

PART I
SECTION 1.0
INSTRUCTIONS TO BIDDERS

Table of Contents

| | | |
|-------------------|---|----|
| 1.0 | INTRODUCTION..... | 3 |
| 2.0 | PROJECT INFORMATION | 3 |
| 3.0 | INTENT AND SCOPE OF ENQUIRY | 4 |
| 4.0 | GENERAL INSTRUCTIONS..... | 7 |
| 5.0 | QUALIFYING REQUIREMENTS FOR BIDDERS | 7 |
| 6.0 | TIME SCHEDULE | 11 |
| 7.0 | PREPARATION AND SUBMISSION OF BID | 11 |
| 8.0 | INFORMATION REQUIRED WITH THE BID | 16 |
| 9.0 | CLARIFICATIONS ON DOCUMENTS AND SPECIFICATIONS..... | 17 |
| 10.0 | BIDS UNDER CONSIDERATION..... | 18 |
| 11.0 | AMENDMENT TO SPECIFICATION | 18 |
| 12.0 | EVALUATION OF BIDS..... | 18 |
| 13.0 | POWER PLANT DEVELOPMENT PROCESS | 21 |
| 14.0 | AWARD OF CONTRACT..... | 22 |
| 15.0 | PERFORMANCE SECURITY | 22 |
| 16.0 | RETAINAGE AND RELEASE OF RETAINAGE MONEY..... | 22 |
| 17.0 | PARENT COMPANY GUARANTEE..... | 22 |
| 18.0 | CONTRACT QUALITY ASSURANCE | 22 |
| 19.0 | INSURANCE | 22 |
| 20.0 | SIGNING OF THE CONTRACT..... | 22 |
| ANNEXURE – I-I | FORMAT FOR ADVANCE PAYMENT BOND | 23 |
| ANNEXURE – I-II | FORMAT FOR PERFORMANCE BOND | 28 |
| ANNEXURE – I-III | WARRANTY BOND | 33 |
| ANNEXURE – I-IV | COVERING LETTER | 38 |
| ANNEXURE – I-V | DESCRIPTION OF BIDDER / BIDDING CONSORTIUM | 39 |
| ANNEXURE – I-VI | MoU AMONGST THE MEMBER COMPANIES INCORPORATING THE PRINCIPLES..... | 40 |
| ANNEXURE – I-VII | BIDDER’S EXPERIENCE AS EPC CONTRACTOR | 41 |
| ANNEXURE – I-VIII | BIDDER’S EXPERIENCE AS EPC CONTRACTOR | 42 |
| ANNEXURE – I-IX | BANK GUARANTEE FORMAT FOR EARNEST MONEY DEPOSIT (EMD) / BID SECURITY | 43 |

PART – I**SECTION 1.0****INSTRUCTIONS TO BIDDERS****1.0 INTRODUCTION****1.1 The Company**

1.1.1 Spectrum Power Generation Limited (SPGL) was incorporated in 1992 and is based in Hyderabad. The company owns and operates at present a 208 MW gas based combined cycle power plant near Komaragiri village, Kakinada in the East Godavari district of Andhra Pradesh.

1.1.2 SPGL is planning to add 1350MW Natural Gas fired Combined Cycle Power Project (CCPP) in the above site in multiple phases and now adding approximately 350+20% MW in first phase.

1.2 The Project

The first phase of Natural Gas based Combined Cycle Power Plant is being planned at Uppada, Kakinada, East Godavari, Andhra Pradesh, with an estimated nominal Gross output of 350+20%MW at site conditions (hereinafter known as "Project") The capacity indicated is tentative and the bidders are allowed to quote the plant capacity based on their best optimization. The plant would generally operate as base load station; however, peaking duty may also be considered. Part load operations are also envisaged. The power from the project would be sold to under PPA, which is at present being discussed.

1.2.1 Present Status of the Proposed Project

The site proposed for the installation of the combined cycle power plant is located adjacent to the 208 MW CCPP in the land owned by SPGL, near Komaragiri village which is about 20 kms from Kakinada. There are no national parks / wildlife sanctuaries / tropical forests / biosphere reserves in the vicinity of the project site. About 40 acres of land proposed for the Project has been identified and is already in the possession of SPGL. At present it is free from habitation and cultivation.

Environmental Clearance from Ministry of Environment and Forest, Government of India, No Objection Certificate from Andhra Pradesh Pollution Control Board (APPCB), No Objection Certificate (NOC) from Airport Authority of India has been obtained for the Project.

2.0 PROJECT INFORMATION

The proposed power plant would be located adjacent to the existing 208 MW Plant of SPGL. Kakinada is well connected by Rail, Road and Sea. A road connecting the state highway running between Kakinada and Vishakhapatnam is the main access road to site. This road would be used to transport all equipment required for the power plant.

2.1 Local/Site Conditions**2.1.1 Location**

The power plant site is located at the village Komaragiri near Kakinada. The NH 5 running between Chennai and Kolkata is about 40 kms from the plant site. NH214 running in between Kathipudi and Pamarru is about 11KM from the site. The port is situated at about 15Kms from the site.

2.1.2 Construction Power

Construction power at 11/3.3 kV Supply would be made available, if possible by the Owner within the proposed Project boundary limits.

2.1.3 Evacuation of Power

The power is proposed to be evacuated through 400 kV lines

2.1.4 Bidder shall inspect the site, examine and obtain at its cost and responsibility, all information required and satisfy himself regarding all matters and things such as access to site, communications, transport, right of way, the type and number of equipment and facilities required for the work, availability of local labour, materials and their rates, local working conditions, weather, and other hydro-meteorological data, flood levels, sub-soil conditions, natural drainage, and all information that may be necessary for preparing his bid, performance of work and other obligations and related matters. Ignorance of the site and other said conditions shall not be accepted by the Owner as basis for any claim for compensation or extension of time or loss of profits etc. and the Owner shall not be liable for the same in any manner whatsoever.

2.1.5 The submission of bid will be construed as evidence that such an examination was made and the bidder shall not raise any claims/ disputes against the Owner at later date; and the Owner shall not be liable for the same in any manner whatsoever.

2.1.6 Areas allocated to the bidder for executing this work shall be provided with security & fencing by the bidder at his cost. Bidder shall plan areas required for the enabling works of theirs and their sub-vendors/sub-contractors within the battery limits.

2.2 Site Profile

| | |
|-------------------------------------|---|
| Location | Komaragiri village (Uppada Beach road) |
| Access by – nearest railway station | Kakinada (23 kms) |
| Nearest Airport | Rajahmundry (60 kms) and Vishakhapatnam (170 kms) |
| Nearest sea port | Kakinada (19 kms) |
| Access by Road | A road connecting the state highway running between Kakinada and Vishakhapatnam is the main access road to site. This road would be used to transport all equipment required for the power plant. NH 5 running between Chennai and Kolkata is about 40 kms from the plant site. NH214 running in between Kathipudi and Pamarru is about 11KM from the site. |
| Availability of Land | About 814.21 acres of land is owned by SPGL near Uppada village 80acres is earmarked for installation of proposed 1350 MW CCPP, in Phase – II. |
| Latitude | 17° 03' 30" North |
| Longitude | 82° 18' 30" East |
| Altitude | 5 meters above mean Sea Level |

3.0 INTENT AND SCOPE OF ENQUIRY

3.1 This enquiry concerns installation of the complete 350+20%MW capacity combined cycle power plant including all mechanical, electrical, controls & instrumentation and civil / structural / architectural design works as specified herein on EPC basis (the design, engineering, procurement and construction) proposed to be set up by Spectrum Power Generation Limited (SPGL) at Komaragiri Village, Kakinada, East Godavari District, Andhra Pradesh, India. It covers design engineering, procurement, manufacture, inspection and shop testing packing & forwarding, transport & delivery to site including unloading from carriers at

- site, handling, storage & preservation at site, intra site transport, painting, testing, commissioning, carrying out performance as well as guarantee tests at site of the systems / equipments / plant specified and handing over of the plant to the Owner with fifteen year term Maintenance Contract (Long Term Parts and Services Agreement - LTPSA) for maintenance of Gas Turbine with Generator and its control system.
- 3.2 The EPC Contract for the proposed Project with support facilities shall include, but not be limited to, the following:
- 3.2.1 One (1) Gas Turbine as Prime Mover; one (1) Waste Heat Recovery Boiler; one (1) Steam turbine complete with needed integral and ancillary facilities, so as to make it functional successfully.
- 3.2.2 All necessary site support facilities such as switchyard, cooling water processing systems, control & protective panels, PLCC, internal & external communication equipment, gas conditioning station would be located inside the Project boundary limits.
- 3.2.3 All Project machinery, ancillary equipment including infrastructure & other facilities, ancillary & related establishments, communication facilities and other devices.
- 3.2.4 All procurement, supply, construction, commissioning & testing, commercial operation and related statutory / non-statutory approvals / consents / permits shall be obtained by the contractor. SPGL would be responsible only for obtaining all Project clearances / approvals / NOC as required for setting up of the project. For clarity, the responsibility regarding permits, clearances and licenses between the owner and the contractor is listed as Table-2 under Section-2 (GCC). However, the Contractor will be responsible to ensure fulfillment of the conditions laid down in the NOC.
- 3.2.5 Contractor's basic scope shall also include all insurances required under various enactments including general third party & automobile liability, workers' compensation and Employer's liability coverages and all insurances as per law as well as loss of profit.
- 3.3 It is not the intent to specify completely herein all details of design and construction of the plant equipment and / or structures / works covered under this specification. However, all equipment and works shall conform in all respects to high standards of design, engineering, materials of construction, workmanship and be capable of performing in continuous commercial operation upto the contractor's performance guarantees acceptable to the Owner.
- 3.4 The extent of supply and works under the scope includes all items specified; mentioned in the drawings, Model / wind flow Studies etc. notwithstanding the fact that such items may not have been covered in the specification, drawings or schedules. Accordingly EPC scope should be considered.
- 3.5 All services including specialized services necessary for proper erection, commissioning and performance testing of all items/systems/equipments as per prudent engineering / industrial practice for the offered plant shall be arranged by the contractor.
- 3.6 All necessary co-ordination with regard to sub-contracted equipment works and services shall be carried out by the contractor; and the Owner will communicate only with the contractor for all matters pertaining to the work.
- 3.7 All equipment and materials shall be new, first class construction and of reputed make. The makes of all bought out equipment, shall be subjected to approval by the Owner after award of EPC Contract. In addition, the Project's main equipment shall be of field proven quality.
- 3.8 The specification provided with this Bid enquiry document outlines the functional requirement and the design provided in this document is only a typical example. The Bidder must submit a Proposal based upon their own design, meeting the functional requirements. In order to maximize the output and efficiency of the Project and to minimize the gas consumption, the

- Bidder must optimize their own design, so that, it best meets the evaluation criteria given in this Bid enquiry document.
- 3.9 Bidders shall deploy the latest state-of-the-art technology Advanced Class Machines (ACM) for the project. The above shall result in lower consumption of gas, per unit of electrical energy output, and hence reduce the variable cost of generation.
- 3.10 This EPC Bid enquiry document, which is issued to all the potential Bidders, requesting a proposal for the EPC contract on a fixed price basis and for establishing a Long Term Services and part supply agreement (LTSA) as detailed in Part-I, Section-4 LTSA. SPGL would also enter into a Long Term services and parts supply Agreement (LTSA) with the Original Equipment Manufacturer (OEM) along with the EPC contract to ensure regular supply of spares and services for the Gas Turbine, and its auxiliaries during the first 15 year operation period of the Project.
- 3.11 The scope of supply also includes mandatory spares for the Project other than what has been considered by bidder in the LTSA.
- 3.12 The scope of supply also includes all consumables required to operate the Project for two years from the project completion dates.
- 3.13 Bidder shall submit a list of recommended spares along with its price for the Project for two years period. Such a list shall not contain the items covered as "Operational Spares" in the LTSA. Owner reserves the right to accept or reject the same.
- 3.14 Bidder shall also consider all consumables and spares required until Project completion dates.
- 3.15 The energy charges relating to construction power connection and consumption during the construction shall have to be borne by EPC Contractor. Also, contractor shall additionally deploy diesel generator to meet exigencies like planned / unplanned power shedding etc.
- 3.16 Bidder shall also consider in their design providing the paved access surrounding the equipments. Plant Roads and access roads within the Plant boundary shall also be considered by the bidder.
- 3.17 This enquiry specification comprises two (2) parts including drawings / attachments as described below:

| | |
|----------|------------|
| Part I: | Commercial |
| Part II: | Technical |

All the parts, drawings and attachment shall be read together for complete understanding of the Owner's EPC specification requirements. Omission of any part may lead to non-availability of complete information. Offer submitted based on such omission is liable for rejection or construed as fully meeting with the RFP requirements.

