

JAMMU & KASHMIR STATE POWER DEVELOPMENT CORPORATION LIMITED

Request for Qualification (RfQ) for formation of
Joint Venture for development of coal mine & coal
based pithead thermal power plant

June 2011

Name of the Bidder:-

Address:-

Contact Information:-

JAMMU & KASHMIR
STATE POWER DEVELOPMENT CORPORATION LIMITED

(A Govt. of J&K Undertaking)

Regd. Office: Hotel Shaw Inn, Boulevard, Srinagar- J&K 190001

Jammu Office: Ashok Nagar Satwari, Jammu-180004

NIT No:- 04 of June 2011

**Request for Qualification for formation of Joint Venture for
development of coal mine & coal based pithead thermal power plant**

JKSPDCL, a power Generation Company and wholly owned by Government of J&K plans to secure coal blocks through Government Dispensation Route and develop the coal block and the end use coal based power project of at least 2000 MW capacity under Public Private Partnership mode.

Responses are invited from reputed and capable bidders with whom JKSPDCL shall have a Joint Venture Company for securing, exploring, developing and mining the Coal Block and linkage of coal supply to a thermal power project of suitable capacity (at least 2000 MW) to be set up by the JV Partner to meet growing power supply demand in the State of J&K.

Interested bidders may respond to this notification. Parties shall be required to give presentation before a Committee as part of the selection process.

The RfQ document can be viewed and/or downloaded from JKSPDCL's website www.jkspdc.nic.in. Last date for submission of the response to RfQ at Corporate Office Srinagar is 3 P.M. on 6th July 2011.

For further clarification, JKSPDCL can be contacted on Phone No: 0194-2500165, 2483579 fax +91 194 2500145, 2483578 & e-mail: jkspdcl@gmail.com.

For and on behalf of JKSPDCL

Managing Director

No;- JKSPDC/Tech/P-243/943

Dated;-11-06-2011

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1.0 Introduction :

JKSPDCL, a J&K Government Undertaking, is the nodal agency to generate power for meeting power requirement in the state of J&K. JKSPDCL at present contributes to meeting power requirement in the state predominantly through generation from hydro power sources with the State bridging the gap by drawal of its allocation of power from northern grid etc. Hydro power being seasonal in nature, JKSPDCL would like to augment its capacity with coal based power generation to have a stable supply of power to meet base load demand. For a coal based power plant, securing coal supply is of utmost importance. In order to secure coal supply for generating thermal power, JKSPDCL proposes to obtain allotment of new coal blocks from Ministry of Coal, Govt. of India through "Government Dispensation Route" with subsequent development and production of coal in Public Private Partnership ("PPP").

JKSPDCL is interested to join hands with a well established and reputed company/consortium, with experience of development of coal block & mining and coal based thermal power generation to form a Joint Venture Company ("JVC") that will look after all affairs relating to Selection, Allotment, Development of a suitable coal block and subsequent Mining and Supply of coal to end use thermal power project to be set up. JKSPDCL is desirous of undertaking these initiatives under PPP mode and towards this end wishes to shortlist Private Sector Enterprises of repute ("JV Partner"), who would lend necessary direction and support to these initiatives.

JKSPDCL is in the process of charting out plans for an active role in acquisition of coal resources and subsequent development of coal block on joint venture basis. Coal production at such resources shall be utilised for meeting requirement of coal for a thermal power project of suitable capacity (at least 2000 MW) located near coal source or as considering techno-economic feasibility, to be set up by the JV Partner to meet demand of power in J&K.

Besides its technical and administrative expertise, JKSPDCL would lend all support in such PPP initiatives to the JV Partner.

2.0 Objectives of RfQ:

JKSPDCL is desirous of short listing a private sector player of repute who would undertake the following roles:-

- i. Identify suitable coal blocks for allocation to JVC from Ministry of Coal, Govt. of India, through Govt. Dispensation Route.
- ii. Take initiative and necessary follow up action to secure allocation of a coal block to the JVC for power generation as end use

- iii. Appropriate structuring of JVC and finalisation of necessary Agreements in this regard
- iv. Draw action plan & implement the coal mining i.e; development and mining of the CB and linkage with the end use power project.

3.0 Structure of JV Company

In order to meet the procedural compliances required for development of coal blocks allocated under "Government Dispensation Route", JKSPDCL will form a JVC with 51% shareholding and balance equity of 49% will be held by the JV Partner.

Most of the staff for the JV Company will be arranged by the J.V. partner. JKSPDCL would depute some staff to the Company as per suitability and availability, subject to the approval of the Board of Directors of the J.V. Company.

All matters arising out of the Board meetings shall be decided as per the Companies Act.

The JV Partner shall develop the linked end use power project through a separate Special Purpose Vehicle ("Power Plant SPV").

