

**AMC/e-Tender/39/2009**  
**Aurangabad Municipal Corporation**



**REQUEST FOR PROPOSAL**

**for**

**Aurangabad Water Supply Project**

**to**

**Build, Refurbish, Operate and Maintain the Water Supply System of Aurangabad City,  
Maharashtra State, India**

**Volume I – Instructions to Bidders**

This section specifies procedures to be followed by Bidders in preparation and submission of their Proposals and provides information on submission, opening, evaluation of Proposals and on award of Concession.

|  |   |
|--|---|
| <b>Date of release of Documents:</b>                       | <b>May 20, 2010</b>   |
| <b>Deadline for Submission:</b>                            | <b>July 07, 2010</b>  |
| <b>Pre-bid meeting – Date:</b>                             | <b>June 03, 2010</b>  |
| <b>Issuing Office:</b>                                     | <b>The Commissioner,<br/>Aurangabad Municipal Corporation</b> |
| <b>Address of correspondence:</b>                          | <b>Town Hall,<br/>Aurangabad 431001, Maharashtra, India</b>   |
| <b>Phone:</b>  | <b>+91-240-2331194</b>  |
| <b>Fax number:</b>   | <b>+91-240-2331213</b>  |
| <b>E-mail:</b>   | <b>contact@aurangabadmahapalika.org</b>                       |
| <b>Bid Security (payable by all Bidders):</b>              | <b>INR 6,38, 00,000</b>                                       |
| <b>Performance Security (payable by Preferred Bidder):</b> | <b>INR 63,80,00,000</b>                                       |

## **NOTE**

Aurangabad Municipal Corporation plans to enter into a contract with a private service provider to Build, Refurbish, Operate & Maintain the Water Supply System of the Aurangabad City. The operation of such project will include, amongst other things, the obligation for the private service provider to collect water charges from the end users. The period of the Concession will be 20 years. The Authority is inviting **Proposals** from the shortlisted Bidders as per the laid out norms in this Request for Proposal. The Request for Proposal is organized in three volumes as given below:

- 1. VOLUME-I: INSTRUCTION TO BIDDERS**
- 2. VOLUME-II: PROJECT INFORMATION MEMORANDUM**
- 3. VOLUME-III: DRAFT CONCESSION AGREEMENT**

Prospective Bidders are advised to read the three volumes in conjunction and are also advised to comply with the terms and conditions for submission of their Proposal as defined in this RFP document.

Selection of the successful Bidder would be through evaluation of the Bids which are to be submitted by the prospective Bidders.

All queries regarding the Project may be submitted, in a format provided in Appendix VI, in writing to:

**Name: The Commissioner**

**Address: Aurangabad Municipal Corporation  
Town Hall, Aurangabad 431001, Maharashtra, India**

**Phone: +91-240-2331194**

**Fax number: +91-240-2331213**

**E-mail: [contact@aurangabadmahapalika.org](mailto:contact@aurangabadmahapalika.org)**

## GLOSSARY

|                                   |   |
|-----------------------------------|---|
| <b>Addendum</b>                   | Means an addendum to this RFP as issued in accordance with Clause 2.13.   |
| <b>Affiliate</b>                  | Shall mean in relation to the Bidder/Member, a person who controls, is controlled by, or is under the common control with such Bidder/Member.   |
| <b>Annual Grant</b>               | As defined in Clause 2.1.5  |
| <b>Premium</b>                    | As defined in Clause 2.1.5  |
| <b>Authority</b>                  | As defined in Clause 1.1.1  |
| <b>Bank Guarantee</b>             | As defined in Clause 2.16.3   |
| <b>Bid(s)</b>                     | As defined in the Disclaimer  |
| <b>Bidders</b>                    | As defined in Clause 1.2.2  |
| <b>Bid Due Date</b>               | As defined in Clause 1.2.2  |
| <b>Bidding Process</b>            | As defined in Clause 1.2.1  |
| <b>Bid Security</b>               | As defined in Clause 2.16.1   |
| <b>Bid Stage</b>                  | As defined in Clause 1.2.1  |
| <b>Coercive Practice</b>          | As defined in Clause 2.14.3(c)  |
| <b>Concession</b>                 | As defined in Clause 1.1.6  |
| <b>“Control”</b>                  | Shall mean with respect to a person which is a company or a corporation, the ownership, directly or indirectly, of more than 25% (twenty five percent) of the voting shares of such person, and with respect to a person which is not a company or a corporation, the power to direct the management and policies of such person by operation of law. |
| <b>Draft Concession Agreement</b> | As defined in Clause 1.1.2  |
| <b>Concession Period</b>          | As defined in the Draft Concession Agreement  |
| <b>Concessionaire</b>             | As defined in Clause 1.1.2  |
| <b>Conflict of Interest</b>       | As defined in Clause 2.3  |
| <b>Corrupt Practice</b>           | As defined in Clause 2.14.3(a)  |
| <b>Demand Draft</b>               | As defined in Clause 2.16.4   |
| <b>Estimated Project Cost</b>     | As defined in Clause 1.1.1  |

|                                       |   |
|---------------------------------------|---|
| <b>Financial Model</b>                | The financial model to be provided by the Bidder                            |
| <b>first round of bidding</b>         | As defined in Clause 4.3.3  |
| <b>Fraudulent Practice</b>            | As defined in Clause 2.14.3(b)  |
| <b>LOA</b>                            | As defined in Clause 4.3.6  |
| <b>Mandatory Project Requirements</b> | As set out in the Project Information Memorandum                            |
| <b>Member</b>                         | Member of a Consortium  |
| <b>PPP</b>                            | Public Private Partnership  |
| <b>Project</b>                        | As defined in Clause 1.1.1  |
| <b>Project Grants</b>                 | As defined in Clause 1.1.4  |
| <b>Project Information Memorandum</b> | Volume II of this RFP   |
| <b>Public Sector Bank</b>             | A bank classified as a public sector bank by the Indian Banks' Association. |
| <b>Qualification Stage</b>            | As defined in Clause 1.2.1  |
| <b>Re. or Rs. or INR</b>              | Indian Rupees   |
| <b>Restrictive Practice</b>           | As defined in Clause 2.14.3(e)  |
| <b>RFP or Request for Proposals</b>   | As defined in the Disclaimer  |
| <b>RFQ</b>                            | As defined in Clause 2.1.2  |
| <b>second round of bidding</b>        | As defined in Clause 4.3.3  |
| <b>Selected Bidder</b>                | As defined in Clause 4.3.1  |
| <b>Subject Person</b>                 | As defined in Clause 2.3.1(i)(A)  |
| <b>third round of bidding</b>         | As defined in Clause 4.3.4  |
| <b>Tie Bidders</b>                    | As defined in Clause 4.3.2  |
| <b>Undesirable Practice</b>           | As defined in Clause 2.14.3(d)  |

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. The words and expressions beginning with capital letters and not defined herein, but defined in the RFQ 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 Aurangabad Municipal Corporation (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 on 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 making their financial offer 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, especially in **Volume II – Project Information Memorandum**, 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 depend 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, its employees and advisors accept no responsibility for the accuracy or otherwise of 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 Bid Stage.

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 Concessionaire, 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, and any other fees, expenses associated with any demonstrations or presentations which may be required by the Authority, or 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 expenses incurred by a Bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the Bidding Process.