- 3.18 The enquiry specification Part II Section 1.0 explains in detail the scope of the contractor. The statements and explanations contained in this regard are intended to provide a proper understanding to bidders but should not be construed as limiting contractor's responsibilities and/or Owner's right to amend/change the scope or the terms. It shall be clearly understood that the intent of the Owner is that the bidder shall execute this project on complete EPC basis subject to the terminal points explicitly identified and consequently, any omissions, conflicts or contradictions in the specifications shall be noted, interpreted and applied appropriately to give effect to this intent. Claims or disputes on account of wrong interpretation or willful misinterpretation against prudent industrial practices of this intent by bidder after award of contract will not be entertained by Owner nor shall they be legally binding on the Owner.

4.0 GENERAL INSTRUCTIONS

- 4.1 The Owner will receive bids in respect of the plant to be furnished by bidder in accordance with the terms setout herein. All bids shall be prepared and submitted in accordance with these instructions to the bidders. Bids will not be accepted after the time and date fixed for their receipt as set out in the "Notice Inviting Bids". Bids received after the time and date mentioned in Notice Inviting Bids shall be rejected.
- 4.2 The 'Works' referred herein shall cover the entire scope of the Project including design, engineering, procurement, manufacture, supply, transportation to site, storage and preservation at site, construction, erection, testing, commissioning, initial operation, reliability & full load operation, performance demonstration of various systems / equipments and performance & guarantee tests (PG tests) before take over of the Project.
- 4.3 Bidders may quote in any currencies as listed elsewhere in the EPC Bid document including Indian Rupees. Domestic bidders can also quote in any currency (including Indian Rupees) and receive amounts in its Indian Rupee equivalent to such currencies. However, domestic bidders while quoting in foreign currency must comply with the requirements as laid down by GoI/RBI from time to time.
- 4.4 Prices quoted for EPC Bid in the Price Bid for the Project shall be suitably divided in different contracts, as per Schedule of Prices and Delivery and shall be 'FIRM' throughout the contract completion period upto and including take-over and warrantee maintenance period.
- 4.5 Bidder shall note that the applicable exchange rate for evaluation of the bids shall be the exchange rate prevailing on date of opening of the price bid based on SBI, Hyderabad's TT selling rates closing on the price bid opening date.
- 4.6 The bidder may like to ascertain availability of Deemed Export Benefits under Export Import policy of GoI, wherever applicable. It is bidder's responsibility to take into account such benefits wherever applicable and to receive the same during Contract execution.
- 4.7 Bidders are free to submit the most tax efficient bid, provided it does neither in any way or manner dilute the scope, guarantees, warranties, and other obligations of the contractor nor does it violate and hold the Owner responsible for infringement of the rules / laws in this regard.

4.8 Brand Names

Specific reference in the specifications and documents to any material by trade name, make or catalogue number shall be binding and shall be strictly followed.

5.0 QUALIFYING REQUIREMENTS FOR BIDDERS

5.1 Bidder Profile

Bids are invited from Companies / Consortiums with the necessary expertise in Power Sector and requisite financial strength to execute and commission the project on turn key basis within the contractual completion date.

Eligibility Criteria

Technical

The Bidding Company or at least one member of Bid Consortium should satisfy the following technical eligibility criteria:

a.) As OEM / Gas Turbine (GT)

Bidder should have successfully executed at least 2 (two) combined cycle power plants of 300 MW or above capacity with a Plant configuration of 1 GT+ 1 HRSG +1 ST or with 2 GT + 2 HRSG + 1 STG and which are in successful operation for a period of two (2) years in combined cycle mode as on the date of bid submission and the bidder should be a Gas Turbine Manufacturer who has manufactured, Supplied and Commissioned at least 2 (Two) Gas Turbines each of at least 95% ISO rating of the offered Gas Turbine models which are in successful operation for a period of at least 2 years (Two) with a minimum of 12000 fired hours individually as on the date of bid submission..

OR

b.) As Licensee of a Gas Turbine(GT)

Bidder should have executed at least 2 combined cycle power plants of 300 MW or above capacity and which are in successful operation for a period of two (2) years in combined cycle mode with a minimum of 12000 hours individually as on the date of bid submission and GT manufacturer should have manufactured at least 2 (Two) GTs, each of 100 MW and above which are in operation for a period of 2 years with a minimum of 12000 hours individually as on the date of bid submission. Such manufacturer should have valid licensing agreement having a validity of five years beyond the date of the warranty period for the GT model offered with the GT manufacturer who has also designed the offered GT and who on his own fully meets the requirement of (A) mentioned above. In such an event, the Bidder shall, along with his bid, furnish a comfort letter or an undertaking jointly executed by him and his associate / collaborator, as per format enclosed in the bid in which the Bidder and associate / collaborator are jointly and severally liable to the Owner for successful performance of the systems and equipments supplied under this Bid document. In the event that the bidder submits only the comfort letter from the associate/collaborator during bid submission then the deed of joint undertaking shall be submitted prior to award of contract.. In case of award the Licensor will be required to furnish a bank guarantee for 5 % (five percent) of the total contract price, in addition to the Performance Guarantee to be furnished by the Bidder.

OR

c.) EPC Contractor

Should have successfully executed atleast 2 (two) EPC contracts on turnkey basis for the Combined Cycle Plant of comparable (300 MW or higher) capacity with a plant configuration of 1 Gas Turbine + 1 HRSG + 1 Steam Turbine (ST) or with a plant configuration of 2 GT + 2 HRSG + 1 ST and each plant should have a proven continuous operation track record of minimum 12,000 fired hours individually as on the date of bid submission.

The Bidder shall associate with that Manufacturer(s) meeting requirements of (A) above, who shall also be the supplier(s) of the Gas Turbines for this contract. In such an event, the Bidder shall, along with his bid, furnish a comfort letter or an undertaking jointly executed by him and his associate(s), as enclosed in the Bid in which the bidder and his associate(s) are jointly and severally liable to the Owner for guaranteeing the successful performance of Combined Cycle Power Plant. In the event that the bidder submits only the comfort letter from the associate/collaborator during bid submission then, the deed of joint undertaking shall be submitted prior to award of contract. In case of award, the Gas Turbine manufacturer will be required to furnish a bank guarantee for 5% (five percent) of the total contract price, in addition to the Performance Guarantee to be furnished by the Bidder.

Other requirements:

d.) The Steam Turbine Manufacturer:

d.1 Should have designed, manufactured, supplied, tested and commissioned at least two steam turbines of the same or higher capacity which are in successful operation for a period of at least two (2) years as on the date of bid submission. Bidders shall furnish experience list / certificates of individual modules offered to substantiate the credibility.

d.2 If the steam turbine manufacturer is a licensee then they shall meet the following requirements.

d.2.1 Should have successful experience in manufacture at least two (2) Steam Turbine with rating of 100MW or above which is in successful operation for a period of at least two (2) years with a minimum of 10000 operating hours and at least 6000 hours in one year as on the date of bid submission..

d.2.2 Should have a valid licensing agreement / authorization to manufacture / a long term manufacturing collaboration agreement covering the Steam Turbine model offered, with a steam turbine manufacturer, who on his own fully meets the requirements of d.1 above.

d.2.3 The complete design and engineering undertaken by the Licensee shall be approved by the Licensor.

The Licensee shall have licensing agreement having a validity period of 5 years, beyond the date of warranty period.

d.2.4 In case of award of contract, the Licensor shall provide a back-up comfort letter to the Owner for the acceptable performance of Steam Turbine and its auxiliaries.

e.) The HRSG Manufacturer:

e.1 Should have designed, manufactured, supplied, tested and commissioned at least two HRSG's of type specified working in conjunction with a Gas Turbine having an ISO rating of at least 97.5% of the ISO rating of Gas Turbines offered and which are in successful operation or a period of at least two (2) years as on the date of bid submission.

e.2 If the HRSG manufacturer is a licensee, then they shall meet the following requirements:

e.2.1 Should have successful experience in manufacture, supply, testing and commissioning of at least two (2) HRSG connected to a Gas Turbine having ISO rating of 100MW or higher which shall be in successful operation for a period of at least two (2) years with minimum 10000 operating hours individually and at least 6000 hours in a year as on the date of bid submission..

e.2.2 Should have a valid licensing agreement / authorization to manufacture / a long term manufacturing collaboration agreement covering the HRSG model offered with a HRSG manufacturer who on his own fully meets the requirements of e.1 above. The complete design and engineering undertaken by the Licensee shall be approved by the Licensor.

The Licensee shall have licensing agreement having a validity period of 5 years, beyond the date of warranty period

In case of award of contract, the Licensor shall provide a back up comfort letter to the Owner for the acceptable performance of HRSG and its auxiliaries.

f.) The Electric Generator Manufacturer for Gas Turbine / Steam Turbine.

f.1 The electric generator manufacturer should have designed, manufactured supplied, tested and commissioned at least two (2) electric generator having minimum of 97.5% rating of the offered generators respectively for Gas Turbine, Steam Turbine unit and

each of which is in successful operation for a period of at least two (2) years as on the date of bid submission. The type of cooling for the above generators shall be same as that offered.

- f.2 if the Electric Generator manufacturer is a licensee, then they shall meet the following:
- f.2.1 Should have successful experience in manufacture, supply, testing and commissioning of at least one electric generator having minimum rating as offered which should have been in successful operation for a period of at least two (2) years as on the date of bid submission...
 - f.2.2 Should have a valid licensing, agreement / authorization to manufacture / a long term manufacturing collaboration agreement covering the Electric Generator model offered with the generator manufacturer, who on his own fully meets the requirements of f.1 above.

The complete design and engineering undertaken by the Licensee shall be approved by the Licensor.

The Licensee shall have licensing agreement having a validity period of 5 years, beyond the date of warranty period

In case of award of the contract, the Licensor shall provide a back up comfort letter to the Owner for the acceptable performance of Generator and its auxiliaries.

g.) DCS Manufacturer

- g.1 Should have designed engineered, manufactured supplied, tested and commissioned at least two (2) no.s of DCS of type offered for a CCPP and which are in successful operation for a period of at least three (3) years as on the date of bid submission..
- g.2 The DCS Manufacturer shall supply the active product, which will support for minimum period of 15 years without any obsolescence

The sourcing of all equipment / systems other than those specifically mentioned above should be only from the reputed sub-vendors / sub-contractors who have supplied at least two similar or larger size equipment/ systems as stipulated in the specification each of which are in satisfactory commercial operation for a period not less than three (3) years as on date of bid submission.. Sub vendor / Sub contractors list shall be subject to Owner's approval

For the purpose of evaluation on technical eligibility, criteria as specified above shall be considered as on the date of bid submission..

