power Purchase Agreement, our own estimates of costs and revenues and all the conditions that may affect the Bid.
- 25 I/We offer a Bid Security of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) (calculated at Rs. 20,00,000/- (Rupees Twenty Lakhs only) per MW of the proposed capacity) to the Authority in accordance with the RFP Document.
- 26 I/We agree and understand that the Bid is subject to the provisions of the Bidding Documents. In no case, I/We shall have any claim or right of whatsoever nature if the Project / Right is not awarded to me/us or our Bid is not opened.
- 27 I/We agree to keep this offer valid for 180 (one hundred and eighty) days from the Bid Due Date specified in the RFP.
- 28 I/We agree and undertake that
- 29 I/We agree and undertake to abide by all the terms and conditions of the RFP document.

In witness thereof, I/we submit this Bid under and in accordance with the terms of the RFP document.

Date: \_\_\_\_\_ Yours faithfully,  
(Signature of the Authorised signatory)

Place: \_\_\_\_\_ (Name and designation of the of the Authorised signatory)  
Name and seal of Bidder/Lead Member

**ANNEX-I**  
**Details of Bidder**

1. (a) Name:  
(b) Country of incorporation:  
(c) Address of the corporate headquarters and its branch office(s), if any, in India:  
(d) Date of incorporation and/ or commencement of business:
2. Brief description of the Company including details of its main lines of business and proposed role and responsibilities in [this/ these Project(s)]:
3. Details of individual(s) who will serve as the point of contact/ communication for the Authority:
  - (a) Name:
  - (b) Designation:
  - (c) Company:
  - (d) Address:
  - (e) Telephone Number:
  - (f) E-Mail Address:
  - (g) Fax Number:
4. Particulars of the Authorised Signatory of the Bidder:
  - (a) Name:
  - (b) Designation:
  - (c) Address:
  - (d) Phone Number:
  - (e) Fax Number:
5. In case of a Consortium:
  - (a) The information above (1-4) should be provided for all the Members of the Consortium.
  - (b) A copy of the Jt. Bidding Agreement, as envisaged in Clause 2.1.17 (h) should be attached to the Bid.
  - (c) Information regarding role of each Member should be provided as per table below and the same shall be in accordance with the requirements set out in Clause 2.1.17 of this RFP:

Sl. No.	Name of Member	Role	Percentage of equity in the SPV
1.			
2.			
3.			

\* The role of each Member, as may be determined by the Bidder, should be indicated.

6. A statement by the Bidder and each of the Members of its Consortium (where applicable) disclosing material non-performance or contractual non-compliance in past projects, contractual disputes and litigation/ arbitration in the recent past is given below (Attach extra sheets, if necessary).

**ANNEX-II**  
**Undertaking for Technical Capacity**  
(Refer to Clauses 3.3.2 of the RFP)

To,

Managing Director  
Karnataka Renewable Energy Development Limited

**Dear Sir,**

**Sub: Bid for Development of Solar Power Project in the State of Karnataka**

I/We hereby undertake to certify in line with Clause 3.8 that the following details shall be furnished within 270 days of signing of PPA for each Project: -

1. That the technology proposed to be used is commercially established technology and at least one project based on this technology is successfully operational for atleast one year.
2. In case I/We decide to implement a technology different from what we have proposed in our Bid and the said technology is not listed in Clause 3.3.2 of the RFP and not as approved by MNRE as on the Bid Due Date, I/we shall submit any of the following documentary proof for the same indicating that the technology proposed is commercially established and at least one project based on this technology is successfully operational for atleast one year:
  - a. Certificate from the manufacturer
  - b. Certificate from ESCOM/ or the company consuming the Power
3. Details of the project with location and the successful operational period of the project utilizing this technology.
4. Evidence of clear possession of the required land for the project along with following documentary evidence: -
  - Ownership or lease hold rights (for atleast 30 years) in the name of the Developer and possession of 100% of the area of land required for the project.
  - Certificate by the concerned and competent revenue/registration authority for the acquisition / ownership/ vesting of the land in the name of the Developer and the land is suitable for industrial use.
  - Sworn affidavit from the authorized person of the Developer listing the details of the land and certifying total land required for the project under clear possession of the Developer
  - A certified English translation from an approved translator in case above land documents are in other than English and Hindi Languages.

Failure or delay on our part in achieving the above conditions shall constitute sufficient grounds for encashment of our Performance Security.