## Volume I – Instructions to Bidders

*This section specifies procedures to be followed by Bidders in preparation and submission of their Bid and provides information on submission, opening, evaluation of Bid and award of the Project.*

|  |           |
|--|-----------|
| <b>1. INTRODUCTION.....</b>  | <b>1</b>  |
| 1.1 Background .....   | 1         |
| 1.2 Brief description of the Bidding Process .....                         | 4         |
| 1.3 Evaluation of Bids.....  | 4         |
| 1.4 Schedule of Bidding Process .....                                      | 4         |
| <b>2. TERMS OF BIDDING .....</b>   | <b>6</b>  |
| 2.1 General terms of Bidding.....  | 6         |
| 2.2 Shareholding by Persons Resident Outside of India.....                 | 6         |
| 2.3 Conflict of Interest .....   | 7         |
| 2.4 Change in Composition of the Consortium .....                          | 9         |
| 2.5 Change in Ownership.....   | 10        |
| 2.6 Amendment of the Requirement Listed in Paragraph 5.2.2 of the RFQ..... | 10        |
| 2.7 Project Design.....  | 12        |
| 2.8 Cost of Bidding .....  | 12        |
| 2.9 Site Visit and Verification of Information .....                       | 12        |
| 2.10 Right to Accept and to Reject any or all the Bids.....                | 13        |
| 2.11 Contents of the RFP .....   | 14        |
| 2.12 Clarifications.....   | 14        |
| 2.13 Amendment of RFP .....  | 14        |
| 2.14 Fraud and Corrupt Practices.....                                      | 15        |
| 2.15 Pre-Bid Conference.....   | 16        |
| 2.16 Bid Security .....  | 16        |
| 2.17 Miscellaneous .....   | 18        |
| <b>3. PREPARATION AND SUBMISSION OF BIDS .....</b>                         | <b>18</b> |
| 3.1 Format and Signing of the Bid.....                                     | 18        |
| 3.2 Sealing and Marking of Bids .....                                      | 18        |
| 3.3 Bid Due Date.....  | 21        |
| 3.4 Late Bids .....  | 21        |
| 3.5 Contents of the Bid .....  | 21        |
| 3.6 Power of Attorney.....   | 21        |
| 3.7 Modifications/Substitution/Withdrawal of Bids .....                    | 21        |
| 3.8 Validity of Bids.....  | 22        |
| 3.9 Confidentiality .....  | 22        |
| 3.10 Correspondence with the Bidder.....                                   | 22        |
| 3.11 Bidding process through e-Tendering.....                              | 22        |
| <b>4. EVALUATION OF BIDS.....</b>  | <b>23</b> |
| 4.1 Opening and Evaluation of Bids .....                                   | 23        |
| 4.2 Tests of responsiveness.....   | 23        |
| 4.3 Selection of Bidder .....  | 24        |
| 4.4 Contacts during Bid Evaluation.....                                    | 24        |
| <b>APPENDIX I - LETTER COMPRISING THE BID.....</b>                         | <b>25</b> |
| <b>APPENDIX II- BANK GUARANTEE FOR BID SECURITY .....</b>                  | <b>29</b> |

**APPENDIX III - POWER OF ATTORNEY FOR SIGNING OF BID .....32**  
**APPENDIX IV - POWER OF ATTORNEY FOR LEAD MEMBER OF CONSORTIUM 34**  
**APPENDIX V - BUSINESS PLAN OF THE BIDDER FOR THE PROJECT .....36**  
**APPENDIX VI - FORMAT FOR SEEKING CLARIFICATION .....40**

# 1. INTRODUCTION

## 1.1 Background

- 1.1.1 Aurangabad Municipal Corporation (the “**Authority**”) is responsible for providing urban services to Aurangabad city as per the provisions of the Bombay Provincial Municipal Corporations Act, 1949 and pursuant to Section 66A of such Act. Such services include but are not limited to water supply. The Authority has decided to undertake to build, refurbish, operate and maintain the water supply system of Aurangabad City (the “**Project**”) through private participation. An overview of the Project was included in the RFQ documents and the estimated Project cost is INR 638.38 Crores (the “**Estimated Project Cost**”).
- 1.1.2 The Selected Bidder shall incorporate a company under the Companies Act. 1956, as a special purpose vehicle (the “**Concessionaire**”), which shall be responsible for implementing the Project under and in accordance with the provisions of the Draft Concession Agreement (the “**Draft Concession Agreement**”) to be entered into between the Concessionaire and the Authority in the form provided by the Authority, a draft of which is included as Volume III – Draft Concession Agreement of this RFP.
- 1.1.3 The scope of work for the Project will broadly include:
- (i) Construction of a new parallel water pipeline from Jaikwadi dam to Nakshtrawadi major balancing reservoir. This construction includes the construction of a new water treatment plant between Jaikwadi dam and Nakshtrawadi major balancing reservoir;
  - (ii) Construction and rehabilitation of transmission mains (Harsool scheme), trunk mains and feeder mains;
  - (iii) Rehabilitation of the existing distribution and transmission water supply system of Aurangabad city;
  - (iv) Increasing the piped water supply coverage to the entire population of the Aurangabad city and maintaining water supply at 24x7 through building new / rehabilitated distribution and transmission systems;
  - (v) Reduction of non-revenue water by reduction of technical losses through leakage management and reduction of commercial losses in water supply system through identification and regularization of illegal connections;
  - (vi) Operating and maintaining the Aurangabad water supply scheme in accordance with the service level requirements; and
  - (vii) Undertaking metering, and improving billing and collection system in relation to the water supplied via the Aurangabad water supply scheme on behalf of the Authority.
- 1.1.4 The estimated cost of the Project has been specified in Clause 1.1.1 above. The assessment of actual costs, however, will have to be made by the Bidders. INR 638.38

Crores will be contributed to the Project as described in the table below (the “**Project Grants**”).

| <b>Rs. Crore</b>                     | <b>Transmission System</b> | <b>Distribution System</b> | <b>Transmission, trunk, feeder mains</b> | <b>Metering</b> | <b>Total</b>  |
|--------------------------------------|----------------------------|----------------------------|--|-----------------|---------------|
| <b>Total Cost Estimate</b>           | <b>346.22</b>              | <b>166.36</b>              | <b>69.17</b>                             | <b>56.63</b>    | <b>638.38</b> |
| <b>Total Grant</b>                   | <b>274.54</b>              | <b>125.75</b>              | <b>NA</b>                                | <b>39.64</b>    | <b>439.93</b> |
| <b>UIDSSMT</b>                       | <i>203.04</i>              | <i>85.14</i>               | -  | -               | <i>288.18</i> |
| <b>GoM – original</b>                | <i>25.38</i>               | <i>10.64</i>               | -  | -               | <i>36.02</i>  |
| <b>GoM – additional</b>              | <i>46.12</i>               | <i>29.97</i>               | -  | -               | <i>76.08</i>  |
| <b>MSNA</b>                          | -                          | -                          | -  | <i>39.64</i>    | <i>39.64</i>  |
| <b>Concessionaire’s contribution</b> | <b>71.68</b>               | <b>40.61</b>               | <b>69.17</b>                             | <b>16.99</b>    | <b>198.45</b> |

- 1.1.5 The Concessionaire will be required to make any additional investment to meet its obligations for implementing the Project in accordance with the terms of the Draft Concession Agreement.
- 1.1.6 The Concessionaire shall pay the expenses related with the India Infrastructure Project Development Fund assistance and the scrutiny charges of the Maharashtra Jeevan Pradhikaran.
- 1.1.7 The Draft Concession Agreement sets forth the detailed terms and conditions for grant of the concession to the Concessionaire, including the scope of the Concessionaire’s services and obligations (the “**Concession**”).
- 1.1.8 The Concessionaire will be compensated by the Authority by way of an annual operational support payment, if any, which is equal to the Annual Grant, if any applicable, quoted by the Selected Bidder in its Bid. Note that this annual operational support payment will be subject to an annual indexation of 6% (six percent) and will be paid in accordance with the terms of the Draft Concession Agreement.
- 1.1.9 The Authority will set the water tariffs in accordance with the terms of the Draft Concession Agreement and its obligations under the Bombay Provincial Municipal Corporations Act, 1949. In addition to the Annual Grant, if any applicable, the Concessionaire will also be entitled to receive an amount equal to the water tariffs collected by the Concessionaire for and on behalf of the Authority, in accordance with the terms of the Draft Concession Agreement. The water tariffs for the duration of the Concession Period are set out in the Draft Concession Agreement. Please note that a

resolution has already been passed by the Authority regarding the implementation of the tariffs and this has been included under the Other Documents (refer Clause 1.1.13 (2) (iii) as a schedule to the Draft Concession Agreement.

1.1.10 Whilst the Authority will assist the Concessionaire in accordance with the terms of the Draft Concession Agreement for disconnecting connections that default in the payment of water tariffs, the collection risk for the Project will be borne entirely by the Concessionaire. The Authority shall not guarantee a minimum level of collection from the end users.