Financial

The Bidding Company or Consortium Leader of Bidding Consortium should satisfy the financial eligibility criteria relating to Turnover, Net worth, Profitability and Net Working Capital.

Turnover & Net Worth

Minimum Turnover of Rs. 1000 Crores or US \$ 250 million.

AND

Minimum Net worth of Rs. 400 Crores or US \$ 100 million.

For the purpose of evaluation of turn over, average of last three years and net worth as on 31st March 2010 would be considered

5.2 Joint Venture / Consortium Bids

Bids submitted by a Joint Venture / Consortium shall meet the following requirements.

- a) The Bid shall be signed so as to be legally binding and enforceable on each Joint Venture / Consortium Member. The number of Consortium Members including the Lead Member would not be more than 5.
- b) The Joint Venture / Consortium shall have Gas Turbine manufacturer as a lead member leader. The Joint Venture / Consortium shall identify the Joint Venture / Consortium Leader. The leader shall be authorized to receive instructions for and on behalf of the Joint venture / Consortium and each of the Joint Venture / Consortium Members. The execution of the Contract, including payment shall be done exclusively with the leader for and on behalf of the Joint Venture / Consortium and each Joint Venture / Consortium Member. The Bid shall include a duly notarized power of attorney signed by legally authorized signatories as evidence of such authorization.
- c) Each of the Joint Venture / Consortium Members shall be jointly and severally liable for the performance of the Contract. Bidder may not alter the composition or constitution of the Joint Venture / Consortium without the prior written consent of the Employer.
- d) The Bid shall include a duly executed copy of the Joint Venture / Consortium agreement in the form attached in Bid Documents. Owner may disqualify Bidder and reject any Bid submitted by a Joint Venture Consortium that does not include a duly executed Joint Venture Consortium agreement in the form attached in Bid Documents.
- e) The Bid shall describe the division of work amongst the Joint Venture / Consortium Members. Bidder shall clearly describe the work to be performed by each Joint Venture / Consortium Member in order for a Joint Venture / Consortium to qualify each of the Joint Venture / Consortium Members.

6.0 TIME SCHEDULE

Bidder shall indicate the shortest possible completion schedule for the project implementation, which in any case shall not exceed the Owner's requirements of completion schedule as mentioned below:

The basic consideration and essence of the contract is the strict adherence to the offered time schedules for this fast track project.

The Commercial Operation of the Combined Cycle Power Plant shall be completed within a period of 27 months from the Notice to Proceed Date. However bidders may quote below this period. Any bidder quoting beyond this completion schedule of 27months, the pricing proposal of such bidder shall be loaded at Rs 25 lakhs /day.

7.0 PREPARATION AND SUBMISSION OF BID

- 7.1 Bidder shall bear all costs associated with preparation and submission of bid as defined in the scope of work; and Owner will not in any case be responsible or liable for these costs, regardless of the conduct or outcome of bidding process. The bid shall be prepared typing or printing with indelible black ink in the proposal sheets.
- 7.2 The bidder shall submit the following documents [one original + 4 copies + 2 soft copies on Flash Drive] in three separate sealed envelopes on or before the scheduled date and time as specified in the covering letter:

a. Bid Security and Qualification Envelope: Envelop - 1

Bidders shall submit the Bid Security (along with covering letter as per Annexure I – IV) and Qualification details containing all the qualification documents, as required, substantiating meeting the qualifying criteria; as provided in the Bid / Bid documents, to substantiate their Qualification. The Bid Security and Qualification Envelope shall be attached in a separate sealed envelope and super scribed clearly at the top outside of the envelope.

Owner will open the “Bid Security and Qualification Envelope” and check for the submission of Bid Security and proceed further to evaluate the Bidders’ qualification. Owner’s decision in the matter shall be final and binding to the Bidder.. Failure to submit bid security will result in rejection of the bid.

b. Techno-Commercial Unpriced Bid: Envelope - 2

- i. Description of Bidder/Bidding Consortium as per Annexure-I-V (Part-I Section-1 ITB).
- iii. MoU amongst the Member Companies, incorporating the principles as per Annexure-I-VI.
- iv. Audited Annual Reports for the last three (3) financial years for all the members of the Consortium.
- v. Annexure / Additional Information bidders wish to submit (Corporate profile, brochures etc.).
- vi. Technical and Unpriced Commercial bid (without price) including complete list of Technical and Commercial Deviations in specified format, Declaration of Deemed Export Benefit, Sub-contractors proposed by bidder and all duly filled up schedules.
- vii. Details of Training Programme such as number and category of Owner’s personnel who shall be imparted training and the duration thereof in the various areas and disciplines as required under the “Conditions of Contract” setforth in Bid Document.

c. Price Bid – Envelope 3

This would include the lumpsum price for the execution of the Project.

Each sealed envelope superscribed in the top as:

“Proposal for EPC Contract for 350+20% MW SPGL Gas Based Power Plant at Kakinada”

with appropriate envelope titled as in (a) to (c) above shall be submitted as per submission procedure.

d. Submission of Supplementary Price Bid

Bidder shall be advised at a later date to submit the Supplementary Price Bid (based on Owner’s approval) for specific to items which Owner may request the bidder. Bidders are NOT allowed to revise the lumpsum price quoted by them initially after the bids are opened.

- 7.3 Bids without EMD / bid security shall be rejected. Part bids are not acceptable. Bid submitted by telex or telegram or E-mail will not be accepted. Bid that is not submitted according to instructions contained in the enquiry document shall be rejected. SPGL reserves the right to accept / reject any or all bids without assigning any reason thereof at any stage. No further correspondence shall be entertained in this regard.
- 7.3.1 The bidder shall submit along with the bid, bid guarantee in the prescribed format (enclosed as separate Annex -I) for INR 100 Million OR 2.5 Million US \$.
- 7.3.2 The bid guarantee can also be paid by Demand Draft drawn in favour of "Spectrum Power Generation Ltd" payable at Hyderabad.
- 7.3.3 The bid guarantee submitted in the form of Bank Guarantee shall be issued by Indian Nationalized / Scheduled Bank (as acceptable to SPGL). In case such guarantee is issued by Foreign Bank, the same shall be advised and confirmed by any of the Indian Nationalized / Scheduled Bank.
- 7.3.4 The Bid Guarantee shall specifically bind the bidder to keep his offer valid for acceptance and to abide by all the conditions of the EPC Bid document (except those deviations which are agreed by the Owner) in the event of Owner deciding to award the work to the said bidder.
- 7.3.5 The Bid Guarantee in respect of unsuccessful bidder shall be released after Security Deposit / Performance Guarantee is submitted by the successful bidder.
- 7.3.6 The Bid Guarantee shall remain valid for a period of one year from the date of opening of Techno-Commercial Bid and shall be extended as may be requested by the Owner.
- 7.4 If the name of the eligible/selected bidder(s) is required to be changed for any legal reason, prior to entering into of the contract, Owner may permit the same subject to the condition that the bid remains the same in every respect except for the change of the name and relevant documents in this regard are submitted to Owner by the bidder immediately and before the last date for execution of the contract.
- 7.5 **Signature on Bid**
- 7.5.1 The bid must contain the name, designation and place of business of the person or persons making the bid and must be signed and sealed by the bidder with his usual signature. The names of all persons signing (authorized signatories) should also be **typed or printed** below the signature.
- 7.5.2 Bid by a partnership firm must be furnished with full names of all partners and be signed with the partner's name, followed by the signature and designation of one of the authorized partners or other authorized representative(s). A certified copy of the partnership Deed and current address of all the partners of the firm shall also accompany the bid.
- 7.5.3 Bid by a Corporation / Limited Company must be signed with the legal name of the Corporation / Limited Company by the President, Managing Director or by the Secretary or any other person or persons holding powers of attorney for signing the bid, in which case a certified copy of the power of attorney for signing the bid and the Board resolution authorizing the grant of the such Power of Attorney shall be furnished along with its bid. Such Limited Company/Corporation shall also furnish satisfactory evidence of its existence along with its bid.
- 7.5.4 A bid by a person who affixed to his signature the word 'President', Managing Director, Secretary, Agent or any other designation without disclosing his principal and Power of Attorney and Board Resolution will be rejected. Satisfactory evidence of authority of the person signing on behalf of the bidder shall be furnished with the bid.

- 7.5.5 Bid by a Joint Venture / Consortium must be signed by all members of the Joint Venture/Consortium. The bidder's name stated on the proposal shall be the exact legal name of the firm. In case of Joint Venture / Consortium the exact, legal names of all the member's firms shall be stated and leader of Joint Venture / Consortium shall be clearly indicated.
- 7.5.6 Erasures or other changes in the bid documents shall carry the initials of the person(s) signing the bid. The Bid documents shall be deemed to be part of the bid and the Compliance to the conditions thereof by the bidders is mandatory.
- 7.5.7 "Consortium / Joint venture" shall mean a group of firms/ companies who have agreed to work as partners in co-operation with each other and party to the contract for successful execution of the specific project, as explained hereunder.

The Bidder may be a single company, a Consortium of companies, a joint venture or any other appropriate form. "Consortium/Joint venture" shall mean a group of firms/ companies who have agreed to work as partners in co-operation with each other and party to the Contract for successful execution of the Project. In case the Bidder is a Consortium/Joint venture of companies, such Consortium / joint venture shall designate a member performing a key component of the Contract to be their Lead Member. The members of the Consortium/Joint venture shall have joint and several responsibilities for the execution of the Project and such Lead member and other members of the Consortium shall have to meet the requirement under 7.5.7.1. A copy of the agreement entered into amongst the members of the Consortium/Joint venture should be attached to the Technical Proposal.

For this purpose, the lead member shall [a] have to fulfill the requirements of Clause 5.0 (Qualifying requirements for bidders) above, [b] be responsible for the performance of plant equipment including Gas Turbine, Gas Turbine Generator, HRSG, Steam Turbine, Steam Turbine Generator and auxiliary units and packages and [c] guarantee the plant equipment, in terms of this Bid Document.

A company can only be a member of 1 (One) Bidder in case of a Consortium/Joint venture for the purpose of the Bid proposal.

- 7.5.7.1 The Bidder and / or individual members of "Consortium/Joint venture" each should be a company under the (Indian) Companies Acts 1956 or under the laws of any other jurisdiction.
- 7.6 Bidders shall quote in their proposal, lump sum 'FIRM' price for the entire scope of works covered in this specification along with price break-up for supply and services in accordance with the Price Schedule in format given in the enquiry documents.
- 7.7 Bids must reach the address specified not later than the time and date indicated in the covering letter. The Owner may extend this deadline for the submission of bids by amending the Bid Enquiry Notification. In such case all rights and obligations of the Owner and bidders under this bid shall be subjected to the extended deadline. Any bid received after the deadline prescribed pursuant to clause above (as extended pursuant to clause above) of this bid, shall be summarily rejected and returned.
- 7.8 The submission of any bid connected with these documents and specifications shall not constitute an agreement; and the bidder shall have no cause of action or claim, against the Owner for rejection of his bid. Only the Final Proposal shall be part of the contract to be awarded pursuant hereto, notwithstanding anything to the contrary contained herein. The Owner shall always be at liberty to reject or accept any bid or bids or to annul the bidding process and reject all bids at anytime at his sole discretion and any such action will not be called into question and the bidder shall have no claim in that regard against the Owner; and the Owner shall have no obligation whatsoever to inform the affected bidder or bidders about the ground(s) or reason(s) for its such action.

