

BID DOCUMENT

FOR

SELECTION OF

LENDERS' INSURANCE ADVISOR

for

Power Projects of

Power Finance Corporation Ltd.

("The Lender")



Corporate Office:

9th Floor, A-Wing, Statesman House
Connaught Place, New Delhi – 110 001

April 11, 2019

BID INVITATION LETTER**11th April, 2019**

To,

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.....**Sub: Appointment of Lenders' Insurance Advisor for Power Projects of Power Finance Corporation Ltd. ("The Lender")**

Dear Sirs,

With reference to the subject above, this is to inform that PFC Consulting Limited (PFCCL) has received Assignments of **Lenders' Insurance Advisor (LIA)** for following Power Projects of Power Finance Corporation Ltd. (PFC, "The Lender"). The Projects are at different stage in availing financial assistance in the form of debt from Lender. The status of projects is as:

S.No.	Company Name	Project Name	Type/Status
i)	M/s Ivy Ecoenergy India Private Ltd. (IEIPL)	164 MW Wind Power Project situated in Rajasthan, Maharashtra and Madya Pradesh	Refinance/ Commissioned
ii)	M/s Vanilla Clean Power Private Ltd. (VCPPL)	64 MW Wind Power Project situated in Rajasthan	Refinance/ Commissioned
iii)	M/s Wind One Renergy Private Ltd. (WORPL) (Sub	52 MW Wind Power Project to be set up in Gujarat	Green Field/ Under Implementation
iv)	M/s Wind Three Renergy Private Ltd. (WTRPL)	52 MW Wind Power Project to be set up in Gujarat	Green Field/ Under Implementation
v)	M/s ACME Chittorgarh Solar Energy Pvt. Ltd. (ACSEPL)	250 MW Solar PV Power Project to be set up in Rajasthan	Green Field/ Under Implementation
vi)	M/s Gatampur Transmission Ltd. (GTL)	Establishment of Transmission system for evacuation of power from 3X660 MW Ghatampur Thermal Power Project in Uttar Pradesh	Green Field/ Under Implementation

In this regard, PFCCL intends to appoint Lender's Insurance Advisor for above projects. The Broad Scope of Work along with Terms & Condition for the assignment of LIA for these projects is enclosed as **Annexure-A and Annexure-B.**

Interested firms desirous of being engaged as Lenders' Insurance Advisor for the above subject project/(s) may send their offer for the each of the Project as per format provided at **Annexure-F** to carry out the entire work and complete the assignment as per Broad Scope of Work quoting the following:

1. The lump sum fee inclusive of Travelling, Lodging & Boarding expenses, TA/DA, out of pocket expenses viz. photostat, typing, printing etc. but exclusive of applicable taxes (basis for award of assignment).
2. Acceptance of Broad Scope of Work and the Terms & Conditions as mentioned in the **Annexure-A & B** without any alterations/modifications.

3. Submission of Certified copy of valid "**Composite License**" from IRDA or copy of Submitted Renewal Application for Composite License to IRDA.
4. Declaration of no conflict of interest as per attached format at **Annexure-C**.
5. Covering Letter as per format provided at **Annexure-D**.
6. Submission of Authorization Letter as per format provided at **Annexure-E**.
7. In case of L1 tie-up, fresh financial bids may be asked.

Bids are to be submitted through TCIL e-procurement portal latest by 3:00 PM on 18th April 2019. The bids will be opened on **18th April 2019** at **3:30 PM** at PFC Consulting Ltd., 9th Floor (A-Wing), Statesman House, Barakhamba Lane, Connaught Place, New Delhi – 110001.

Since, Lender is yet to sanction financial assistance for the some of the above projects; the appointment of Lender's Insurance Advisor is subject to sanction of the subject projects.

PLEASE NOTE THAT IN CASE BIDS ARE RECEIVED WITH ANY CONDITIONALITY AND NOT AS PER AFORESAID TERMS, THE SAME SHALL BE LIABLE FOR REJECTION SUMMARILY.

PFCCCL reserve the right to accept or reject any or all Proposals/Offeres or annul the bid Process or modify/change the content of the bid document without assigning any reason.

PFCCCL shall not entertain any claim of any nature, whatsoever, including without limitations, any claim of expenses in relation to the preparation, submission or any other activity relating to bidding or any other expense till award of contract.