1.1.11 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 Concessionaire set forth in the Draft Concession Agreement or the Authority's rights to amend, alter, change, supplement or clarify the scope of work, the Concession to be awarded pursuant to this RFP or the terms thereof or contained herein. Consequently, any omissions, conflicts or contradictions in this 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.

1.1.12 The Authority shall receive Bids pursuant to this RFP in accordance with the terms set forth in this RFP 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.

1.1.13 **This RFP comprises of the following:**

A. **Volume I** – Instructions to Bidders;

B. **Volume II** – Project Information Memorandum; i.e., the

(i) Detailed Project Report;

(ii) Mandatory Project Requirements;

(a) Technical Specifications for Aurangabad Parallel Pipeline Water Supply Scheme;

(b) Investment required and Proposed Design for the Small Transmission Mains, Trunk Mains and Feeder Mains;

(c) Investment required and Technical Specifications for the Distribution Network;

(d) Investment required and Technical Specifications for the Water and Flow Meter.

(iii) Other documents;

(a) Water Quality Monitoring specifications during the Concession Period;

- (b) Water Audit Report of the Authority; and
- (c) Orders of the Authority and the GoM for the release of grant and the additional grant.

C. **Volume III** – Draft Concession Agreement.

Subject to the provisions of Clause 2.13 any Addenda issued subsequent to this RFP, but before the Bid Due Date, will be deemed to form part of the RFP. Bidders are requested to read all the three volumes of the RFP. In the event of any discrepancy between the volumes, the terms in Volume III – Draft Concession Agreement shall prevail.

**1.2 Brief description of the Bidding Process**

1.2.1 The Authority has adopted a two-stage process (collectively referred to as the “**Bidding Process**”) for selection of the Bidder for award of the Project. The first stage (the “**Qualification Stage**”) of the process involved short listing of interested qualified parties/consortia in accordance with the provisions of RFQ. At the end of this stage, the Authority shortlisted 9 (nine) suitable pre-qualified applicants who were eligible for participation in the second stage of the Bidding Process (the “**Bid Stage**”) comprising the Request for Proposal.

1.2.2 In the Bid Stage, the aforesaid short-listed applicants, including their successors, (the “**Bidders**”) are being called upon to submit their Bids in accordance with this RFP. The Bid shall be valid for a period of not less than 270 (two hundred and seventy) days from the date specified in Clause 1.4 for submission of bids (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 from time to time.

**1.3 Evaluation of Bids**

1.3.1 Bids are invited for the Project on the basis of the lowest Annual Grant / highest Premium.

1.3.2 The Bid will be evaluated and Selected Bidder shall be the Bidder quoting the lowest Annual Grant / highest Premium.

**1.4 Schedule of Bidding Process**

The Authority shall endeavour to adhere to the following schedule:

| SI No. | Event Description       | Date                  |
|--------|-------------------------|-----------------------|
| 1.     | Release of Documents    | May 20, 2010          |
| 2.     | Site visits for Bidders | May 25 – May 29, 2010 |

| <b>Sl No.</b> | <b>Event Description</b>                | <b>Date</b>  |
|---------------|---|--|
| 3.            | Pre-Bid meeting                         | June 03, 2010                                      |
| 4.            | Last date for receiving queries         | June 08, 2010                                      |
| 5.            | Authority response to queries latest by | June 22, 2010                                      |
| 6.            | Bid Due Date                            | July 07, 2010                                      |
| 7.            | Opening of Bids                         | On Bid Due Date                                    |
| 8.            | Validity of Bids                        | 270 (two hundred and seventy) Days of Bid Due Date |
| 9.            | Letter of Award (LOA)                   | Within 30 (thirty) days of Bid Due Date            |
| 9.            | Signing of Draft Concession Agreement   | Within 45 (forty five) days of issuance of LOA     |

## **2. TERMS OF BIDDING**

### **2.1 General terms of Bidding**

- 2.1.1 A Bidder is eligible to submit only 1 (one) Bid for the Project. 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.
- 2.1.2 Unless the context otherwise requires, the terms not defined in this RFP, but defined in the Request for Qualification document for the Project (the “**RFQ**”) shall have the meaning assigned thereto in the RFQ.
- 2.1.3 **Volume II–Project Information Memorandum** is being provided only as a preliminary reference document by way of assistance to the Bidders who are expected to carry out their own surveys, investigations and other detailed examination before submitting their Bid. Nothing contained in the Project Information Memorandum shall be binding on the Authority nor confer any right on the Bidders, and the Authority shall have no liability whatsoever in relation to or arising out of any or all contents of the Project Information Memorandum.
- 2.1.4 The Bid should be furnished in the format at **Appendix I–Letter Comprising the Bid**, clearly indicating the proposed Bid in both figures and words, in Indian Rupees, and signed by the Bidder’s authorised signatory. In the event of any difference between figures and words, the amount indicated in words shall be taken into account.
- 2.1.5 The Bid shall consist of either an annual operational support payment to be paid by the Authority to the Concessionaire (the “**Annual Grant**”) or a one time operational premium to be paid by the Concessionaire to the Authority as one of the conditions precedent to the Concession Agreement (the “**Premium**”), as the case may be, to be quoted by the Bidder. The Annual Grant or the Premium, as the case may be, shall be paid in accordance with the provisions of the Draft Concession Agreement.
- 2.1.6 Any condition or qualification or any other stipulation contained in the Bid shall render the Bid liable to rejection as a non-responsive Bid.
- 2.1.7 The Bid and all communications in relation to or concerning this RFP and the Bid shall be in English language.
- 2.1.8 This RFP is not transferable and shall remain the property of the Authority and are transmitted to the Bidders solely for the purposes of preparation and submission of a Bid in accordance with the requirements stated. 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.
- 2.1.9 Any award of Concession pursuant to this RFP shall be subject to the terms of this RFP.

### **2.2 Shareholding by Persons Resident Outside of India**

2.2.1 Whilst this Bidding Process is open to a Bidder from any country, the following provisions shall apply:

- (i) Where, on the date of submitting the Bid, not less than 15% (fifteen percent) of the aggregate issued, subscribed and paid up share capital in a Bidder or its Member is held by persons resident outside India or where a Bidder or its Member is controlled by persons resident outside India; or
- (ii) If at any subsequent stage after the Bid Due Date there is an acquisition of not less than 15% (fifteen percent) of the aggregate issued, subscribed and paid up equity share capital or control by persons resident outside India, in or of the Bidder or its Member,

then the selection of such Bidder or in the event described in sub-clause (ii) above shall be subject to approval of the Authority from the perspective of public interest and national security. The decision of the Authority in this regard shall be conclusive and binding on the Bidder.

2.2.2 The holding or acquisition of equity or control as above, shall include direct or indirect holding/acquisition, including transfer, of the direct or indirect legal or beneficial ownership or control, by persons acting for themselves or in concert and in determining such holding or acquisition, the Authority shall be guided by the principles, precedents and definitions contained in the Securities and Exchange Board

of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any substitute thereof, as in force on the date of such acquisition.

2.2.3 The Bidder shall promptly inform the Authority of any change in the shareholding, as above, and failure to do so shall render the Bidder liable for disqualification from the Bidding Process.

## 2.3 Conflict of Interest

2.3.1 A Bidder shall not have a conflict of interest (“**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 pre-estimated compensation and damages payable to the Authority for, *inter alia*, the time, cost and effort of the Authority, including consideration of such Bidder’s proposal, without prejudice to any other right or remedy that may be available to the Authority hereunder 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:

- (i) such Bidder, its Member or Affiliate (or any constituent thereof) and any other Bidder, its Member or Affiliate (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, its Member or an Affiliate thereof (or any shareholder thereof having a shareholding of more than 5% (five percent) of

the paid up and subscribed share capital of such Bidder, Member or Affiliate, as the case may be) in the other Bidder, its Member, or Affiliate is less than 5% (five percent) of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in section 4A of the Companies Act, 1956. For the purposes of this, indirect shareholding held through one or more intermediate persons shall be computed as follows:

- A. Where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the “**Subject Person**”) shall be taken into account for computing the shareholding of such controlling person in the Subject Person; and
- B. Subject to sub-clause (A) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub clause if the shareholding of such person in the intermediary is less than 26% (twenty six percent) of the subscribed and paid up shareholding of such intermediary; or

- (ii) a constituent of such Bidder is also a constituent of another Bidder: or
- (iii) such Bidder, its Member or its Affiliate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Bidder, its Member or its Affiliate thereof, or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Bidder, its Member or its Affiliate thereof; or
- (iv) such Bidder has the same legal representative for purposes of this Bid as any other Bidder; or
- (v) such Bidder, its Member or Affiliate thereof has a relationship with another Bidder, its Member or Affiliate thereof, directly or through common third party/parties, that puts either or both of them in a position to have access to each others' information about, or to influence, the Bid of either or each other; or
- (vi) such Bidder, its Member or Affiliate thereof, has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.