**(Signature & Name of the Authorised Signatory)**

**ANNEX - III**  
**Financial Capacity of the Bidder**  
(Refer to Clauses 3.3.2 of the RFP)

<b>Bidder type</b>	<b>Member Code</b>	<b>Net Worth (Rs. Crores/US \$)</b>
Single entity Bidder		
Lead Member		
Other Member		
<b>TOTAL</b>		

Name & address of Bidder's Bankers:

1. A Bidder consisting of a single entity should fill in details as per the row titled Single Entity Bidder and ignore the rows titled Consortium Members. In case of a Consortium, row titled Single Entity Bidder may be ignored.
2. The Bidder should provide the Financial Capacity based on its own or the Group Business Entity's financial statements. For the purpose of Financial Capacity the Bidder may, in addition to its own net worth, provide net worth of any other Group Business entity. The Financial Capacity would be summation of the net worth of the Bidder and the net worth of the Group Business Entity. In case the Bidder claims the net worth of Group Business Entity, it shall submit a certificate from the Statutory Auditor for claiming financial capability of Group Business Entity in the format set out as Annex- IV.
3. Member Code shall indicate NA for Not Applicable in case of a single entity Applicant. For other Members, the following abbreviations are suggested viz. LM means Lead Member, OM means Other Member.
4. For conversion of US Dollars to Rupees, the rate of conversion shall be exchange rate as on the Bid Due Date as issued by Reserve Bank of India. In case of any other currency, the same shall first be converted to US Dollars as on the date 60 (sixty) days prior to the Bid Due Date, and the amount so derived in US Dollars shall be converted into Rupees at the aforesaid rate. The conversion rate of such currencies shall be the daily representative exchange rates published by the International Monetary Fund for the relevant date.

**Instructions:**

1. The Bidder shall provide a statutory Auditor's Certificate specifying the networth of the Bidder and also specifying the methodology adopted for calculating such networth. In addition to the Statutory Auditor Certificate, the Bidder shall provide the Audited Annual Report (in case the annual accounts for the financial year ending March 31, 2011 or as on September 30, 2011 are not audited therefore the Bidder could not make it available, the



- Bidder shall give an undertaking to this effect and the Statutory Auditor shall certify the same)/ Audited Financial Statement, as the case may be, of the Bidder. (of each member in case of a consortium
2. The Bidder/ its constituent Consortium Members shall attach copies of the balance sheets, financial statements and Annual Reports as on March 31, 2011/ Audited Financial Statement as on September 30, 2011, as the case may be. The Audited Financial Statement/ Audited Annual Report shall:
    - (a) reflect the financial situation of the Bidder and its Group Business Entity where the Bidder is relying on its Group Business Entity's financials;
    - (b) be audited by a Statutory Auditor;
    - (c) be complete, including all notes to the financial statements; and
    - (d) correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).
  3. Net Worth shall mean
    - (a) For company = (Subscribed and Paid-up Capital + Reserves) - (Revaluation reserves + Miscellaneous expenditure not written off)

Paid up share capital will include

    - 1) Paid –up equity share capital, and
    - 2) Fully , compulsorily and mandatory convertible Preference Shares, and
    - 3) Fully , compulsorily and mandatory convertible Debentures
  4. In the case of a Consortium, a copy of the Jt. Bidding Agreement shall be submitted in accordance with Clause 2.1.17 (h) of the RFP document.
  5. The Bidder shall also provide the name and address of the Bankers to the Bidder.

The Bidder shall provide a Statutory Auditor's certificate specifying the net worth of the Bidder and also specifying the methodology adopted for calculating such net worth

**ANNEX – III A**  
**Format for Certificate from Statutory Auditor for Financial Capacity of the Bidder**

*(On the Letterhead of the Statutory Auditor)*

Date:

We have verified the relevant statutory and other records of M/s \_\_\_\_\_ [Name of the Single Business Entity/Consortium Member], and certify that the net worth is Rs \_\_\_\_\_ Crores (Rupees \_\_\_\_\_ Crores) as on \_\_\_\_\_<sup>4</sup>.

The methodology adopted for calculating such network is as indicated below<sup>5</sup>

\_\_\_\_\_  
\_\_\_\_\_

This certificate is being issued to be produced before Karnataka Renewable Energy Development Company, for the “**Development of Solar Power Project in the State of Karnataka**” project.