Yours sincerely,

**Deputy Manager
PFC Consulting Ltd.**

Encl: As above

Broad Scope of Work for Lender's Insurance Advisor**A: Due Diligence Report (DDR) on the Current Insurance program (Up to finalization of Insurance program for Construction period and Operation period, if Green Field Project)**

1. (i) Conceptual consideration of all risks associated with the project and its operation in order to establish risk profiles taking into account –
 - Review local insurance law and its implication for the Project;
 - Review Loan/Finance Agreement and advise on insurance schedules and requirements;
 - Collection and review of all relevant information (including construction work methods, specifications, work programs, soil conditions etc., if Greenfield Project)
 - Review of project contracts, indemnities and liabilities.
 - (ii) Analysis of (delay in completion, if Greenfield Project and) business interruption issues to review coverage of gross annual profit and indemnity period.
 - (iii) Identify and advice on significant risks that are uninsurable or limited insurability or are difficult or expensive to insure in the Indian Market or in the International Market.
 - (iv) Ensure that the borrower has entered into all requisite Insurance Contract(s) (including reinsurance, if any), including, inter alia, construction all risks policy, industrial all risk / mega risk policy, transit policy, advance loss of profit policies, commercial general liability insurance, workmen's compensation insurance policy etc. in respect of the Project and recommend changes in respect of the project and other assets offered as security for the Facility, during operation phase. The Insurance Contract(s) shall be suitably endorsed in favour of the Lenders.
2. Formulation of the above considerations into a formal insurance program structure for (the construction, if Greenfield Project and) operation risks including detailed cover requirements.
 3. (i) Review and audit the Insurance Policies eventually taken by the project and ensure that lenders are the loss payees / lenders.
 - (ii) Certify the insurance program as complying with the loan agreement (clause wise).

B: Annual Report on Operational Insurance Program –

1. Certify that the insurance program is complying with projects requirements and Loan Agreement.
2. Audit whether the borrower company has obtained and kept renewed all the times the insurance covers for the Borrower's all assets duly endorsed in favour of the Lender as required by the Loan Agreement.
3. Report and advice appropriately for major changes in the Insurance Law & environment at any stage which are likely to affect the project insurance plan and projections.

Deliverables Schedule

S.No.	Deliverables	Time
1.	Draft Due Diligence Report (Draft Risk Review Report and Suggested Insurance Plan, if Greenfield Project)	within 10 Days of this assignment as may be asked by Lender/PFCCL.
2.	Final Due Diligence Report (Final Risk Review Report & Suggested Insurance Plan, if Greenfield Project)	within 30 Days of this assignment as may be asked by Lender/PFCCL.
3.	First Annual Audit Report on Insurance Plan taken by the project (First report to be submitted after disbursement).	within 30 Days of end of fiscal year as may be asked by Lender/PFCCL.
4.	Second Annual Audit Report on Insurance Plan taken by the project (After COD, if Greenfield Project)	within 30 Days of end of next fiscal year as may be asked by Lender/PFCCL.

General Conditions:

1. Review of various documents would be limited to insurable risks and insurance related matters only.
2. The review should be made for the cumulative position of the project till the report date and not limited to only events occurring during the span of review/year.

Miscellaneous duties:

Apart from above scope, the following may also be required from the LIA –

1. To attend meetings with Lender or/and PFCCL management as and when required.
2. Other responsibilities and any specific review as may be assigned by Lender or/and PFCCL arising out of the loan documentation or as may be deemed necessary by the Lender or/and PFCCL management.

Terms and Conditions for Lender's Insurance Advisor

1) Compensation

- a) A Fee bid shall be invited through e-bidding quoting Lump-sum fee for each project.
- b) Such fee shall be 'all inclusive' of Travelling, Lodging & Boarding expenses, TA/DA, out of pocket expenses viz. photostat, typing, printing etc. except applicable taxes. The Fee shall be firm and final till the assignment of any project lasts and no escalation in the same due to any reason, except of statutory levies, shall be entertained.
- c) No escalation in the same due to any reason, except of statutory levies, shall be entertained.
- d) The incidental like Tours and Travel etc. shall be arranged by the bidder whenever outstation visits are made.
- e) The above lump sum fee of Rs.----- /- shall be paid in the following stages immediately after the acceptance of the LIA's reports as follows:

