



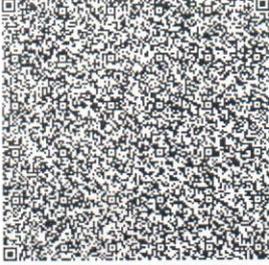
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Purchased by	: POWER GRID CORPORATION OF INDIA LIMITED
Description of Document	: Article 5 General Agreement
Property Description	: Not Applicable
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First Party	: NA
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Stamp Duty Paid By	: POWER GRID CORPORATION OF INDIA LIMITED
Stamp Duty Amount(Rs.)	: 100 (One Hundred only)



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IMPLEMENTATION/ PARTICIPATION AGREEMENT

BETWEEN

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED

AND

POWER GRID CORPORATION OF INDIA LIMITED

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THIS AGREEMENT is made on this 23rd day of March 2015 between Meghalaya Power Transmission Corporation Limited having its registered office at Lum Jingshai, Short Round Road, Shillong-793 001, Meghalaya (hereinafter referred to as the "UTILITY" or "Owner" which expression shall unless repugnant to the context or meaning thereof include its administrators, successors, executors and permitted assigns) of the **first part**

and

Power Grid Corporation of India Limited, (POWERGRID), a Company incorporated under the Companies Act, 1956, having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110 016 , and Corporate Office at "SAUDAMINI" Plot #2, Sector-29, Gurgaon-122001, Haryana (hereinafter referred to as "POWERGRID" or "Central Implementing Agency" or "Implementing Agency" or "IA" which expression shall unless repugnant to the context or meaning thereof include its administrators, successors, executors and permitted assigns) of the **second part**.

(POWERGRID and UTILITY are hereafter individually referred to as the 'Party' and collectively as 'Parties')

- A. WHEREAS, the Ministry of Power (MoP), Government of India (hereinafter referred to as "GoI") has formulated plans to create a robust power network in the North Eastern States, and which consists of transmission and distribution components and aims to improve the Inter-State and Intra State Transmission infrastructure to facilitate access to power and increase availability of power to consumers, improve service delivery and reduce system losses and improve reliability.
- B. WHEREAS, the GoI has approached the World Bank (hereinafter referred to as "THE BANK") to provide funding support (IBRD loan) of USD 1500 million for composite Scheme of Transmission and Distribution in the North East Region in three tranches/phases of US\$ 500 Million each. The scheme is now referred as "NER Power System Improvement Project (hereinafter called NERPSIP)" for strengthening and augmenting the Intra-State Transmission and Distribution schemes (Not below 33 kV) and undertake capacity building initiatives across Six North-Eastern States i.e. Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.

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- C. WHEREAS, POWERGRID was appointed, by the Ministry of Power (MoP), GoI as the "Design cum Implementation Supervision Consultant" for this project through OM No. 2/1/2009-10-PMC (NER) Dated 1st Feb 2012.
- D. WHEREAS, Sanction Order granting Investment Approval issued in this regard, by GoI vide Reference No. 3/16/2013-Trans dated 1st December 2014, stipulates that the scheme will be implemented as a Central Sector Scheme through Power Grid Corporation of India Limited. This shall form part of this Agreement.
- E. WHEREAS, GoI has decided that the "First Tranche of the NERPSIP" shall be implemented as Central Sector Scheme under "Central Sector" funding, whereby GoI (Ministry of Power or MoP) shall be borrower of THE BANK loan and the total funds (including THE BANK loan and GoI/ MoP budgetary support) shall be directly made available by GoI to IA for Phase wise implementation on behalf of the UTILITY. The ownership of assets lies with UTILITY and upon progressive commissioning, the PROJECT elements shall be taken over by the UTILITY for Operation & Maintenance on their own at their own cost.
- F. WHEREAS, POWERGRID will be paid Consultancy fee as per the Sanction Order, by GoI towards its services that shall provide for implementation of this Project, as detailed in this Agreement, hereinafter.
- G. Necessary agreements i.e. Loan Agreement shall be signed between THE BANK and GoI i.e. MoP/ Department of Economic Affairs, Project Agreement between THE BANK and IA and Implementation/ Participation Agreement between UTILITY and IA. THE BANK shall release Loan funds (*which shall exclude funding of consultancy fee payable to IA or any other expenditure which is not part of the Loan Agreement between World Bank and GoI*) to GoI for further release to IA through MoP budget as per the extant GoI procedures. Counter Part funding shall be through GoI (MoP) budgetary support and shall be released directly by MoP, GoI to IA.
- H. AND WHEREAS, this Agreement is hereby drawn to set the terms and conditions of providing the Consultancy services by IA to the UTILITY for carrying out the PROJECT, as defined in clause 1.10 below. The IA shall act as 'Agent' of the Owner for implementing the PROJECT for and on behalf of the Owner.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS UNDER:

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For the purpose of this Agreement, terms used herein shall unless repugnant to the context thereof shall have the meaning assigned to them as under:

1. DEFINITIONS (TERMS WHICH ARE NOT DEFINED IN ELECTRICITY ACT'2003):

Agreement shall mean the agreement herein containing the Terms & Conditions set forth & therein, including all other documents expressly referred/ annexed thereto or incorporated therein.

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Bidding Documents shall mean the tender documents prepared by IA (in association with the SPCU) consisting of technical specifications and other terms & conditions of Contract as per World Bank Guidelines (General Conditions of Contract, Special Conditions of Contract, etc.) pursuant to which IA shall invite tender/ bids for procurement of goods, works and consultancy services for the PROJECT on behalf of the UTILITY.

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Central Project Implementation Unit (CPIU) shall mean the body responsible for coordinating the preparation and implementation of the "First Tranche of NERPSIP" and shall be headed within the IA's offices at Guwahati. The "Project-In-Charge" of IA & Head of each of the SPCU shall be members of CPIU. CPIU shall be headed by Head of the North Eastern Region (NER) of IA. The North-Eastern Regional Office of IA is located at Shillong.

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Consultancy Team means a multi-disciplinary team of key professionals of the IA who will work for the PROJECT.

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Contractor shall mean the successful Bidder whose bid is accepted by IA on behalf of the UTILITY for award of the Contract, upon requisite approvals, for the total or any part work of the PROJECT resulting in a Contract and shall include such Contractor's legal representatives, successors and permitted assigns.

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High Power Committee (HPC) shall mean a body consisting of high level officials from the UTILITY, State/ District Administration, Law enforcement agencies, Forest Department, SPCU and Representative, etc., to be constituted appropriately by the State, to ensure coordination between various agencies for timely processing of various permission/ approvals/ consents/ clearances and compliance with local laws etc., and to resolve issues, for smooth implementation of the PROJECT in the State.

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Joint Co-ordination Committee (JCC) shall mean a body of representatives of IA and SPCU formed to review the PROJECT on monthly basis. JCC shall be headed by head of SPCU.

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- 1.8 **“Nodal Officers”** shall mean the officials nominated by IA and UTILITY who shall be responsible for activities concerning the execution of the PROJECT in respective functional areas.
- 1.9 **“Project Implementation Unit (PIU)”** shall mean the body formed by the IA, including the members of UTILITY on deputation, and responsible for implementing the PROJECT across the State, with its personnel being distributed over work site & working in close association with the SPCU/ CPIU. It will report to State level **“Project Manager”** nominated by the **Project-in-Charge** of IA.
- 1.10 **“PROJECT ”** shall mean and comprise the following:
- 1.10.1 Strengthening of the Intra State Transmission and Distribution network in the State in line with the Project Implementation Plan (PIP).
- 1.10.2 All related activities necessary to complete the due diligence requirement of THE BANK for the above PROJECT and for its preparation and implementation.
- 1.11 **“Project-In-Charge”** shall mean the head of the IA team (Core team located on permanent basis at Guwahati & PIUs located across States). All State level **“Project Managers”** will report to him. He shall also be supported by other IA officers (with requisite skills), as & when required. He shall be responsible for all coordination with MoP, GoI, SPCU, PIU and within IA.
- 1.12 **“Project Manager”** shall mean the head of the State level PIU. He shall report to **“Project-In-Charge”**, be responsible for implementation in the State and coordinate with CPIU/ SPCU/ State Government.
- 1.13 **“Sub-Contractor”** means any person (other than the Contractor) named in the Contract for any part of the work or any person to whom any part of the Contract has been sub-contracted as per THE BANK’s guidelines and with the consent of IA and the Sub-Contractor’s legal successors in title but not any assignee of the Contractor.
- 1.14 **“State Project Coordination Unit (SPCU)”**¹ shall mean the body formed by the UTILITY and responsible for coordinating with IA in preparing and implementing the PROJECT at the State level. It shall consist of experts across different areas from the UTILITY and shall be headed by an officer of the rank not below Chief Engineer, from the UTILITY. SPCU shall be supported by a team of personnel from different departments from the UTILITY and shall be responsible for all coordination with IA, within the UTILITY and with the State Government.
- 1.15 Words denoting singular only shall also include plural and vice-versa, depending on the context.

¹ The State Project Implementation Unit (SPIU), formed in line with earlier Agreement of 7th June 2013, is now being called SPCU.

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2. OBJECTIVES:

- 2.1. The objective of the IA is to help the UTILITY (i) to prepare the Intra State Transmission and Distribution components of the PROJECT meeting THE BANK's requirements as well as ensuring compliance with National and State laws/ regulations on all aspects, (ii) to set up and institutionalize efficient systems, (iii) to address safeguard, financial management, technical and procurement issues to ensure successful implementation of the PROJECT on behalf of the owner as mandated by GoI.
- 2.2. The objective is also to support project monitoring by MoP, GoI and provide information on project implementation and on any other related issues to THE BANK, as needed.
- 2.3. The IA shall work with the UTILITY/ SPCU to collect and prepare all the necessary information and inputs/ comments on the technical, procurement, economic, safeguard and financial features of the PROJECT, required to undertake evaluation/ assessment of the techno-economic feasibility, as per THE BANK's due diligence requirements.
- 2.4. The IA therefore shall focus on all aspects of due diligence, including technical, procurement, financial management, environment, social etc. as well as on all aspects of project implementation and monitoring during project execution including collaboration with the UTILITY/ SPCU whenever required/ relevant and on Capacity Building & Training aspects.

3. PROPOSED FINANCING ARRANGEMENT

- 3.1. NERPSIP is Central Sector Project which is proposed to be funded through THE BANK Loan and GoI (through MoP Budget) as per details below:
 - 3.1.1. 50% through GoI (including 12% consultancy fee to IA or any other expenditure which is not part of the Loan Agreement between World Bank and GoI).
 - 3.1.2. 50% through THE BANK Loan
- 3.2. In addition to 3.1, GoI shall provide funds in the form of Grant for undertaking Capacity Building activities in the UTILITY.
- 3.3. State Government shall reimburse all forms of State level Taxes, duties & levies (**Annexure-I**).

4. RELEASE OF FUNDS

- 4.1. The Fund flow arrangement for the project is defined at Annexure-I and summarized as under:
 - 4.1.1. IA shall open identified separate account for NERPSIP Project.