4.0 Scope of PPP :

The JV Partner shall carry out the following tasks:-

- Identification of suitable coal blocks for allocation through Government Dispensation Route from Ministry of Coal
- The coal blocks may be short listed for direct allocation to JKSPDCL or the JVC by the Government of India or procuring joint or exclusive rights to coal blocks already allocated to other private or public sector or Government undertakings.
- To structure the JVC and propose mechanism for finalising the arrangements in this regard
- To finalise and raise finances for the PPP.
- Take follow up action with Ministry of Coal, Coal India Limited, Railways, GSI, respective State Government and other related agencies as required to secure coal block allotment and to expedite development process.
- Obtain all permission and licences from relevant authorities/offices
- Carry out exploration in case of an un-explored block, prepare geological report or purchase geological report in case of an explored coal block, prepare mining plan and obtain mining lease for the coal block
- Obtain Forest/Environment Clearances for coal mining
- Acquire land for mining coal
- Deploy all machineries, equipments, engage mining contractors as required and create required infrastructure for mining coal.

- Arrange railway siding up to the coal mine if required
- Undertake any other requirement as required for allotment, development of coal block & mining coal to secure fuel supply for the end use thermal power project in meeting power demand of J&K
- Set up the end use thermal power project of suitable capacity near coal source or as per the considerations of techno-economic feasibility.
- Supply coal to the end use power project at a price as per the prevailing CIL notified price for the corresponding grade of coal applicable to CIL subsidiary in whose command area the coal block is located.
- In response to the Request for Proposal document (RfP) to be issued separately by the Corporation to qualified bidders, quote tariff for 50% capacity of the plant with the balance 50% available with the developer for sale on commercial terms. However, J&K shall have right of refusal for half of the capacity available to developer on commercial terms. Host State commitments if any in setting up the power project near coal source shall also be addressed in the RfP.
- Supply Power to State of J&K as per tariff to be quoted by the qualified bidders.
- Deploy state of the art technology in coal mining and power generation to keep the cost of production low and remain competitive.

5.0 Pre-Qualification Criteria:

The enterprise desirous of working with JKSPDCL under the PPP shall have the following experience as well as financial capability:-

- i. Minimum Net Worth of Rs.1000 Crores in any of the last 3 financial years, Annual turnover of Rs. 2400 Crs in any of the last 3 financial years and Internal Resource Generation of Rs. 600 crs., computed as 5 times of maximum net cash flow in any of the last 5 years as certified by Statutory Auditor.
- ii. Experience in development and commissioning of coal blocks and setting up of Power projects during the past 5 years.
- iii. Experience of executing similar projects and track record of successful operation of large industrial or infrastructure projects in coal rich regions, with power projects already under development in this region.

The above shall be supported by relevant documentary evidence.

6.0 Selection Criteria

The point based selection criteria for selection of JV Partner considering weightage to various parameters, key to success of the proposed PPP are

as per Annexure-I. The parties scoring equal or above 60 marks out of 100 shall be eligible for participating in the second stage i.e. RfP where the bidders shall quote tariff for the power to be procured by J&K.

7.0 General Information and Conditions

- a) The firm should be registered / incorporated in India and must have the experience as outlined in the Prequalification Criteria in 5.0 above.
- b) All the information requested shall be answered in English only. The Authorised Signatory of the applicant must sign in all the pages of its RfQ response document and also each page of this RfQ document as a token of unconditional acceptance of the same and submit the same with its RfQ response.
- c) A firm can use its audited consolidated financial account to meet various financial qualification criteria.
- d) The group of factors outlined in the Prequalification Criteria 5.0 above shall be considered for evaluation. However, mere satisfaction of the stipulated conditions will not make an applicant eligible for selection as the short listing will be done on the basis of the quality of experience, the confidence and comfort the party exhibits, progress made in development of end-use power project in coal rich regions and the overall acceptability of the party for partnership in JV with JKSPDCL as assessed by Evaluation Committee constituted by JKSPDCL.
- e) Parties shall submit copies of certificates in support of the items mentioned in the Prequalification Criteria
- f) In case RfQ is submitted by a Consortium/company, consortium shall have maximum 2 members. Financial strength of individual members shall be combined in proportion to their shareholding in the Consortium submitting RfQ. Lead Member of the Consortium shall have to meet the project development experience requirements.
- g) Financial information like Net worth, Turnover and Internal Resource Generation submitted shall be certified by the Statutory Auditor of the company.
- h) Parties securing a minimum of 60 marks out of 100 marks shall be declared technically responsive and shall be eligible to participate in the RfP process document which shall be issued separately by the Corporation.
- i) Processing Fee: The RfQ shall be accompanied with a non-refundable processing fee in the shape of a crossed bank draft of Rs. 1,00,000 (One Lakh Only) in favour of Jammu & Kashmir State Power Development Corporation Limited payable at Srinagar/Jammu. The RfQ received without processing fee shall be rejected.
- j) EMD : The RfQ shall be accompanied by an EMD for Rs 10 lacs in the shape of a demand draft drawn in favour of Jammu & Kashmir State Power Development Corporation Limited payable at Srinagar/Jammu. The EMD of all unsuccessful bidders will be returned and that of the successful bidder on furnishing of performance guarantee by him.
- k) Performance Guarantee: The party selected by JKSPDCL for Joint Venture shall be required to furnish irrevocable un-conditional revolving