7.9 Opening of Bids

7.9.1 The bids would be opened at SPGL office, Hyderabad as per prior intimation of time (IST) & date with or without the presence of the representatives of the Bidders. The representative shall be the "Authorized Signatory" of the Bidding Company or Bidding Consortium or person carrying an "Authorization Letter" from the Authorized Signatory of the Bidding Company or Bidding Consortium.

7.9.2 The bidders should note the following:

- a. Mode of Delivery: Bids can be submitted by Registered Post/Courier/Hand Delivery.
- b. Initials: Each page of the bid should be initialed by the authorized signatory of the Bidder.
- c. Incomplete or bids inconsistent with the requirement of enquiry documents would be liable to be rejected.
- d. Language of Correspondence: All communication and information should be in writing; and in the English language only.
- e. Alterations in Bids: Consideration for Request for changes in the bid and /or supplementary information/additional information to the bid submitted may or may not be entertained at the sole discretion of the Company.
- f. Additional Information: SPGL reserves the right to seek additional information from the Bidders, if found necessary, during the course of evaluation of the Bid. Non-submission, incomplete submission or delayed submission of such additional information or clarifications sought, may be a ground for treating the Bid as "non-responsive".
- g. The bids would be evaluated as specified. However, within the broad framework of the evaluation parameters stated, SPGL reserves the right to make modifications to the stated Evaluation Criteria, which would be uniformly applied to all the Bidders.
- h. On submission of the bid, it would be assumed by SPGL that all the members of the Bidding Consortium have thoroughly read the bid submitted; and agree to the bid in its entirety.
- i. For a Bidding Consortium, no change in the membership of the Consortium and in responsibilities of any Member Company shall be allowed after submission of the bid.
- j. For a Qualified Consortium, if such a change in membership pattern or responsibilities is desired, it should be communicated to SPGL in writing for its approval. SPGL reserves the right to reject such a request for change in the Consortium structure, which in their opinion would adversely affect the Consortium strength. However, the Consortium Leader shall not be allowed to change its responsibilities or exit from the Consortium.
- k. A single company cannot propose to be member of more than one Consortium for submission of the bid.
- l. The Bidding Company or Bidding Consortium should nominate one person (Authorized Signatory) to represent the Bidder in dealing with SPGL. This designated person should be authorized to perform all tasks including, but not limited to, providing information, responding to inquiries, entering into contractual commitments on behalf of the Bidder, etc. The designated person should also be primary source of contact for SPGL; and all correspondence shall be addressed / communicated to the nominated person.

- m. The Bidder shall bear all the costs associated with the preparation of the bid regardless of conduct or outcome of this process.
- n. Any claim made or information furnished in the bid; or in any other correspondence should be factual and true. If any information / claim are found to be incorrect or material misrepresentation of fact, then the bid would be summarily rejected.
- o. SPGL reserves the right to reject any or all of the bids or accept any bid without assigning any reason whatsoever.
- p. Full pertinent information that may affect the performance or responsibility of the Bidder or any Consortium member such as ongoing litigation, financial distress, any other etc. shall be disclosed.

8.0 INFORMATION REQUIRED WITH THE BID

- 8.1 Bid must clearly indicate the name of the manufacturer, the type or model of each principal item of equipment proposed to be furnished and erected. Bid must also indicate where each principal item of equipment has been supplied and is in satisfactory commercial operation. Bidder must furnish the details of (a) the problems faced by these principal items of equipment and how the same have been overcome and (b) the upgradation of the offered machine with full parameters. The various drawings, data, documents, catalogues, brochures as well as the technical schedule and other schedules that need to be included in the bid as per enquiry specification shall be submitted with the bid.
- 8.2 Oral statements made by the bidder at any time regarding quality, quantity or arrangement of the equipment or any other matter will not be considered. Standard catalogue pages and other documents of the bidder may be used in the bid only to provide additional information and data as deemed necessary by the bidder. However, bidder should furnish all relevant information as per specification.
- 8.3 The bid shall contain:
 - a. Clause wise compliance separately for each of (i) technical conditions and (ii) commercial conditions as set out in bid document. Deviations, if any, shall be separately highlighted in Schedule-4 Commercial Deviations & Schedule-5 Technical Deviations given in Part-II Section-7. The deviations mentioned elsewhere, if any, will not be considered; and Owner will not be responsible to entertain / agree the same. In case clause wise compliance report is not enclosed with the bid, the bid shall not be considered.
 - b. A comment against specific clause "Noted" or "Understood" will not be acceptable. A categorical response e.g. an affirmative reply like "we comply" against each clause is necessary. Absence of such reply shall make the bid non-compliant.
 - c. If at any later date, it is found that documents, information and data submitted by the bidder in the bid is incorrect or false to the extent that had the correct or true information been made available to the Owner at the time of bid evaluation, the bid would have been declared ineligible or unsuccessful, the bidder shall be forthwith disqualified and the entire bid security deposited shall be appropriated by the Owner.
 - d. The bidder shall also furnish a schedule for the project key dates of his plan to meet the overall project completion date (Refer Schedule-3 in Part-II, Section-7). This information shall be in addition to the detailed project schedule and other information that are required to be furnished as part of the bid.

8.4 The bid particulars shall essentially include the following:

- a. Executive information about the Bidding Company indicating name of Company, year of establishment, address, contact person, telephone / fax number, e-mail address, Organizational structure of the Company, details regarding Board of Directors, Senior Level Managerial Team & Work Force, Bio-data & Particulars of Managing Director / Chief Executive Officer, Memorandum of Association / Articles of Association of Bidding Company shall be attached.

In case of Bidding Company is a Consortium, then similar information about each Consortium member and their respective commitment to the EPC bid shall be furnished in development and construction.

Copies of MOUs/Agreements entered into in this regard shall be attached. Each member's role in the EPC bid must also be stated.

- b. A statement of experience / capability in gas fired Power Plants of the Bidding Company or each member of Consortium shall be furnished giving details of past experience/capability. The background of the Company/Consortium member in the combined cycle Power Generation Sector should be detailed in particular, apart from other details, in terms of -

- Number of Gas fired Combined Cycle Power Plants associated with identifying the plant taken up / being taken-up on EPC basis.
- Installed capacity of each of the Gas fired Combined Cycle Power Plants and total capacity associated with-

Worldwide; and
In India
- For each of the gas fired plants details such as unit size; fuel used; date of commissioning; time taken for commissioning the plant on simple/open cycle; and combined cycle mode along with scheduled commissioning period.
- Details of Gas fired Power Plants awarded and yet to be executed/plant under different stages of execution. Commitment of Bidding Company/ Consortium members for the on going/awarded plants be stated in detail.

Bidder should enclose reference letters from competent Governments/Authorities/Company in support of his experience.

8.5 **Validity**

Each Bidder shall state that the Bid is a 'Firm and Irrevocable offer valid and open for at least 180 (one hundred eighty) days from the last date of submission of bids. Bids without this statement may be treated as non-responsive/invalid.

In exceptional circumstances, SPGL may solicit the Bidder's consent for extension of validity period in writing and the Bidder shall agree to consider such extension. A Bidder accepting SPGL's request for validity extension will not be permitted to modify its bid.

9.0 **CLARIFICATIONS ON DOCUMENTS AND SPECIFICATIONS**

- 9.1 The bidder should carefully examine the specification documents and fully ascertain himself as to all the conditions and matters, which may in any way, affect the works to be performed or the cost thereof. If bidder finds discrepancies or omissions in the specification documents or is in doubt as to the true meaning of any part, he shall at once request in writing for an interpretation clarification to the Owner in triplicate with soft copy in CD ROM and e-mail.

- 9.2 In addition to written queries, all the bidders are invited to the Pre-Bid Conference proposed at Hyderabad to clarify their queries. The time of the Conference will be intimated to all the bidders. Pre-bid Conference would also be a forum to receive feedback of the bidders on the project. Subsequent to the Pre-Bid Conference, site visit would be organized on the next day. Response to written queries of the bidders submitted to SPGL before the Pre-bid conference will be circulated to the bidders at the Pre-bid conference. Queries would be entertained upto a week prior to the date for Pre-bid conference. Queries of bidders at the Pre-Bid Conference and written queries subsequent to the Conference would be consolidated and circulated to all the bidders, alongwith clarifications / addendum / amendment. Copy of the same would also be available at the Registered Office of the Company.
- 9.3 Verbal clarifications and information given by the Owner / Consultant or his employees(s) or his representative(s) shall not in any way be binding on the Owner. Owner shall not in any circumstances, way or manner whatsoever be liable to the successful bidder for any consequential loss or damage including loss of profits.
- 9.4 Bidders shall be responsible to confirm / ensure correctness of the informative details provided herein the document.

10.0 BIDS UNDER CONSIDERATION

- 10.1 Due discretion will be exercised to protect the confidentiality of the information shared by bidders with SPGL. The bids would be evaluated based on (a) the technical competence & the financial strength of the bidders and (b) evaluated based on detailed techno-economic analysis including cost benefit study analysis.
- 10.2 Bids shall be deemed to be under consideration immediately after they are opened and until such time, the Owner makes official intimation of award/ rejection to the bidders. While the bids are under consideration, bidders and/or their representatives or other interested parties are advised to refrain from contacting by any means, the Owner and/or his employees / representatives or Consultant on matters related to the bids under consideration. The Owner / Consultant if necessary will obtain clarifications on the bids by requesting for such information from any or all the bidders, either in writing or through formal meetings as may be necessary. Bidders will not be permitted to change the substance of their bids after the bids have been opened.

11.0 AMENDMENT TO SPECIFICATION

Any time prior to the deadline for submission of bid, Owner may for any reasons, whether at their own initiative or in response to clarifications requested by bidders, modify the enquiry including specification by amendment. The amendment will be notified in writing to all bidders (at the address indicated at time of purchase of enquiry specification) who have collected the enquiry and will be binding on them.

12.0 EVALUATION OF BIDS

The bids shall be evaluated in three stages:

- 12.1 Stage-1: Review of Qualification, Technical and Unpriced Commercial bid
- a. The Owner will open the qualification, technical and unpriced commercial bids of the bidders.
 - b. Bids which are found deficient on general scrutiny will be treated as non-responsive and shall be rejected. For this purpose a bid shall be substantially responsive if it conforms to all the terms and conditions of this bid without any material deviation. No recourse shall be made to any extrinsic evidence or material to determine a bid's responsiveness and the same shall be based on the contents of bid itself.

- c. Bids which are found deficient on detailed scrutiny will be rejected. Such deficiencies are:
- i. The Fill-in Schedules required to be furnished by bidder along with bid, are not in the prescribed form.
 - ii. The bid does not include all information as required.
 - iii. The bid is conditional.
 - iv. The bidder is subject to any restraint in respect of use and / or operation of any of its facility.
 - v. The bidder does not furnish all clarifications regarding the bid requested by Owner / Consultant either in writing or through formal meetings as may be necessary.

The bidders whose bids are not found deficient upon detailed scrutiny as above shall be qualified for opening of their Price bids. Acceptable bidders will be permitted to submit price impact, if any, based on of bidding Process.

12.2 Stage-II: Opening of Price and Supplementary Price Bid

- a. Price bids (both Main and Supplementary) of acceptable bidders shall be opened later on. Price bid (both Main and Supplementary) of those bidders whose Techno-Commercial bids, after ensuring are adjudged responsive and does not require disqualification shall be opened for those qualified bidders. The Price bids will be scrutinized for compliance with bid. The price bids found non-compliant shall be rejected and shall not be considered.
- b. The bidders shall quote FIRM prices. Further the prices shall remain **FIRM** throughout contract period under the contract to be executed with the successful bidder pursuant hereto. There shall be no price adjustment on account of currency exchange rate variation during the pendency of the contract. For applicability of concessional rate of custom duty and availing benefit thereof, bidder shall be responsible to obtain necessary clearance from statutory bodies.
- c. **Evaluated Per MW Quote:**

The evaluation would be carried out based on the Net Present Value (NPV) for each MW of net electrical output offered. Cash flow for SPGL would be projected based on the bidders offer over the construction phase.