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- 4.1.2. All the funds as per the financing arrangement given at 3.1 & 3.2 above shall be transferred by GoI to the above account.
 - 4.1.3. IA shall submit the Initial Fund Projection statement for 2 quarters (i.e., 6 months) in advance after successful conclusion of Loan negotiation to ensure the fund availability by GoI, for timely commencement of contract execution.
 - 4.1.4. The Summary statement with total funding requirements shall have the following heads indicating the details of funding sources under which the funds are projected (Format detailed at **Annexure-II**):
 - 4.1.4.1. THE BANK Loan
 - 4.1.4.2. GoI funding
 - 4.1.4.3. State portion of fund i.e., reimbursement of State level taxes out of Central Plan Assistance to States.
 - 4.1.5. Subsequently, from next quarter onwards, along with the summary statement the quarterly state wise Interim Unaudited Financial Report (IUFR) statement shall also be submitted indicating the fund utilization and demand for funds for next 2 quarters after taking into accounts the fund balance available from previous draws.
- 4.2. The Cash forecast statement (part of IUFR) as above shall be submitted by IA to MoP within 30 days of ending of previous quarter., On receipt of the same, MoP shall issue necessary instructions to ensure that the project funds (including THE BANK share) are transferred to the IA's NERPSIP account within 30 days.
 - 4.3. A separate budget head shall also be kept in the IA's NERPSIP account for Capacity Building Program and the amount for the same shall accordingly be transferred by GoI to the said account. The cash forecast for 6 months period in advance for the Capacity Building Program shall also be submitted at the end of every quarter. On receipt of the same by GoI/ MoP, payments shall be directly released into IA's "Capacity Building" budget head within 30 days.
 - 4.4. IA shall not use any of its funds for the subject Project and Capacity Building Program other than the funds received respectively for IA's NERPSIP and Capacity Building Program budget heads.
 - 4.5. Retro Active Financing for the project shall be available from THE BANK Loan and GoI funds for the project and if required, for Capacity Building program too.
 - 4.6. On account of variation between approved Project Cost and the anticipated project completion cost, including Consultancy fee & applicable service tax etc., on the consultancy fee, additional amount

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of funds, beyond initially approved Project Cost shall be arranged to be released to IA by "GoI", for timely and smooth execution of works. To facilitate this, Revised Cost Estimates (RCE) shall be prepared as per extant GoI guidelines.

- 4.7 Final completed Cost of the Project shall be the actual expenditure incurred on the Project along with consultancy fee @ 12% (on the actual expenditure of Project excluding Land, R&R) & applicable taxes / duties on the Consultancy fee.
- 4.8 By 30th May of each year, IA shall submit details of actual expenditure of previous financial year to MoP with copy to UTILITY.

5.0 WORKING PROCEDURE:

- 5.1 **Central Project Implementation Unit (CPIU):** Since some activities will be common to all State PCUs, a Central Project Implementation Unit (CPIU) shall be located at Guwahati. The concerned officers from SPCU/ PIU will visit CPIU as and when required for specific tasks. The IA will have a Core team stationed at the CPIU on permanent basis and other IA officers (with required skills) will visit as and when required by this core team. This team shall represent IA and shall be responsible for all coordination with SPCU, PIU, within IA and MoP, GoI. CPIU shall also assist MoP, GoI in monitoring project progress and in its coordination with THE BANK. CPIU shall hold meetings to resolve critical issues that are common to two or more SPCUs.
- 5.2 **State Project Co-ordination Unit (SPCU):** A State PCU (SPCU) has been set up in the State for the PROJECT by the UTILITY already. SPCU will represent the UTILITY. The SPCU, in association with the IA, will be responsible for Project preparation and implementation. UTILITY has provided/ will provide dedicated multi-disciplinary personnel (details in **Annexure III**) to man the SPCU. SPCU will help IA in establishing PIU. SPCU will arrange for Budget Provisions/ Investment Approvals (including RCE, if required)/ Reimbursement of State level Taxes & Duties. SPCU will also facilitate Law & Order support, Clearances & Approvals from various agencies of the State Government.
- 5.3 **Project Implementation Unit (PIU):** The IA shall set up State level PIU (PIU) for implementing the project across the State. The IA will provide a dedicated team of field level personnel in the PIU to work in close association with SPCU/ CPIU. In addition, the UTILITY shall depute and IA shall take suitable number of UTILITY personnel (and define their roles and responsibility clearly) on deputation as members of PIU to work closely with the IA/ PIU and thereby acquire skills and build capacity such that they are able to undertake such projects (or at least a part of it) in the subsequent

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two tranches of THE BANK loan, on their own. The UTILITY personnel on deputation will go back to UTILITY after the completion of the PROJECT. Thus, PIU shall be adequately manned in a composite manner by the IA personnel as well as UTILITY personnel. In case of suitable UTILITY personnel not being available in adequate number and/or specialty to man various positions in the PIU, the same shall be arranged to be manned by IA. PIU, headed by IA's State-level **Project Manager** shall hold meetings to resolve critical issues that are common to two or more field officers. IA shall share the details of the PIU composition within 15 days of the signing of the Agreement.

5.4 To enable the IA to discharge their functions in a smooth and efficient manner, the UTILITY shall issue necessary authorization, in favour of the IA to act on their behalf for the scope of services included under this Agreement, as may be needed.

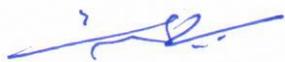
5.5 IA shall ensure that all assets under construction or constructed on behalf of the Owner shall be insured under a contractor's insurance policy till these are taken over by the Owner.

6.0 SCOPE OF CONSULTANCY WORK:

The assignment will have the following tasks:

- 6.1. *State-wise prioritization of the Project Components*: The UTILITY, in collaboration with CEA and the IA has prioritized the PROJECT components, State-wise, based on the study of the existing and proposed generation capacity and load centers, unmet demand, priority sectors and geographical areas for industrialization, Gol's program for improving electricity access in rural areas, technical feasibility, etc.
- 6.2. *Project Implementation Plan (PIP)*: The IA, in association with CEA and SPCU, shall prepare State-specific Project Implementation Plan (PIP) providing detailed justification for the PROJECT clearly bringing out its technical, economic, financial, social, environmental aspects to facilitate THE BANK clearance. IA shall, while preparing the detailed technical justification, provide clear technical reasons (including system analysis) and data to the extent possible, to support the chosen schemes. This phase of the project will focus on addressing the constraints in the transmission and sub-transmission network within the State with the aim of moving towards the Gol's end objective of providing 24 x 7 Power to All. While undertaking this task, if the IA comes across an investment gap that is not part of the PROJECT or is not under implementation otherwise, the same shall be brought out in the PIP. A suitable course of action shall be facilitated by the SPCU to address this

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gap, in consultation with all the stakeholders, including CEA. This is important to ensure that assets under the proposed PROJECT are not stranded when commissioned.

6.3. *Cost Estimates:* The IA shall update the cost estimates (including provision for contingencies) based on the prevailing costs and working conditions in the NER/ State to arrive at a realistic present day cost of the PROJECT. The States have shared the cost data from recent contracts they have undertaken in the last three years with the IA. Based on this, the DPR cost of each PROJECT Component will be indicated in the PIP.

6.4. *Safeguards:* The IA shall assist the SPCU in identification, assessment and management of environment and social aspects related to the PROJECT Components to be funded under the PROJECT as per the Law of the land and Bank's Operational Policies. These shall be based on the IA's own corporate Environment and Social Policy & Procedures (ESPP) that have been found to be equivalent and acceptable for use of borrower system pilot in its most recent engagement with the Bank. The same shall be revised/ updated taking due note of : (i) new legislation on land acquisition and R&R viz. "*The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013*" or RFCTLARR 2013 (which came into force on 01.01.2014); and (ii) sixth schedule provision existing in the region. During the PROJECT preparation, the IA shall also work with the UTILITY on adapting/ developing the State specific ESPP to be followed by respective UTILITY based on the IA's own ESPP with necessary augmentation/ improvements to cover current State-specific requirements, in addition to changes in national requirements (as indicated above). IA would also provide advice and training to UTILITY, as part of the institutional capacity building, during the PROJECT duration/ implementation.

6.4.1 *Land and R&R:* Land Acquisition, R&R and RoW shall be Primary responsibility of the UTILITY / State Government. Fund for same shall be provided by Govt. of India through IA. IA shall provide technical and administrative assistance to the UTILITY / State Government through PIU in Land Acquisition, R&R and arranging RoW. The UTILITY/ State Government shall ensure that the Land Acquisition, R&R and RoW compensation is carried out in conformity with the ESPP and applicable Land acquisition Act in the State. Land shall be acquired in name of owner i.e., UTILITY / State Government. For erecting poles/ towers, no land shall need to be acquired as agricultural activities can continue after the erection. However, full compensation for temporary disturbance/damages shall be provided. The activities related to assessment and payment of compensation shall be undertaken jointly by IA / UTILITY / SPCU.

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6.4.2 *Social Aspects:* Land Acquisition shall be done as per the new Land Acquisition Act i.e., "The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013". The Act mandates that the State government shoulder the full responsibility for 'Land Acquisition', and the broad activities thereof include: (i) conducting sub-project/site specific Social Impact Assessment (SIA) including public consultations and decide/ give recommendation on land requirement and its appropriateness for acquisition, (ii) conducting a census survey for identification / determination of Project Affected Persons (PAPs), the land associated with them for the project, and Preparation of R&R action plan (including determination of entitlements, payment of compensation and extending R&R benefits) and its proper implementation. However, given the vast experience and expertise IA possesses, IA may provide technical and administrative support to the State Government/ UTILITY in the adoption/ implementation of the Act for the smooth implementation of the PROJECT. However, the IA shall carry out a generic social assessment to prepare baseline information on general population distribution, concentrations of tribal or cultural groups, concentrations of low-income communities, verification of land information with revenue department, sensitive and/ or critical heritage and religious sites etc., land holding patterns (private, public/ government, community and forests - settled and not yet settled) as part of State specific ESPP. The IA may also associate with State Govt. if required/ asked in preparation and implementation of Rehabilitation Action Plans (RAP), Resettlement Policy Framework (RPF) and Tribal People Development Plan (TPDP). For the States and certain regions within some States (participating in the project) wherein the new Land Acquisition Act is not applicable currently or where it may not be necessary to resort to involuntary land acquisition, the project may secure required land through donations and/ or direct purchases on negotiated rate on willing buyer and willing seller basis and responsibility for the same shall be undertaken jointly by UTILITY/ SPCU with technical support/association of IA.

6.4.3 *Environment Aspects:* The IA shall help in preparation of ESPP for the UTILITY, adapting the ESPP provisions followed by respective States to the IA's own corporate policies, during the PROJECT implementation. The IA shall also help in implementation of ESPP prepared for the UTILITY, for which the IA would provide advice and training also.

6.4.3.1 The IA (on its own or with the help of consultants), in association with SPCU, shall carry out the Environmental Assessment (including preparation of the Initial Environment Assessment Reports (IEAR) for phase-I of the PROJECT & mitigation plan including Biodiversity assessment & mitigation plan and after consultation with the stakeholders and Final Environmental

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Assessment Reports (FEAR) upon completion of implementation of respective sub-project to ensure that the design, implementation and operation of all PROJECT Components or activities conform to the applicable Indian/ State Laws and Bank safeguard policies as illustrated in State specific ESPP and Environment Management Plan (EMP). The SPCU will obtain the necessary approvals (wherever required) from the respective government on the different documents.