### 2.3.2

- (i) A Bidder shall be liable for disqualification and forfeiture of the Bid Security if any legal, financial or technical adviser of the Authority in relation to the Project is engaged by the Bidder in any manner for matters related to or incidental to such Project during the Bidding Process or subsequent to the (i) issue of the LOA or (ii) execution of the Draft Concession Agreement and until the time that Financial Closure, as per the terms of the Draft Concession Agreement, has been achieved.
- (ii) In the event any such adviser is engaged by the Selected Bidder or Concessionaire, as the case may be, then notwithstanding anything to the contrary contained herein, or in the LOA, or the Draft Concession Agreement and without prejudice to any other right or remedy of the Authority, including the forfeiture and appropriation of the Bid Security or Performance Security, as the case may be, which the Authority may have there under or otherwise, the LOA or the Draft Concession Agreement, as the case may be, shall be liable to be terminated without the Authority being liable in any manner whatsoever to the Selected Bidder or Concessionaire for the same.

## **2.4 Change in Composition of the Consortium**

2.4.1 Where the Bidder is a Consortium, change in composition of the Consortium may be permitted by the Authority during the Bid Stage, only where:

- (a) the Lead Consortium Member continues to be the Lead Consortium Member of the Consortium;
- (b) the substitute is at least equal, in terms of Technical Capability to the Consortium Member who is sought to be substituted and the modified Consortium shall continue to meet the pre-qualification and short-listing criteria for the Bidders; and

- (c) the new Member(s) expressly adopt(s) the Application already made on behalf of the Consortium as if it were a party) to it originally, and is not an Applicant/Member of any other Consortium bidding for this Project.

2.4.2 Approval for change in the composition of a Consortium shall be at the sole discretion of the Authority and must be approved by the Authority in writing.

2.4.3 The modified/reconstituted Consortium shall be required to submit a revised joint venture agreement and/ or any other inter-se agreements between the Members before the Bid Due Date.

## **2.5 Change in Ownership**

2.5.1 By submitting the Bid, the Bidder shall be deemed to have acknowledged that it was pre-qualified and short-listed on the basis of the Bidder's/ Consortium members' Technical Capability and Financial Capability. The Bidder/ Lead Member of the Consortium further acknowledges and undertakes that the Bidder/ Lead Member of the Consortium shall hold a minimum equity stake equal to 51% (fifty one percent) of the paid up share capital of the Concessionaire for the duration of the Concession Period; and each of the other Consortium Members shall hold at least 10% (ten percent) of the equity of the Concessionaire for the duration of the Concession Period.

2.5.2 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 Draft Concession Agreement.

2.5.3 By submitting the Bid, the Bidder/ Lead Member shall also be deemed to have acknowledged and agreed that in the event of a change in Control of the Bidder/ Consortium Member whose Technical Capability and, or Financial Capability was taken into consideration for the purposes of short-listing and pre-qualification under and in accordance with the RFQ, the Bidder/ Lead Member, as the case may be, shall inform the Authority forthwith along with all the relevant particulars about the same and the Authority may, in its sole discretion, disqualify the Bidder/ Consortium or withdraw the LOA from the Selected Bidder, as the case may be.

## **2.6 Amendment of the Requirement Listed in Paragraph 5.2.2 of the RFQ**

The requirement listed in Paragraph 5.2.2 of the RFQ in relation to the implementation of the Project using longitudinally welded MS pipes of 2200mm diameter having ISI License (as per IS:3589) and ISO 9001 certification, is amended, to the effect that, the welded MS pipes shall be of a diameter of 2000mm. Moreover, these pipes should be procured from a pipe manufacturer having (i) an existing installed annual fabrication capacity of Pipe Manufacturing unit as certified by Directorate of Industries should not be less than 40000 MT, (ii) in house plate rolling (manufacturing) facility of plate size minimum 4500 mm wide in the same "Name and Style" as pipe manufacturer / fabricator, (iii) this facility should be in operation for at least a period of 1 (one) year with qualifying production during any one of the last 5 (five) years up to March 31, 2009 for 5000 MT and that, the (iv) the Successful Bidder shall enter into a memorandum of understanding with such a pipe manufacturer.

The aforesaid specification (or modification hereof) will be deemed to be included in the Mandatory Project Requirements as well. Moreover, in addition to the same the

Project is to be constructed in accordance with the requirements set out in Paragraph 2.7 below.

## **2.7 Project Design**

- 2.7.1 The Project shall be implemented in accordance with the DPR and the Mandatory Project Requirements, as set out in the Project Information Memorandum.
- 2.7.2 In the event that there is a conflict between the terms of the DPR and the terms of the Mandatory Project Requirements, the Bidders shall follow the Mandatory Project Requirements.

## **2.8 Cost of Bidding**

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 shall not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

## **2.9 Site Visit and Verification of Information**

- 2.9.1 During the Bid Stage, Bidders are invited to examine the Project in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of the Concession including implementation of the Project. The Authority will arrange for the inspection of the Project and the Project site.
- 2.9.2 Bidders are encouraged to submit their respective Bids after visiting the Project site and ascertaining for themselves the site and environmental conditions, the current state of the water distribution network, size of the land available for the construction of the water treatment land, applicable laws and regulations, and any other matter considered relevant by them.
- 2.9.3 It shall be deemed that by submitting a Bid, the Bidder has:
  - (a) made a complete and careful examination of all three volumes of the RFP;
  - (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 RFP or furnished by or on behalf of the Authority relating to any of the matters referred to in Clause 2.9.2 above;
  - (d) satisfied itself about all matters, things and information including matters referred to in Clause 2.9.2 hereinabove necessary and required for submitting an informed Bid, execution of the Project in accordance with this RFP and performance of all of its obligations there under;
  - (e) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in this RFP or ignorance of any of the matters referred to in Clause 2.9.2 hereinabove 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 Draft Concession Agreement;
  - (f) agreed to be bound by the undertakings provided by it under and in terms hereof; and

(g) accepted the terms of the Draft Concession Agreement.

2.9.4 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 the RFQ, RFP or the Bidding Process, including any error or mistake therein or in any information or data given by the Authority.

## **2.10 Right to Accept and to Reject any or all the Bids**

2.10.1 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 there-for.

2.10.2 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.

2.10.3 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 clarification / supplemental information sought by the Authority for evaluation of the Bid; or
- (c) the Bidder fails to comply with the provisions of Clauses 2.2, 2.3 or 2.5.

Such misrepresentation/ improper response or other failure to comply with the terms of this RFP 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 the Bidder quoting the lowest Annual Grant / highest Premium is disqualified/ rejected, then the Authority reserves the right to:

- (ii) invite the remaining Bidders to submit bids in accordance with Clause 4; or
- (iii) take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Bidding Process.

2.10.4 In the event that the Authority decides not to proceed with the Bidding Process or rejects a Bid otherwise than in accordance with the terms of this RFP, the Bid Security of the Bidders, or relevant Bidder, as the case may be, shall be immediately returned without interest.

2.10.5 In case it is found, during the evaluation or at any time before signing of the Draft Concession Agreement, that one or more of the pre-qualification conditions as set out in the RFQ or this RFP 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 the Bidder has already been issued the LOA, 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. In such an event, the Authority shall forfeit and appropriate the Bid Security

as mutually agreed genuine pre-estimated 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.

- 2.10.6 The Authority reserves the right to verify all the statements, information and documents submitted by the Bidder in response to the RFQ and the RFP and failure of the Authority to undertake such verification shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Authority thereunder.