EPC Contract price, as quoted by Contractor, would be technically evaluated with the objective of bringing all the bidders at par, to the extent possible, on technical parameters.

To the above, EPC price quoted would be adjusted to factor in the commercial issues terms & conditions of the bid.

Further, the operating parameters would be factored to arrive at the evaluated per MW EPC quote.

Evaluation Template:

| | | |
|----|---|--|
| 1) | i.) Quoted EPC Price (In equivalent Indian rupees) excluding taxes and duties ii.) Quoted LTSA price comprising of | As Quoted in Main and Supplementary <ul style="list-style-type: none"> • Converted in Indian Rupees based on foreign currency if quoted |
|----|---|--|

| | | |
|----|---|---|
| | annual maintenance payment, scheduled inspection payments and spares payment (converted to Present Value In equivalent Indian rupees) | |
| 2) | Loading for Technical Deviations / Incomplete scope | Estimated additional cost |
| 3) | Loading for commercial deviations (Incl. loading for the quoted period for COD beyond 27 months by the eligible bidders) | Estimated additional cost |
| 4) | Adjusted quoted EPC Price | = 1+2+3 |
| 5) | Present Value of Fuel Cost | Computed Based on: <ul style="list-style-type: none"> Gross Electrical base load Output and auxiliary power consumption For differential (departure from base / datum) Weighted average Heat Rate quoted at three different levels of rated capacity utilization. |
| 6) | Interest during construction | Computed based on: <ul style="list-style-type: none"> The payment schedule quoted for the contract value. |
| 7) | Total outflow | = 4+5+6 |
| 8) | Per MW Outflow | = 7 / Guaranteed Net Electrical Output by the EPC Contractor or subject to a maximum of 405MW whichever is less |

Present Value of the Fuel Cost:

- i. The bidders would quote the gross electrical output, guaranteed heat rate and auxiliary power consumption of equipment supplied under their scope for Combined Cycle operations.
- ii. For the purpose of evaluation, weightages shall be worked out on the operating regime as below:
 - 60% rating for 720 Hrs. in a year.
 - 80% rating for 1080 Hrs. in a year.
 - 100% rating for 5712 Hrs. in a year.

(Weighted average of above will be 80% PLF in a year of 365 days). The bidder shall guarantee weighted average heat rate for above operation regime.

- iii. Based on the above quotes, weightages and assuming lower calorific value (LCV) of 8200 kcal / scm, the annual natural gas consumption for a period of 25 years would be derived.
- iv. The annual consumption would be multiplied by the cost of natural gas, assumed to be Rs. 300/- per MMBTU/Rs. 9 /- per SCM to arrive at the annual cost of fuel.
- v. The annual cost of the fuel will be multiplied with the discount factors to derive the annual fuel cost in present value terms. The discount rate applied would be 10% with 5% escalation in cost of fuel per each year.
- vi. The annual cost in present value terms for each year would be added to arrive at the Present Value of the fuel cost.

Calculation of Interest during construction:

- i. The bidders would quote the schedule of payment (Draw-down schedule) based on milestones and expected number of days as per the Work Program.
- ii. The payments would be either in combination of foreign currency & Indian Rupees or in foreign currency or in Indian Rupees only.
- iii. On the date of payment for each milestone payment listed in Schedule-3 in Part-II, Section-7. The foreign currency component would be converted into Indian Rupees applying the Exchange Rate as on the bid opening date.
- iv. Interest would be calculated on all the payments from the date of payment upto the scheduled date of Commercial Operations of the Combined Cycle Plant.

Evaluation Assumptions:

The following assumptions would be uniformly applied to all the bidders while evaluating their offers.

- Foreign Currency base rate: : TT selling exchange rate as provided by SBI, Hyderabad as on date of price bid opening would be assumed to be the base exchange rate.
- Discounting Rate : 10% p.a.
- Escalation : 5% p.a

Assumed for computation of interest during construction:

- Currency : Rupee
- Interest Rate : 10% p.a.

13.0 POWER PLANT DEVELOPMENT PROCESS

- a. The EPC Contractor will be overall responsible for selecting the equipment, technology, review of the Combined Cycle power plant designs and carrying out the Project's construction and commissioning, at its own risk.
- b. The financing of the proposed Project is solely a matter of SPGL. However necessary documents as required, shall be provided by the bidder.
- c. The bidders in response to the enquiry documents will be required to provide a Security with their Proposal in the form of a Bank Guarantee, the terms of which will be contained in the document.
- d. As required, EPC contractor shall obtain necessary permits for importation of materials and equipment, construction of the Combined Cycle power plant; and for the Combined Cycle Power Plant's operation in accordance with the laws of India. Bidder shall also be responsible for:
 - i. Studying and implementing mitigation measures for the proposed Project to comply with Andhra Pradesh Government Environmental Regulations and also comply the conditions of all the clearance / NOCs including those obtained by the Contractor in pursuant to the bid documents.
 - ii. Meeting the pre-agreed commitments for the proposed Project as contained in the Contract Agreements for the Project with the selected EPC Contractor.

14.0 AWARD OF CONTRACT

- 14.1 After selection, a Letter of Intent ("LOI") shall be released by the Owner to the selected bidder. In respect of LOI, two weeks time shall be given for acceptance. Letter of Acceptance ("LOA") by the bidder must be submitted within the stipulated period. No delay shall be permitted, and in the event bidder's acceptance is not received by stipulated date, the entire Bid Security of such bidder shall be appropriated by the Owner without giving any reasons.
- 14.2 After acceptance of the LOA by the Owner, the bidder shall enter into the contract with the Owner. Prior to the contractor finalization Owner reserves the right to cancel the letter of Award owing to any unforeseen circumstances / reasons beyond control. Owner shall be the sole judge in this regard subject to the provisions and conditions detailed out in these specifications. A responsive bid is one which accepts all terms and conditions of these specification and documents without any modifications. A modification is one, which affects in any way the prices, quality, quantity or completion period of the works or which limits in any way the responsibilities or liabilities of the bidder or any rights of the Owner as required in these specifications. The decision of Owner is final in this regard.

15.0 PERFORMANCE SECURITY

As a Contract Security, the successful bidder, to whom the work is awarded, shall be required to furnish a performance bond in form of Bank guarantee of 20% value of the total EPC prices inclusive of taxes & duties within 15 days of the receipt of LOI as per "General Conditions of Contract" in favour of the Owner as per the acceptable format enclosed.

16.0 RETAINAGE AND RELEASE OF RETAINAGE MONEY

A sum equal to five (5) percent of each invoice to contractor shall be deducted as retainage and shall be paid against 100% guaranteed Plant Performance or Payment of Liquidated Damages along with the "Final Payment" after Take-over of plant by Owner after satisfactory compliances of the contract provision and defects attending / punch points liquidation.

17.0 PARENT COMPANY GUARANTEE

In case the bidder is subsidiary (company or companies) the ultimate Parent company (or companies) shall issue a parent company guarantee.

18.0 CONTRACT QUALITY ASSURANCE

The bidder shall include in his bid a Quality Assurance Program containing the overall quality management and procedures, which he proposes to follow in the performance of the contract during various phases. At the time of Award of Contract, the detailed Quality Assurance Program to be followed for the execution of the contract as decided by the Owner shall form a part of the contract.

19.0 INSURANCE

The bidder's insurance liabilities pertaining to the scope are detailed out in clause titled 'Insurance' of the specification in a form approved by the Owners. Bid price shall include all the costs in pursuance of fulfilling all the insurance liabilities under the contract.

20.0 SIGNING OF THE CONTRACT

The successful bidder shall be required to execute Contract Agreement within 90 days of the date of LOI along with the submission of Performance Guarantee, failing which Bid Security shall be forfeited.

ANNEXURE – I-I: FORMAT FOR ADVANCE PAYMENT BOND

Note: To be executed on a non-judicial Andhra Pradesh Stamp Paper of appropriate value.

THIS BANK GUARANTEE dated this _____ day of _____

BETWEEN:

- 1) The _____ bank having its office at _____ (hereinafter referred to as “Bank”) which expression shall, unless repugnant to the content or meaning hereof be deemed to include its successors and assigns.

and

- 2) Spectrum Power Generation Ltd, incorporated under laws of India and having its Corporate Office Plot No: 231, 8-2-293/82/A/231, 3rd Floor, #36, Jubilee Hills, Hyderabad-500 033 (hereinafter referred to as “Company”) which expression shall, unless repugnant to the content or meaning hereof be deemed to include its successors and assigns.

WHEREAS:

- A. The Company and the Contractor are entering into the EPC Contract (“Contract”) for the performance of engineering, design, supply of all equipments and other services necessary to construct, erect, commission and complete the Plant as given in the Specification.
- B. As security for certain obligations of the Contractor under the Contract, the Contractor has agreed to provide a [_____] Bond to the Company in the form of a bank guarantee to the extent of (name of currency) _____ (the “Guarantee”) which will be issued from a reputable international Bank in favour of and in a form acceptable to Company and its Lenders guaranteeing the obligations of the Contractor under the Contract and the obligations of the Contractor.
- C. The Contractor has approached the bank for furnishing this Guarantee to the Company which the bank has agreed to provide as under;

NOW THIS DEED WITNESSETH as follows:

1. In this Guarantee words and expressions, if not otherwise defined, have the meanings (if any) given to them in the Contract between the Company and Contractor:
- “Business Day” means a day when banks in Hyderabad, India are open for business.
2. The Bank hereby irrevocably undertakes to pay to the Company without demur notwithstanding any objection which may be made by the Contractor, upon the Business Day immediately following that on which it receives a written demand from the Company in accordance with Clause 4 below an amount equal to the lesser of
- the amount specified in such demand; or
 - the amount stated in the First Schedule (the “Guarantee Amount”) less the then aggregate of all previous payments made under this Guarantee.
3. The Bank’s obligation to make payments under this Guarantee shall arise forthwith on receipt of a demand made in accordance with provisions of this Guarantee and stating that the Contractor has failed to meet its obligations under this Contract, and the Bank shall not be required or permitted to make any other investigation or enquiry whatsoever.

4. The Company may make one or more demands hereunder. Each demand shall be in the form set out in the Second Schedule and shall be delivered to the Bank on a Business Day and during normal banking hours.
5. The maximum liability of the Bank under this Guarantee shall not exceed the Guarantee Amount.
6. This Guarantee is irrevocable. It will take effect on the date hereof and (unless previously cancelled by the written agreement of the Bank and the Company) will expire on the Final Performance Acceptance of the Plant.

The expiry of the Guarantee under paragraph 6(a) above shall not affect or discharge the liability of the Bank to make payment of any demand made in accordance with the provisions of Clauses 2 and 4 on or before the Expiry Date. Such demand shall then be recoverable by the Company and enforceable as such.

