



REC/PMD/RDSS/22-23/ २८३

Date: 11.10.2022

Sub: Standard Bidding Document (SBD) for Distribution Infrastructure works under RDSS-revision in Guidance Note.

Sir/Madam,

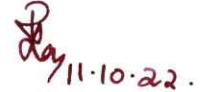
This is in reference to the REC letter dated 11.07.2022 vide which Standard Bidding Document (SBD) for Distribution Infrastructure works under RDSS was circulated. Consequently, vide letter dated 29.07.2022 revision in a few clauses in Part-3 of SBD were issued.

Further, REC is in receipt of a number of clarifications from the DISCOMs in regard to the clause for assessing the bid capacity and its implementation mechanism. So, in order to have better clarity on the same, said clause in the Guidance Note has been revised and attached as *Annexure- I*.

The entire SBD along with revised guidance note has been updated on the REC's Website at <https://recindia.nic.in/infrastructure-works>.

With regards,

Yours Sincerely,



(R. Lakshmanan)

To,
The Chairman/Managing Director (s)
All Discoms

Copy to: The CMD, PFC Ltd.

REC Limited

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A Government of India Enterprise

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Assessing capacity of bidder (optional)

The criteria for assessing capacity of bidder shall be as below:

Requirement: The bid capacity of the turnkey contractor, shall be equal to or more than the estimated cost of the tender. The same shall be assessed as per following formula:

$$\text{Bidding capacity} = [A \times N \times 2] - B$$

The value of A and B to be based on the entire business of the bidder.

- A: Maximum annual turnover in last 5 FYs (to be CA certified)
- N: Years prescribed for work completion under tender (but in order to standardize the same, a value of [3] may be taken)
- B: Value of existing commitments & ongoing works for which LOI/LOA have been issued (to be certified by the Company Secretary / whole-time Director / CEO of the bidder) plus commitments on account of any L1 declaration as part of the DISCOM tender opening

Mechanism: If the State / DISCOM plans to open the financial bids of multiple packages at around the same time, then the following mechanism shall be adopted:

1. Completion of technical evaluation of the packages and notification of the financial bid opening date with at-least 10 days advance notice to the bidders,
2. Bidders to submit the updated details of the bidding capacity, as on / upto 7 days before the opening of financial bid,
3. Financial bids shall be opened in descending order of the package size, starting with the opening of the financial bid of the package / RFB with highest estimated value,
4. Financial bids of only those bidders shall be opened, that have requisite bidding capacity corresponding to the estimated value of any particular RFB / tender,
5. Before opening every financial bid, the Bid Capacity of all bidders shall be assessed as per the defined bidding capacity formula, and including the bid value of previous opened financial bid (if any) for which the bidder is L1.
6. The above process shall be repeated until opening of all the balance financial bids.

However, there might be cases wherein the bidder has bid capacity as per the estimated tender value, but L1 quote by the bidder takes it beyond its estimated capacity. Then in such cases, as far as bid capacity clause is concerned, the bidder shall still be considered for award.

Note:

If it desires, the Employer can include any new clauses and/or modify the proposed clause in the SBD and/or adopt their state / Utility practice, to assess the capacity and capability of the bidder should the circumstances warrant such assessment in an overall interest of the Employer.