## **2.11 Contents of the RFP**

- 2.11.1 This RFP comprises the Disclaimer set forth hereinabove, this Volume I – Instructions to Bidders, Volume II – Project Information Memorandum and Volume III – Draft Concession Agreement. Subject to the provisions of Clause 2.13 any Addenda issued subsequent to this RFP, but before the Bid Due Date, will be deemed to form part of this RFP. Bidders are requested to read all the three volumes of the RFP. In the event of any discrepancy between the volumes, the terms in Volume III – Draft Concession Agreement shall prevail.

## **2.12 Clarifications**

- 2.12.1 Bidders requiring any clarification on the RFP may notify the Authority in writing or by fax and e-mail, in a format as prescribed in Appendix VI, submitted to:

The Commissioner,  
Aurangabad Municipal Corporation,  
Town Hall, Aurangabad – 431 001  
Maharashtra State, India  
Telephone: +91 240 2331194  
Fax: +91 240 2331213  
Email: [contact@aurangabadmahapalika.org](mailto:contact@aurangabadmahapalika.org)  
Website: [www.aurangabadmahapalika.org](http://www.aurangabadmahapalika.org)

The envelopes/ communication shall clearly bear the following identification/title:

**“Queries/Request for Additional Information: RFP for Build, Refurbish, Operate and Maintain the water supply system of the Aurangabad City”.**

- 2.12.2 The Authority shall endeavour to respond to the questions 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 shall be taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.
- 2.12.3 The Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications in writing to all the Bidders. All clarifications and interpretations issued by the Authority shall be deemed to be part of this RFP.

## **2.13 Amendment of RFP**

- 2.13.1 At any time prior to the deadline for submission of Bids, 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, which Addenda shall be deemed to be a part of this RFP.

2.13.2 Any Addenda thus issued will be sent to all the Bidders.

2.13.3 In order to afford the Bidders a reasonable time for taking an Addenda into account, or for any other reason, the Authority may, at its own discretion, extend the Bid Due Date. While extending the Bid Due Date, the Authority would have due regard for the time required by Bidders to address such an amendment.

## **2.14 Fraud and Corrupt Practices**

2.14.1 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 Draft Concession Agreement. Notwithstanding anything to the contrary contained herein, or in the LOA or the Draft Concession Agreement, the Authority shall reject a Bid, withdraw the LOA, or terminate the Draft Concession Agreement (in accordance with the terms thereof), as the case may be, without being liable in any manner whatsoever to the Bidder or the Concessionaire, as the case may be, if it determines that the Bidder or the Concessionaire, as the case may be, 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 or Performance Security, as the case may be, as mutually agreed genuine and pre-estimated 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.

2.14.2 Without prejudice to the rights of the Authority under Clause 2.14.1 hereinabove, and the rights and remedies which the Authority may have under the LOA or the Draft Concession Agreement, if a Bidder or Concessionaire, 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 Practice during the Bidding Process, or after the issue of the LOA or the execution of the Draft Concession Agreement, such Bidder or Concessionaire 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 Concessionaire, 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.

2.14.3 For the purposes of this Clause 2.14, 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 Draft Concession 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 Draft Concession Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Draft Concession 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.

## **2.15 Pre-Bid Conference**

2.15.1 Pre-bid conferences of the Bidders shall be convened at the designated date, time and place. A maximum of 2 (two) representatives of each Bidder shall be allowed to participate on production of authority letter from the Bidder.

2.15.2 During the course of Pre-bid conferences, the Bidders will be free to seek clarifications and make suggestions 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.

## **2.16 Bid Security**

2.16.1 A Bidder is required to deposit, along with its Bid, a bid security of Rs. 6.38 Crores (Rupees six crores and thirty eight lacs) (the **“Bid Security”**), refundable to all Bidders in accordance with Clause 2.16.6.

2.16.2 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, and in such event, the validity period of the demand draft or bank guarantee, as the case may be, shall not be less than 270 (two hundred and seventy) 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.

2.16.3 If the Bid Security is in the form of a bank guarantee it shall be issued by a Public Sector Bank in India in favour of the Authority in the format at Appendix - II (the **“Bank Guarantee”**).

- 2.16.4 If the Bid Security is in the form of a demand draft it shall be issued by a Public Sector Bank in India, drawn in favour of the Authority and payable at Aurangabad, Maharashtra (the “**Demand Draft**”).
- 2.16.5 Any Bid not accompanied by the Bid Security shall be rejected by the Authority as non-responsive.
- 2.16.6 Except in the case of the Bidder quoting the lowest Annual Grant / highest Premium, 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 event within 30 (thirty) days from the expiration of the validity period of the Bid . Where Bid Security has been paid by deposit, the refund thereof shall be in the form of an account payee demand draft in favour of the unsuccessful Bidder(s). Bidders may, by specific instructions in writing to the Authority, give the name and address of the person 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.
- 2.16.7 The Selected Bidder’s Bid Security will be returned, without any interest, upon the Bidder signing the Draft Concession Agreement and furnishing the Performance Security in accordance with the provisions thereof. The Authority may, at the Selected Bidder’s option, adjust the amount of Bid Security in the amount of Performance Security to be provided by him in accordance with the provisions of the Draft Concession Agreement.
- 2.16.8 The Authority shall be entitled to forfeit and appropriate the Bid Security as mutually agreed genuine and pre-estimated compensation/damages to the Authority in any of the events specified in Clause 2.16.9 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.
- 2.16.9 The Bid Security shall be forfeited and appropriated by the Authority and damages shall be 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:
- (a) If a Bidder submits a non-responsive Bid;
  - (b) If a Bidder engages in a corrupt practice, fraudulent practice, coercive practice-undesirable practice or restrictive practice as specified in Clause 2.14 of this RFP;
  - (c) If a Bidder withdraws its Bid during the period of Bid validity as specified in this RFP and as mutually extended by the Authority and the Bidder from time to time;
  - (d) In the case of Selected Bidder, if it fails, within the specified time limit,
    - (i) to sign the Draft Concession Agreement; or
    - (ii) to furnish the Performance Security within the period prescribed therefor in the Draft Concession Agreement; or

- (e) In case the Selected Bidder, having signed the Draft Concession Agreement, commits any breach thereof prior to furnishing the Performance Security.

## **2.17 Miscellaneous**

- 2.17.1 The Bidding Process shall be governed by and construed in accordance with the laws of India and the Courts at Aurangabad shall have exclusive jurisdiction over all disputes arising under, pursuant to, or in connection with the Bidding Process.
- 2.17.2 The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
  - (a) suspend or cancel the Bidding Process, or amend, 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 or evidence submitted to the Authority by, on behalf of, or in relation to any Bidder; or
  - (d) independently verify, disqualify, reject and/or accept any and all submissions or other information or evidence submitted by or on behalf of any Bidder.
- 2.17.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Authority, its employees, agents, consultants 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 rights and or performance of any obligations hereunder, pursuant hereto or in connection herewith and waives any and all rights and/or claims it may have in this respect, whether actual or contingent, whether present or future.

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

### **3.1 Format and Signing of the Bid**

- 3.1.1 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.
- 3.1.2 The Bid 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. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialed by the person(s) signing the Bid.