Signature and Seal  
and registration number  
of Statutory Auditor

<sup>4</sup> Insert March 31, 2011/ September 30, 2011 as the case may be

<sup>5</sup> Please refer instruction 1 &3 under Annex -III

**ANNEX IV**

**Format for Certificate from Statutory Auditor for Group Business Entity**

**(On the Letterhead of the Statutory Auditor)**

Date

**TO WHOMSOEVER IT MAY CONCERN**

We have verified the relevant statutory and other records of M/s \_\_\_\_\_ -  
(Name of Bidder) and M/s \_\_\_\_\_ and certify that M/s  
\_\_\_\_\_ is a Group Business Entity as defined in the RFP Document issued by  
KREDL for Solar Projects in the State of Karnataka.

The details of the shareholding are as follows:

- 1.
- 2.

This certificate is being issued to be produced before KREDL, Government of Karnataka.

Signature and Seal of the Statutory Auditor  
clearly indicating his/her membership number

**ANNEX - V**  
**Statement of Legal Capacity**

(To be forwarded on the letterhead of the Bidder/ Lead Member of Consortium)

Ref. Date:

To,

Managing Director

Karnataka Renewable Energy Development Ltd. (KREDL)

Dear Sir,

We hereby confirm that we/ our members in the Consortium (constitution of which has been described in the Bid) satisfy the terms and conditions laid out in the RFP document.

We have agreed that ..... (insert member's name) will act as the Lead Member of our consortium.\*

We have agreed that ..... (insert individual's name) will act as our representative/ will act as the representative of the consortium on its behalf\* and has been duly authorized to submit the RFP. Further, the authorised signatory is vested with requisite powers to furnish such letter and authenticate the same.

Thanking you,

Yours faithfully,

Authorised Signatory

For and on behalf of

\*Please strike out whichever is not applicable.

**APPENDIX – II**  
**Power of Attorney for signing of Bid**

Know all men by these presents, We, \_\_\_\_\_ (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr. / Ms (Name), son/daughter/wife of \_\_\_\_\_ and presently residing at \_\_\_\_\_, who is [presently employed with us/ the Lead Member of our Consortium and holding the position of \_\_\_\_\_], as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Bid for the **Development of Solar Power Project in the State of Karnataka**, proposed by the Karnataka Renewable Energy Development Limited (the "Authority") including but not limited to signing and submission of all applications, Bids and other documents and writings, participate in Bidders' and other conferences and providing information / responses to the Authority, representing us in all matters before the Authority, signing and execution of all contracts including the draft Power Purchase Agreement and undertakings consequent to acceptance of our Bid, and generally dealing with the Authority in all matters in connection with or relating to or arising out of our Bid for the said Project and/or upon award thereof to us and/or till the entering into the Power Purchase Agreement with the ESCOM.

The Project(s) proposed by us are:

SI.No	Proposed Technology	Proposed Location (Tehsil, District)	Proposed Capacity

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, \_\_\_\_\_, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\*\*.

For \_\_\_\_\_  
(Signature)  
(Name, Title and Address)

Witnesses:

- 1
- 2

Accepted

[Notarised]

(Signature)

(Name, Title and Address of the Attorney)

Notes:

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a resolution/power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Apostille certificate.*

**APPENDIX – III**

**Power of Attorney for Lead Member of Consortium**

Whereas the Karnataka Renewable Energy Development Ltd. (“the Authority”) has invited Bids from qualified parties for the “**Development of Solar Power Project in the State of Karnataka**” (“the Project”).

Whereas, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ (collectively the “Consortium”) being Members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Proposal and other connected documents in respect of the Project, and Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s Bid for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, \_\_\_\_\_ having our registered office at \_\_\_\_\_, M/s. \_\_\_\_\_, having our registered office at \_\_\_\_\_, and M/s. \_\_\_\_\_, having our registered office at \_\_\_\_\_, [the respective names and addresses of the registered office] (hereinafter collectively referred to as the “Principals”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s \_\_\_\_\_, having its registered office at \_\_\_\_\_, being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “Attorney”) and hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the Bidding Process and, in the event the Consortium is awarded the Right, during the execution of the Project, and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of its Bid for the Project, including but not limited to signing and submission of all applications, Bids and other documents and writings, participate in Bidders’ and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the Bid of the Consortium and generally to represent the Consortium in all its dealings with the Authority, and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s Bid for the Project and/ or upon award thereof till the Power Purchase Agreement is entered into with the Authority.

The Project(s) proposed by us are:

Sl.No	Proposed Technology	Proposed Location (Tehsil, District)	Proposed Capacity

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY

ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\*\*.

For \_\_\_\_\_ (Name & Title)

For \_\_\_\_\_ (Name & Title)

For \_\_\_\_\_ (Name & Title)

Witnesses:

1

2

(Executants)

(To be executed by all the Members of the Consortium)

Notes:

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*



**APPENDIX – IV**  
**Bank Guarantee for Bid Security**

B.G. No.