7. All payments to be made under this Guarantee shall be made to the account specified by the Company in the relevant demand.
8. No alteration in the terms of said Contract and no allowance of time by the Company thereunder, nor any forbearance or forgiveness in or in respect of any matter concerning the Contract on the part of the Company, nor any other act, event or omission which might otherwise operate to discharge any liability of the Contractor, shall in any way release the Bank from any liability under this Guarantee.
9. The benefit of the Company in and to this Guarantee shall be capable of assignment or transfer, without the consent of (but after at least 21 Business Day's advance written notice to) the Bank, to any permitted assignee of the Contract but otherwise shall not be capable of assignment or transfer.
10. Any notices or communications to be made by the Bank or the Company to the other under or in connection with this Guarantee (other than demands under Clause 2) shall be in writing and made to the other at the following addressees:

The Bank: []

The Company:

M/s Spectrum Power Generation Limited,
Plot No: 231, 8-2-293/82/A/231, 3rd Floor,
#36, Jubilee Hills,
Hyderabad - 500 033,
India

11. All payments under this Guarantee shall be made free of any withholding or deduction.
12. DISPUTES AND GOVERNING LAW
 - 12.1 The law which is to apply to this Guarantee and under which this Guarantee is to be construed is Indian Law.
 - 12.2 Arbitration provisions of the Contract shall apply to any dispute hereunder.
13. Notwithstanding anything contained herein before, the Bank's liability under this Guarantee is restricted to the Guarantee Amount. This Guarantee shall remain in full force and effect until the Expiry Date and when a demand or claim under the Guarantee is not received by the Bank in writing on or before the Expiry Date, all the Company's rights under this Guarantee

shall be deemed to have been relieved and discharged and the Bank shall be discharged from all liabilities hereunder Provided that nothing herein shall affect or discharge the liability of the Bank to make payment of any demand made prior to the Expiry Date, which demand shall be actionable and/or enforceable as such.

This Guarantee shall not be discharged, impaired or affected by reason of

- A) any legal limitation, inability, disability or incapacity or other like circumstances specifically relating to the Contractor, or any amendment, supplement, modification or change to or Variation of any of the terms of the Contract; or
- B) the liquidation, dissolution, amalgamation, reconstruction or reorganization of the Contractor or the appointment of a receiver, administrative receiver or administrator of any of the assets of the Contractor (or the equivalent of any such matters occurring in any jurisdiction) or the occurrence of any such circumstance affecting the liability of the Contractor to discharge any obligation secured by or relating to this Guarantee.

IN WITNESS whereof on this Guarantee has been executed by the Bank as a deed and is intended to be delivered and is hereby delivered on the date first above written.

EXECUTED AND DELIVERED)
 as a deed for and on behalf)
 of [the Bank] by)
 [])
 so authorized)
 in the presence of)

Witness:

Name:

Address:

Occupation:

THE FIRST SCHEDULE

Particulars

The Guarantee Amount: The sum of USD _____ (US\$_____).

The Expiry Date:

THE SECOND SCHEDULE

Form of Demand

To: [insert details of the Bank]

Dear Sirs,

Re: The Guarantee dated [] issued by [] Bank in favour of
Spectrum Power Generation Limited (the "Guarantee")

We, Spectrum Power Generation Limited, hereby demand the amount of _____ under
the Guarantee.

Payment should be made to Account Number [] at
[]

Yours faithfully

for and on behalf of

Spectrum Power Generation Limited

ANNEXURE – I-II: FORMAT FOR PERFORMANCE BOND

Note: To be executed on a non-judicial Andhra Pradesh paper of appropriate value

THIS BANK GUARANTEE dated this ____ day of _____

BETWEEN:

- 1) The _____ bank having its office at Hyderabad (hereinafter referred to as “Bank”) which expression shall, unless repugnant to the content or meaning hereof be deemed to include its successors and assigns.

and
- 2) Spectrum Power Generation Limited, incorporated under laws of India and having its Corporate office at Plot No: 231, 8-2-293/82/A/231, 3rd Floor, #36, Jubilee Hills, Hyderabad-500 033 (hereinafter referred to as “Company”) which expression shall, unless repugnant to the content or meaning hereof be deemed to include its successors and assigns.

WHEREAS:

- A. The Company and the Contractor are entering into the EPC Contract (“Contract”) for the performance of engineering, design, supply of all equipment and other services necessary to construct, erect, commission the Plant as given in the Specification.
- B. As security for certain obligations of the Contractor under the Contract, the Contractor has agreed to provide a [_____] Bond to the Company in the form of a bank guarantee to the extent of USD _____ (the “Guarantee”) which will be issued from a reputable international Bank in favour of and in a form acceptable to Company and its Lenders guaranteeing the obligations of the Contractor under the Contract and the obligations of the Contractor.
- C. The Contractor has approached the bank for furnishing this Guarantee to the Company, which the bank has agreed to provide as under;

NOW THIS DEED WITNESSETH as follows:-

1. In this Guarantee words and expressions, if not otherwise defined, have the meanings (if any) given to them in the Contract between the Company and Contractor:

“Business Day” means a day when banks in Hyderabad, India are open for business.
2. The Bank hereby irrevocably undertakes to pay to the Company without demur notwithstanding any objection which may be made by the Contractor, upon the Business Day immediately following that on which it receives a written demand from the Company in accordance with Clause 4 below an amount equal to the lesser of
 - a) the amount specified in such demand; or
 - b) First Schedule: The “Guarantee Amount” less the then aggregate of all previous payments made under this Guarantee.
3. The Bank’s obligation to make payments under this Guarantee shall arise forthwith on receipt of a demand made in accordance with provisions of this Guarantee and stating that the Contractor has failed to meet its obligations under this Contract, and the Bank shall not be required or permitted to make any other investigation or enquiry whatsoever.

4. The Company may make one or more demands hereunder. Each demand shall be in the form set out in the Second Schedule and shall be delivered to the Bank on a Business Day and during normal banking hours.
5. The maximum liability of the Bank under this Guarantee shall not exceed the Guarantee Amount.
6. This Guarantee is irrevocable. It will take effect on the date hereof and (unless previously cancelled by the written agreement of the Bank and the Company) will expire 15 days from the date of completion of all contractors' obligations, including Warranty and Defect Liability Period obligations under the contract.

The expiry of the Guarantee under paragraph 6(a) above shall not affect or discharge the liability of the Bank to make payment of any demand made in accordance with the provisions of Clauses 2 and 4 on or before the Expiry Date. Such demand shall then be recoverable by the Company and enforceable as such.

7. All payments to be made under this Guarantee shall be made to the account specified by the Company in the relevant demand.
8. No alteration in the terms of said Contract and no allowance of time by the Company thereunder, nor any forbearance or forgiveness in or in respect of any matter concerning the Contract on the part of the Company, nor any other act, event or omission which might otherwise operate to discharge any liability of the Contractor, shall in any way release the Bank from any liability under this Guarantee.
9. The benefit of the Company in and to this Guarantee shall be capable of assignment or transfer, without the consent of (but after at least 21 Business Days' advance written notice to) the Bank, to any permitted assignee of the Contract but otherwise shall not be capable of assignment or transfer.
10. Any notices or communications to be made by the Bank or the Company to the other under or in connection with this Guarantee (other than demands under Clause 2) shall be in writing and made to the other at the following addressees:

The Bank: []

The Company:

M/s Spectrum Power Generation Limited,
Plot No: 231, 8-2-293/82/A/231, 3rd Floor,
#36, Jubilee Hills,
Hyderabad - 500 033

11. All payments under this Guarantee shall be made free of any withholding or deduction.
12. **DISPUTES AND GOVERNING LAW**
 - 12.1 The law, which is to apply to this Guarantee and under which this Guarantee is to be construed, is Indian Law.
 - 12.2 Arbitration provisions of the Contract shall apply to any dispute hereunder.
13. Notwithstanding anything contained herein before, the Bank's liability under this Guarantee is restricted to the Guarantee Amount. This Guarantee shall remain in full force and effect until the Expiry Date and when a demand or claim under the Guarantee is not received by the Bank in writing on or before the Expiry Date, all the Company's rights under this Guarantee shall be deemed to have been relieved and discharged and the Bank shall be discharged from all liabilities hereunder Provided that nothing herein shall affect or discharge the liability

of the Bank to make payment of any demand made prior to the Expiry Date, which demand shall be actionable and/or enforceable as such.

This Guarantee shall not be discharged, impaired or affected by reason of:

- A. any legal limitation, inability, disability or incapacity or other like circumstances specifically relating to the Contractor, or any amendment, supplement, modification or change to or Variation of any of the terms of the Contract; or
- B. the liquidation, dissolution, amalgamation, reconstruction or reorganization of the Contractor or the appointment of a receiver, administrative receiver or administrator of any of the assets of the Contractor (or the equivalent of any such matters occurring in any jurisdiction) or the occurrence of any such circumstance affecting the liability of the Contractor to discharge any obligation secured by or relating to this Guarantee.

IN WITNESS whereof on this Guarantee has been executed by the Bank as a deed and is intended to be delivered and is hereby delivered on the date first above written.

EXECUTED AND DELIVERED)
 as a deed for and on behalf)
 of [the Bank] by)
 [])
 so authorized)
 in the presence of)

Witness:

Name:

Address:

Occupation:

THE FIRST SCHEDULE

Particulars

The Guarantee Amount: The sum of USD _____ (US\$_____).

The Expiry Date:

THE SECOND SCHEDULE

Form of Demand

To: [insert details of the Bank]

Dear Sirs,

Re: The Guarantee dated [] issued by [] Bank in favour of
Spectrum Power Generation Limited (the "Guarantee")

We, Spectrum Power Generation Limited, hereby demand the amount of _____ under
the Guarantee.

Payment should be made to Account Number [] at
[].

Yours faithfully

for and on behalf of

Spectrum Power Generation Limited

ANNEXURE – I-III: WARRANTY BOND

THIS BANK GUARANTEE dated this _____ day of _____

BETWEEN:

- 1) The _____ bank having its office at _____ (hereinafter referred to as “Bank”) which expression shall, unless repugnant to the content or meaning hereof be deemed to include its successors and assigns.

and
- 2) Spectrum Power Generation Limited, incorporated under laws of India and having its Corporate Office at Plot No: 231, 8-2-293/82/A/231, 3rd Floor, #36, Jubilee Hills, Hyderabad-500 033 (hereinafter referred to as “Company”) which expression shall, unless repugnant to the content or meaning hereof be deemed to include its successors and assigns.

WHEREAS:

- A. The Company and the Contractor are entering into the EPC Contract (“Contract”) for the performance of engineering, design, supply of all equipments and other services necessary to construct, erect, commission the Plant as given in the Specification.
- B. As security for certain obligations of the Contractor under the Contract, the Contractor has agreed to provide a [_____] Bond to the Company in the form of a bank guarantee to the extent of USD _____ (the “Guarantee”) which will be issued from a reputable international Bank in favour of and in a form acceptable to Company and its Lenders guaranteeing the obligations of the Contractor under the Contract and the obligations of the Contractor.
- C. The Contractor has approached the bank for furnishing this Guarantee to the Company which the bank has agreed to provide as under;

NOW THIS DEED WITNESSETH as follows:-

1. In this Guarantee words and expressions, if not otherwise defined, have the meanings (if any) given to them in the Contract between the Company and Contractor:

“Business Day” means a day when banks in Hyderabad, India are open for business.
2. The Bank hereby irrevocably undertakes to pay to the Company without demur notwithstanding any objection which may be made by the Contractor, upon the Business Day immediately following that on which it receives a written demand from the Company in accordance with Clause 4 below an amount equal to the lesser of
 - a) the amount specified in such demand; or
 - b) the amount stated in the First Schedule (the “Guarantee Amount”) less the then aggregate of all previous payments made under this Guarantee.
3. The Bank’s obligation to make payments under this Guarantee shall arise forthwith on receipt of a demand made in accordance with provisions of this Guarantee and stating that the Contractor has failed to meet its obligations under this Contract, and the Bank shall not be required or permitted to make any other investigation or enquiry whatsoever.
4. The Company may make one or more demands hereunder. Each demand shall be in the form set out in the Second Schedule and shall be delivered to the Bank on a Business Day and during normal banking hours.