- 6.4.3.2 The UTILITY as Owner has the responsibility of timely availability of Clearances required for implementation of the project - such as those under the Forest (Conservation) Act, 1980. However, IA will undertake all the activities for and on behalf of the Owner in order to avail the clearances. IA will ensure that the environmental and social management measures for individual PROJECT Component are properly incorporated in the bidding documents/ contracts and properly implemented at site by Contractor/ Sub-contractors/ UTILITY. For the effective monitoring and implementation, the IA may consider the use of PROJECT Component-specific EMPs prepared on the basis of the State specific ESPP.
- 6.5 *Financial Management:* IA shall be responsible for the entire financial management arrangements of the PROJECT. IA will implement the PROJECT as per the financial management requirements of the Loan Agreement (and any other related agreement) and as further detailed in Financial Management Manual/ PIP/ Operations Manual. This will include preparation and submission of quarterly IUFRRs and submission of Annual Audited Project Financial Statements.
- 6.6 *Procurement:* The proposed BANK loan being "Central Sector" loan, THE BANK funds will be directed to the PROJECT through IA directly by GoI including the counterpart funding being provided by GoI to MoP through its own budgetary resources as per details mentioned in clause 3 and 4 of the agreement. The bids for all packages will be invited, evaluated and awarded by IA, acting for and on behalf of the UTILITY. The SPCU/ UTILITY shall arrange the authorization letter as per clause 5.4 of this agreement. IA shall adopt E-procurement method, meeting Bank's requirements (including two envelope system), for all procurement of goods and works. For the purpose of execution of work under this Agreement, the work of the PROJECT will be divided into multiple Contract packages based on technical and economic considerations. The packaging will be finalized by the IA in consultation with the SPCU and agreed and cleared by THE BANK. In some cases, the Contract packages may have to cover works across more than one State/ UTILITY. Such packages will have provision for State/ UTILITY-wise splitting of the Contracts so that they can be awarded separately to conform to jurisdictional issues.

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The SPCU will associate with the IA in the procurement process for Capacity Building purposes. IA shall undertake the following activities:

- 6.6.1 *Vendor's meet*: The IA had organized combined vendor's meets (for all the participating States in the PROJECT) in September 2013 and September 2014 at Guwahati prior to beginning the procurement process to understand the concerns of vendors and address them suitably, thus encouraging greater competition through participation of large number of qualified vendors. The IA had taken the inputs from the SPCU in the form of list of potential vendors to be invited, sharing the agenda with them and then organizing the meet. After the meet, the findings were summarized by the IA. This summary has been shared with the SPCU and THE BANK.
- 6.6.2 *Procurement Plan*: Prepare procurement plan for the packages (including consultancy packages) to be procured under the proposed funding in consultation with the SPCU and the feedback from prospective vendors during the vendors' meet conducted by IA.
- 6.6.3 *Technical Specifications*: The IA, in association with the SPCU, shall prepare and standardize the technical specifications, to the extent possible, for Transmission & Distribution works within the States. Uniformity of technical requirements across the States of the region will help both the bidders (less customization required) and the States (economies of scale are expected to lead to reduced prices).
- 6.6.4 *Invitation for Bids (IFB)*: The following specific tasks shall be performed by IA, in close collaboration with the SPCU:
- 6.6.4.1 *SPCU may also depute an official on deputation to IA* (together with an alternative nomination, to take care of non-availability of one official) who shall participate in the procurement/contracting process from issue of IFB to Contract award stage, for developing understanding of how a good procurement/contracting process for large procurement can be institutionalized within the UTILITY and for developing full understanding of the assets that will be procured for the UTILITY and will need to be operated and maintained by UTILITY post commissioning.
- 6.6.4.2 Prepare the bidding documents, using THE BANK's Standard Bidding Documents and suitable for e-procurement. The SPCU shall provide its comments on Bill of Quantity (BoQ) of the bidding document within 10 days. Subsequently, the IA shall revise the bidding document to take into account the comments of the SPCU and then forward the final Bidding Document to THE BANK for clearance.

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- 6.6.4.3 Notice Inviting Tenders (NITs) shall also be published on UTILITY's website. Required inputs shall be given by IA.
- 6.6.4.4 Pre-bid meetings/discussions: The Pre-bid meetings shall be organized in the presence of the SPCU member at a location specified in the IFB/ Bidding document (preferably at Guwahati). Draft clarifications/ amendments etc., shall be shared with SPCU for their comments on technical aspects and SPCU shall provide its inputs within 3 days. Subsequently, the IA shall finalize the clarifications/ amendments to take into account the comments of the SPCU.
- 6.6.4.5 Preparation of amendments to Bidding Documents and issue of clarifications to bidders after obtaining THE BANK's 'No Objection', wherever required. Copy of amendments/ clarifications shall be provided to SPCU.
- 6.6.4.6 Opening of Bids at a location specified in the IFB/ Bidding Documents wherein the authorized personnel shall participate either in person or online. The authorized personnel of SPCU shall be provided access to the e procurement system by IA for this purpose. IA shall forward Bid opening statement to THE BANK & SPCU.
- 6.6.4.7 IA shall carry out evaluation of Bids, prepare Evaluation Report, conduct Pre award Discussions and award the contracts including signing the Contract Agreements. After approval of evaluation report by competent authority of IA and THE BANK, same shall be shared with SPCU.
- 6.6.4.8 SPCU representatives shall participate in preparation of Notice of Award (NOA), Contract Agreement, including post Contract amendments, as and when they arise, for their understanding, training and capacity building.
- 6.6.4.9 Bid Securities shall be in the favour of IA whereas Contract Performance Guarantees (CPGs) shall be in favour of UTILITY with appropriate provision to facilitate its invocation by IA. If for any reason, the CPG is required to be in favour of IA, the same shall be considered in consultation with UTILITY.
- 6.6.4.10 Due to complexity involved in maintaining the Fibre Optic (FO) based Communication Equipment, it is standard practice of IA to invite and evaluate bids for their AMC. Therefore, offers for five (5) years AMC even beyond the warranty period of two (2) years for FO-based Communication equipment shall be obtained along with the offer for FO-based Communication Equipment. The bids shall be evaluated including the cost of five (5) years AMC, beyond warranty period. However, UTILITY may sign the Contract Agreement for the five (5) years AMC portion and make payments for the same from their own resources. Further, necessary

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guarantees shall be in favour of UTILITY. AMC included during warranty period shall commence after successful commissioning i.e., Site Acceptance Testing (SAT).

6.6.4.11 The requisite sales tax declaration form, as admissible, would be issued to the Contractor on receipt of request. The Owner i.e. UTILITY/ SPCU will issue the requisite forms to IA for further issuance to the Contractor.

6.6.4.12 The recovery of TDS under CST/ VAT/ WCT/ Income Tax Act and any other acts as per GoI regulation related to this work shall be done by the IA on behalf of 'Owner' i.e., UTILITY/ SPCU. TDS so deducted by IA on behalf of the UTILITY/ SPCU shall be deposited with the relevant tax authorities and TDS certificates shall be issued on behalf of the UTILITY/ SPCU using PAN, TIN, TAN of Owner. Relevant challans and copies of the TDS certificates shall be forwarded to UTILITY/ SPCU for filing necessary returns. In case, wherever E-filing system is applicable, the relevant information would be given to the UTILITY/ SPCU for issuing TDS certificate, filing returns etc.

6.6.4.13 Certificates/ documents for availing Deemed Export Benefits shall be issued by Project Authority (PA), who is the Owner of the Project. To facilitate working, respective UTILITY/ Owner of the Project shall authorize the Project-in-charge of NERPSIP who shall issue the Project Authority Certificate (PAC) on their behalf under the respective contract(s). The PAC & list of Goods shall be submitted to MoP, GoI for counter signature of Joint Secretary, MoP, GoI in the manner as being done for Central Sector Projects. Copy of the PAC as issued shall also be submitted to the respective UTILITY/ Owner upon completion of the Project execution. The flow of process for procurement of goods and works is also indicated at **Annexure IV**.

6.6.4.14 In order to process payments to off-shore suppliers as per RBI regulations/ guidelines, the UTILITY/ SPCU shall facilitate incorporation/ affixation of digital signatures of their appropriate Competent Authority, as may be required.

6.6.4.15 Engineering drawings shall be first commented by IA and forwarded to UTILITY seeking their comments which shall be furnished by UTILITY/ SPCU within 7 days. If comments are not received within 7 days, IA will go ahead.

6.7 *Capacity Building*: Implementation of the capacity building program under the PROJECT shall be undertaken as follows:

6.7.1 Action plan arising out of Diagnostic Studies, undertaken by the consultant engaged for the UTILITY by THE BANK, and agreed with the UTILITY shall be made available to IA.

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- 6.7.2 IA shall procure consultancy services based on Terms of Reference (ToR) agreed by UTILITY (with THE BANK) as per its own procedures, if this sub component of the PROJECT is not funded by THE BANK.
- 6.7.3 In case of THE BANK's funding to this sub component, IA shall select Consultants in accordance with the procedures set out in the current edition of THE BANK's Guidelines: Selection and Employment of Consultants by World Bank Borrowers. SPCU will provide the Terms of Reference agreed for the Consultancy services with THE BANK to the IA and the IA will undertake the procurement activities for selection of consultant and submit the recommendations for THE BANK'S "No Objection".
- 6.7.4 After Bank's "No Objection", IA shall sign and issue the Contract to the selected consultant and also, undertake activities for any post Contract amendments (with the "No Objection" from THE BANK), as and when they arise, in association with the SPCU.
- 6.7.5 The interim deliverables/ final outputs will be given by consultants to the SPCU for their comments/ inputs, with a copy to IA. The payment to consultants will be released by IA on satisfactory submission of the interim deliverable/ final output to SPCU as per the "ToR" & payment terms of the contract.
- 6.7.6 In case THE BANK is funding the Capacity Building Program, the funds shall be transferred as per para 4.2 above. A separate account head shall be maintained by the IA for accounting of the expenditure under the head of Capacity Building. Under no circumstances, IA shall use either its funds or the fund from NERPSIP for Capacity Building Contract payments.
- 6.7.7 In case GoI, MoP is funding the Capacity Building Program, the fund from GoI (MoF)/ MoP Budget shall be transferred to IA's NERPSIP Account within 30 days of Projections submitted by the IA on quarterly basis. A separate "account head" shall be maintained by the IA for accounting of the expenditure under the head of Capacity Building. Under no circumstances, IA shall use its funds for Capacity Building Contract payments.
- 6.8 *Training:* The UTILITY officials shall adopt a 'learning by associating/ participating' approach in close interaction with the IA to strengthen their in-house institutional capacity to meet the due diligence of the selected investments for THE BANK financing in such a manner that the UTILITY should be able to independently prepare and implement projects under subsequent tranches, after completion of the PROJECT.
- In addition to the above, the UTILITY representatives shall be deputed for training by the suppliers under various Contracts.