### **3.2 Sealing and Marking of Bids**

The Bidder shall submit the Bid online as stated in Clause 3.12. In addition to the online submission, the Bidder shall also submit hard copies of the RFP consisting one original and two copies (each document clearly showing whether it is original or copy), at the time of opening of Bid, packed in a sealed envelope or a box

- 3.2.1 The Bidder shall submit the Bid in the format specified at Appendix-I, and seal it in an envelope and mark the envelope as “**Financial Bid**”.

| <b>Financial Bid</b>  |  |
|---|--|
| <p>FROM:</p> <p>_____</p> <p>(Bidders Name)</p><br><br><p>_____</p> <p>(Bidder's<br/>Address      and<br/>Contact<br/>Number)</p> <p>DATE:</p> <p>Project</p> | <p>TO:</p> <p style="text-align: center;">The Commissioner,<br/>Aurangabad Municipal Corporation,<br/>Town Hall,<br/>Aurangabad – 431 001<br/>Maharashtra, India</p><br><br><br><br><br><p style="text-align: center;">Aurangabad Water Supply Project</p> |

3.2.2 The documents accompanying the Bid shall be placed in a separate envelope and marked as “**Enclosures of the Bid**”.

| <b>Enclosure of the Bid</b>   |  |
|---|--|
| <p>FROM:</p> <p>_____</p> <p>(Bidders Name)</p><br><br><p>_____</p> <p>(Bidder's<br/>Address      and<br/>Contact<br/>Number)</p> <p>DATE:</p> <p>Project</p> | <p>TO:</p> <p style="text-align: center;">The Commissioner,<br/>Aurangabad Municipal Corporation,<br/>Town Hall,<br/>Aurangabad – 431 001<br/>Maharashtra, India</p><br><br><br><br><br><p style="text-align: center;">Aurangabad Water Supply Project</p> |

The documents shall include:

- (a) Bid Security in the prescribed format (**Appendix - II**);
  - (b) Power of Attorney for signing of Bid in the prescribed format (Appendix - III);
  - (c) If applicable, the Power of Attorney for Lead Consortium Member of Consortium in the prescribed format (**Appendix- IV**);
  - (d) The business plan in the prescribed format (**Appendix – V**);
  - (e) A copy of the RFP as set out in Volume I, II and III with each page initialed by the person signing the Bid in pursuance of the Power of Attorney referred to in Clause (b) hereinabove; and
  - (f) The Financial Model of the Bidder for the Project.
- 3.2.3 A true copy of the documents accompanying the Bid, as specified in Clause 3.2.2 above, shall be placed in hard binding and the pages shall be numbered serially. Each page thereof shall be initialed in blue ink by the authorised signatory. This copy of the documents shall be placed in a separate envelope and marked “**Copy of Documents**”.
- 3.2.4 The three envelopes specified in Clauses 3.2.1, 3.2.2 and 3.2.3 shall be placed in an outer envelope, which shall be sealed and shall clearly bear the following identification:
- “Bid for the Aurangabad Water Supply Project”**
- 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.
- 3.2.5 Each of the envelopes shall be addressed to:

**The Commissioner,  
Aurangabad Municipal Corporation,  
Town Hall, Aurangabad – 431 001  
Maharashtra State, India  
Telephone.: +91 240 2331194  
Fax: +91 240 2331213**

3.2.6 If the envelopes are not sealed and marked as instructed above, the Authority assumes no responsibility for the misplacement or premature opening of the contents of the Bid submitted.

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

### **3.3 Bid Due Date**

3.3.1 Bids should be submitted before 1100 hours IST on the Bid Due Date at the address provided in Clause 3.2.5 in the manner and form as detailed in this RFP. A receipt thereof should be obtained from the person specified at Clause 3.2.5.

3.3.2 The Authority may, in its sole discretion, extend the Bid Due Date by issuing an Addenda in accordance with Clause 2.13 uniformly for all Bidders.

### **3.4 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.

### **3.5 Contents of the Bid**

3.5.1 The Bid shall be furnished in the format at Appendix - I and shall consist of an Annual Grant or Premium, as the case may be, to be quoted by the Bidder. The Bidder shall specify (in Indian Rupees) the Annual Grant or Premium, as the case may be, required by him or offered by him, as the case may be, to undertake the Project in accordance with this RFP and the provisions of the Draft Concession Agreement.

3.5.2 The Project will be awarded to the Bidder quoting the highest Premium, and in the event that no Bidder offers an Premium, then to the Bidder seeking the lowest Annual Grant.

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

3.5.4 The proposed Draft Concession Agreement and Financial Model shall be deemed to be parts of the Bid.

### **3.6 Power of Attorney**

3.6.1 The Bidder should submit a Power of Attorney as per the format at Appendix – III, authorising the signatory of the Bid to commit the Bidder.

3.6.2 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 - IV.

### **3.7 Modifications/Substitution/Withdrawal of Bids**

3.7.1 The Bidder may modify, substitute or withdraw its Bid after submission, provided that written notice of the modification, substitution or withdrawal is received by the Authority prior to the Bid Due Date. No Bid shall be modified, substituted or withdrawn by the Bidder on or after the Bid Due Date.

3.7.2 The modification, substitution or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 3.2, with the envelopes being additionally

marked “**MODIFICATION**”, “**SUBSTITUTION**” or “**WITHDRAWAL**”, as appropriate.

- 3.7.3 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 the Authority, shall be disregarded.

### **3.8 Validity of Bids**

The Bids shall be valid for a period of not less than 270 (two hundred and seventy) days from the Bid Due Date. The validity of Bids may be extended by mutual consent of the respective Bidders and the Authority. Any such extensions shall be deemed to be included in the Bid validity period.

### **3.9 Confidentiality**

- 3.9.1 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.
- 3.9.2 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.
- 3.9.3 Information once submitted shall be the property of the Authority. Intellectual property, if any, vested in the information shall thereafter belong to the Authority.

### **3.10 Correspondence with the Bidder**

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

### **3.11 Bidding process through e-Tendering**

The Authority has a well established e-tendering Department. The entire Bidding Process shall be implemented using the Authority’s e-Tendering process. The Bidder shall have to follow procedures as mentioned below to submit the Bid online:

- (a) The details of the procedure involved is available on the web-site: [www.amctenders.com](http://www.amctenders.com).
- (b) Bidders will have to register with the Authority at the above web-site and also enroll for a Digital Signature Certificate in order to participate in the Bidding Process.
- (c) Digital Signature Certification is a must for participation in the Bidding Process.
- (d) Bidders are required to upload scanned / PDF Copies of the Bid, as specified

in this RFP document at the time of online submission.

- (e) Bid shall be opened online in the presence of the representatives of Bidders, who choose to attend the opening of Bid on the specified date, time and place.
- (f) Online submission of Bid may take time while uploading and all Bidders are therefore requested to plan their submission accordingly and take necessary precautions.

#### **4. EVALUATION OF BIDS**

##### **4.1 Opening and Evaluation of Bids**

- 4.1.1 The Authority shall open the Bids at 1130 hours on the Bid Due Date, at the place specified in Clause 3.2.5 and in the presence of the Bidders who choose to attend.
- 4.1.2 The Authority will subsequently examine and evaluate the Bids in accordance with the provisions set out in this Clause 4.
- 4.1.3 To facilitate evaluation of Bids, the Authority may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.

##### **4.2 Tests of responsiveness**

- 4.2.1 Prior to evaluation of Bids, the Authority shall determine whether each Bid is responsive to the requirements of the RFP. A Bid shall be considered responsive only if:
  - (a) it is received as per the format at Appendix I;
  - (b) it is received by the time specified in Clause 4.1.1 on the Bid Due Date including any extension thereof pursuant to Clause 2.13;
  - (c) it is signed, sealed, hard bound and marked as stipulated in Clauses 3.2.3 and 3.2.4;
  - (d) it is accompanied by the Bid Security as specified in Clause 2.16;
  - (e) it is accompanied by the Power(s) of Attorney as specified in Clauses 3.6.1 and 3.6.2, as the case may be;
  - (f) it is accompanied by the Bidders' Business Plan as per format in Appendix V;
  - (g) it is accompanied by the Bidder's Financial Model;
  - (h) it contains all the information (complete in all respects) and documents as requested in this RFP (in formats same as those specified);
  - (i) it does not contain any condition or qualification; and
  - (j) it is not non-responsive in terms hereof.
- 4.2.2 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.