Dated:

- 1 In consideration of you, \_\_\_\_\_, having its office at \_\_\_\_\_, (hereinafter referred to as “Authority”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of \_\_\_\_\_ [a Company registered under provision of the Companies Act, 1956 or equivalent law abroad] and having its registered office at \_\_\_\_\_ [and acting on behalf of its Consortium] (hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/their executors administrators, “**Development of Solar Power Project in the State of Karnataka**” (hereinafter referred to as “the Project”) pursuant to the RFP Document dated \*\*\*\*\* issued in respect of the Project and other related documents (hereinafter collectively referred to as “Bidding Documents”), we [Name of the Bank] having our registered office at \_\_\_\_\_ and one of its branches at \_\_\_\_\_ (hereinafter referred to as the “Bank”), at the request of the Bidder, do hereby in terms of Clause 2.1.7 read with Clause 2.1.8 of the RFP, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP Document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to Authority an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) (calculated at Rs. 20,00,000/- (Rupees Twenty Lakhs only) per MW of the proposed capacity) as bid security (hereinafter referred to as the “Bid Security”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfill or comply with all or any of the terms and conditions contained in the said Bidding Documents.
- 2 Any such written demand made by Authority stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.
- 3 We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of Authority is disputed by the Bidder or not merely on the first demand from Authority stating that the amount claimed is due to Authority by reason of failure of the Bidder to fulfill and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its Bid open during the Bid Validity Period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) (calculated at Rs. 20,00,000/- (Rupees Twenty Lakhs only) per MW of the proposed capacity).
- 4 This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty days) days from the Bid Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between Authority and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
- 5 We, the Bank, further agree that Authority shall be the sole judge to decide as to whether the Bidder is

in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents including, inter alia, the failure of the Bidder to keep its Bid open during the Bid Validity Period set forth in the said Bidding Documents, and the decision of Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between Authority and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority.

- 6 The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person.
- 7 In order to give full effect to this Guarantee, Authority shall be entitled to treat the Bank as the principal debtor. Authority shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfilment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to Authority, and the Bank shall not be released from its liability under these presents by any exercise by Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of Authority or any indulgence by Authority to the said Bidder or by any change in the constitution of Authority or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.
- 8 Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
- 9 We undertake to make the payment on receipt of your notice of claim on us addressed to [name of Bank along with branch address] and delivered at our above branch that shall be deemed to have been duly authorized to receive the said notice of claim.
- 10 It shall not be necessary for Authority to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which Authority may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.
- 11 We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of Authority in writing.
- 12 The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorized and has full power to execute this Guarantee for and on behalf of the Bank.

Signed and Delivered by \_\_\_\_\_ Bank

By the hand of Mr./Ms \_\_\_\_\_, its \_\_\_\_\_ and authorized official.  
(Signature of the Authorized Signatory) (Official Seal)

## Appendix IV - A

### Format for Bid Bond

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place to execution)

In consideration of the \_\_\_\_\_ (Insert name of the Bidder) (hereinafter referred to as "Bidder") submitting the response to RFP inter alia for selection of the project of the capacity of \_\_\_\_\_ MW at \_\_\_\_\_ (Insert capacity of the plant and name of the place) under **Development of Solar Power Project in the State of Karnataka** for supply of power there from on long term basis in response to the RFP date \_\_\_\_\_ issued by Karnataka Renewable Energy Development Limited (herein after referred to as Authority) and Authority considering such response to the RFP of \_\_\_\_\_ { insert the name of the Bidder) as per term of RFP, the \_\_\_\_\_ (Name of bank) hereby agrees unequivocally, irrevocably and unconditionally to pay to Authority forthwith on demand in writing from Authority or any Officer authorized by it in on its behalf, any amount up to and not exceeding Rupees \_\_\_\_\_ [Insert amount not less than that derived on the basis of Bid Bond Calculation set out in Schedule 3 only, on behalf of M/s. \_\_\_\_\_ (Insert name of the Bidder).