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- 6.9 *Project Implementation:* PIU, managed and headed by the State level “**Project Manager**” from IA shall be supported by other officials/ experts from IA and the UTILITY (deputed by UTILITY to IA for their association in the PROJECT as well as their hands on training with IA for Capacity Building). The PIU shall perform the following tasks:
- 6.9.1 Supervision of the site works (Please refer **Annexure VI** also) including field supervision/ inspection.
- 6.9.2 Overall Contract management including Contract variations, etc., UTILITY shall associate one of its nominees with IA during Contract Management with a view to institutionalize procedures.
- 6.9.3 Standardize progress report formats to generate monthly progress reports & arrange review meetings. PIU shall also gather necessary information for reporting progress against the key monitoring indicators (including baseline values) that are normally part of THE BANK’s monitoring and results framework and give the same to CPIU for compilation/ consolidation of the same for further reporting to THE BANK.
- 6.9.4 IA shall provide guidance and administrative/ technical support to UTILITY/ its SPCU for Land Acquisition, R&R, compliance of environmental & social stipulations on diversion of forest land (as applicable) and obtaining Right of Way (RoW) clearances.
- 6.9.5 Review of PROJECT implementation schedules, in consultation with SPCU.
- 6.9.6 Ensure implementation of the agreed Contract as per schedule/ agreed quality assurance program, supervision at site for erection, testing & commissioning.
- 6.9.7 Witnessing of Type Tests, inspections at manufacturer’s works, issuing stage/ final clearances. A member from SPCU or one of the deputed persons from the UTILITY to IA shall associate with these activities. SPCU may ask its deputed personnel to be associated for witnessing such type tests. Expenditure for personnel posted “on deputation” to IA, for these works shall be borne by IA. However, expenditure for the personnel on the rolls of UTILITY shall be borne by UTILITY.
- 6.9.8 Verification of Contractor’s bills in accordance with IA’s laid down procedure and the terms of the Contract.
- 6.9.9 Preparation of list of deficiencies and their rectification by Contractors.
- 6.10 *Operation and Maintenance Plan:* IA shall suggest the way forward to UTILITY to enable them to undertake the O&M of assets created under the PROJECT.
- 6.11 *Key Personnel:* The detail of key personnel shall be as per **Annexure V**. The IA shall inform to the UTILITY and its SPCU the name & designation of each key personnel of the IA team (in CPIU and PIU).

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7 RESPONSIBILITY OF UTILITY/ ITS SPCU:

- 7.1 Providing all available Data to IA for preparation of PIPs and other documentation required for THE BANK's appraisal of the PROJECT.
- 7.2 UTILITY shall arrange for appropriate Budgetary provision/ Investment approval/ Release of funds to incur the expenditure towards reimbursement of State level taxes and compliance of local laws etc.
- 7.3 Facilitate IA including providing necessary authorizations to the IA/ Project-in-charge in carrying out the tasks assigned to it.
- 7.4 Co-ordination with GoI, THE BANK, State Government, and all concerned for execution of the PROJECT.
- 7.5 Necessary authorization for issuance of all such documents/ certificates that are required to be issued under the signature of the Project Authority/ Owner of the Project including the documents/ certificates required for availing Deemed Export Benefits, viz., Project Authority Certificate, Excise Duty Exemption Certificate, Complete Customs Exemption Certificate etc., Local Tax exemption etc (as required/applicable). This shall also include authorization for incorporation/ affixation of digital signatures of appropriate Competent Authority(s) of UTILITY for various online processes, as may be necessary.
- 7.6 Issuance of necessary Sales Tax forms/ or other forms.
- 7.7 Land Acquisition and R&R related (Payment shall be made by IA. IA shall provide technical and administrative assistance).
- 7.8 The UTILITY, as Owner has the responsibilities of obtaining Right of Way (RoW) and all Statutory Clearances viz. Environment, Forest/ River/ Canal/ Power Lines/ Roads/ Highways/ Railway crossings, PTCC, Aviation, Electrical inspector, etc., The IA will undertake all the activities for and on behalf of the Owner & will provide technical/ administrative assistance to avail the RoW/ Clearances.
- 7.9 Arranging shutdowns as per the requirements of the PROJECT.
- 7.10 After due consultation with IA, UTILITY shall be eligible to depute its personnel of suitable qualification and experience to be suitably associated with the IA team for various project related activities, including for the purpose of training & capacity building of UTILITY. UTILITY may depute upto 20% of the total manpower deployment in the Project during execution on deputation to IA, in a phased manner. However, this deputation shall be subject to procedure described in

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Department of Public Enterprises Guidelines as issued/ amended from time to time (Current Reference: DPE O.M.18(6)/2001-GMGL-77 Dtd. 28.12.2005).

- 7.11 The UTILITY/ SPCU shall take over of the Transmission lines, Sub Station Bays, Transformers, etc. in progressive manner (instead of complete PROJECT) that are commissioned by the Contractor(s), after the asset is test charged, Electrical Inspectorate General (EIG) approval is available and is fit for beneficial use and upon the recommendation of the IA. Issues, which do not come in the way of beneficial use of such assets, shall not constitute the reason for not taking it over formally. Punch points shall be recorded jointly by IA & UTILITY at the time of taking over for their proper resolution.
- 7.12 Upon taking over, Operation & Maintenance and other related activities shall be carried out by UTILITY on their own & at their own cost. Operation and Maintenance shall be carried out with due diligence and efficiency, in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices.
- 7.13 In order to effectively undertake such O&M related responsibilities, besides those required to be undertaken during preparation and implementation of the PROJECT, UTILITY/ SPCU shall prepare phased manpower requirement as per their norms with assistance from IA and initiate recruitment/ training/ retraining/ deployment/ redeployment processes, as may be needed. This shall constitute vital element of Capacity Building to enable the UTILITY undertake smooth takeover of the assets and to undertake projects under future tranche on their own strength.
- 7.14 O&M plan shall be prepared in association with IA. The UTILITY shall ensure that the assets built and transferred to the UTILITY under the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such assets shall be made promptly as needed.
- 7.15 Upon taking over of the Transmission Lines, Sub Station Bays, Transformers, etc. the UTILITY shall ensure that such assets are used exclusively for the purposes originally envisioned under the PROJECT. Any transfer of assets and/or liens or mortgage or any rights created upon such assets shall be subject to the prior no-objection of THE BANK.
- 7.16 Implementation of action plan for Capacity Building (based on diagnostic studies already undertaken with THE BANK's support and capacity building plans thus prepared), Inputs for Expression of Interest, Prepare ToRs, Coordination with the selected consultant, reviewing and approving consultant outputs, implementation of findings from consultant outputs.
- 7.17 Ensuring timely response wherever inputs/ actions are required based on IA's inputs/ next steps.

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- 7.18 UTILITY shall provide a list of employees along with their detailed CVs to IA for deputation to IA for preparation/ implementation of the PROJECT and as a part of exercise for training & Capacity Building for the UTILITY. These employees shall be part of different teams of IA commensurate with their qualification/ experience/ expertise/ skills and will have clear roles/ responsibilities.
- 7.19 UTILITY/ its SPCU shall provide/ continue to provide the information/ reports as required by THE Bank/ GoI/ IA for the subject PROJECT till such period as stipulated at para 12.4.

8.0 ROLES AND RESPONSIBILITY MATRIX:

Responsibility matrix showing summary division of the roles and responsibilities of the IA and UTILITY/ SPCU, is attached at **Annexure VI**.

9.0 DELIVERABLES:

The IA shall submit the following documents (and not restricted to) to the UTILITY/ SPCU (and to the MoP, GoI, whenever required/ asked) for their feedback/ comments before finalizing. The IA will also be responsible for regular coordination with THE BANK, MoP, GoI; the UTILITY/ SPCU, as may be required:

- 9.1 State wise PIP for the PROJECT.
- 9.2 Bidding documents as and when they are prepared and approved by THE BANK, (if required).
- 9.3 ESPP, Generic Social Assessment and Safeguards documents (Environment and social aspects i.e., IEAR, FEAR, etc.,) as and when they are due for submission, for each PROJECT Component.
- 9.4 Procurement and Financial Management capacity assessments for the UTILITY as per the standard questionnaire template of THE BANK.
- 9.5 Quarterly Progress Report (QPR) covering all the technical, procurement, safeguards, fiduciary and monitoring & evaluation aspects of all the PROJECT Components. This shall also include the actions taken by the IA in building capacity of the UTILITY as well as the progress made by the UTILITY in implementation of the agreed action plan (with THE BANK) on capacity building till completion of final disbursement.
- 9.6 Quarterly IUFs and Annual Audited Project Financial Statements, once THE BANK funding is approved till Loan closing date.
- 9.7 Monthly Progress Report covering physical and financial progress, including projection of fund requirements for next 3 months so as to ensure availability of funds for smooth implementation of the PROJECT. This shall highlight physical & financial constraints/ exceptions.

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The documents/ reports, after finalization by the IA, will be shared with SPCU (for any feedback and understanding) and THE BANK (for providing its feedback/ comments/ no objection and also to facilitate monitoring of preparation/ implementation of the PROJECT Components).

10.0 RELEASE OF CONSULTANCY FEES TO IA:

- 10.1 To facilitate smooth execution of work, the payment of consultancy fees shall be released to the IA by MoP, GoI, pursuant to the Sanction Order intimating investment approval by GoI.
- 10.2 It is clearly understood by the parties that 50% funding of the Project is proposed to be from THE BANK (subject to approval and signing of Loan Agreement) and 50% from GoI (as be approved by GoI & intimated through its Sanction Order). IA's Consultancy Fee, Land Acquisition, R&R, Capacity Building Expenditure as well as Crop and Tree compensation, Power & Telecom Co-ordination Committee (PTCC) compensation and Forest compensation including Net Present Value (NPV) will be covered under funding portion of GoI while UTILITY/ State has to bear the costs related to Reimbursement of State level Taxes & Duties.

11.0 TIME LINES AND VALIDITY:

- 11.1 Unless otherwise herein provided, the obligations set forth in this Agreement shall remain valid until completion of PROJECT or closure of THE BANK funding (as and when approved) whichever is later from the Effective Date of this Agreement. Renewal, if required shall be done on mutual agreement between DEPARTMENT and the IA. Notwithstanding the foregoing the obligations set forth in Section 7.12, 7.14, 7.15, 13.1, 13.4 and 13.5 shall remain valid and in effect until the full repayment of the Project financing extended by THE BANK.
- 11.2 The IA & UTILITY shall coordinate their efforts (including the forum of CPIU, SPCU, PIU, JCC & HPC) to meet the timelines related to the PROJECT activities.
- 11.3 IA shall complete the PROJECT within stipulated loan closure period, however same shall be subject to availability of Land and R&R; availability of RoW, Statutory Clearances (to be arranged by UTILITY with technical and administrative assistance of IA) and timely availability of funds.

12.0 PROGRESS REVIEW:

- 12.1 *Joint Co-ordination Committee (JCC)*: IA and SPCU shall nominate their representatives in a body called JCC to review the PROJECT. IA shall specify quarterly milestones or targets, which shall be reviewed by JCC through a formal monthly review meeting. This meeting forum shall be called

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as Joint Co-ordination Committee Meeting (JCCM). The IA shall convene & keep a record of every meeting. MoP, GoI and THE BANK may join as and when needed. Minutes of the meeting will be shared with all concerned and if required, with GoI and THE BANK.

12.2 *High Power Committee (HPC)*: The UTILITY in consultation with its State Government shall arrange to constitute a High Power Committee (HPC) consisting of high level officials from the UTILITY, State/ District Administration, Law enforcement agencies, Forest Department. etc., so that various permission/ approvals/ consents/ clearances/ compliance of local laws etc. are processed expeditiously so as to reach the benefits of the PROJECT to the end consumers. Meeting of HPC shall be convened by SPCU on bimonthly basis or earlier, as per requirement. This forum shall be called as High Power Committee Meeting (HPCM) and the SPCU shall keep a record of every meeting. Minutes of the meeting will be shared with all concerned and if required, with GoI and THE BANK.

12.3 *Contractor's Review Meeting (CRM)*: Periodic Review Meeting shall be held by officials of PIU with Contractors at field offices, State Head Quarters (PIU location) and if required with core team of IA at Guwahati. These shall be called "Contractor's Review Meeting" (CRM). PIU shall keep a record of all CRMs, which shall be shared with all concerned and if required, with GoI and THE BANK.