S.No.	Deliverables	% of Lump sum fee
1.	Draft Due Diligence Report (Draft Risk Review Report and Suggested Insurance Plan, if Greenfield Project)	25%
2.	Final Due Diligence Report (Final Risk Review Report & Suggested Insurance Plan, if Greenfield Project)	25%
3.	First Annual Audit Report on Insurance Plan taken by the project (First report to be submitted after disbursement).	25%
4.	Second Annual Audit Report on Insurance Plan taken by the project (After COD, if Greenfield Project)	25%

2) Period of Engagement

The agreement shall remain valid till submission of the envisaged number of reports. In case of Greenfield Project, if the commissioning of the project is delayed beyond, the stipulated period, no escalation shall be allowed on the actual payment/balance payment incurred by LIA. This contract shall expire only when series as set in the scope of work has been completed and all payments have been made at the end of such time period.

3) Standard of Performance and Secrecy

- a) The LIA and their affiliates shall always act, in respect of any matter relating to this contract or to the services, as faithful and prudent advisor to the Lender/PFCCL, and shall at all the times support and safeguard the Lender/PFCCL's legitimate interests in any dealing with the project owners or third parties and shall ensure abidance of all the applicable standards in the industry.
- b) LIA agrees to maintain a strict secrecy of the facts and figures revealed/ obtained in the course of his subjected review in regard of either the project or their promoters or of Lender/PFCCL and shall not share with third party or use elsewhere in any manner except as expected in this contract. He shall furnish an undertaking in this regard in the manner and form satisfactory to the Lender/PFCCL.

- c) The LIA agree to exercise reasonable skill, care and diligence in the performance of this contract and to ensure that no direct or indirect loss/ damage/ injury occur to the property, manpower or business of the project/ company/ subsidiary/ promoters/Lender/PFCCL either by the LIA or their affiliates. If any such loss/ damage/ injury and/or expenses other than contractual one are caused due to the act, negligence, misconduct or omission of the LIA and their affiliates, to either of project, promoters or Lender/PFCCL, the same shall be indemnified to all the times.
- d) In the event if Lender/PFCCL is not satisfied with the services from LIA as expected out of this contract, the LIA shall promptly redo the deficiencies pointed out to the satisfaction of Lender/PFCCL. No additional fee will be paid by PFCCL for redoing the work. In the event of failure on the part of LIA for redoing the same, LIA agrees to the PFCCL's right to engage any other insurance agent firms for the desired job at the cost and risk of the LIA.

4) Declarations and Conflict of Interest

- a) The LIA also agree to declare the facts appropriately, in the present or in the previous three years, in any direct or indirect manner, of being a stake holder in project/ company/ subsidiary/ promoters nor has been in receipt of any commission, fee or payments of any nature collectively exceeding 10% of the aforesaid Fee. If there exist any such reportable case at the time of assigning the review of subjected project, the same shall be brought to the notice of Lender/PFCCL before taking-up such assignment and any future developments in this regard shall be brought immediately to the notice of PFCCL and abstain from taking-up further the subjected assignment till further instruction from PFCCL.
- b) Also agree to bring in to the notice of PFCCL without delay about any cancellation/ downgrading of its 'Composite License' by IRDA and/or about any change/vacation/ disqualification of its any of Directors/Partners.
- c) The delivered 'Insurance Plan' shall be the property of the PFCCL/Lender/Borrower Company. Your Firm shall have no claim/objection for the 'exclusive/several use' of the same by the PFCCL or by the Borrower company for the assigned project or any other ensuing project or any future projects financed by Lender and your Firm shall remain liable/obliged as defined in this contract. However, notwithstanding to the obligations casted by this contract, your Firm shall be at liberty to earn, subject to a prior written declaration of the fact and figures to PFCCL before taking-up any assignment earning you any commission/brokerage/profit out of negotiating such insurance plans or out of placing such insurances policies either to the Borrower company or any other client who are not funded by the Lender.

