Me PDCL

Meghalaya Power Distribution Corporation Limited
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No. MePDCL/CE(COMM)/TECH-69(Pt-V)/2024-25/96 Dated 19th June 2025

Reply on the Queries of Pre-Bid Meeting held on 12th June 2025

All interested bidders are hereby informed that the replies of the Queries of Pre-Bid Meeting held on 12th June 2025 regarding "RFP for Appointment of Input Based Distribution Franchisee for Mawsynram, Nangalbibra and Phulbari Distribution Sub-Divisions" (RPF No. MePDCL/CE(COMM)/TECH-69(Pt-V)/2024-25/79 dated 5th June 2025) is appended in Annexure –A.

Prospective bidders are advised to bid accordingly.

This has been issued with the approval of the Competent Authority.

19/6/25

Chief Engineer (Commercial)

Annexure-A

Reply on Pre-Bid Quarries- RPF No. MePDCL/CE(COMM)/TECH-69(Pt-V)/2024-25/79 dated: 5th June 2025

Sl No	Clause No	Existing Clause	Bidders Query / Suggestion	MePDCL's Reply
1	4.1 (Point 6)	*Qualification criteria:* *The bidder should have executed minimum 1 similar contract of input base electricity distribution franchisee in the last 3 financial years (FY 2022-23, FY 2023-24 & FY 2024-25) with minimum duration of individual contract being not less than 3 years as an input base Electricity Distribution Franchisee with any DISCOM or experience as a distribution licensee. The running contracts will only be considered for meeting the above criteria. The firms having experience of working in Eastern and/ or North-East region of India in similar assignment in Power Distribution sector for at least 2 years will be Preferred*	The existing technical QR is limited to bidders with experience of executing minimum 1 similar contract of input base electricity distribution franchisee in the last 3 financial years are allowed to participate, the existing QR does not allow participation from AMISPs having core distribution sector experience like metering, billing & collection, distribution infrastructure like cabling, DTs, feeders, etc, digital and IT integration, loss reduction beside other commercial and operational aspects of power distribution. Given the subjected tender scope of work, we understand that the activities to be carried out by Distribution Franchisee has high technological convergence and operational similarities to that of AMISP projects. Therefore, we request you to kindly consider the AMISP projects to be an eligible project for meeting the technical qualification requirement.	The bidder has to adhere to RfP condition.
2	4.1.1	*The bidder can submit his bid for one or more than one areas/sub-divisions as specified in this bid*	Kindly clarify whether a bidder intending to submit a bid for all the areas/sub-divisions specified in the RFP is required to submit a single consolidated bid or separate bids for each respective area/sub-division.	Bidder shall submit separate financial proposal/bids only for each respective area/ sub-division.
3	N/A	*General*	Requesting utility to kindly provide the billing and collection data for the past one financial year for the proposed areas	The Bidders may collect the billing and collection data for the past one financial year from the Office of the Chief Engineer (Comm), MePDCL.
4	Annexure-11	*Approach of Calculation of the Minimum Input Benchmark Rate*	As per Annexure-11, the O&M expenses have been considered at 10%. While this may be justifiable in urban areas—where industrial consumers are present and higher revenue can	The bidder has to adhere RfP condition.

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			be recovered through billing—the same assumption may not be appropriate for the current scope of work. As per the tender data, the majority of consumers fall under the domestic category, which implies lower billing potential and higher investment requirements for O&M activities. Furthermore, in urban areas, consumer households are located closer to each other, reducing manpower and material requirements. However, in rural areas, where households are scattered and nuclear in nature, more manpower and material are required to maintain the infrastructure effectively. Additionally, the minimum wages in Meghalaya have been increased by 20% this year, further impacting the overall O&M costs. Considering the above, we request you to kindly revise the O&M cost assumption to reflect the ground realities more accurately	
5	ANNEXURE 4 (7.2)	*The Franchisee shall be eligible for a performance incentive upon achieving a reduction in Distribution losses below the target given from 6th to 10th year. The Incentive shall be based on a certain percentage of Revenue for Input Energy (RIEM). The Target of Distribution loss and the incentive schedule is given in Annexure -12* *T&D loss levels shall be computed using metering data, energy audit reports, and billing/collection records quarterly. Data must be validated through the*	If the target is achieved before the 6th year, will the applicable benefits or provisions be considered from the month in which the target is achieved, or will they become applicable only from the beginning of the 6th year, as per the tender terms?	The performance shall be evaluated on a monthly basis after the completion of the Distribution Franchisee's five-year tenure. Any incentive benefits, if applicable, will be reflected only in the bill raised for the respective eligible month.