This guarantee shall be valid and binding on this Bank up to and including \_\_\_\_\_ (insert date of validity in accordance with Clause 2.21 of the RFP) and shall not be terminable by notice or any change in the constitution of the Bank or the term of contract or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time. or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ only). Bid Bond Guarantee shall remain in force until \_\_\_\_\_ (insert date of validity in accordance with Clause 2.21 of the RFP). Authority shall be entitled to invoke this Guarantee till \_\_\_\_\_ (Insert the date which is 30 days after the date in the preceding sentence)

The Guarantor Bank hereby agrees and acknowledges that the Authority shall have a right to invoke this Bank Guarantee in part or in full, as it may deem fit.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the writer demand by Authority, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to Authority.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and Notwithstanding any objection by \_\_\_\_\_ [Insert name of the Bidder] and/or any other person. The Guarantor Bank shall not require Authority to justify the invocation of this Bid Bond Guarantee, nor shall the Guarantor Bank have any recourse against Authority in respect of any payment made hereunder

This Bank Guarantee shall be interpreted in accordance with the laws of India and the courts at Bangalore shall have exclusive jurisdiction

The Guarantor Bank represents that this Bank Guarantee has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This Bank Guarantee shall not be affected in any manner by reason of merger, amalgamation restructuring or any other change in the constitution of the Guarantor Bank.

This Bank Guarantee shall be a primary obligation of the Guarantor Bank and accordingly Authority shall not be obliged before enforcing this Bank Guarantee to take any action in any court or arbitral proceedings against the Bidder, to make any claim against or any demand on the Bidder or to give any notice to the Bidder or to enforce any security held by Authority or to exercise, levy or enforce any distress, diligence or other process against the Bidder.

The Guarantor Bank acknowledges that this Bid Bond Guarantee is not personal to Authority and may be assigned, in whole or in part, (whether absolutely or by way of security) by Authority to any entity to whom Authority is entitled to assign its rights and obligations under the Power Purchase Agreement.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs \_\_\_\_\_ (Rs. \_\_\_\_\_ only) and it shall remain in force until (date to be inserted on the basis of Clause 2.21 of the RFP) with an additional claim period of thirty (30) days thereafter. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if Authority serves upon us a written claim or demand

Signature Name \_\_\_\_\_  
Power of Attorney No.. \_\_\_\_\_

For  
\_\_\_\_\_ [Insert Name of the Bank] \_\_\_\_\_  
Banker's Stamp and Full Address.  
Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

**APPENDIX V**  
**Joint Bidding Agreement**  
(Refer Clause 2.1.17)

(To be executed on Stamp paper of appropriate value)

THIS JOINT BIDDING AGREEMENT is entered into on this the ..... day of ..... 20...

**AMONGST**

1. {..... } having its registered office at ..... (hereinafter referred to as the “First Part” which expression shall, unless repugnant to the context include its successors and permitted assigns)

**AND**

2. {..... } having its registered office at ..... (hereinafter referred to as the “Second Part” which expression shall, unless repugnant to the context include its successors and permitted assigns)

**AND**

3. {.....} having its registered office at ..... (hereinafter referred to as the “Third Part” which expression shall, unless repugnant to the context include its successors and permitted assigns)}\*

The above mentioned parties of the FIRST, SECOND and, THIRD PART are collectively referred to as the “Parties” and each is individually referred to as a “Party”

**WHEREAS,**

- A. \_\_\_\_\_, established under the \_\_\_\_\_, represented by its \_\_\_\_\_ and having its principal offices at \_\_\_\_\_] (hereinafter referred to as “the Authority” which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) has invited Bids (the “Bids”) by its Request for Proposal ..... dated .....(the “RFP”) for selection of bidders for “**Development of Solar Power Project in the State of Karnataka**” (the “Project”) through public private partnership.
- B. The Parties are interested in jointly bidding for the Project(s) as members of a Consortium and in accordance with the terms and conditions of the RFP document and other bid documents in respect of the Project.

The Project(s) proposed by us are:

SI.No	Proposed Technology	Proposed Location (Tehsil, District)	Proposed Capacity

\* The number of Parties will be shown here, as applicable, subject however to a maximum of 3 (three).

SI.No	Proposed Technology	Proposed Location (Tehsil, District)	Proposed Capacity

, and

- C. It is a necessary condition under the RFP document that the members of the Consortium shall enter into a Joint Bidding Agreement and furnish a copy thereof with the Bid.

**NOW IT IS HEREBY AGREED as follows:**

**1. Definitions and Interpretations**

In this Agreement, the capitalised terms shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP.

**2. Consortium**

The Parties do hereby irrevocably constitute a consortium (the "Consortium") for the purposes of jointly participating in the Bidding Process for the Project.

The Parties hereby undertake to participate in the Bidding Process only through this Consortium and not individually and/ or through any other consortium constituted for this Project, either directly or indirectly or through any of their Group Business Entity.

