



<p>From</p> <p>Er.J . Nirmala Gnanapushpam,B.E.,(Hons)</p> <p>Chief Engineer/R-APDRP,</p> <p>144, Anna Salai,</p> <p>Chennai-600 002</p> <p>TamilNadu.</p>	<p>To</p> <p>M/s.WAPCOS Limited,</p> <p>76-C,Institutional Area,</p> <p>Sector – 18, Gurgaon,</p> <p>Haryana – 122015.</p> <p>Email: commercial@wapcos.gov.in</p> <p>wapcos.rud@gmail.com</p>
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Kind Attention: M.A.Khan, Additional Chief (Systems)

LOA.No.CE/R-APDRP/SE1/ A4/EE/IPDS/F. PMA- LOA/D.73/17, dt 23.02.17

Sir,

Sub: TANGEDCO - Appointment of Project Management Agency for the implementation of IPDS in the state of Tamil Nadu – Letter of Award (LoA) – issued - Reg.

- Ref:
1. Tender specification NO: CE(R-APDRP)/OT No. 01 /2016-2017.
 2. Your Ir No.WAP/COMML/TANGEDCO/PMA/IPDS & IPDS/ 2016
dt 21.09.16
 3. Your Bid proposal documents opened on 22.09.2016.
 4. Lr.No.CE/R-APDRP/SE-1/EE(IPDS)/AEE.4/F.PMA/D.303/16
dt 03.11.16
 5. Your Ir No.WAP/COMML/TANGEDCO/PMA/IPDS & IPDS/2016
dt 28.11.16
 6. Lr.No.CE/R-APDRP/SE-1/EE(IPDS)/AEE.4/F.PMA/D.387/16
dt 09.12.16
 7. Your Price bid which was opened on 15.12.2016.
 8. Lr.No.CE/R-APDRP/SE-1/EE(IPDS)/AEE.4/F.PMA/D.397/16
dt 27.12.16
 9. Negotiation held on 29.12.16 at D(D)'s Chamber.
 10. Your Negotiation letter dated 30.12.16.
 11. Lr.No.CE/R-APDRP/SE-1/EE(IPDS)/AEE.4/F.PMA/D.403/16
dt 03.01.17
 12. Your Re-Negotiation letter dated 07.01.17.
 13. Lr.No.CE/R-APDRP/SE1/A4/EE/IPDS/F.PMA-LOI/D.27/17,
dt 31.01.17

14. Your e-mail dated 02.02.17.

15. Lr.No.CE/R-APDRP/SE1/A4/EE/IPDS/F.PMA/D.57/17,

dt 15.02.17.

16. Letter no WAP/COMML/TANGEDCO/PMA/IPDS/2 Dated 13.02.17

17. Letter no WAP/COMML/TANGEDCO/PMA/IPDS/2 Dated 14.02.17.

18. Lr.No.CE/R-APDRP/SE1/A4/EE/IPDS/F.PMA/D.72/17,

dt 23.02.17.

With reference to your offer dated 21.09.16 and subsequent correspondence cited above, I acting for and on behalf of and by the order and direction of Tamil Nadu Generation and Distribution corporation limited (TANGEDCO) accept your offer for Project Management Agency towards implementation of Integrated Power Development Scheme (IPDS) in the State of Tamil Nadu, which include handholding and assisting the utility in project management and ensuring implementation of the scheme till commissioning for PMA, contract price as indicated below:

1.0. **Contract Price:**

The total contract price is firm for the entire scope of work under this contract and shall be Rs. 10,92,00,000/- + prevailing service tax (Rupees Ten Crores Ninety Two Lakhs only + service tax only) as per the following breakup :

Sl.No.	Price Component	Amount (Rs.)
1.	Charges for Project Management Agency (PMA)	10,92,00,000.00
2.	In addition, the prevailing service tax to the above amount	

(Note: Service tax is applicable as per clause 2 of this LoA)

2.0 **TAXES, DUTIES AND INSURANCE:**

2.1 All taxes (including professional tax, service tax etc. as applicable) duties, levies, insurance charges, license fees, etc. arising out of the contract shall be payable directly by Consultant and shall be included in the contract price for the entire scope of work as in clause 1.0 (Sl.No.1 & 2) above. TANGEDCO will not bear any expenditure, whatsoever on this account. As regards income tax, surcharge on income tax and other corporate taxes, the Consultant shall be responsible for such payments to the concerned authorities. However,

TANGEDCO is entitled to deduct TDS as per the Government policies/tax rules and regulations.