5) Termination of Contract

- a) Either party to this contract may, by giving a written notice at least 15 days in advance, terminate this contract on being satisfied of existence of any material breach by the other party in fulfilling its obligations pursuant to this contract.
- b) Notwithstanding to such termination/ expiry of contract, no party to this contract shall be absolved of its obligations under this contract at any time and same shall be honored within due time.
- c) Notwithstanding to such termination/ expiry of existing contract, The LIA shall submit its last report and surrender all the documents obtained in the course of their review without any delay.

6) PFCCL's liability Rested

Notwithstanding to above and hereafter, the PFCCL shall not be liable for –

- a) any direct or indirect loss/ damage/ injury to the property, manpower or business of the LIA or their affiliates caused due to the act, negligence, misconduct or omission of the project authorities/ promoters/ PFCCL officials except as defined herein or by virtue of any prevalent law.
- b) any direct or indirect loss/ damage/ injury to the property, manpower or business of the project/ company/ subsidiary/ promoters/ PFC caused due to the act, negligence, misconduct or omission of the LIA and their affiliates except as defined herein or by virtue of any prevalent law.

7) Liability Period of LIA

The obligations period of the LIA under this contract shall be of one year after termination/ expiry of this contract.

8) Liquidated Damages

The reports as desired shall be submitted to the satisfaction of Lender/PFCCL within the timeframe stipulated in the scope of work attached as **Annexure A**. Any delay in above shall make liable the LIA for a deduction of liquidated damage by the PFCCL @ 0.5% of the fee of the stage of payment in question for every week of delay or part thereof subject to a maximum of 5% of total lump sum fee.

9) Sub-contracting & Assignment by LIA

LIA shall not assign/ subcontract, any or whole of any work scope of this contract, to any of third party without obtaining the prior permission of Lender/PFCCL.

10) Indemnity

The LIA shall indemnify, defend and hold Lender/PFCCL harmless from against any claim, loss, liability, cost and expenses (including attorney fee) for damage to Project Owner's property arising from the loss of equipment/software/data regardless of their accounts.

11) Force Majeure

Neither party shall be held responsible for any loss or damage or delay in failure of performance under the engagement letter to the extent that such loss or damage or delay is or failure of performance is caused by the force majeure.

12) Arbitration

PFCCL's decision in regard of this assignment shall be final and binding on all the parties. If any dispute or difference arising out of this assignment cannot be settled by mutual negotiations then it will be referred to an Arbitrator to be appointed by the PFCCL.

13) Governing Law and Jurisdiction

This assignment shall be governed by Indian Laws and Courts at New Delhi shall have the exclusive jurisdiction of the subject matter.

DECLARATION FOR NO CONFLICT OF INTEREST

It is certified that as on date no conflict of interest exists, with any other organization, department or party(ies) with respect to the nature of work we (Consultant) are applying for and that during the assignment we will not undertake any assignment/work/job which may affect the interest of the client

Signature_____

Name_____

Designation_____

Stamp_____

Date_____

Place_____

Covering Letter

From: To:
Name: Chief Executive Officer
Designation: PFC Consulting Ltd.,
Address: First Floor, Urjanidhi
1 Barakhamba Lane
Connaught Place
New Delhi – 110001

Sir,

**Sub: Appointment of Lenders' Insurance Advisor for Power Projects of Power Finance Corporation Ltd.
(The Lender)**

1. We _____(Name of Firm) herewith enclose Financial proposal for selection of Lenders' Insurance Advisor for Power Projects of Power Finance Corporation Ltd..
2. We are submitting our electronic bid consisting of **Price Offer** as per format provided at **Annexure-F** of Bid document
3. We declare that the quoted lump sum price is firm and shall remain valid for the entire period of the assignment. We further declare that the above quoted lump sum fee shall be 'all inclusive 'of Travelling, Lodging & Boarding expenses, TA/DA, out of pocket expenses viz. photostat, typing, printing etc. except applicable taxes payable by us under this assignment.
4. We hereby confirm that if any Income Tax, Surcharge or any other Corporate Tax is attracted under the law, we agree to pay the same to the concerned authorities.
5. We are submitting certified copy of valid "**Composite License**" from IRDA or copy of Submitted Renewal Application for Composite License to IRDA.
6. We declare that the services will be rendered strictly in accordance with the specifications. We confirm our acceptance/compliance to the clauses as stipulated in the bid documents.
7. We declare that the services will be rendered strictly in accordance with the specifications and we do not have any deviation to any of the terms and conditions of the bid documents.
8. We confirm and certify that all the information / details provided in our bid are true and correct.
9. We give our unconditional acceptance to the Bid Documents issued by PFCCL and as amended.