5. The maximum liability of the Bank under this Guarantee shall not exceed the Guarantee Amount.
6. This Guarantee is irrevocable. It will take effect on the date hereof and (unless previously cancelled by the written agreement of the Bank and the Company) will expire on the end of the Warranty Period of the plant inclusive of all equipments and materials.

The expiry of the Guarantee under paragraph 6(a) above shall not affect or discharge the liability of the Bank to make payment of any demand made in accordance with the provisions of Clauses 2 and 4 on or before the Expiry Date. Such demand shall then be recoverable by the Company and enforceable as such.

7. All payments to be made under this Guarantee shall be made to the account specified by the Company in the relevant demand.
8. No alteration in the terms of said Contract and no allowance of time by the Company thereunder, nor any forbearance or forgiveness in or in respect of any matter concerning the Contract on the part of the Company, nor any other act, event or omission which might otherwise operate to discharge any liability of the Contractor, shall in any way release the Bank from any liability under this Guarantee.
9. The benefit of the Company in and to this Guarantee shall be capable of assignment or transfer, without the consent of (but after at least 21 Business Days' advance written notice to) the Bank, to any permitted assignee of the Contract but otherwise shall not be capable of assignment or transfer.
10. Any notices or communications to be made by the Bank or the Company to the other under or in connection with this Guarantee (other than demands under Clause 2) shall be in writing and made to the other at the following addressees:

The Bank: []

The Company:

M/s Spectrum Power Generation Limited,
Plot No: 231, 8-2-293/82/A/231, 3rd Floor,
#36, Jubilee Hills,
Hyderabad - 500 033

11. All payments under this Guarantee shall be made free of any withholding or deduction.
12. DISPUTES AND GOVERNING LAW
 - 12.1 The law which is to apply to this Guarantee and under which this Guarantee is to be construed is Indian Law.
 - 12.2 Arbitration provisions of the Contract shall apply to any dispute hereunder.
13. Notwithstanding anything contained herein before, the Bank's liability under this Guarantee is restricted to the Guarantee Amount. This Guarantee shall remain in full force and effect until the Expiry Date and when a demand or claim under the Guarantee is not received by the Bank in writing on or before the Expiry Date, all the Company's rights under this Guarantee shall be deemed to have been relieved and discharged and the Bank shall be discharged from all liabilities hereunder Provided that nothing herein shall affect or discharge the liability of the Bank to make payment of any demand made prior to the Expiry Date, which demand shall be actionable and/or enforceable as such.

This Guarantee shall not be discharged, impaired or affected by reason of

- A. any legal limitation, inability, disability or incapacity or other like circumstances specifically relating to the Contractor, or any amendment, supplement, modification or change to or Variation of any of the terms of the Contract; or
- B. the liquidation, dissolution, amalgamation, reconstruction or reorganization of the Contractor or the appointment of a receiver, administrative receiver or administrator of any of the assets of the Contractor (or the equivalent of any such matters occurring in any jurisdiction) or the occurrence of any such circumstance affecting the liability of the Contractor to discharge any obligation secured by or relating to this Guarantee.

IN WITNESS whereof on this Guarantee has been executed by the Bank as a deed and is intended to be delivered and is hereby delivered on the date first above written.

EXECUTED AND DELIVERED)
as a deed for and on behalf)
of [the Bank] by)
[])
so authorized)
in the presence of)

Witness:

Name:

Address:

Occupation:

THE FIRST SCHEDULE

Particulars

The Guarantee Amount: The sum of USD _____ (US\$_____).

The Expiry Date:

THE SECOND SCHEDULE

Form of Demand

To: [insert details of the Bank]

Dear Sirs,

Re: The Guarantee dated [] issued by [] Bank in favour of
Spectrum Power Generation Limited (the "Guarantee")

We, Spectrum Power Generation Limited, hereby demand the amount of _____ under
the Guarantee.

Payment should be made to Account Number [] at
[].

Yours faithfully

for and on behalf of

Spectrum Power Generation Limited

ANNEXURE – I-IV : COVERING LETTER

Dated:

**The Chief Engineer,
M/s Spectrum Power Generation Limited,
Plot No: 231, 8-2-293/82/A/231, 3rd Floor,
#36, Jubilee Hills,
Hyderabad - 500 033,**

Dear Sir,

Subject: Proposal for SPGL's 350+20% MW Gas Based Combined Cycle Power Project at Kakinada

Please find enclosed herewith five (5) copies of Proposal _____ dated _____ submitted in response to the EPC Bid Enquiry through International Competitive Bidding and in compliance to the enquiry document issued to us along with demand draft bearing No. _____ Drawn on _____, dated _____ in favour of Spectrum Power Generation Ltd., payable at Hyderabad.

The proposal is submitted by,

(Name of the Bidder)

We have examined the enquiry documents in detail and have understood, and abide by all the terms and conditions stipulated in the enquiry documents.

We hereby inform you that the information furnished in our bid is complete and correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our bid.

We designate,

Ms./Mr. _____
(Mention Name, Designation, Contact Address, Phone & Fax Nos.)

Our representative whose authorized signature is indicated below and authorized to perform all tasks including, but not limited to providing information, responding to inquiries, entering into contractual commitments on our behalf in respect of the project.

Yours truly,

For & on behalf of _____

Authorized Signatory

Name of Persons

Designation

ANNEXURE – I-V: DESCRIPTION OF BIDDER / BIDDING CONSORTIUM

In case of Single Bidder

| | |
|--------------------|--|
| Name of the Bidder | |
|--------------------|--|

In case of Bidding Consortium

| | |
|--------------------------------|--|
| Name of the Bidding Consortium | |
| Name of the Consortium Leader | |
| Names of Member Companies | |

| Name of Member Company | Role as per MOU |
|------------------------|-----------------|
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ANNEXURE – I-VI: MoU AMONGST THE MEMBER COMPANIES INCORPORATING THE PRINCIPLES

The principles based on which the Memorandum of Understanding (MoU) shall be executed between / among the Member Companies, are stated below:

1. The MoU should clearly specify the Consortium Leader.
2. The MoU should clearly specify the roles and responsibilities of each of the Member Companies.
3. The MoU should be duly signed by each of the Member Companies.
4. The MoU should be specific to the Project.
5. The MoU should be valid till completion of all the commitments pertaining to this Project and taking over of the offered Systems and Equipments by SPGL from the date of submission of the Proposal. The validity period should be extendable on the original terms, if requested by SPGL.

ANNEXURE – I-VII: BIDDER’S EXPERIENCE AS EPC CONTRACTOR
(Part of Qualification envelope)

| Month & Year ¹ | Location | Project Sponsor | Combined Cycle Power Plant Capacity MW | Fuel | Plant Configuration | Scope in Brief | EPC Contract value | Date of NTP | Date of Completion | |
|---------------------------|----------|-----------------|--|------|---------------------|----------------|--------------------|-------------|--------------------|--------|
| | | | | | | | | | Scheduled | Actual |
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¹ Mention the Month & Year of Commissioning of the Combined Cycle Plant.

ANNEXURE – I-VIII: BIDDER’S EXPERIENCE AS EPC CONTRACTOR
(Part of Qualification envelope)

| Month & Year ¹ | Location | Project Sponsor / Party to which the equipment was supplied | Combined Cycle Power Plant Capacity MW | Fuel | Plant Configuration | Details of Equipment supplied | Order value | Date of order | Date of Completion | |
|---------------------------|----------|---|--|------|---------------------|-------------------------------|-------------|---------------|--------------------|--------|
| | | | | | | | | | Scheduled | Actual |
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¹ Mention the Month & Year of Commissioning of the Combined Cycle Plant.

**ANNEXURE – I-IX BANK GUARANTEE FORMAT FOR EARNEST MONEY DEPOSIT (EMD) /
BID SECURITY
(On non-judicial stamp Paper of Rs.100/-)**

WHEREAS Messers----- (Name and Address of the firm) having their registered office at -----(address of firm's registered Office) (hereinafter called the 'EPC bidder') wish to participate in the Bid for selection of EPC contractor for setting up of 350+20%MW Gas Based Combined Cycle Power Project Extension-Phase-II at Uppada, Kakinada, East Godavari District, Andhra Pradesh state of Spectrum Power Generation Ltd.(hereinafter mentioned as SPGL/beneficiary), Plot No: 231, 8-2-293/82/A/231, 3rd Floor, #36, Jubilee Hills, Hyderabad-500 033 and WHEREAS a Bank Guarantee for Rs.10 Crores (Rupees Ten Crores) (Amount of E.M.D.) valid till(one year from the date of submission of offer), is required to be submitted towards the Earnest Money Deposit by the EPC bidder along with the Bid.

We, -----(Name of the Bank and address of the Branch giving the Bank Guarantee) having our registered Office at -----(Address of Bank's registered Office) hereby give this Bank Guarantee No.-----Dated----- and hereby agree unequivocally and unconditionally agree to pay within 48 hours on demand in writing from the SPGL or any officer authorized by it in this behalf any amount not exceeding Rs.10 Crores (Rupees Ten Crores) (amount of E.M.D.) to the said SPGL on behalf of the EPC bidder.

We, -----(Name of the Bank) also agree that withdrawal of the bid or part thereof by the EPC bidder within its validity or non-submission of Security Deposit by the EPC bidder within two weeks upon acceptance and finalization of Contract would constitute a default on the part of the EPC bidder and this Bank Guarantee is liable to be invoked and encashed within its validity by the beneficiary in case of any occurrence of a default on the part of the EPC bidder and that the encashed amount is liable to be forfeited by the beneficiary/SPGL.

This agreement shall be valid and binding on this Bank upto and inclusive of -----(mention here the date of validity of Bank Guarantee) and shall not be terminated by notice or by change in the constitution of the Bank or the firm of EPC bidder or by any reason whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alterations made, given, conceded with or without our acknowledge or consent by or between the EPC bidder and the SPGL.

NOTWITHSTANDING anything contained hereinbefore our liability under this Guarantee is restricted to Rs.10 Crores ----- (amount of E.M.D.) (Rupees: Ten Crores----- (in words). Our guarantee shall remain in force till----- (date of validity of the guarantee) with a lodgment period of three months thereafter.

**Place:
Date:**

**Signature of the
Bank's authorized
Signatory with official seal**

**(TO BE FURNISHED ON STAMP PAPER OF ADEQUATE VALUE
IN ACCORDANCE WITH STAMP ACT)**

**DEED OF JOINT UNDERTAKING BETWEEN GT MANUFACTURER AND EPC CONTRACTOR
(ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE)**

DEED OF JOINT UNDERTAKING TO BE EXECUTED BY MANUFACTURER OF GAS TURBINE OF MODEL _____ (GAS TURBINE MANUFACTURER – GTM) AND EPC CONTRACTOR FOR PERFORMANCE OF THE 350+20% CCPP MW) as per Part I, Section 1.0, ITB of the Bid Document.

This DEED OF UNDERTAKING executed this _____ day of _____ Two Thousand _____ by M/s _____ a Company incorporated under _____ having its Registered office at _____ (hereinafter called the “Gas Turbine Manufacturer (GTM)”, which expression shall include its successors administrators executors and permitted assigns) and M/s _____ a Company registered under the Companies Act 1956 having its Registered Office at _____ (hereinafter called the “MEP Contractor” which expression shall include its successors, administrators executors and permitted assigns) in favor of **SPECTRUM POWER GENERATION LIMITED** having its Corporate Office Plot No: 231, 8-2-293/82/A/231, 3rd Floor, #36, Jubilee Hills, Hyderabad-500 033, India (hereinafter called “Employer” which expression shall include its successors, administrators, executors and assigns).