12.4 A review shall be held among MoP, GoI, THE BANK, State Government, UTILITY and IA, at four (4) months interval or earlier if needed at the top level, primarily to debottleneck issues that require intervention at GoI/ State Government level. Minutes of the meeting shall be prepared by IA and shared with all concerned.

13.0 FACILITIES / INFORMATION TO BE PROVIDED BY UTILITY:

13.1 All necessary information and data as may be required by the IA and/or THE BANK in connection with the PROJECT, including all plans, schedules, specifications, report and contract documents and/ or material modifications/ additions to- them (including those handed over by the IA to the UTILITY/ SPCU), shall be promptly rendered by the "UTILITY/ SPCU" to the respective requesting entity, in such detail as shall have been reasonably required.

13.2 "UTILITY/ SPCU" shall give their views on all matters pertaining to this PROJECT as may be referred to by the IA from time to time within a reasonable time (for which time has not been defined in the above provisions of the agreement) which would normally not exceed fifteen (15) days and shall discharge faithfully all its obligations.

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- 13.3 Any statutory clearance/ Right of way, provision of space required for implementation of the PROJECT components shall be the responsibility of the Owner.
- 13.4 Upon taking over of the Transmission Lines, Sub Station Bays, Transformers, etc. and the IA handover of the respective records and documents, the UTILITY/ SPCU shall retain all such records and documents (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Project until at least the later of: (i) one year after THE BANK has received the final/ last audited financial statements required under THE BANK's loan and (ii) two years after the closing date of THE BANK's loan. During such retention period, the UTILITY/ SPCU shall enable the IA and THE BANK's representatives to examine those records.
- 13.5 The UTILITY/ SPCU shall enable the IA and/ or THE BANK's representatives to: (i) visit any facilities and construction sites included in the Project and (ii) examine the goods financed under the Project, and any plants, installations, sites, works, buildings, property, equipment, records and documents relevant to the performance of the Project, or assets built thereunder.

14.0 SETTLEMENT OF DISPUTE AND ARBITRATION:

- 14.1 This Agreement shall be governed by and construed in accordance with the laws of India. Any dispute or difference arising out of this Agreement shall be amicably settled between parties.
- 14.2 If any dispute arises out of this agreement between the parties and is not resolved to amicably, then it shall be resolved as per Department of Public Enterprises (DPE) guidelines in this regard as may be issued/ amended from time to time.

15.0 FORCE MAJEURE:

- 15.1 The parties shall ensure due compliance with terms of this Agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as fire, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, calamity, accident, act of God, foreign rebellion and any other reason beyond the control of concerned party. But any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event and give written notice of 15 days to the other party to this effect. The services covered under this agreement shall be started as soon as practicable by the parties concerned about such eventualities has come to an end or ceased to exist.

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16.0 AMENDMENT:

This Agreement may be amended or modified, if necessary, by a written instrument signed by both the parties and the same shall be considered as an integral part of this document.

17.0 EFFECTIVE DATE:

This Agreement annuls the earlier agreement signed between the UTILITY and the IA on June 7, 2013.

This Agreement shall be deemed to have come into force with effect from the date of signing of this Agreement or release of first installment/advance by GoI, whichever is later. All rights, obligations and responsibilities of the "UTILITY" and "IA" shall be deemed to have commenced and accrued from the said date.

18.0 CORRESPONDENCE:

18.1 All communications from "UTILITY/ SPCU" to "IA/ PIU" shall be addressed to the "Project in Charge" of the IA or Nodal officer(s) nominated in writing by him for the purpose of this work.

18.2 All communication from the "IA/ PIU" to "UTILITY/ SPCU" shall be addressed to the Head of the SPCU or Nodal Officer(s) nominated in writing by him for the purpose of this work.

IN WITNESS WHEREOF, the parties hereto have fully executed these present through their authorized representatives on the Day, Month and Year mentioned above.

Signed by E. W. NONGRUM
For and on behalf of Chief Engineer
Meghalaya Power Transmission Corporation Limited
Shillong, Shillong

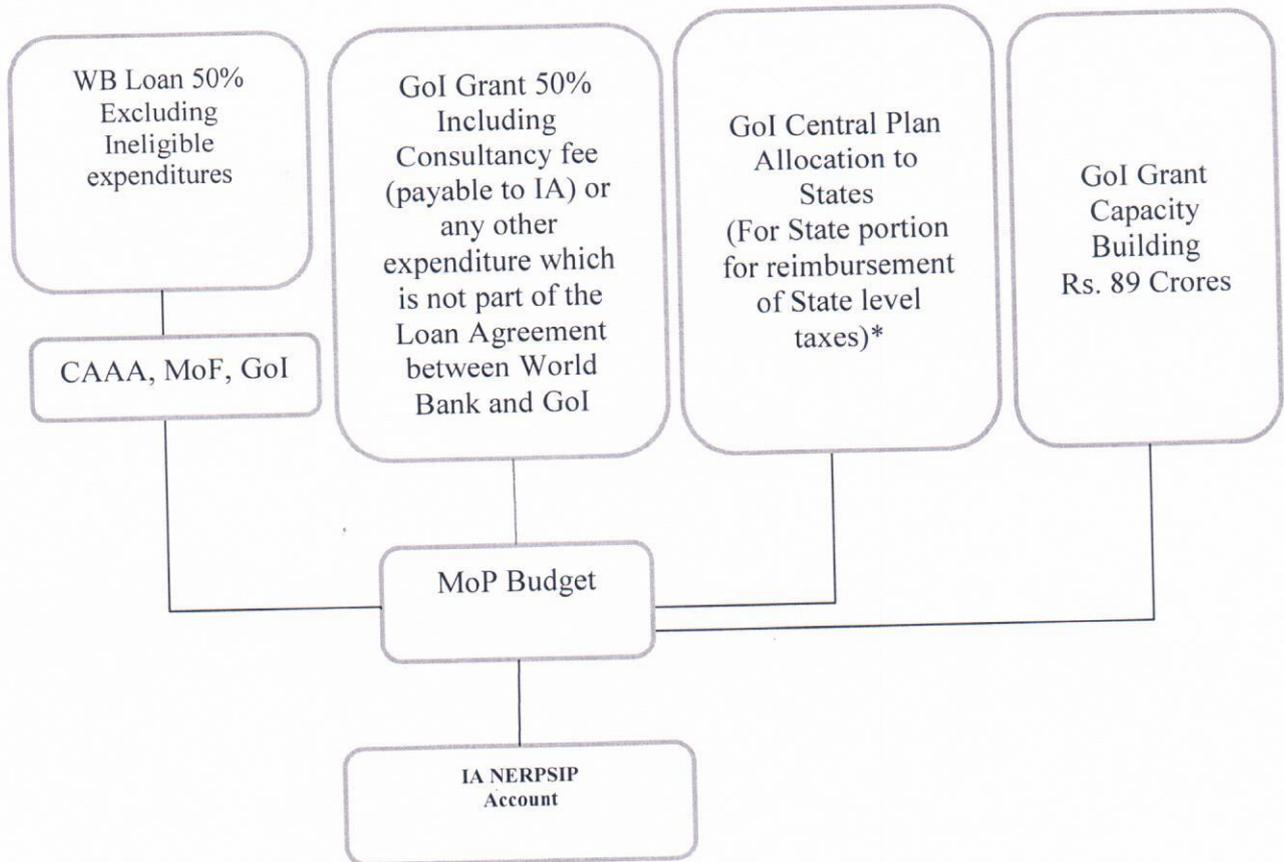
Signed by Ashwani Kumar Srivastava
For and on behalf of General Manager
Power Grid Corporation of India Limited
POWERGRID, NER, NERPSIP
गुवाहाटी / Guwahati

Witness by:

1. R-5412M, (SE)
2. 23/3/15
M. M. Barman
SET & S. S. S.

1. GNP (Sub)
DGM Shillong
2. 23/03/15
K C BARMAN
ASST. GM

FUND FLOW ARRANGEMENT (TENTATIVE – TO BE FINALIZED AT LOAN APPRAISAL)



* To be budgeted & accounted for by State as their expenditure (as contribution to this Project)

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SUMMARY STATEMENT FOR CASH FORECAST FOR FUND TRANSFER TO IA NERPSIP ACCOUNT

(In Rs. Million)

Sl No.	States	Budget for 2 quarters e.g. April - September			Total
		World Bank Loan	GoI	States Portion by GoI (from Central Plan assistance)	
1	Assam				
2	Manipur				
3	Meghalaya				
a	Goods and services and other eligible components upto World Bank funding limit	A			A+B+C+D
b	Items ineligible for World Bank funding including Cons.Fee plus such expenditure that exceeds World Bank funding limit		B		
c	State portion of fund including reimbursement of State level Taxes, levies & duties			C	
d	Capacity Building		D		
4	Mizoram				
5	Nagaland				
6	Tripura				
	Total				

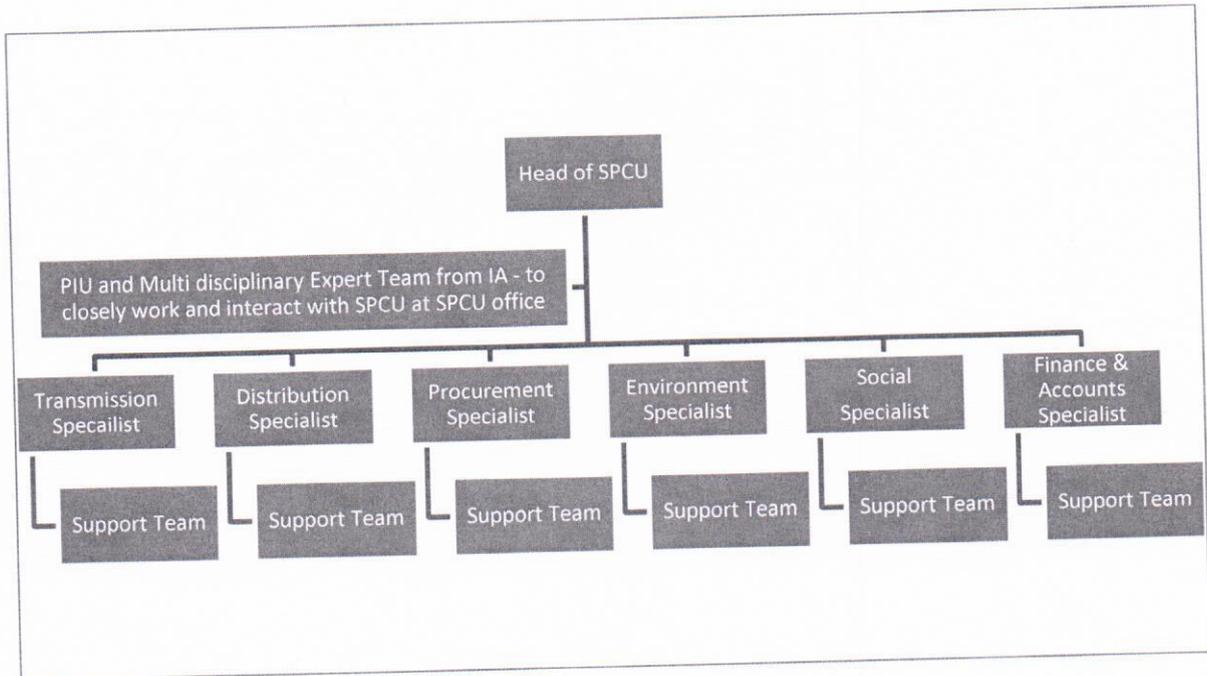
Note :

- World Bank funding is 50% & balance is counterpart funding from GoI which includes ineligible items of World Bank loan..
- Capacity Building shall be funded by GoI in addition to B.