- 2.2 Charges for PMA (sl.no.1) of clause 1.0 is inclusive of statutory taxes and duties, all travel, and stay, out of pocket expenses, cost of producing documents etc and exclusive of service tax. TANGEDCO will not pay and/or reimburse anything over and above the contract price.
- 2.3 The service tax during the stipulated contract period of 33 months only be paid in applicable rate during that period. Increase in the rate of service tax, if any, during the extension period of contract due to the delay which is not caused by TANGEDCO, will be to the account of the PMA and it will not be attributable to TANGEDCO.
- 2.4 In case of delay i.e delay attributed on the part of PMA, the service tax prevailing on the last date of scheduled period or actual period of execution whichever is less only will be admitted.
- 2.5 If the extension of contract is due to the delay of TANGEDCO, then increase in service tax if any during the contract period will be paid at the applicable rate of extension period.
- 2.6 The service tax shall be reimbursed upon production of documentary evidences for having paid the same along with copy of service tax registration certificate.
- 2.7 Income tax at source will be deducted by TANGEDCO as per law and Tax Deduction at Source certificate shall be issued to the Consultant by TANGEDCO.
- 2.8 The Consultant shall be liable to take and maintain, at their own cost, all necessary insurance against all risks etc.
- 2.9 All related travel expenses incurred by the Consultant's personnel for journeys to site or Owner's (TANGEDCO) Office or anywhere in connection with the consultancy services/study under Scope of this Specification will be borne by the Consultant and the TANGEDCO will not take any responsibility whatsoever on this account.

3.0. PERFORMANCE BANK GUARANTEE:

Performance Bank Guarantee bearing no. BG 11201LG003217 dated 09.02.17 valid upto 30.04.2020, issued by Punjab National Bank, New Delhi submitted as required under clause 2.14 of section II (a) of tender specification is accepted for a sum of **Rs.50,20,000/- (Rupees Fifty Lakhs and Twenty Thousand only)** have been received as security deposit. Thus a contract has come into force in terms thereof.

4.0. SCOPE OF WORK:

4.1 The contract includes, Project Planning and Implementation, Quality Monitoring, MIS & Web Portal up-dation and Coordination with Nodal Agency/ MoP and any other works of various components under IPDS covered in the scope of this contract to be carried out and it shall contain the overall quality, and procedures that would be followed to assess the performance of the work to be executed with all other terms and conditions as stipulated in the tender specification.

4.2 The illustrative scope of work is provided in the Annexure I of this LoA.

4.3 All other associated works which are not listed above but are essential for successful completion of the assignment are deemed to be included in the scope of this contract unless otherwise specifically excluded in the bidding documents without any cost implication to TANGEDCO. Any other works of various components under IPDS covered in the scope of this contract to be carried out and it shall contain the overall quality, and procedures that would be followed to assess the performance of the work to be executed with all other terms and conditions as stipulated in General conditions of the contract-Annexure 2 & Commercial terms- Annexure 3 of this LoA.

5.0 PERIOD OF ENGAGEMENT:

The period of engagement would be thirty three (33) months from the date of receipt of Letter of Intent (LoI), or till the closure of the entire project by the TANGEDCO, whichever is later. The contract shall be suitably extended without any financial commitment to TANGEDCO in case of delay in completion of the schemes is attributable to the PMA. If the delay in completion of the schemes is not attributable to PMA, then contract price shall be on prorata basis for the extended period as stipulated in Annexure 3.

6.0. LOCATION FOR PERFORMANCE OF THE SERVICES:

(a) The Consultant shall render/perform services at Chennai and at the respective Project site at circles of TANGEDCO as covered under IPDS.

(b) The Consultant also undertakes to perform/render services at other location or elsewhere as required for the execution of project or as specified by the Owner from time to time. The Owner shall not bear any extra expenses/cost if, any, incurred by the consultant for providing services at other location.

7.0 TIME LINES OF TANGEDCO:

Timeline for major activities is given below:-

Sl.No.	Activity	Timeline
1.	Reporting of establishment of offices including deployment of requisite man power, vehicles & other infrastructure, submission of inception report and Detailed work Implementation Schedule (CPM/PERT/ BAR chart etc.,) including formulation of supervision and monitoring system for project execution.	Within 15 days from the date of issuance of LoA of this contract or as per the direction of TANGEDCO
2.	Assist the utilities for placement of Letter of Award for the procurement of materials /works to be executed departmentally/partial turnkey contractor/ Agencies for supply, installation, testing, commissioning of the work as per approved DPR for IPDS works of TANGEDCO	Within 30 Days from the date of issuance of LoA
3.	Supervision and monitoring of all site works under the scope of implementing agency including quality checks in respect of material used as per Quality Assurance Plan (QAP) for IPDS works including reporting and updation of web portal & associated activities after completion of the works including Preparation and Submission of closure proposals	Till the Completion of the Assignment.