**3. Covenants**

The Parties hereby undertake that in the event the Consortium is declared the selected Bidder and awarded the Project, it shall incorporate a special purpose vehicle (the "SPV") under the Indian Companies Act 1956 for entering into a Power Purchase Agreement with the Authority and for performing all its obligations as the Developer in terms of the Power Purchase Agreement for the Project.

**4. Role of the Parties**

The Parties hereby undertake to perform the roles and responsibilities as described below:

- a) Party of the First Part shall be the Lead member of the Consortium and shall have the power of attorney from all Parties for conducting all business for and on behalf of the Consortium during the Bidding Process and until the Financial Close is met under the Power Purchase Agreement when all the obligations of the SPV shall become effective;
- b) {Party of the Second Part shall be \_\_\_\_\_ and}
- c) {Party of the Third Part shall be \_\_\_\_\_ }

**5. Joint and Several Liability**

The Parties do hereby undertake to be jointly and severally responsible for all obligations

and liabilities relating to the Project and in accordance with the terms of the RFP document.

**6. Shareholding in the SPV**

The Parties agree that the proportion of shareholding among the Parties in the SPV shall be as follows:

First Party:

Second Party:

{Third Party :}

The Parties undertake that the members in the consortium shall hold equity as follows:

- 7.** The Members of the Consortium shall collectively hold at least 51% of subscribed and paid up equity share capital of the SPV at all times until third anniversary of the commercial operations date of the Project. Lead Member shall have 26% shareholding of the SPV until third anniversary of the commercial operations date of the Project. Thereafter, all the members of the Consortium shall, until expiry of the Agreement Period hold not less than 26% of the subscribed and paid up equity share capital of the SPV.

**8. Representation of the Parties**

Each Party represents to the other Parties as of the date of this Agreement that:

- a. Such Party is duly organised, validly existing and in good standing under the laws of its incorporation and has all requisite power and authority to enter into this Agreement;
- b. The execution, delivery and performance by such Party of this Agreement has been authorised by all necessary and appropriate corporate or governmental action and a copy of the extract of the charter documents and board resolution/ power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member is annexed to this Agreement, and will not, to the best of its knowledge:
  - i. require any consent or approval not already obtained;
  - ii. violate any Applicable Law presently in effect and having applicability to it;
  - iii. violate the memorandum and articles of association, by-laws or other applicable organisational documents thereof;
  - iv. violate any clearance, permit, concession, grant, license or other governmental



authorisation, approval, judgment, order or decree or any mortgage agreement, indenture or any other instrument to which such Party is a party or by which such Party or any of its properties or assets are bound or that is otherwise applicable to such Party; or

- v. create or impose any liens, mortgages, pledges, claims, security interests, charges or Encumbrances or obligations to create a lien, charge, pledge, security interest, encumbrances or mortgage in or on the property of such Party, except for encumbrances that would not, individually or in the aggregate, have a material adverse effect on the financial condition or prospects or business of such Party so as to prevent such Party from fulfilling its obligations under this Agreement;
- c. this Agreement is the legal and binding obligation of such Party, enforceable in accordance with its terms against it; and
- d. there is no litigation pending or, to the best of such Party's knowledge, threatened to which it or any of its Group Business Entities is a party that presently affects or which would have a material adverse effect on the financial condition or prospects or business of such Party in the fulfilment of its obligations under this Agreement.

## **9. Termination**

This Agreement shall be effective from the date hereof and shall continue in full force and effect until the Financial Close of the Project is achieved under and in accordance with the Power Purchase Agreement, in case the Project is awarded to the Consortium. However, in case the Consortium is either not pre-qualified for the Project or does not get selected for award of the Project, the Agreement will stand terminated in case the Bidder is not pre-qualified or upon return of the Bid Security by the Authority to the Bidder, as the case may be.

## **10. Miscellaneous**

This Joint Bidding Agreement shall be governed by laws of India.

The Parties acknowledge and accept that this Agreement shall not be amended by the Parties without the prior written consent of the Authority.

IN WITNESS WHEREOF THE PARTIES ABOVE NAMED HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED  
For and on behalf of

LEAD MEMBER by:

(Signature)  
(Name)  
(Designation)  
(Address)

SIGNED, SEALED AND DELIVERED  
For and on behalf of

SECOND PART

(Signature)  
(Name)  
(Designation)  
(Address)

SIGNED, SEALED AND DELIVERED  
For and on behalf of

THIRD PART

(Signature)  
(Name)  
(Designation)  
(Address)

In the presence of:

1. \_\_\_\_\_ 2. \_\_\_\_\_

Notes:

1. The mode of the execution of the Joint Bidding Agreement should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
2. Each Joint Bidding Agreement should attach a copy of the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member.
3. For a Joint Bidding Agreement executed and issued overseas, the document shall be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney has been executed.

