

## **RECORD NOTES OF PRE-BID MEETING ON THE INDRAPURI RESERVOIR HYDROELECTRIC PROJECT HELD AT BHPC HEADQUARTERS ON 31<sup>ST</sup> AUGUST 2009 AT 12.00 PM**

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Bihar State Hydro-electric Power Corporation (BHPC) had advertised for Request for "Expression of Interest" from interested developers to bid for the implementation of the 450MW Indrapuri Hydroelectric Power Project on 7<sup>th</sup> July, 2008.

The tendering schedule was as below:

Last date for sale of RFQ documents	12 September, 2008
Site visits by interested bidders	13-30 September, 2008
Last date of receipt of written queries from bidders	14 October, 2008
Pre-bid meeting	17 October, 2008
Last date for submission of response to RFQ	31 October, 2008
Opening of response to RFQ	31 October, 2008

### **Progress in the bidding process till date:**

The following interested parties had purchased the RFQ at the cost of Rs. 1 (one) lac only:

1. The Tata Power Company Limited, Mumbai;
2. Moser Baer Hydro-electric Power Limited, New Delhi;
3. Hindustan Construction Company Limited, Mumbai;
4. Madhucon Projects Limited, Hyderabad; and
5. Reliance Power Limited, Noida

A Pre-bid meeting was held on the rescheduled date, i.e., on the 11<sup>th</sup> November, 2008 at Patna. The clarifications to the queries raised in the meeting by the bidders were circulated to all interested bidders, including some bidders who joined the process after the pre-bid meeting. Almost all of the bidders requested BHPC arrange another pre-bid meeting for further clarifications.

Based on the discussions held in the pre-bid meeting the BHPC modified its terms of submission of offers to include even those developers who had not purchased RFQ as per schedule, with a condition that they would submit their offer on the scheduled date along with Rs.1 (one) lac, as the cost of tender documents.

In the meantime, the Water Resources Department (WRD), Government of Bihar authorised the BHPC to coordinate with the Survey of India, who had been engaged by the WRD to carry out the following works on their behalf :

1. To confirm the levels of tailrace at Obra Hydro Power Station in Uttar Pradesh, and
2. To prepare the contour maps and property survey from EL-169.00 m to EL-173.00m at 1.00m intervals.

In order to allow the interested developers to obtain a first hand knowledge of the project and its associated details, BHPC requested all interested developers to associate with the Survey of India team even at this stage, if they so desired.

In view of the facts stated above and to allow the Bidders to carry out their necessary visits of the proposed project site, the pre-bid meeting was scheduled on the 31 August, 2009.

**Minutes of Meeting of the Pre-Bid Meeting held on 31 August 2009 in the Conference Room at the Bihar State Hydro-electric Power Corporation, Patna at 12:00 PM:**

**Participants:**

Shri L P Sinha, Managing Director, BHPC

Shri Himadri Biswanath Ganguly,  
Vice President (Hydro), Jindal  
Power Limited

Shri Jawahar Lal, Chief Engineer, BHPC

Shri Shailendra, SE (Civil), BHPC

Shri C. S. Bhawani Prasad Rao,  
AGM (Business Development),  
Kalpataru Power Transmission  
Limited

Shri Sidharth Mohata,  
Manager (Hydro Projects),  
Reliance Power Limited

Chandan Mishra, PricewaterhouseCoopers

The meeting started with the welcome remarks by the Managing Director and Chief Engineer, BHPC.

This was followed by the clarifications and suggestions presented by the representatives of the prospective bidders. The following paragraphs summarise the key suggestions provided and issues on which clarifications were sought by the prospective bidders' representatives.