10. Further, we confirm that we agree to and seek no deviations from the scope of work, time schedule, payment terms and all other terms and conditions as contained in the 'Bid Document'. The proposal is unconditional.
11. We certify that all the information provided in our bid are true. We understand that any willful misstatement in the bid may lead to disqualification or cancellation of award if made or termination of contract.
12. We also declare that by taking this assignment we do not have any conflict of Interest with any of our prior or current obligations to other organisations/clients and also do not have business or family relationship with member(s) of Lender's and/or PFCCL's employees or persons positioned in or on the Board of these two organisation by whatever process and if found incorrect, we may be debarred from any further engagements by PFCCL forever.
13. We certify that all the information provided in our bid is true. We understand that any willful misstatement in the bid may lead to disqualification or cancellation of award if made or termination of contract. We also understand that in such a case we may be debarred for future assignments with PFCCL for a period of maximum three years from the date of such disqualification.
14. Further, we undertake that in the event of our appointment, given the nature of the work being entrusted, the contents/ essence of any reference/ documents given would not be disclosed to any third person without the express approval of PFCCL, failing which the engagement of the organisation would be terminated.

Signature of Authorized Person

Name

Designation & seal

Date:

Place:

AUTHORISATION LETTER

(ON THE LETTER HEAD OF THE FIRM)

I _____ certify that I am _____ of the Firm, organised under the laws of _____ and that _____ who signed the above Proposal is authorised to bind the firm by authority of its governing body.

Signature:

Full Name:

Address:

(Seal)

SCHEDULE OF PRICE BID

(To be submitted as Financial Proposal)

Sub: Selection of Lenders' Insurance Advisor for Power Projects of Power Finance Corporation Ltd. (The Lender)

I _____ (Name) on behalf of _____ (Name of the firm) herewith submit the Financial Proposal for **"Appointment of Lenders' Insurance Advisor for following Power Projects of Power Finance Corporation Ltd. (The Lender)"**

S.No.	Company Name	Project Name	Total Lump Sum Price in INR (In Words Also)
i)	M/s Ivy Ecoenergy India Private Ltd. (IEIPL)	164 MW Wind Power Project situated in Rajasthan, Maharashtra and Madya Pradesh	Refinance/ Commissioned
ii)	M/s Vanilla Clean Power Private Ltd. (VCPPL)	64 MW Wind Power Project situated in Rajasthan	Refinance/ Commissioned
iii)	M/s Wind One Renergy Private Ltd. (WORPL) (Sub	52 MW Wind Power Project to be set up in Gujarat	Green Field/ Under Implementation
iv)	M/s Wind Three Renergy Private Ltd. (WTRPL)	52 MW Wind Power Project to be set up in Gujarat	Green Field/ Under Implementation
v)	M/s ACME Chittorgarh Solar Energy Pvt. Ltd. (ACSEPL)	250 (AC)/375 (DC) MW Solar PV Power Project to be set up in Rajasthan	Green Field/ Under Implementation
vi)	M/s Gatampur Transmission Ltd. (GTL)	Establishment of Transmission system for evacuation of power from 3X660 MW Ghatampur Thermal Power Project in Uttar Pradesh	Green Field/ Under Implementation

Note:

- The price offer for the Assignment should be quoted on lump sum basis with all inclusive 'of Travelling, Lodging & Boarding expenses, TA/DA, out of pocket expenses viz. photostat, typing, printing etc. except applicable taxes. No escalation for any reason whatsoever shall be allowed over and above the bid price till completion of the assignment. However, GST and any other applicable taxes at applicable rates, on the date(s) of payment(s) shall be paid over and above the bid price.
- The firm shall quote prices taking into consideration of the complete scope of work, any item left out and not specifically mentioned but are required for completion of the work shall be carried out by the firm without any additional cost to PFCL.

- 3. Income tax at source will be deducted by PFCCL as per the applicable law and regulation and TDS certificate shall be issued to the firm by PFCCL

- 4. The financial proposal with condition(s) or alternate price bid will be summarily rejected.

Seal

Authorised Signatory
Full Name
Address