### 4.3 Selection of Bidder

- 4.3.1 The Bidder adjudged as responsive in terms of Clause 4.2.1 and quoting the highest Premium offered to the Authority, and in the event that no Bidder offers Premium, then the Bidder quoting the lowest Annual Grant to be paid by the Authority shall be declared as the selected Bidder (the “**Selected Bidder**”).
- 4.3.2 In the event that 2 (two) or more Bidders quote the same amount of Premium or Annual Grant, as the case may be (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. This provision shall apply to all rounds of bidding.
- 4.3.3 In the event that the Bidder quoting the lowest Annual Grant / highest Premium withdraws or is not selected for any reason in the first instance (the “**first round of bidding**”), in this case such Bidder shall obtain reimbursement of the Bid Security and, the Authority may invite the remaining (other) responsive Bidders to match the quote of the Bidder quoting the lowest Annual Grant / highest Premium (the “**second round of bidding**”).
- 4.3.4 If no other Bidder matches the Bidder quoting the lowest Annual Grant / highest Premium under Clause 4.3.3. above, then the Bidder quoting the second lowest Annual Grant /second highest Premium will be selected (the “**third round of bidding**”).
- 4.3.5 After selection, a Letter of Award (the “**LOA**”) shall be issued, in duplicate, by the Authority to the Selected Bidder and the Selected Bidder 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 Bidder 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 pre-estimated loss and damage suffered by the Authority on account of failure of the Selected Bidder to acknowledge the LOA, and the next eligible Bidder may be considered.
- 4.3.6 After acknowledgement of the LOA as aforesaid by the Selected Bidder, it shall execute the Draft Concession Agreement within the period prescribed in Clause 1.4. The Selected Bidder shall not be entitled to seek any deviation in the Draft Concession Agreement.

### 4.4 Contacts during Bid Evaluation

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

**APPENDIX I -  
LETTER COMPRISING THE BID**

*(Refer Clauses 2.1.4 and 4.21)*

Dated:

The Commissioner,  
Aurangabad Municipal Corporation,  
Town Hall, Aurangabad – 431 001  
Maharashtra State, India.

Sub: Bid to Build, Refurbish, Operate and Maintain the Water Supply System of Aurangabad City, Maharashtra State, India.

Dear Sir,

1. With reference to your RFP document dated [●], I/we, having examined the Bidding Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.
2. All information provided in the Bid and in the Appendices is true and correct.
3. This statement is made for the express purpose of being selected for the development, construction, operation and maintenance of the aforesaid Project.
4. I/We shall make available to the Authority any additional information it may find necessary or require to supplement or authenticate the Bid.
5. I/We acknowledge the right of the Authority to reject our Bid without assigning any reason or otherwise and herein waive our right to challenge the same on any account whatsoever.
6. We certify that in the last three years, we/ any of the Consortium Members have not:
  - (a) failed to perform on any contract entered into with a governmental/statutory body or authority, as evidenced by imposition of a penalty or a judicial pronouncement or arbitration award;
  - (b) been expelled from any project or contract entered into with a governmental/statutory body or authority; or
  - (c) had any contract entered into with a governmental/statutory body or authority terminated for breach on our part.
7. I/We declare that:
  - (a) I/We have examined and have no reservations to any of the volumes of the RFP, including any Addendum issued by the Authority;
  - (b) I/We do not have any conflict of interest in accordance with Clauses 2.3 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 2.14 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 2.14 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.
8. 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 3.8 of the RFP document.
9. I/We believe that we/our Consortium, proposed Consortium satisfy(ies) the Financial Criteria and meet(s) the requirements as specified in the RFQ document and are is qualified to submit a Bid.
10. I/We declare that we/any Member of the Consortium, are/is not a Member of any other Consortium submitting a Bid for the Project.
11. 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 an offence of moral turpitude.
12. 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.
13. I/We further certify that no investigation by a regulatory authority is pending either against us or against our CEO or any of our Directors/Managers/employees.
14. I/We undertake that in case due to any change in facts or circumstances during the Bidding Process, our Bid may be disqualified in terms of the guidelines referred to above, we shall intimate the Authority of the same immediately.
15. We acknowledge that we/our Consortium was pre-qualified and short-listed on the basis of the Bidder's /or the Consortium Member's Technical Capability and Financial Capability. The Bidder further acknowledges and undertakes that the Bidder/ Lead Member of the Consortium, as the case may be, shall hold a minimum equity stake equal to 51% (fifty one percent) of the paid up share capital of the Concessionaire for the duration of the Concession Period. Moreover in the case the Bidder is a Consortium, then each of the other Consortium Members shall hold at least 10% (ten percent) of the equity of the Concessionaire for the duration of the Concession Period. We further agree and acknowledge that the aforesaid obligation shall be in addition to the obligations contained in the Draft Concession Agreement in respect of the Change in Ownership.
16. I/We acknowledge and agree that in the event of a change in Control of the Bidder/ Consortium Member whose Technical Capability and or Financial Capability was taken into consideration for the purposes of short-listing and pre-qualification under and in accordance with the RFQ. I/We shall inform the Authority forthwith along with all relevant particulars and the Authority may, in its sole discretion, disqualify the Bidder/ Consortium or withdraw the Letter of Award, as the case may be. I/We further acknowledge and agree that in the event such change in control occurs after signing of the Draft Concession Agreement but prior to Financial Close of the Project,

it would, notwithstanding anything to the contrary contained in the Agreement, be deemed a breach thereof, and the Draft Concession Agreement shall be liable to be terminated without the Authority being liable to us in any manner whatsoever.

17. I/We understand that the Selected Bidder shall incorporate a special purpose vehicle under the Indian Companies Act, 1956, to implement the Project prior to execution of the Draft Concession Agreement.
18. 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.
19. In the event of our being declared as the Selected Bidder, we agree to incorporate a special purpose vehicle to enter into a Draft Concession Agreement in accordance with the draft that has been provided to 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.
20. We have studied the RFP and RFQ carefully and also surveyed the existing asset and the Project site. We understand that except to the extent as expressly set forth in the Draft Concession 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 Concession.
21. The Annual Grant /Premium has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP, Draft Concession Agreement, our own estimates of costs, demand and recovery of user fees from end users and after a careful assessment of the site and all the conditions that may affect the Bid.
22. I/We acknowledge and understand that whilst the Authority will assist the Concessionaire in accordance with the terms of the Draft Concession Agreement, the collection risk for the Project will be borne entirely by the Concessionaire, the Authority will not guarantee a minimum level of collection from the end users. I/We also acknowledge that the Annual Grant /Premium has been quoted by me/us after taking this fact into consideration.
23. I/We acknowledge and understand that the Project shall be implemented in accordance with the Mandatory Project Requirements and the DPR as set out in the Project Information Memorandum.
24. I/We offer a Bid Security of Rs. 6.38 Crores (six crores and thirty eight lacs) to the Authority in accordance with the RFP Document.
25. The Bid Security in the form of a Demand Draft/Bank Guarantee (strike out whichever is not applicable) is attached.
26. I/We agree and understand that the Bid is subject to the provisions of this RFP. In no case, I/We shall have any claim or right of whatsoever nature if the Project/Concession is not awarded to me/us or our Bid is not opened.
27. I/We hereby submit our Bid and [offer a Premium / Annual Grant in the form of [●] Rupees (in words) per annum) (Strike out whichever is not applicable)] for undertaking the aforesaid Project in accordance with this RFP and the Draft Concession Agreement.

28. I/We agree to keep this offer valid for 270 (two hundred and seventy) days from the Bid Due Date specified in the RFP.
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.

Yours faithfully,

(Signature of the Authorised signatory)

(Name and designation of the of the Authorised signatory)

Name and seal of Bidder/Lead firm

Date:

Place:

**APPENDIX II-**  
**BANK GUARANTEE FOR BID SECURITY**

*(Refer Clauses 2.16 and 3.2.2)*

B.G.No.