1. **Rehabilitation and Resettlement:** Most of the bidders sought clarification on the modality of the implementation of the R&R arrangements. In addition, they needed clarity on how the land, required for the resettlement of the project affected families, would be procured. It was clarified during the meeting by BHPC that the implementation of the R&R would be carried out by the Govt. of Bihar in line with the applicable policies. The cost of the R&R would, however, be borne by the selected developer and form part of the project cost. Land for resettlement would need to be acquired by the selected bidder along with the land for the proposed project.
2. **Estimate of the total Project Affected Parties (PAP):** Bidders requested confirmation on the total updated estimates of the families that would be affected by the Indrapuri Project prior to putting in their commercial bid in order to allow the bidders to build in the associated R&R costs in their financial bid.
3. **Sharing of Water downstream with Jharkhand:** Some bidders raised queries on how the issues of sharing water from the project downstream with Jharkhand would be addressed. It was clarified in the meeting that BHPC would take care of this issue with Jharkhand from the allocation of power from the project to BHPC. An agreement to this effect has already been recorded between Bihar and Jharkhand.
4. **Free Power of 13%:** Some of the bidders sought clarification on whether the 13% free power to be allocated to BHPC from the Project includes the component of 1% of power to be allocated towards LAD, as envisaged under the revised National Electricity Policy.
5. **Procurement of Land:** The bidders suggested that BHPC should undertake to acquire all the land required for the project on behalf of the selected bidder, and that the selected bidder will reimburse the price of the acquired land to BHPC. Following discussions with BHPC, it was agreed that like other generation projects (including UMPP Projects), the land would be acquired by the Selected Bidder directly. Only in those cases where the selected bidder is

not able to acquire the required land, BHPC would step in to acquire the land for the bidder on its behalf. BHPC would however undertake the facilitation of carrying out the necessary documentation and making necessary applications for clearances, as and when required.

6. **Management of Reservoir and Release of Water:** Bidders sought clarity on how the water release pattern would be managed, given the fact that there is a significant irrigation requirement from the project. Bidders wanted to understand the extent to which they would have say in the flexibility of managing the release of water from the dam, so that they could maximise the benefit from the power generated. It was also suggested that, since the Irrigation Department of Bihar would have a first priority in regard to discharge of water based on the irrigation requirements, there should be a tripartite agreement between the selected developer, irrigation department and BHPC in this regard.
7. **Qualification Requirements:** Bidders requested for suitable amendment to the technical qualifications to allow more competition to participate, including flexibility to consider projects executed on contract / EPC basis or projects under commissioning.
8. **Reimbursement of Project Development Expenses to BHPC by the Selected Bidder:** Some of the bidders sought information, prior to putting in their commercial bid, on the total cost to be reimbursed to BHPC in lieu of the project preparatory works undertaken for the Indrapuri Project by BHPC.
9. **Evacuation Facilities from the Project:** Bidders sought confirmation on the modality / responsibility for the evacuation of power from the proposed Project. It was clarified by BHPC in the pre-bid itself that the evacuation facilities from the project to the nearest feasible pooling point would need to be developed by the selected bidder, the cost of which would be built into the project cost. It was also agreed that the Bidders, based on their site visits, would suggest the optimal pooling point for evacuation. Based on the feedback from the bidders, BHPC would finalise the pooling point before the submission of the commercial bid by the bidders. BHPC would facilitate any requirements with the BSEB / PGCIL, as the case may be, to ensure the development and connection of the evacuation facilities.
10. **Discrepancies in the DPR regarding information provided:** Some bidders sought clarification on the apparent discrepancies in the DPR regarding the power generation in different sections of the DPR.

**Way Forward:**

Based on the outputs of the Pre-bid conference held on 31 August 2009, it was suggested by the bidders that they would submit their responses to the RFQ by **4th November 2009**, along with their requirements in terms of the support required from BHPC and the Government of Bihar to enable them to bid for the proposed Indrapuri Project.

It was agreed that BHPC would evaluate these conditions suggested by the Bidders and based on this, would invite the qualified bidders to submit their commercial bids on a common agreed framework as would be elaborated in the RFP document.

It was also agreed that replies to the queries raised in the pre-bid meeting would be circulated shortly to all interested parties and also hosted on BHPC's website for information.

The pre-bid meeting concluded with a vote of thanks from the MD, BHPC with a reassurance that all possible support would be provided by BHPC in facilitating the development of the Indrapuri Project by the selected developer.

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