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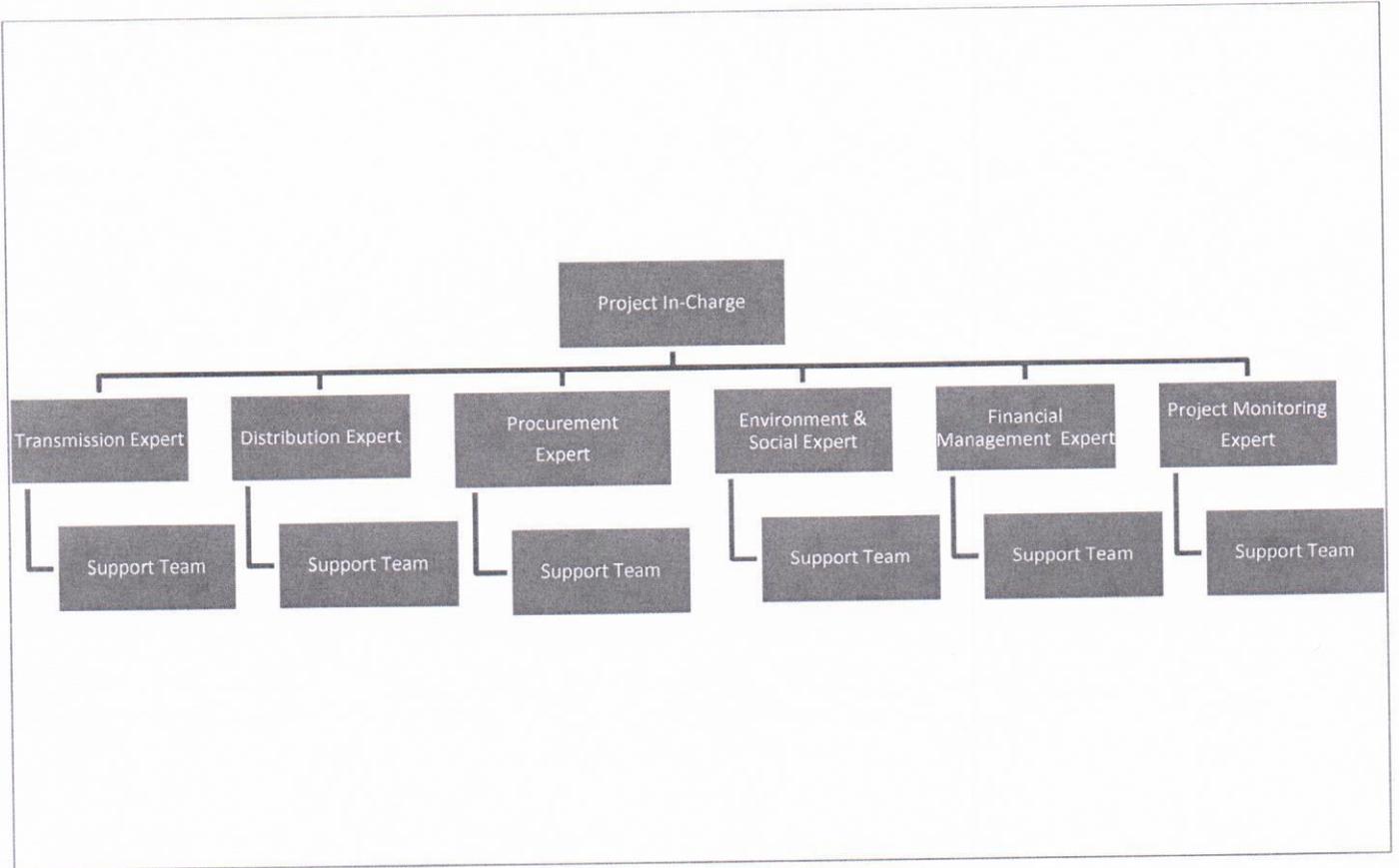


Proposed Structure of the State Project Coordination Unit (SPCU) to be set up by the UTILITY



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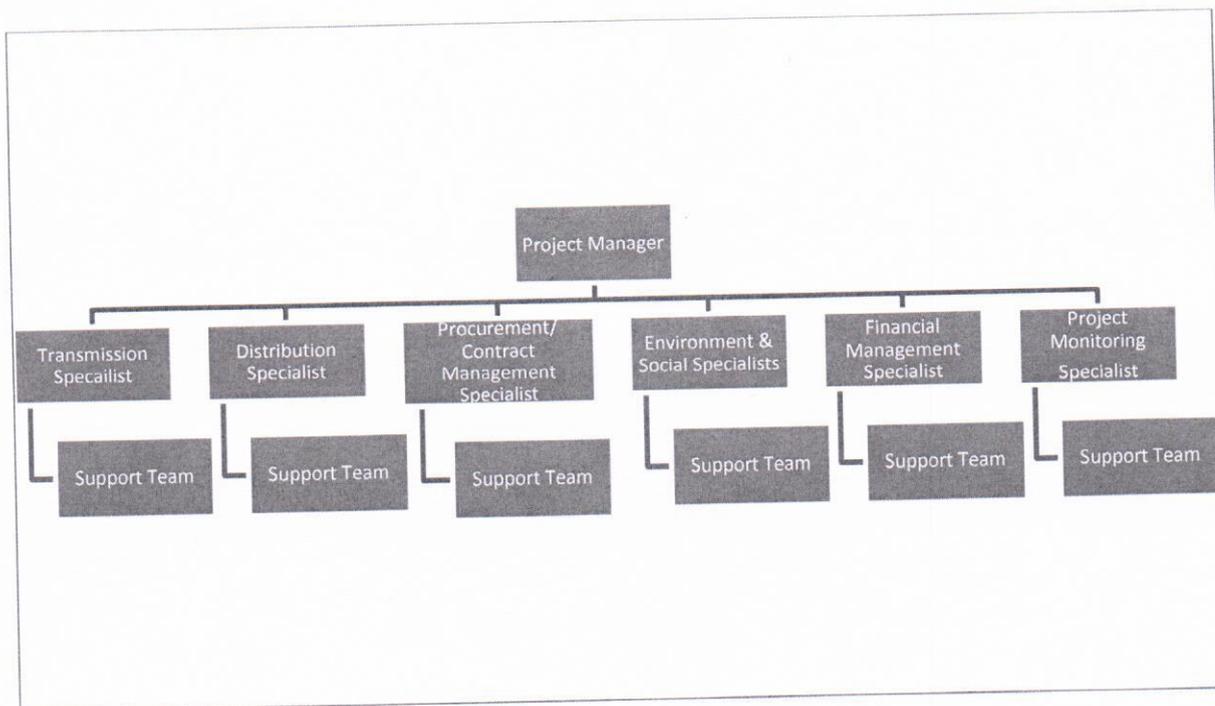
Proposed Structure of the IA Team



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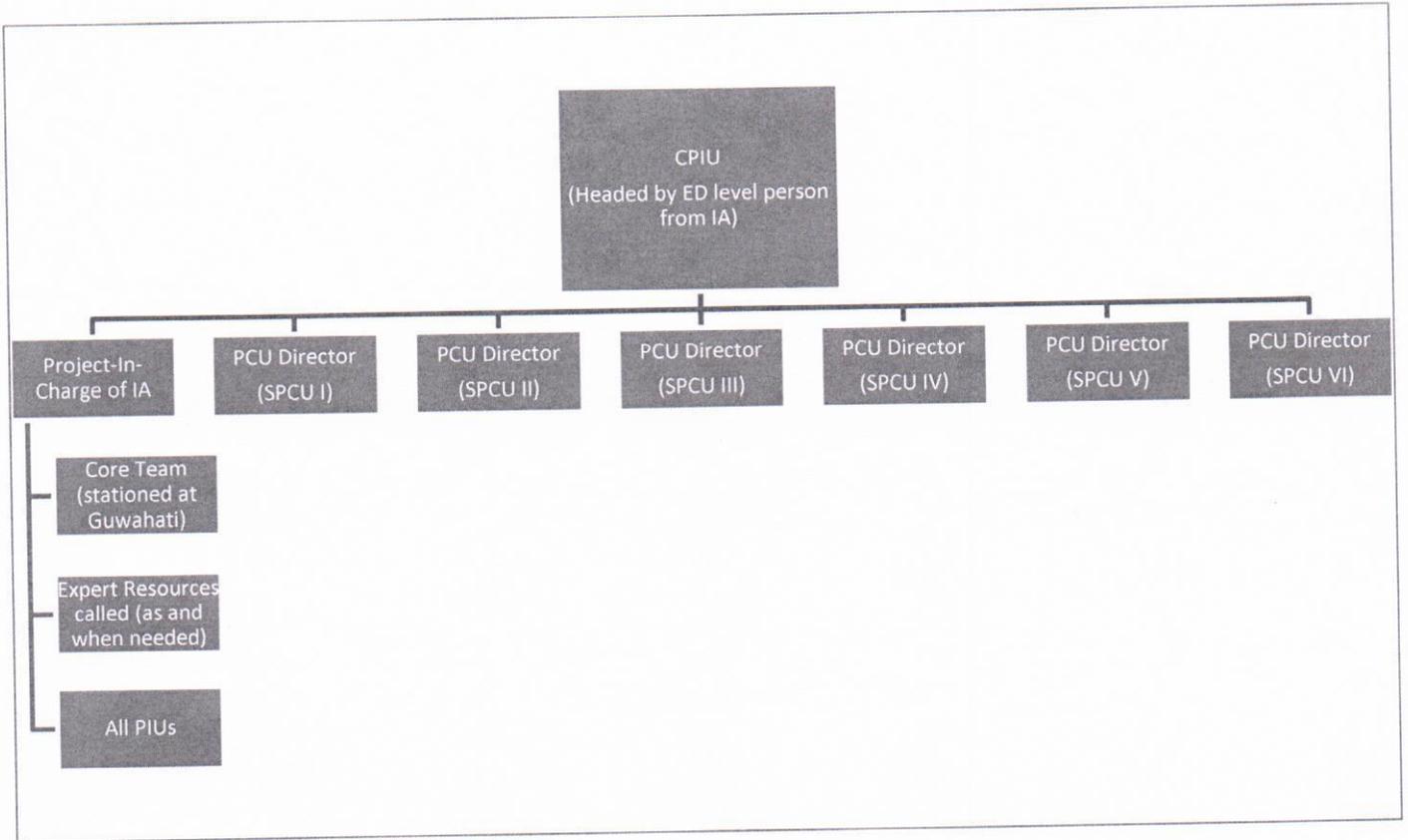
Proposed Structure of the PIU Team

Note: The PIU will comprise of officials from IA and officials from UTILITY taken on deputation by IA for THE PROJECT.