**Dated:**

1. In consideration of you, Aurangabad Municipal Corporation having its office at Town Hall, Aurangabad 431001, State of Maharashtra, India (hereinafter referred to as the “**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 Rs. [•] Crores (Rupees [•] only), a Company registered under provision of the Companies Act. 1956 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, successors and assigns), to Build, Refurbish, Operate and Maintain the water supply system of Aurangabad City, (hereinafter referred to as “**the Project**”) pursuant to the request for proposal document dated [•] issued in respect of the Project (“**RFP**”), 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 2.16 the RFP Document, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfillment and compliance of the terms and conditions of the RFP Document by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Authority an amount of Rs. 6.38 Crores (six crores and thirty eight lacs) 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 RFP.
2. Any such written demand made by the Authority stating that the Bidder is in default of the due and faithful fulfillment and compliance with the terms and conditions contained in the RFP 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 the Authority is disputed by the Bidder or not merely on the first demand from the Authority stating that the amount claimed is due to the Authority by reason of failure of the Bidder to fulfill and comply with the terms and conditions contained in the RFP including failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said RFP 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. 6.38 Crores (six crores and thirty eight lacs).
4. This Guarantee shall be irrevocable and remain in full force for a period of 270 (two hundred and seventy) days from the Bid Due Date inclusive of a claim period of 120 (one hundred and twenty) days or for such extended period as may be mutually agreed between the 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 the Authority shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfillment and compliance with the terms and conditions contained in the RFP including, *inter alia*, the failure of the

Bidder to keep its Bid open during the Bid validity period set forth in the said RFP, and the decision of the Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the 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, the Authority shall be entitled to treat the Bank as the principal debtor. The 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 RFP 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 fulfillment and compliance with all or any of the terms and conditions contained in the said RFP 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 RFP or the securities available to the Authority, and the Bank shall not be released from its liability under these presents by any exercise by the 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 the Authority or any indulgence by the Authority to the said Bidder or by any change in the constitution of the 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 who shall be deemed to have been duly authorised to receive the said notice of claim.
10. It shall not be necessary for the 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 the 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 the 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 authorised and has full power to execute this Guarantee for and on behalf of the Bank.
13. This Bank Guarantee and all questions of its interpretation shall be construed in accordance with the laws of India. The courts at Aurangabad shall have jurisdiction over matters arising out of or relating to this Bank Guarantee.

Signed and Delivered by [●] Bank

By the hand of Mr./Ms. [•], its [•] and authorised official.

(Signature of the Authorised Signatory)

(Official Seal)

**APPENDIX III -  
POWER OF ATTORNEY FOR SIGNING OF BID**

*(Refer Clauses 3.2.2 and 3.6.1)*

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 to Build, Refurbish, Operate and Maintain the water supply system of Aurangabad City on BOT Basis Project proposed or being developed by the Aurangabad Municipal Corporation (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 Concession 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 of the Draft Concession Agreement with the Authority.

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 for executing the 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.*

**APPENDIX IV -  
POWER OF ATTORNEY FOR LEAD MEMBER OF CONSORTIUM**

*(Refer Clauses 3.2.2 and 3.6.2)*

Whereas the Aurangabad Municipal Corporation (the “**Authority**”) has invited bids from pre-qualified and short-listed parties for the Building, Refurbishment, Operation and Maintenance of the water supply system of Aurangabad City on BOT Basis, (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 Concession/Contract, 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 Draft Concession Agreement is entered into with the Authority.

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 I-XI-C U III)  
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 executants) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Also, wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a resolution for executing the power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.*
- *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.*

## APPENDIX V - BUSINESS PLAN OF THE BIDDER FOR THE PROJECT

### FORMAT TO BE FOLLOWED

#### Chapter 1 – Executive summary

#### Chapter 2 – Appreciation of the sector and Project:

- (i) An understanding of the water sector business;
- (ii) How Bidder would apply its knowledge and understanding of water sector and/or Project Management, in introducing measures likely to be appropriate and effective for the Project;
- (iii) The Bidder's commitment to the growth and success of the Project;
- (iv) Description of the Project with broad layout;
- (v) Expected Project cost, total and per component; and
- (vi) Formation of SPV, equity structure of the SPV, capital structure, role of the Consortium Members, etc.

#### Chapter 3 – Broad Business Plan

Bidders to develop a preliminary plan of **short term, medium term and long term** options and measures which would be implemented during the Concession Period

- (i) To improve the quality of supply and service to consumers;
- (ii) To instill consumer confidence;
- (iii) To improve metering, billing and revenue realization;
- (iv) To introduce qualitative change in the working environment and opportunities of employees and to incentives employees to improve performance;
- (v) To offer better career structures and training prospects for employees and to incentivise them for improved performance; and
- (vi) to reduce technical and non-technical water losses, identifying specifically those areas of non-technical water losses which could be reduced in the short-to-medium term; etc

Provide details of the organisational structure, which would be adopted for the operation, and management of the city's water supply system. Bidder should indicate the reasons why the proposed organizational structure would be appropriate for the Project

#### Chapter 4 - Work plan

Bidders shall submit a detailed Work Plan for each activity under each stage of the Project. This shall be prepared component-wise and also stage wise. The following items should be included:

- (i) Phasing of activities in the form of bar charts or other format such as PERT network;

- (ii) Issues if any in activities; measures to address these issues;
- (iii) Procurement plan for materials and project components;
- (iv) Manpower and equipment mobilization and deployment plan vis-à-vis the above schedule, and
- (v) Strategies to ensure timely completion of Project, and how issues during trial runs would be addressed.

### **Chapter 5 - Reduction of Technical and Non- Technical Water Losses**

- (i) Comment on the current level of distribution losses (including both technical and non-technical Water losses) in the system that you consider are the primary causes of losses in the system;
- (ii) Provide details of steps which you consider would be appropriate to reduce the technical losses;
- (iii) Provide details of the steps you consider appropriate to reduce the non-technical losses.

### **Chapter 6 - Improvement in Billing Methods and Revenue Collection**

- (i) Provide details of deficiencies, if any, which you have noted in the system for billing and collections from consumers in the utility that you consider to be the reason for these deficiencies. What measures would you implement to reduce or eradicate these deficiencies?
- (ii) Provide the measures you consider would be appropriate to improve the revenues and the collections taking into consideration the consumer mix in the city;
- (iii) Provide the measures you would adopt to reduce number of illegal connections;
- (iv) Provide detail plan to implement meters at all household / non-household consumers and bulk meters at identified points;
- (v) What measures would you implement to encourage consumers to switch to metered supplies?
- (vi) What measures would you propose for the Project to prevent meter tampering?
- (vii) What are your observations on measures currently taken in the utility in cases of default in payment? How could recovery of defaults in payment be improved?

### **Chapter 7– Staffing Plan, Human Resources, Training, Safety and Management**

A staffing plan for the entire Project duration has to be submitted by Bidders, including the minimum staffing details. The plan shall describe the expert team that will be engaged in each phase of the Project. Following details have to be covered in this section:

- (i) Overall organization chart indicating the required management/ supervisory positions and the number of persons to be hired for each position;

- (ii) Experience of the key people involved in the design, construction, operations and maintenance. An organisational chart has to be presented indicating reporting mechanism at the construction site. Resumes of proposed team-members have to be submitted. They should contain the following
  - (a) Proposed position;
  - (b) Name of Firm;
  - (c) Name of staff;
  - (d) Profession;
  - (e) Date of birth;
  - (f) Years with the firm,
  - (g) Nationality,
  - (h) Detailed task assigned for this project,
  - (i) Key Qualifications,
    - Education;
    - Employment record, and
    - Language proficiency.
- (iii) Organizational plan during operations and training of the Authority's staff
- (iv) What programmes would you institute in respect of employee health & safety?
- (v) Describe any steps that you have taken to incentives employees' performance in your business. To what extent have these proved successful? Would similar measures be effective in this Project? If not, describe the measures, which you consider would be appropriate.

## **Chapter 8 - Consumer Service and Public Relations**

Provide comments on the current procedures for dealing with consumer complaints in the city's water supply system. Your response should deal specially with:

- (i) Complaints relating to water supply issues;
- (ii) Response times on customer complaints;
- (iii) Time taken to effect the necessary remedial actions; and
- (iv) Measures taken to rectify breakdowns.
- (v) To what extent are the measures currently employed to deal with the above insufficient?
- (vi) What revisions would you make to them and what additional measures would you introduce?
- (vii) Describe any schemes or programmes which you have developed or implemented in your business in respect of public relations. How might these schemes or programmes be adopted to suit needs of the city's water supply system?

## **Chapter 9 – Adherence to the environmental and social safeguards norms**

The design should conform to achieve service levels and commitments described in the draft Concession Agreement and meet requirements with regard to environmental and social norms.

## **Chapter 10 – Financial Model for Concession Period**

- (i) Assumptions with description;
- (ii) Profit and Loss;
- (iii) Balance sheet;
- (iv) Cash flow statement;
- (v) Ratios.

**APPENDIX VI - FORMAT FOR SEEKING CLARIFICATION**

| <b>Clause Reference in the RFP Document</b> | <b>Clarification needed on the Clause</b> | <b>Reason/Remarks</b> |
|---|---|-----------------------|
|   |   |                       |
|   |   |                       |