8.0. PAYMENT TERMS.

8.1 Subject to any deductions which the TANGEDCO is authorised to make under the contract, the contractor shall be entitled to payment of charges with statutory taxes, like service tax etc, if any, within reasonable time for the Project Management Services as per the scope of works of PMA and on submission of a detailed report authorized by the Superintending Engineer

concerned to the satisfaction of the TANGEDCO. The fee would be payable in the following manner:

- 8.2 **a)** 10% (ten percent) of Lump Sum Contract Price as upfront payment after entering into agreement and against acceptance of proof towards establishment of offices with deployment of requisite personnel vehicles & other office infrastructure, submission of inception report and Detailed work Implementation Schedule (PERT) and against acceptance of irrevocable & unconditional Bank Guarantee (B.G) in the prescribed proforma (Annexure 6 enclosed) for an equivalent amount. This B.G should be kept valid for 39 months from the date of receipt of LoI and shall be extended till the satisfactory completion of the contract.

In the event of non- fulfilment of contractual obligations as per the approved PERT chart within the contract period, the interest at the rate of **22%** on the above upfront amount for the delayed period shall be paid by the tenderer and the same shall be recovered from the subsequent eligible payments under the contract. This will be in addition to the penalties if any, under SLA.

b) 15% (fifteen percent) of Lump Sum Contract Price on placement of Letter of Award by TANGEDCO on pro-rata on number basis of individual (departmental/ partial turnkey)package of value exceeding Rs.10 Lakhs

c) 65% of the Lump Sum Contract Price shall be paid in two components:

- i) Fixed payment @1/9th of 35% of the Lump Sum Contract Price shall be released on quarterly basis as per the procurement/ erection packages of value exceeding Rs.10 Lakhs awarded on pro-rata on number basis as on the date of claiming the bill for the quarter.
- ii) Balance 30% of the Lump Sum Contract Price shall be released on pro rata basis linked with the disbursements for the project from the respective nodal agencies.

d) Balance 10% of the Lump Sum Contract Price shall be released after 3 months of completion of works and release of final instalment of grant to the TANGEDCO by Nodal Agency and after deducting the LD, penalties, and levies, if any.

Note:

- 1) The first quarterly payment against 8.2 c (i) would be due after 3 months from the release of payment as mentioned in 8.2 (b) above.
- 2) If the PMA fails to prepare & submit pucca timely reimbursement claims and/or follow up & co-ordinate with nodal agencies/GoI for timely release of disbursements, no payments will be made against clause 8.2 (c) (ii) and clause 8.2 (d). This will be apart from levy of 22% interest on the 10% upfront amount paid as per clause 8.2 (a) and other relevant conditions as complied in SLA & Annexure 3 of this order.

9.0. CONTRACT AGREEMENT & SERVICE LEVEL AGREEMENT:

The terms and conditions set forth in the contract agreement and service level agreement (Annexure 4 & 5 enclosed) is applicable to this LoA.

The purpose of SLA is to clearly define the level of service to be provided by PMA to TANGEDCO for the duration of this contract or until this SLA has been amended.

10.0. LIQUIDATED DAMAGES AND PENALTIES:

The completion period as per clause 5 of this LoA shall be guaranteed under liquidated damages clause given below:

10.1. Time is essence of the Contract. Except as provided under Force majeure clause, if the Consultant fails to complete any or all of the services within the time period specified as per the approved PERT chart in the Contract or any extension thereof, the Owner (TANGEDCO) shall, without prejudice to all its other remedies under the contract, recover from the Consultant as Liquidated Damages (LD), a sum of Half Percent (1/2%) of the Contract Price for each completed week of delay and the total Liquidated Damages thus recovered shall not exceed 10% of the Total Contract Price. The above LD is payable by the Consultant only when the delay is attributable on the part of Consultant. This will be apart from the penal levy @22% per annum on upfront payment mentioned in clause 8.2(a).

10.2. The defaulting Contractor should be made liable to pay to the Board, in addition to liquidated damages for delay, the actual difference in price wherever TANGEDCO orders the delayed portion of services executed by other agencies at a

higher rate. This is without prejudice to other rights of TANGEDCO under the terms of contract.

10.3 In addition, the consultant (PMA) is liable to the owner (TANGEDCO) for payment of penalty as specified in the SLA.

10.4 If the Services performed do not meet the minimum specifications as per the Contract, and the same is not modified by the Consultant to meet the requirements within 14 days of being informed by TANGEDCO, TANGEDCO shall be free to impose any penalty as deemed fit. In addition, the Utility shall reserve the right to terminate the contract and recover liquidated damages by forfeiting the performance guarantee submitted by the Purchaser.