WHEREAS the Employer has invited bids for EPC contract for 350+20% MW Natural gas Based CCPP vide its Bidding Document No. 7040/WM/TSP/8004 for design engineering, manufacture, assembly testing at Works, supply installation, testing and commissioning (The Project).

AND WHEREAS the Bid documents stipulate that bidding is open to Bidders who meets the requirements as per Section 1.0, Part I of Bidding Document.

WHEREAS M/s _____ and M/s _____ are submitting their proposal in response to the Invitation for Bid by the Employer bearing No _____ dated _____ for the Project, against the Employer Bidding Document.

AND WHEREAS M/s _____, the Manufacturer for Gas Turbine (Model No. -----) and fully meeting the qualifying requirements as specified in ITB

NOW THEREFORE, THIS DEED WITNESSETH AS UNDER:

That in consideration of the award of the Contract by the Employer jointly to the Consortium of GTM and the Contractor, we the GTM and the Contractor, do hereby declare and undertake that we shall be jointly and severally responsible to the Employer for the execution and successful performance of the Combined Cycle Power Plant Equipment including Gas Turbine(s) and its integral auxiliaries as specified under the said Contract to the satisfaction of the Employer.

In case of any breach of the Contract committed by the Contractor, we the GTM do hereby undertake, declare and confirm that we shall be fully responsible for the successful performance of the Power Plant Equipment including Gas Turbine(s) and its integral auxiliaries' operation and undertake to carry out all the obligations and responsibilities under this Deed of Undertaking in order to discharge the Contractor's obligations and responsibilities stipulated in the Contract.

Without prejudice to the generality of the Undertaking, the manner of achieving the objective shall be as follows:

The GTM will be fully responsible, jointly with the Contractor, for engineering, design, supply, erection, putting into satisfactory operation and carrying out the performance testing of the Gas Turbine, to the satisfaction of the Employer.

Further, the GTM, shall depute their technical experts from time to time to the Contractor's works Employer's project site as required by the Employer and agreed to by Contractor to facilitate the successful performance of the combined cycle power project including Gas Turbine(s) and integral auxiliaries as stipulated in the Bidding documents.

In the event the GTM and the Contractor fail to demonstrate successful performance of the Power Plant Equipment including Gas Turbine(s) and its integral auxiliaries, the GTM and the Contractor shall promptly carryout all the corrective measures and shall promptly provide corrected design to the Employer without any additional cost to the Employer.

Implementation of the corrected design and all other necessary repairs, replacement, rectifications or modifications for the Power Plant Equipment shall be the joint and several responsibilities of the GTM and the Contractor.

We, the GTM and the Contractor do hereby undertake and confirm that this Undertaking shall be irrevocable and shall not be revoked till a formal Consortium Agreement is entered between the GTM and the Contractor and further stipulate that the Undertaking herein contained shall terminate upon GTM and Contractor has entered into a Consortium Agreement. We further agree that this Undertaking shall be without any prejudice to the various liabilities of the Consortium, including Contract Performance Guarantee as well as other obligations of the Consortium members in terms of the Contract.

Apart from the Contractor's Performance Bank Guarantee, the Licensor shall furnish 'as security' a performance Bank Guarantee from any reputed Commercial Bank in favor of the Employer, in case of award of Contract. The value of such Bank Guarantee shall be equal to five percent (5%) of the total Contract Price as awarded by the Employer to the Contractor and it shall be guaranteed towards the faithful performance/compliance of this Deed of Undertaking in accordance with the terms and conditions specified herein. The bank guarantee shall be unconditional, irrevocable and valid for the entire period the Contract, i.e. till the end of the Defect Liability Period of the Project under the Contract. The guarantee amount shall be promptly paid to the Employer on demand without any demur, reservation, protest or contest.

Even though the Employer is not a signatory to this Undertaking, the Licensor and Bidder/Licensee further agree that the benefit of all the rights under this Annexure shall be available to the Employer as if the Employer is a party to this Agreement.

It is expressly agreed that the GTM and the Contractor shall enter into a formal Consortium Agreement in case of award of Contract.

This Deed of Undertaking shall be construed and interpreted in accordance with the laws of India and the courts in Andhra Pradesh shall have exclusive jurisdiction.

We further agree and understand that in case we fail to enter into a formal Consortium Agreement, the Employer shall reserve the right to approach any other Bidder for the Contract or Consortium for award of Contract, even after the Letter of Intent has been issued by the Employer to us and in such a case the Employer shall be entitled to forfeit the Bid Security / Earnest Money Deposit that this submitted either by GTM or the Contractor.

This Deed shall be operative from the date of bid submission to the Employer.

IN WITNESS WHEREOF the GTM and the EPC Contractor through their authorized representatives have executed these and affixed common seal of their respective companies on the day, month and year first mentioned above.

_____ (GTM)
(Official Address)

(Signature of the Authorized Representative)

Name _____

Designation _____

Common seal of the GTM Company

WITNESS:

For M/s _____ (EPC Contractor(s))

(Signature of the Authorized Representative)

Name _____

Designation _____

Common seal of the EPC Contractor(s)

WITNESS:

(TO BE FURNISHED ON STAMP PAPER OF ADEQUATE VALUE
IN ACCORDANCE WITH STAMP ACT)

**DEED OF JOINT UNDERTAKING BETWEEN EPC BIDDER (LICENCEE)
AND GT MANUFACTURER (LICENSOR)**

(ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE)

DEED OF JOINT UNDERTAKING TO BE EXECUTED BY THE EPC BIDDER/LICENCEE AND LICENSOR FOR PERFORMANCE OF THE 350+20% CCPP MW) as per Part I, Section 1.0, ITB of the Bid Document as per Clause no. _____.

This DEED OF UNDERTAKING executed this ____ day of ____ Two Thousand ____ by M/s _____ a Company incorporated under _____ having its Registered office at _____ (hereinafter called the "Licensor", which expression shall include its successors, administrators executors and permitted assigns) and M/s _____ a Company registered under the Companies Act 1956 having its Registered Office at _____ (hereinafter called the "Licensee" which expression shall include its successors, administrators executors and permitted assigns) in favor of **SPECTRUM POWER GENERATION LIMITED** having its Corporate Office Plot No: 231, 8-2-293/82/A/231, 3rd Floor, #36, Jubilee Hills, Hyderabad-500 033, India (hereinafter called "EMPLOYER" or "Employer" which expression shall include its successors, administrators, executors and assigns).

WHEREAS the Employer has invited bids for EPC contract for 350+20% MW Natural gas Based CCPP vide its Bidding Document No. 7040/WM/TSP/8004 for design engineering, manufacture, assembly testing at Works, supply installation, testing and commissioning of CCPP for the 350+20% MW Natural Gas Based CCPP (The Project).

AND WHEREAS the Bid documents stipulate that bidding is open to Bidders who meets the requirements as per Section 1.0, Part I of Bidding Document.

WHEREAS M/s _____ is submitting its proposal in response to the Invitation for Bid by the Employer bearing No dated _____ for the Project against the Employer Bidding Document.

AND WHEREAS M/s _____, a licensee for _____ manufacture and fully meeting the qualifying requirements as specified in ITB.

NOW THEREFORE, THIS DEED WITNESSETH AS UNDER:

That in consideration of the award of the Contract by the Employer to the Contractor, we the Licensor and the Licensee, do hereby declare and undertake that we shall be jointly and severally responsible to the Employer for the execution and successful performance of the Gas Turbine(s) and its integral auxiliaries as specified under the said contract to the satisfaction of the Employer.

In case of any breach of the Contract committed by the Licensee, we the Licensor do hereby undertake, declare and confirm that we shall be fully responsible for the successful performance of the Gas Turbine(s) and its integral auxiliaries' operation and undertake to carry out all the obligations and responsibilities under this Deed of Undertaking in order to discharge the Contractor's obligations and responsibilities stipulated in the Contract.

Without prejudice to the generality of the Undertaking, the manner of achieving the objective shall be as follows:

The Licensor will be fully responsible for engineering, design, supply, erection putting into satisfactory operation and carrying out the performance testing of the Gas Turbine, to the satisfaction of the Employer.

Further, the Licensor shall depute their technical experts from time to time to the Contractor's works/ Employer's project site as required by the Employer and agreed to by Licensee to facilitate the successful performance of the EPC as stipulated in the Bidding document.

Further, Licensor shall ensure proper design, engineering, manufacture, erection, testing and successful performance of the Gas Turbine under the said Contract in accordance with Bidding Documents and if necessary the Licensor shall advise the Licensee suitable modifications of design and implement necessary corrective measure to discharge the obligations under the Contract.

In the event the Licensor and the Licensee fail to demonstrate successful performance of the Gas Turbine, the Licensor and the Licensee shall promptly carryout all the corrective measures and shall promptly provide corrected design to the Employer without any additional cost to the Employer.

Implementation of the corrected design and all other necessary repairs, replacement, rectifications or modifications for the Project shall be the joint and several responsibility of the Licensor and the Licensee.

We, the Licensor and the Licensee do hereby undertake and confirm that this Undertaking shall be irrevocable and shall not be revoked till the expiry of the warranty period of the Plant under Contract and further stipulate that the Undertaking herein contained shall terminate upon satisfactory completion of Defects Notification Period. We further agree that this Undertaking shall be without any prejudice to the various liabilities of the Contractor including Contract Performance Guarantee as well as other obligations of the Contractor members in terms of the Contract.

The Licensor and the Licensee shall be fully responsible for the quality of all the equipment/ main assemblies / components manufactured at their works or at their Vendors works or constructed at site, and their repair or replacement, if necessary, for incorporation in the plant, and timely delivery thereof to meet the completion schedule under the Contract.

Apart from the Contractor's Performance Bank Guarantee, the Licensor shall furnish 'as security' a performance Bank Guarantee from any reputed Commercial Bank in favor of the Employer, in case of award of Contract. The value of such Bank Guarantee shall be equal to five percent (5%) of the total Contract Price as awarded by the Employer to the Contractor and it shall be guaranteed towards the faithful performance/compliance of this Deed of Undertaking in accordance with the terms and conditions specified herein. The bank guarantee shall be unconditional, irrevocable and valid for the entire period the Contract, i.e. till the end of the Defect Liability Period of the Project under the Contract. The guarantee amount shall be promptly paid to the Employer on demand without any demur, reservation, protest or contest.

Even though the Employer is not a signatory to this Undertaking, the Licensor and Bidder/Licensee further agree that the benefit of all the rights under this Annexure shall be available to the Employer as if the Employer is a party to this Agreement.

This Deed of Undertaking shall be construed and interpreted in accordance with the laws of India and the courts in Andhra Pradesh shall have exclusive jurisdiction.

We, the Licensor and the Licensee agree that this Undertaking shall be irrevocable and shall form an integral part of the Contract. We further agree that this Undertaking shall continue to the enforceable till the successful completion of Contract.

IN WITNESS WHEREOF, the Licensor and the Licensee through their authorized representatives, have executed these and affixed common seal of their respective companies on the day, month and year first mentioned above.

For M/s _____

WITNESS:

1 _____

(Signature of the Authorized Representative)

(Official Address)

Name _____

Designation _____

Common seal of the Company

2 _____

(Signature of the Authorized Representative)

(Official Address)

Name _____

Designation _____

Common seal of the Company

3 _____

(Signature of the Authorized Representative)

(Official Address)

Name _____

Designation _____

Common seal of the Company