## APPENDIX – VI

### Format of Financial Bid

Date:

Managing Director  
Karnataka Renewable Energy Development Ltd.  
No.39, "Shanthigruha" Bharath Scots & Guides Building,  
Palace Road.  
Bangalore-560 001

**Re: Development of Solar Power Project in the State of Karnataka**

Sir,

We hereby submit our Financial Bid for undertaking development of \_\_\_\_MW of Solar \_\_\_\_ (Thermal/PV) Project using the \_\_\_\_\_ technology and offer a Discount in Tariff in accordance with the Bidding Documents and draft Power Purchase Agreement as per the table given below:

S.I No.	Capacity in MW	Location (Tehsil, District)	Discount in Tariff Offered in Paisa per KWh(Unit) of Electrical Power		Bid Bond Value in (Crores)	Bid- Bond Details		
			(in figures )	(in words)		No. & date	Drawee Bank	Valid upto

We have reviewed all the terms and conditions of the RFP and undertake to abide by all the terms and conditions contained therein. We hereby declare that there are, and shall be no deviations from the stated terms in the RFP Document.

Yours faithfully,

For and on behalf of

.....  
(Name of the Bidder<sup>6</sup>)

\_\_\_\_\_  
(Signature of Authorized Signatory)

\_\_\_\_\_  
(Name and designation of the Authorised Person)

<sup>6</sup> In case of Consortium, names of all members of Consortium

**APPENDIX - VII**  
**Anti-Collusion Certificate**  
(Format for Anti-Collusion Certificate)

We hereby certify and confirm that in the preparation and submission of our Bid for the **Development of Solar Power Project in the State of Karnataka**, we have not acted in concert or in collusion with any other Bidder or other person(s) and also not done any act, deed or thing which is or could be regarded as anti-competitive.

We further confirm that we have not offered nor will offer any illegal gratification in cash or kind to any person or agency in connection with the instant Bid.

Dated this .....Day of ....., (month/year)

.....  
(Name of the Bidder)

.....  
(Signature of the Authorised Person)

.....  
(Name of the Authorised Person)

Note:

1. On the Letterhead of the Bidder  
To be executed by all members in case of a Consortium

**APPENDIX VIII**

**Format for Affidavit certifying that the Entity/Promoter/s / Director/s of Entity are not blacklisted**

**(On a Stamp Paper of relevant value)**

**Anti-Blacklisting Affidavit**

I, M/s. .... (Sole Applicant / Lead Member / Other Member /s), (the names and addresses of the registered office) hereby certify and confirm that we or any of our promoter/s / director/s are not barred by Karnataka Renewable Energy Development Ltd. (KREDL) / any other entity of Government of Karnataka or blacklisted by any state government or central government / department / agency in India from participating in Project/s, either individually or as member of a Consortium as on the \_\_\_\_\_(Bid Due Date).

We further confirm that we are aware that our Bid for the Project would be liable for rejection in case any material misrepresentation is made or discovered with regard to the requirements of this RFP at any stage of the Bidding Process or thereafter during the agreement period.

Dated this .....Day of ....., 20....

Name of the Bidder

Signature of the Authorised person

Name of the Authorised Person

*To be executed separately by all the Members in case of Consortium*

## **Appendix –IX**

Information and details to be sought from the bidder is set out in MS Excel Format titled Appendix – IX and the same may be downloaded from the website [www.kredltest.in](http://www.kredltest.in). The details to be provided includes the following:

1. Checklist
2. Detail of Bidders including its Group Business Entity(ies)
3. Technical and Financial Capacity

## Schedule 1A

### Technical Qualification requirement in case of Solar PV Project

The following are some of the technical measures required to ensure quality of the PV modules used in grid connected solar power projects.

#### 1. PV Module Qualification

1.1 The PV modules used in the grid connected solar power projects must qualify to the latest edition of any of the following IEC PV module qualification test or equivalent BIS standards.

Crystalline Silicon Solar Cell Modules	IEC 61215
Thin Film Modules	IEC 61646
Concentrator PV modules	IEC 62108

1.2 In addition, PV modules must qualify to IEC 61730 for safety qualification testing. For the PV modules to be used in a highly corrosive atmosphere throughout their lifetime, they must qualify to IEC 61701.

#### 2. Authorized Test Centers

The PV modules must be tested and approved by one of the IEC authorized test centers. In addition a PV module qualification test certificate as per IEC standard, issued by ETDC, Bangalore or Solar Energy Centre, MNRE, New Delhi will also be valid.