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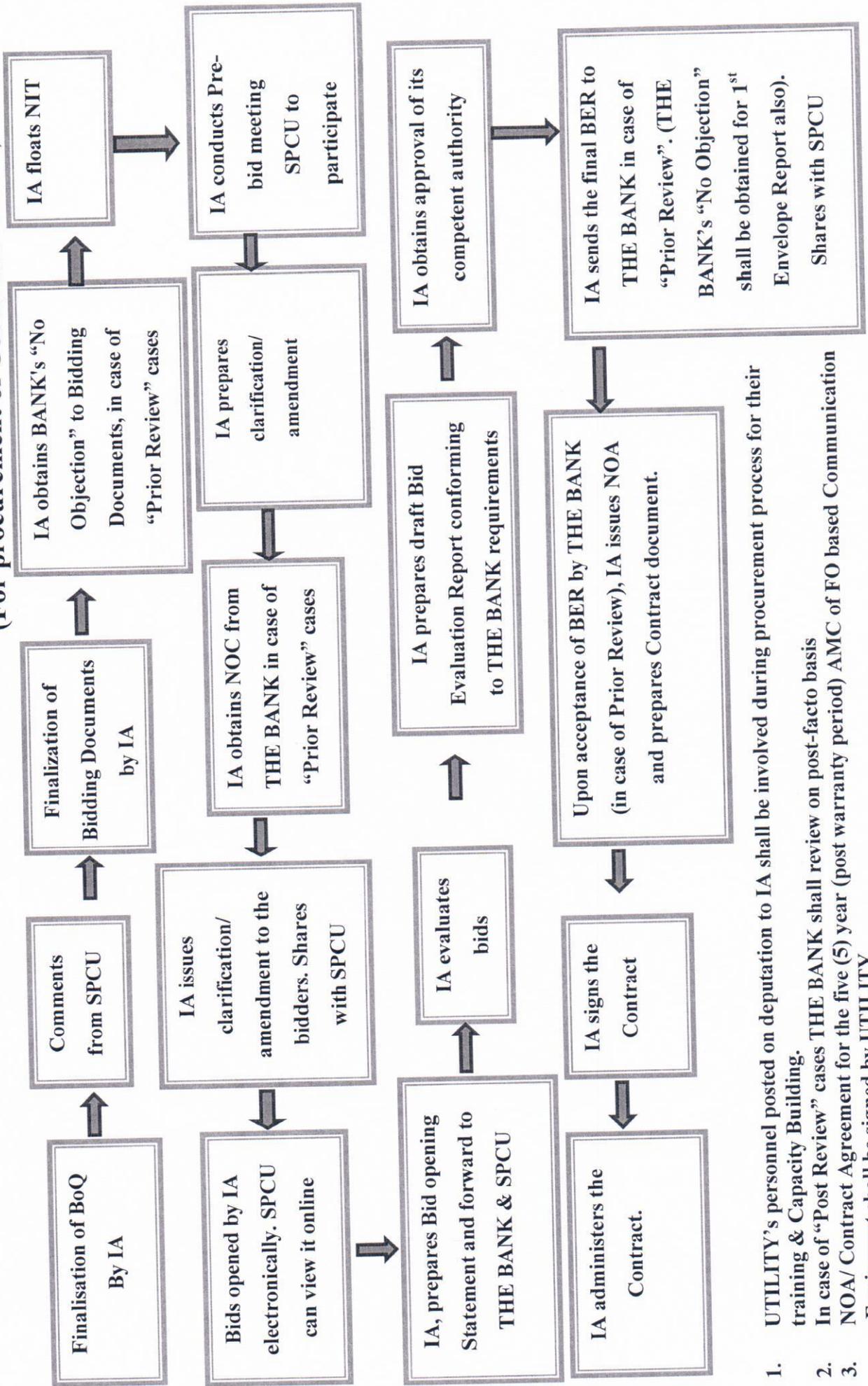
Proposed Structure of the Central Project Implementation Unit



Note: The CPIU will comprise of a core team of IA headed by the Project-In-Charge. SPCU Directors will represent their State in the CPIU as and when required for various activities.

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**Annexure – IV
(For procurement of Goods and Works)**



1. UTILITY's personnel posted on deputation to IA shall be involved during procurement process for their training & Capacity Building.
2. In case of "Post Review" cases THE BANK shall review on post-facto basis
3. NOA/ Contract Agreement for the five (5) year (post warranty period) AMC of FO based Communication Equipment shall be signed by UTILITY

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Detail of Key Personnel:-

Expert	Minimum Experience
Project Manager	15 years in transmission and/or distribution sector
Environment and Social Expert	5 years in environment and social management
Transmission and Distribution Expert	10 years in implementing, operating or maintaining T&D infrastructure
Procurement Expert	10 years with minimum 5 years exposure to multi-laterally funded procurement
Project Monitoring Expert	10 years in monitoring Contracts larger than USD 5 million
Financial Management Expert	8 years in financial management

Note: In addition to above, other professionals will be deployed as & when required.

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Details of activities involved in preparation and implementation of the PROJECT
Components

S. No.	Description of Activity	Responsibility Centre	
		IA	UTILITY/ SPCU
1	Providing necessary Data for the PROJECT		√
2	Prioritization of schemes	*	√
3	Approval of Priority list of schemes		√
4	Preparation of Environment and Social Policy & Procedures	√	*
5	Preparation of Environment Assessments and mitigation plans	√	*
6	Preparation of Social Assessments and mitigation plans (RPF, TPDP etc.)	\$	\$
7	Approval of Environment and Social Policy & Procedures (including any approvals required from State Government)		√
8	Approval of Environment Assessments and mitigation plans (including any approvals required from State Government)		√
9	Approval of Social Assessments and mitigation plans (including any approvals required from State Government)	\$	\$
10	Obtaining "No Objection" to Environment and Social Policy & Procedures from Bank	√	*
11	Obtaining "No Objection" to Environment Assessments and mitigation plans from Bank	√	*
12	Obtaining "No Objection" to Social Assessments and mitigation plans (RPF, TPDP etc.) from Bank	\$	\$
13	Site selection and acquisition of Land (including approvals required from State Government)	*	√
14	Payment of compensation to Project Affected Persons (Land Acquisition)	√	*
15	Payment of compensation towards crop, trees, PTCC, forest, temporary disturbance	√	*
16	Organization of vendor's meet	√	*
17	Preparation of Procurement Plan	√	*
18	Preparation of Financial/ Procurement Management Capacity assessment (As per BANK Questionnaire Template)	√	*
19	Preparation of Project Implementation Plan (PIP)	√	*
20	Obtaining Approval of PIP from the Bank	√	*

21	Training of the UTILITY personnel	√	*
22	Budgetary provision / Investment approval/ Release of funds towards Reimbursement of State level taxes & Duties	*	√
I. Pre-NIT Activities			
1	NIT Cost Estimate	√	*
2.	Preparation of Technical Specifications, Designs and Drawings	√	*
3	Formulation of Qualifying Requirements	√	*
4	Preparation of Bidding Documents in Bank format	√	*
5	Vetting of BoQ in Bidding documents		√
6	Obtaining "No objection" to Bidding Document from Bank	√	*
7	Issuance of NIT	√	*
8	Pre-bid Meeting	√	*
9	Preparation of clarifications/ amendments	√	*
10	Obtaining 'No Objection' to clarifications/ amendments from Bank	√	*
11	Issuance of Clarifications to Bidders/amendments to Bidding Document	√	*

II. Post-NIT Activities

1	Bid Opening	√	*
2	Preparation of Bid Opening Statement	√	*
3	Forwarding Bid Opening Statement to Bank	√	*
4	Preparation of Bid Evaluation Report (BER)	√	
5	Approval of Bid Evaluation Report (BER) and forwarding to Bank	√	
6	Obtaining 'No objection' to BER from Bank	√	
7	Preparation of NOA and Contract agreement	√	*
8	Placement of NOA and Contract Agreement	√	
9	Signing of AMC for FO based communication equipment (post warranty period)		√
III Post-Award activities			
1	RoW and Statutory Clearances	*	√
2	Approval of Quality Assurance Plan (submitted by Contractor)	√	*
3	Approval of Engineering Documents	√	*
4	Type Test	√	*
5	Routine Tests	√	*
6	Dispatch Clearance	√	*
7	Site Supervision	√	*
8	Verification of Bills	√	*

9	Payments to Contractors	√	*
10	Reimbursement of State level taxes	*	√
11	Engineering Inputs for Post-Contract Amendment	√	*
12	Obtaining "No Objection" for Post-Contract Amendment (if required) from Bank	√	*
13	Installation and commissioning of sub components of the Project	√	*
14	Electrical Inspector's Approval	*	√
15	Taking Over		√
16	Providing technical support during Warranty Period	√	*
17	Providing an O&M Plan	√	*
18	Implementation of Environment Management Plan	√	*
19	Implementation of RAP, TPDP etc.	\$	\$
20	Operation of AMC for FO based communication equipment (during and after Warranty)		√
21	Issuance of concessional Sales Tax Forms, documents/ certificates for availing Deemed Export Benefits, viz., Project Authority Certificate, Excise Duty Exemption Certificate, Complete Customs Exemption Certificate, etc. as may be required	*	√
IV	CAPACITY BUILDING WORK		
1	Preparing Annual rolling plan of activities to be taken up		√
2	Obtaining 'No objection' to Rolling Plan from Bank		√
3	Preparation of Terms of Reference for each activity	*	√
4	Obtaining 'No objection' to ToRs from Bank	*	√
5	Issuance of EoI	√	*
6	Preparation of shortlist and RFP	√	*
7	Obtaining 'No objection' to shortlist and RFP from Bank	√	*
8	Holding Pre-proposal conference, Issuing clarifications to bidders on EoI/ RFP	√	*
9	Opening of Technical Proposals	√	*
10	Preparation of Technical Evaluation Report (TER)	√	*
11	Obtaining 'No objection' to TER from Bank	√	*
12	Opening of Financial Proposals	√	*
13	Evaluation of Financial Proposal and Preparation of Combined Evaluation Report (CER)	√	*
14	Forwarding CER to Bank	√	*
15	Negotiations with highest ranked Firm/ Consultant	√	√
16	Preparation of Draft Contract and Obtaining 'No objection' from Bank	√	*
17	Issuance and signing of Contract	√	*

Ashtwan 

18	Review and Approval of Consultant Outputs	*	√
19	Verification of Consultant Bills	*	√
20	Payment to Consultants	√	
V	Periodic Reporting		
1	Preparation of IUFRRs	√	*
2	Submission of IUFRRs to Bank for clearance	√	
3	Preparation of Annual Project Financial Statements	√	*
4	Submission of Annual Audited Project Financial Statements	√	

√: Main responsibility centre

*: In association with (IA shall communicate with SPCU over phone/ email/ letter et).

UTILITY shall promptly nominate a suitable personnel, whenever required)

§: As per paragraph 6.4

Ashwan



F.No.3/16/2013-Trans
Government of India
Ministry of Power
Shram Shakti Shawan, Rafi Marg
New Delhi

Dated the 1st December, 2014

OFFICE MEMORANDUM

Subject: North Eastern Region Power system Improvement Project (NERPSIP) for six(6) States (Assam, Manipur, Meghalaya, Mizoram, Tripura and Nagaland) for strengthening of the Intra State Transmission and Distribution System.

Sanction of the President of India is conveyed to the "North Eastern Region Power System Improvement Project (NERPSIP) for Six(6) States (Assam, Manipur, Meghalaya, Mizoram, Tripura and Nagaland) for strengthening of the Intra-State Transmission and Distribution Systems (33kV and above)" at a total estimated cost of Rs.5111.33 Crore (at Feb, 2014 price level) with the completion schedule of 48 months from the date of release of first instalment of funds.

2. The total estimated cost of the scheme of Rs.5111.33 crore comprising Project Cost of Rs.5022.33 Crore including consultancy fee @ 12% of the executed cost and capacity building expenditure of Rs.89 crore. The detailed break up is given in **Annex-I**. The scheme will be implemented as a Central Sector Scheme through Power Grid Corporation of India Ltd (PGCIL). The scheme will be funded by the Government of India through the Budget of Ministry of Power and the World Bank on 50:50 basis. The Capacity Building expenditure of Rs.89 Crore will be funded entirely by Government of India through the Budget of Ministry of Power. The States will reimburse various State level taxes and duties as may be applicable to this project.