10.5 If the delay is due to TANGEDCO/Third Party after justification by PMA and acceptance by TANGEDCO, extension of time may be given at the discretion of TANGEDCO and in such cases LD will not be imposed and the contract shall be suitably extended as per clause period of contract.

11.0. QUALITY ASSURANCE PLAN

PMA is assigned with the following as stipulated in scope of works (Annexure I to this LoA)

QUALITY MONITORING:

1. To prepare a Quality Assurance (QA) Plan with the approval of the TANGEDCO .
2. Field quality inspection of ongoing/ completed works.
3. Joint inspection (along with representative of TANGEDCO) of material at site on sample basis i.e. 10% of major materials (Poles, Conductor, Meters, Transformers, Cables, etc.,)

12.0 ARBITRATION:

The TANGEDCO will not accept any arbitrations in case of disputes arising in any respect under this contract. Any dispute arising out of this contract shall not be subjected to arbitration under the provisions of Arbitration and conciliation act 1996 in the event of any dispute between the parties.

13.0. FORCE MAJEURE:

Neither the PMA nor the TANGEDCO shall be considered in default in performance of its obligations hereunder if such performance is prevented or

delayed for any causes beyond the reasonable control of the party affected, such as war, hostilities, revolution, riot, civil commotion, epidemic, major fires, explosions, floods, earthquakes or because of any law, order, proclamatory regulations or ordinance of Government or because of any act of God, provided notice in writing of such cause with necessary evidence that the obligation under the Contract is thereby affected or prevented or delayed, is given within 14 days from the happening of the event and in any case it is not possible to serve the notice within 14 days period, then within the shortest possible period without delay. In case the force majeure conditions prolong beyond a continuous period of 6 months, the Purchaser/Employer shall be entitled to decide the further course of action including revisions in the terms of Contract, if any.

As soon as the cause of Force Majeure has been removed, the party whose ability to perform its obligation has been affected shall notify the other party the actual delay occurred on account of such activities.

Although the time for completion of work shall be suitably extended (not exceeding the period during which the work was stopped on account of Force Majeure clause), such extension shall not result in any financial claim by the PMA against the TANGEDCO or any account of such a delay for any other reason whatsoever.

14.0. AMICABLE SETTLEMENT:

The consultant shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof. No Arbitration is applicable to this Contract.

15.0. ISSUE MANAGEMENT PROCESS:

1. Either owner or PMA may raise an issue by documenting the business or technical problem, which presents a reasonably objective summary of both points of view and identifies specific points of disagreement with possible solutions.
2. Owner and PMA's representative will determine which committee or executive level should logically be involved in resolution.
3. A meeting or conference call will be conducted to resolve the issue in a timely manner. The documented issues will be distributed to the participants at least

24 hours prior to the discussion if the issue is not an emergency requiring immediate attention.

4. Management of owner and PMA will develop a temporary, if needed, and the permanent solution for the problem at hand. PMA will then communicate the resolution to all interested parties.

16.0. JURISDICTION FOR LEGAL PROCEEDINGS:

No suit or any proceedings in regard to any matter arising in any respect under this contract shall be instituted in a Court Save in the City Civil Court of Chennai or the Courts of Small Causes at Chennai. It is agreed that no other courts shall have jurisdiction to entertain any suit or proceedings even though part of the cause of action might arise within their jurisdiction. In case any part of cause of action arises within the jurisdiction of any of the courts in Tamil Nadu and not in the courts in the Chennai City, it is agreed to between the parties that such suits or proceedings shall be instituted in a court within Tamil Nadu and no other court outside Tamil Nadu shall have jurisdiction, even though any part of the cause of action might arise within the jurisdiction of such courts.

17.0. ACKNOWLEDGEMENT AND FURTHER CORRESPONDENCE:

Receipt of this LOA may be acknowledged immediately along with your consent on the terms and conditions laid down as per the tender specification of this contract. Further correspondence on all matters may be addressed to the Chief Engineer/R-APDRP, IInd Floor, Eastern Wing, NPKRR Maaligai, 144, Anna Salai, Chennai – 600 002.

In addition, the terms and conditions set forth in the tender specification NO: CE(R-APDRP)/OT No. 01 /2016-2017 are applicable to this LoA.

This LoA should be read in conjunction with the above tender specification

Encl: Annexures to LoA.

Yours faithfully

Emils 23/2/2017

Chief Engineer/R-APDRP