performance guarantee of Rs. 10 crores to JKSPDCL before execution of JV agreement, as security for the performance of his obligation towards the objective of PPP, which shall remain valid and enforceable at all times till three months after commercial operation of the coal mine.

- l) All legal proceedings in connection with this RfQ will be subject to the jurisdiction of the Courts of Jammu & Kashmir.
- m) Even though the party meets all the pre qualifying criteria, it shall be disqualified if it has :
 - a) Made misleading or false representation in forms, statements and attachments submitted ; and /or
 - b) If at any stage of the selection process, any order / ruling is found to have been passed in the last five (5) years preceding the Deadline for submission of RFQ responses, by an Appropriate Commission or a competent court against any party or its Holding/Subsidiary/Associate for its material breach of any contract for supply of power having duration of contract in excess of one (1) year to any licensee in India, RfQs from such Bidders shall be liable to be rejected. All parties shall confirm that no such order / ruling has been passed by an Appropriate Commission or a competent court against it or its Holding/Subsidiary/Associate companies. Each party shall also confirm that the bid security submitted by the party or its Holding/Subsidiary/Associate company has not been forfeited either partly or wholly in any bid process under Case-1 or case -2 bidding procedure in the last five (5) years preceding the Deadline for submission of RfQ response.
 - c) No information shall be entertained after submission of application for pre qualification document unless it is called for by JKSPDCL.

8.0 Documents to be furnished

All applications shall furnish following information and documents in the following format & forms attached to this information.

- | | |
|--|----------------|
| a) General Information | Annexure - II |
| b) Financial Details | Annexure - III |
| c) Experience as per Prequalification Criteria | Annexure – IV |

- Processing fee of Rs. One lakh
- EMD for Rs Ten Lakhs
- Company's audited balance sheets / Annual Reports / Profit & Loss Accounts for last 5 years.
- Legal Status, Certificate of incorporation, Memorandum and Articles of Association.
- For Indian Firms/Companies, latest Power of Attorney for the person signing the application on a non judicial stamp paper of value not less than Rs. 100/- authorising the person to sign on its behalf.
- Documentary evidence in respect of pre-qualification criteria mentioned in 5.0 above.

- Permanent account number (PAN) issued by the Income Tax Department and PF registration number, if applicable, along with the application.
- Information relating to any litigation, current or during the last five years in which the enterprise is involved, the parties concerned and disputed amount.
- An undertaking stating that none of the present and past directors (in last 3 years) has been convicted for a criminal involvement.
- Any other relevant Information.

9.0 All costs and expenses associated with submission of RfQ shall be borne by the applicants submitting the RfQ. JKSPDCL shall have no liability in any manner in this regard if it decides to terminate the process of empanelment for any reason whatsoever.

10.0 The response should be sent in a sealed cover in 3 copies (one original and 2 copies) duly super scribed "REQUEST FOR QUALIFICATION (RfQ) for acquiring and development coal block under PPP with JKSPDCL, so as to reach the following address on or before 15:00 hours on 6th July 2011. All the three copies i.e. one original and two copies along with the processing fee of Rs. one lakh, and EMD for Rs 10 lacs should be put in one envelope. The RfQ shall be opened at 15:30 hours on 6th July 2011, in the presence of bidders , who choose to be present. For witnessing the opening of RfQ application the applicants shall carry an authorisation letter.

Address:

Managing Director
J&K State Power Development Corporation Ltd. (JKSPDCL)
Hotel Shaw Inn Boulevard, Srinagar J&K-190001.

11.0 If the date of any activity indicated in the RfQ document happens to be a holiday or a non-working day, for any reason, then the next working day shall be automatically taken for such activity. The RfQ received after the stipulated time and date shall not be accepted under any circumstances. JKSPDCL shall not be responsible for any postal/courier delays. Bids by Fax, E-mail will not be entertained.

12.0 The right to suspend this selection process or part of the process to accept or reject any or all RfQs at any stage of the process and/ or to modify the process or any part thereof at any time without assigning any reason thereof and selection of the JV Partner, is reserved by JKSPDCL without any obligation or liability whatsoever.