#### 3. Warranty

- The mechanical structures, electrical works and overall workmanship of the grid solar power plants must be warranted for a minimum of 5 years.
- PV modules used in grid connected solar power plants must be warranted for output wattage, which should not be less than 90% at the end of 10 years and 80% at the end of 25 years.

#### 4. Identification and Traceability

Each PV module used in any Solar PV Project must use a RF identification tag (RFID). The following information must be mentioned in the RFID used on each module (This can be inside or outside the laminate, but must be able to withstand harsh environmental conditions.)

- (i) Name of the manufacturer of PV Module
- (ii) Name of the Manufacturer of Solar cells
- (iii) Month and year of the manufacture (separately for solar cells and module)
- (iv) Country of origin (separately for solar cells and module)
- (v) I-V curve for the module
- (vi) Wattage,  $I_m$ ,  $V_m$  and FF for the module
- (vii) Unique Serial No and Model No of the module
- (viii) Date and year of obtaining IEC PV module qualification certificate
- (ix) Name of the test lab issuing IEC certificate
- (x) Other relevant information on traceability of solar cells and module as per ISO 9000

All grid connected Solar PV Projects must install necessary equipment to continuously measure solar radiation, ambient temperature, wind speed and other weather parameters and simultaneously measure the generation of DC power as well as AC power generated from the plant. They will be required to submit this data to KREDL and/ or through a report on regular basis for the entire duration of Power Purchase Agreement.



**Schedule 1B**  
**Technical Qualification requirement in case of Solar Thermal Project**

Technical Qualification Requirements for Eligibility of a Developer to Establish Solar Thermal Project

- a) Only new plant & machinery to be used.
- b) Any of the Concentrated Solar Power (CSP) technology, such as, Parabolic Trough Collectors, Solar Dish Stirling (or any other prime mover), Linear Fresnel Reflector, Central Tower with heliostats, or their any other combination could be used.
- c) Developer must fulfil either of following requirements as listed from (i) to (vi) and also undertake to tie up (wherever applicable) with technology provider fulfilling technology requirements within 270 days from the Effective Date:
  - I. Developer is himself a technology provider who has either experience in design and engineering of at least 1 (one MW capacity solar thermal power plant having been in operation for a period of at least one year on the specified cutoff date, or obtained at least one financial closure of a solar thermal power plant of at least 50% of the proposed capacity based on the proposed technology.
  - II. Developer has a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
  - III. Developer is an EPC contractor/power generating company having experience in engineering, erection and commissioning of at least 100 MW capacity conventional thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
  - IV. Developer has a tie-up with an EPC contractor having experience in engineering, erection and commissioning of at least 100 MW capacity conventional thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
  - V. Developer is an EPC contractor having experience in engineering, erection and commissioning of at least 1 (one) MW capacity solar thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
  - VI. Developer has a tie up with an EPC contractor having experience in engineering, erection and commissioning of at least 1 (one) MW capacity solar thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
- d) All grid connected solar thermal power plants will install equipment for regular monitoring of solar irradiance (including DNI), ambient air temperature, wind speed and other weather parameters and simultaneously for monitoring of the amount of electric power generated from the plant. They will submit this data to KREDL and / or through a report on regular basis for the entire duration of Power Purchase Agreement.

**Note:**

Tie up would mean any of a) MoU for Technology Transfer b) Technology or document sale agreement c) EPC Contract d) project specific assurance to support with design and construction of the Plant

For meeting the Technical criteria provisions of financial Close at Clause 3.8 shall be applicable

**Schedule 2**

**Solar Tariff Order issued by KERC**

### Schedule 3

#### Sample Bid Bond Calculation

If a Bidder is proposing to develop a 5 MW Solar PV power plant, the applicable tariff as issued by KERC is Rs. 14.50 per unit.

In case the Bidder intends to quote a discount of 300 paisa/unit on the applicable tariff, the amount of Bid Bond to be provided by the Bidder shall be calculated as follows:

In case the Bidder intends to quote a discount of 300 paisa/unit on the applicable tariff, the amount of Bid Bond to be provided by the Bidder shall be calculated as follows:

**Percentage Discount quoted:**

Discount offered: 300 paisa

Percentage discount on applicable tariff:  $(300/1450)*100 = 20.69\%$

**Bid Bond amount:**

Bid Bond =

$(145*10000*5) + (72.5*20000*5) +$   
 $(72.5*30000*5) + (10*40000*5) = \text{Rs } 2.74 \text{ Crores}$