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		Audit mechanism specified in clause 13.2.		
6	ANNEXURE 4 (7.1.1)	*7.1.1 Monthly Invoice* *The First Invoice raised by MePDCL on the Distribution Franchisee shall correspond to the energy input between first day and thirtieth day from the Effective Date plus for the no. of days remaining in the calendar month after thirtieth day from the effective date. All subsequent invoices shall be raised by the MePDCL for period starting 1st day of the calendar month and last day of calendar month. Invoice shall be computed as below:* ***MI = (RIEM + WCM + TOSEM + SDNM + P) - (CARPDARM + CARCLRM)*** *RIEM = Revenue for Input Energy as per Joint Measurement RIEM = EIM * (AIRN + TAN)* *Where,* *EIM =Actual Energy Input in the Franchisee Area during the month, which shall be the energy purchased from MePDCL.* *AIRN = Annualized Input Rate applicable for the year as quoted by the successful bidder in ANNEXURE 8.* *TAN = Tariff Adjustment (TA) applicable to the billing period, which shall be* *Provided that till the time the 100% metered data is available the difference between Current ABR and Base ABR would be considered only to the extent of any tariff revision from the MSERC.*	In the previous tender (2019), this adjustment was governed by a 75:25 sharing mechanism—wherein 75% of the additional revenue arising from the increase in ABR (i.e., ABR of the current period minus the ABR of the base year) was retained by the Discom, and 25% was passed on to the Distribution Franchisee (DF). However, it appears that under the current tender, this mechanism has been revised, with 100% of the benefit from the increase in ABR now being retained by the Discom and no share being passed on to the DF. We respectfully submit that this revised mechanism significantly impacts the financial viability of the franchise model. We would also like to draw your kind attention to the Standard Bidding Document (SBD) issued by the Ministry of Power, Government of India, in June 2012, which clearly states: "In case of any increase in revenue due to an increase in Average Billing Rate (i.e., Average Billing Rate of the current period minus Average Billing Rate of the Base Year), (+)75% of such increase. However, in case of any decrease in revenue due to decrease in Average Billing Rate, it would be (-)100%." Our bid assumptions and financial model have been prepared in alignment with the above SBD provisions. The underlying rationale for allowing the franchisee to retain 25% of the additional revenue resulting from changes in tariff or consumer mix is to compensate for the	The bidder has to adhere RfP condition.

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		Further, Once the metered data is available, in case of any increase in revenue due to increase in Average Billing Rate (i.e. Average Billing Rate of the current period minus Average Billing Rate of the Base Year), (+)100% of such increase. However, in case of any decrease in revenue due to decrease in Average Billing Rate (i.e. Average Billing Rate of the current period minus Average Billing Rate of the Base Year), it would be (-) 100%.	corresponding increase in operational responsibilities, including collection risk, exposure to bad debts, and other financial liabilities, which tend to increase proportionally with higher billing. Further, we wish to highlight that the DF makes payment for the total input energy, inclusive of 12% T&D losses, which are also borne by the DF. The increase in ABR often results from a reduction in technical and commercial losses, which is achieved through the DF's enhanced operational efforts and associated costs. While this leads to a higher ABR and, consequently, higher revenue in the Annual Revenue Requirement (ARR) of the utility, 100% of the benefit is currently being retained by the Discom. This leaves the DF with no direct benefit despite its critical role in improving performance and efficiency. In light of the above, we humbly request that this matter be reviewed, and a more equitable sharing mechanism be considered in alignment with the SBD guidelines to ensure fairness and the long-term sustainability of the franchise model.	
7		*5.6.3.3 Installation of Smart consumer meters and Smart DT meters and carry out meter reading, monitoring all feeders and distribution transformers*	In the last pre-bid meeting, we raise the same point on Smart metering installation that if there If the smart meter installation scheme is implemented by MePDCL, then the replacement of meters for unmetered or defective meter consumers should also be carried out by MePDCL under the same scheme and financing be done in same way as planned by MePDCL. However, if it is to be funded through meter rent, then	The clause is revised as under: 5.6.3.3 Installation of consumer meters and DT meters and carry out meter reading, monitoring all feeders and distribution transformers

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			such smart meter rent will be collected by DF and remitted to MePDCL. Additionally, if the DF itself undertakes the installation of smart meters, the applicable RPU (Revenue per Unit) rate should be revised downwards accordingly to reflect the investment and responsibilities assumed by the DF.	
8		*Page 18, Clause 5: Instruction to Bidders* *The Bidders shall submit the Qualification and Financial Proposals in separate sealed envelopes.* *5.1 Submission of Qualification Proposal* *5.1.1 The Qualification Proposal, one original and one copy, organized in a manner as specified in Exhibit 1, 2, 3, 6 and 7, should be delivered in a sealed envelope or a box.* *5.2 Submission of Financial Proposal* *5.2.1 The Financial Proposal, one original and one copy, organized in a manner as specified in Exhibit 4 and 5 should be delivered in a sealed envelope or a box*	As per Clause 5 (Instructions to Bidders) on Page 18 of the tender document, it is mentioned that both the Qualification Proposal and the Financial Proposal—each in one original and one copy—are to be submitted in sealed envelopes or boxes, organized as per the specified Exhibits. Based on this, it appears that the tender submission is required in offline (hardcopy) mode. We kindly request you to confirm whether our understanding is correct, or if there is an additional requirement to submit the same proposals via the online portal as well	The clause is revised as under: Clause 5: Instruction to Bidders The Bidders shall submit the Qualification and Financial Proposals in separate sealed envelopes. Additionally, soft copies of the same must be sent via email to cecommercial.mepdcl@meghalaya.gov.in in password-protected file/PDF format.