For and on Behalf of JKSPDCL

Managing Director

CHECK LIST

The applicants shall ensure that all the documents given below have been submitted with the RfQ application.

SL No.	Document	Submitted / Not Submitted
1	Audited Balance Sheet and Profit and Loss Account for last 5 years	
2	Legal Status, Certificate of Incorporation, Memorandum and Articles of Association	
3	Copy of power of attorney / Board Resolution	
4	Financial Parameters as per Statutory Auditor's Certificate	
5	Statutory Auditor's Certificate certifying the project costs of coal mine and power projects developed.	
6	Information regarding any litigation, current or during the last five years	
7	Undertaking stating that its present and past directors (last 3 years) have not been convicted in criminal offence.	
8	Copy of PAN Number	
9	PF Registration Number	
10	Copy of RfQ document as a token of unconditional acceptance of the same	
11	Processing fee of Rs. 1 lakh	
12	EMD for Rs 10 lakhs	

Annexure-I

Points based selection criteria for evaluation of RfQ responses for JV Partnership with JKSPDCL for securing and development of coal block through Govt. Dispensation route and for setting up of the end-use thermal power project by the JV partner.

Sr. No.	Parameters	Points	Method of award
1	Financial Capability	15	Full 15 points to companies meeting the minimum financial capability requirement as specified at clause 5.0. Bidders not meeting the criteria to be rejected.
2	Project Development Experience as per following breakup:-	50	
(i)	Development of coal block and commissioning of coal mines	20	5 for each block subject to a maximum of 20
(ii)	Development and commissioning of coal based power generation projects	20	5 for each project subject to a maximum of 20
(iii)	Development of projects in coal rich states of Jharkhand, Chhattisgarh, Orissa, West Bengal, MP etc.	10	2.5 for each project subject to a maximum of 10
	Sub Total	50	
3	Status of the coal based End use power project of capacity more than 1000 MW under development in coal rich regions if any	15	15 for at least one commissioned and one under execution 10 for at least one commissioned 5 for at least one under execution
4	Proposal and action plan to select, secure, develop and mine a coal block and linkage with end use power project (Presentation to be made before JKSPDC for which date shall be communicated separately)	20	
	Total	100	

- a) Note: Parties securing a minimum of 60 marks out of 100 marks shall be declared technically responsive and shall be eligible to participate in the request for Proposal (RfP) process document of which shall be issued separately by the Corporation.

Annexure - II
GENERAL INFORMATION

1	Name of firm	
2	Type of firm	
3	Address of head office	Address of Local Office
4	Contact Name :	Contact Name:
i.	Telephone No.	Telephone No.
ii.	Fax No.	Fax No.
iii.	Email Id	Emil Id
5	Place of incorporation / Registration	
6	Year of incorporation/ Registration	
7	Main lines of business	

Authorised Signatory of the applicant
with date and seal

Annexure - III
NETWORTH, TURNOVER & IRG DETAILS

(Certified by Statutory Auditor)

Annexure – IV

EXPERIENCE AS PER PREQUALIFICATION CRITERIA

S. No.	Description	Reply/Supporting Documents
A	Net Worth, Turnover & Internal Resource Generation	
	Qualifying financial parameters of the company as certified by Statutory Auditor of the company	
B	Coal Based Power Projects in Operation	
1	Capacity	
2	Location	
3	Project Cost	
4	Date of Commissioning	
C	Projects developed in Coal rich regions	
1	Capacity	
2	Location	
3	Project Cost	
4	Date of Commissioning	
D	Coal Blocks developed and Commissioned	
1	Mine Plan approval letter	
2	MOEF clearance	
3	Mining Lease document	
4	Land acquisition certificate	
5	Mine opening certificate from Coal Controller	
E	Status of Power Projects Under Development in coal rich regions which have neither coal linkage or captive coal block allotment from GoI.	

Bidders can add details in support of qualifications claimed if the above table does not capture it fully.

ANNEXURE-V
FORMAT FOR POWER OF ATTORNEY

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

Know all men by these presents, We.....(name and address of the registered office) do hereby constitute, appoint and authorize Mr / Ms.....(name and residential address) who is presently employed with us and holding the position of as our attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to our bid for the project envisaging [Insert name of Project] in the country of India, including signing and submission of all documents and providing information / Bids to Jammu and Kashmir State Power Development Corporation Limited, representing us in all matters, and generally dealing with Jammu and Kashmir State Power Development Corporation Limited in all matters in connection with our bid for the said Project.

We hereby agree to ratify all acts, deeds and things lawfully done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us.

For

Accepted. I also certify that I have been appointed as Attorney by the BoD of the Company.

.....(signature)

(Name, Title and Address)
of the Attorney