3. The beneficiary States, that is, Assam, Manipur, Meghalaya, Mizoram, Tripura and Nagaland will be responsible for Operation & Maintenance of the Transmission and Distribution System, which would be transferred to them upon its commissioning as per the terms and conditions of the Agreement(s) to be signed in this regard between PGCIL and State Utility(s)/State Government(s). Copy of the signed Agreement(s) may be submitted to Ministry of Power within two months.

4. State Government(s) will ensure that there is no duplication of work between Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and that the scheme is also duly integrated with the downstream Distribution system.

5. The detailed/broad scope of works is attached at **Annex-II**.

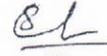
6. The details of year-wise phasing of expenditure and State-wise cost estimates for the project are at **Annex-III**.

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7. PGCIL will submit quarterly report to the Ministry of Power indicating financial and physical progress of implementation of activities covered by this sanction.

8. The expenditure to be incurred on the above scheme would be debitable to approved budget grant No.2552.00.799.02.01.28 of the Ministry of Power for the year 2014-15 and relevant Budget head of the subsequent years.

9. This issues with the concurrence of Integrated Finance Division of Ministry of Power vide their Dy.No. 192/Fin./2014 dated 1.12.2014.



(S. Venkateshwarlu)

Under Secretary to the Government of India

Tele-fax: 011-2332 5242

Email: transdosk-mop@nic.in

To

1. Commissioner & Secretary (Power), Assam
2. Secretary (Power), Mizoram
3. Principal Secretary (Power), Tripura
4. Commissioner (Power), Manipur
5. Commissioner & Secretary (Power), Meghalaya
6. Secretary (Power), Nagaland
7. CMD, PGCIL, Gurgaon, Haryana.

Copy, along with enclosures, forwarded to the following for information:

1. Cabinet Secretariat [Kind Attn: Shri S.G.P. Verghese, Director (Cabinet), Rashtrapati Bhavan, New Delhi] with reference to minutes of meeting of the Cabinet held on 20.11.2014 issued vide Cabinet Secretariat Memo No. 51/CM/2014(i) dated 24.11.2014.
2. Prime Minister's Office (Kind Attn: Shri Satosh D. Vaidya, Director) with reference to their PMO ID No. 210/31/C/29/2014-ES.I dated 21.8.2014.
3. Controller of Accounts, Ministry of Power, Sewa Bhavan, RK Puram, New Delhi.
4. Pay & Accounts Officer, Ministry of Power, New Delhi.
5. Principal Director of Audit, Economic & Service Ministry, AGCR Building, Near ITO, New Delhi-110002.
6. Chairperson, Central Electricity Authority, RK Puram, New Delhi.
7. Secretary, Planning Commission, Yojana Bhavan, New Delhi.
8. Secretary, Department of Expenditure, North Block, New Delhi.
9. Secretary, Department of Economic Affairs, North Block, New Delhi.
10. Secretary, M/o.DONER, Vigyan Bhavan Annexe, New Delhi.

Copy for information to: PPS to Secretary(Power)/ SS(DC)/ JS (Trans)/ JS&FA/ Director (Trans).

Scope of works to be implemented

Scope of Work – State-wise position

Assam-

(A) Scope of works under DPR of "Intra State : Assam – Transmission / Sub-transmission(132kV & above)"

Summary of the transmission / Sub transmission system planned for Assam is as under :

- 260 km of new 220 & 132 kV transmission lines
- 116 Km of stringing of additional circuit
Total line : 376 km
- 679 Km of Optical Fibre Ground Wire (OPGW) installation
- **11 new sub-stations** : 220 kV- 2 Nos. & 132 kV – 09 Nos.
- Augmentation works of 9 existing sub-stations
Total transformation capacity addition 1644 MVA.

(B) Scope of works under DPR of "Intra State : Assam – Distribution (Upto 33 kV)"

Summary of the distribution system planned for Assam is as under :

- **16 nos. New 33/11 kV substations** – 240 MVA
- Augmentation S/s- Nil
Total Capacity Addition-240MVA
- Addition of 33 kV single line bays in existing 33 /11 kV s/s -29 nos.
- Addition of 33 kV single line bays in existing 132/33 kV s/s- 3 nos.
- 33 kV Single circuit Overhead line-399 km,
- Single circuit underground 33 kV cable-64KM,
- Double circuit underground 33 kV cable-16kM
- **Total 33kV Line length-479kM**
- 470 km of OPGW installation

Manipur-

(A) Scope of works under DPR of "Intra State : Manipur – Transmission / Sub-transmission(132kV & above)"

Summary of the transmission / Sub transmission system planned for Manipur is as under :

- 226 Km of new 220 & 132 kV transmission lines,
- 91 Km of renovation of existing line
Total line length-317km
- 390 Km of OPGW installation
- **2 new sub-stations,**
- Augmentation works of 4 existing sub-stations and
Transformation capacity addition of about 160 MVA

(B) Scope of works under DPR of "Intra State : Manipur – Distribution (Upto 33 kV)"

Summary of the distribution system planned for Manipur is as under :

- **13 nos. New 33/11 kV substations** – 117.8 MVA
- Augmentation S/s-22 Nos. Capacity Addition-111.6MVA
Total Capacity Addition-229.4 MVA
- Addition of 33 kV Single line bays in existing 33 /11 kV s/s -7 nos.
- 33 kV Single circuit Overhead line-106 km,
- 33 kV Single circuit underground cable-5KM,
- **Total 33kV Line length-111kM.**
- 365 km of OPGW installation

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Meghalaya-(A) Scope of works under DPR of "Intra State : Meghalaya – Transmission / Sub-transmission(132kV & above)"

Summary of the transmission / Sub transmission system planned for Meghalaya is as under :

- 416 Km of new 220 & 132 kV transmission lines,
- 570 Km of OPGW installation
- 4 nos. of new sub-stations
- Total transformation capacity addition 940 MVA,
- Augmentation work of 1 no. of existing sub-stations

(B) Scope of works under DPR of "Intra State : Meghalaya - Distribution (Upto 33 kV)"

Summary of the distribution system planned for Meghalaya is as under :

- 11 nos. New 33/11 kV substations –120 MVA
- Augmentation S/s-2 Nos. Capacity Addition-15 MVA
Total Capacity Addition-135 MVA
- Addition of 33 kV Single line bays in existing 33 /11 kV s/s -4 nos.
- 33 kV Single circuit Overhead line-198 km,
- 33kV line Reconductoring-65kM
Total line length – 263km
- 570 km of OPGW installation

Mizoram-(A) Scope of works under DPR of "Intra State : Mizoram – Transmission / Sub-transmission (132kV & above)"

Summary of the transmission / Sub transmission system planned for Mizoram is as under :

- 214 Km of new 220 & 132 kV transmission lines
- 310 Km of OPGW installation
- 3 new sub-stations,
- Augmentation works of 1 existing sub-station
- Transformation capacity addition of about 125 MVA

(B) Scope of works under DPR of "Intra State : Mizoram - Distribution (Upto 33 kV)"

Summary of the distribution system planned for Mizoram is as under :

- 1 nos. New 33/11 kV substations –6.3 MVA
- Replacement of 2nos. 33kV transformer bays in one existing 33 /11 kV s/s.
- 33 kV Single circuit overhead line-5.1 km,
- 33kV double circuit underground cable- 0.1kM
Total line length – 5.2km
- 5 km of OPGW installation

Nagaland-(A) Scope of works under DPR of "Intra State : Nagaland – Transmission / Sub-transmission(132kV & above)"

Summary of the transmission / Sub transmission system planned for Nagaland is as under:

- 376 Km of new 220 & 132 kV transmission lines
- 467 Km of OPGW installation
- 5 new sub-stations,
- Augmentation works of 1 existing sub-stations and
- Transformation capacity addition of about 245 MVA

(B) Scope of works under DPR of "Intra State : Nagaland - Distribution (Upto 33 kV)"

Summary of the distribution system planned for Nagaland is as under :

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- 10 nos. new 33/11 kV substations –115 MVA
- Augmentation S/s-12 Nos. Capacity Addition-75 MVA
Total Capacity Addition-190 MVA
- Addition of 33 kV Single line bays in existing 33 /11 kV s/s -8 nos.
- 33 kV Single circuit overhead line-76.5 km
- 253 Km of OPGW installation.

Tripura-(A) Scope of works under DPR of "Intra State : Tripura – Transmission / Sub-transmission(132kV & above)"

Summary of the transmission / Sub transmission system planned for Tripura is as under :

- 415 Km of new 220 & 132 kV transmission lines,
- 525 Km of OPGW installation
- 8 nos. new sub-stations
- Total transformation capacity addition 1306.5 MVA,
- Augmentation works of 5 nos. existing sub-stations

(B) Scope of works under DPR of "Intra State : Tripura - Distribution (Upto 33 kV)"

Summary of the distribution system planned for Tripura is as under :

- 34 nos. new 33/11 kV substations –360 MVA
- Augmentation S/s-13 Nos. Capacity Addition-90.5 MVA
Total Capacity Addition-450.5 MVA
- R&M of exiting 33/11kV S/s -13 Nos.
- Addition of 33 kV Single line bays in existing 33 /11 kV s/s -14 nos.
- Addition of 33 kV two line bays in existing 33 /11 kV s/s -4 nos.
- Addition of 33 kV three line bays in existing 33 /11 kV s/s -1 nos.
- 33 kV Single circuit overhead line-770 km,
- Reconductoring of 33 kV Existing line -326km
- Total line length-1096km

I. Tabulated summary of the works described in I above.

	Transmission (132kV & above)			Distribution(upto 33kV)		
	Line (CKm)	New S/s (No)	Total MVA (New & Augmentation)	Line (CKm)	New S/s (No)	Total MVA (New & Augmentation)
Assam	376	11	1644	479	16	240
Manipur	317	2	160	111	13	229.4
Meghalaya	416	4	940	263	11	135
Mizoram	214	3	125	5.2	1	6.3
Nagaland	376	5	245	76.5	10	190
Tripura	415	8	1306.5	1096	34	450.5
Total	2114	33	4420.5	2030.7	85	1251.2

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The year-wise phasing of expenditure for the project:

(Figures in Rs. Crore)

SI No	Funding	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total	
A	World Bank	Project Cost	100.00	366.00	620.67	763.59	494.72	166.185	2511.165
		Project Cost	100.00	366.00	620.67	763.59	494.72	166.185	2511.165
B	Gol	Cap. Building	0.00	17.80	26.70	35.60	8.90	0	89.00
		Total = B	100.00	383.80	647.37	799.19	503.62	166.185	2600.165
C	Total = (A+B)		200.00	749.80	1268.04	1562.78	998.34	332.37	5111.33

State-wise cost estimates of the project

(Figures in Rs. Crore)

	World Bank	Government of India		Total
	Project Cost	Project Cost	Capacity Building	
Assam	729.485	729.485	14.83	1473.803
Manipur	213.690	213.690	14.83	442.213
Meghalaya	381.050	381.050	14.83	776.933
Mizoram	150.965	150.965	14.83	316.763
Nagaland	357.290	357.290	14.83	729.413
Tripura	678.685	678.685	14.83	1372.203
Sub Total	2511.165	2511.165	89	
Total	2511.165	2600.165		5111.33

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