

FLUE GAS DESULPHURISATION SYSTEM (FGD) Qualification Criteria (International Competitive Bidding)

QUALIFICATION CRITERIA

(For detailed technical & financial qualification criteria bidders may refer EPC Bid Document)

WET LIMESTONE FLUE GAS DESULPHURISATION (FGD) SYSTEM PACKAGE

1 Qualification Requirements for Bidders.

Technical & Financial Qualification requirements of Bidders for Flue Gas Desulphurization are given below. Bidders who do not satisfy the Technical Criteria and Financial Criteria shall be disqualified and their Bid shall be rejected. Bidders are also required to submit all relevant forms specified in Technical Criteria and Financial Criteria along with their Bid failing which, the Bidder shall be disqualified and the Bid shall be rejected. Bidders submitting incomplete or unsigned forms shall also be disqualified and their Bid shall stand rejected.

1.1 Technical Criteria

The Bidder should meet the Technical qualifying requirements stipulated in any one of the following qualifying routes i.e. Route-1, or Route-2 or Route-3 or Route-4 including requirements stipulated in sub clauses of respective Routes. In addition, the Bidder should also meet the financial criteria.

1.1.1 Route-1:

Qualified Wet Limestone based Flue Gas Desulphurization (FGD) System Manufacturer (QFGDM)

The Bidder should have designed, engineered, supplied, erected/supervised erection and commissioned/supervised commissioning of at least one (1) no. of wet limestone based Flue Gas Desulphurization System, having flue gas treatment capacity of not less than 20,00,000 Nm³/hr., with desulphurization efficiency of at least 90 %, operating in a pulverized coal fired power plant. The above wet limestone-based Flue Gas Desulphurization System should have been in successful operation for a period not less than one (1) year prior to the date of Techno-Commercial bid opening.

1.1.2 Route-2:

Wet Limestone based Flue Gas Desulphurization System Manufacturer with Collaboration and Technology Transfer Agreement with QFGDM.

The Bidder should have designed, engineered, supplied, erected/supervised erection and commissioned/supervised commissioning of at least one (1) no. of wet limestone based Flue Gas Desulphurization system having flue gas treatment capacity of not less than 6,00,000 Nm³/hr., with desulphurization efficiency of at least 85%, operating in a pulverized coal fired power plant. The above wet limestone-based Flue Gas Desulphurization System should have been in successful operation for a period not less than one (1) year prior to the date of Techno-Commercial bid

opening.

Bidder should also have a valid ongoing collaboration and technology transfer agreement (CTTA) with a QFGDM meeting requirements of clause 1.1.1 on its own, valid minimum up to the end of the defect liability period of the contract. In such a case Bidder can either source the FGD System from such manufacturer or manufacture/get manufactured the FGD System as per the design and manufacturing drawings of such QFGDM.

An “Undertaking to be jointly executed by the Bidder and the collaborator/ associate for complying the provisions of “Deed of Joint Undertaking”, shall be submitted by the bidder along with techno-commercial bid, failing which the Bidder shall be disqualified and its bid shall be rejected.

Further, the bidder emerging as the successful Bidder shall be required to submit the “Deed of Joint Undertaking(s) (DJU) executed by it and the QFGDM, in which the executants of DJU shall be jointly and severally liable to the Employer for successful performance of the FGD System as per format enclosed with the bidding documents

In case of award of a project, the QFGDM will be required to furnish an on demand bank guarantee for an amount of 2% of the total Contract Price of the Flue Gas Desulphurization System Package for the awarded project in addition to the Contract Performance Security to be furnished by the Bidder.

1.1.3 Route-3:

Steam Generator Manufacturer / Indian Subsidiary Company of Steam Generator manufacturer or QFGDM with Collaboration and Technology Transfer Agreement with QFGDM.

- a) Bidder should have designed, engineered, manufactured/got manufactured, erected/ supervised erection and commissioned/supervised commissioning of at least one (1) no. of pulverized coal fired steam generator for 200 MW or higher capacity unit or having minimum 600T/hr. steaming capacity. Further, such Steam Generator should have been in successful operation for a period not less than one (1) year prior to the date of Techno-Commercial bid opening.

Alternatively

- b) Deleted

Alternatively

- c) The Bidder shall be an Indian Subsidiary Company of a Steam Generator Manufacturer meeting requirements of clause 1.1.3(a) or an Indian Subsidiary Company of a QFGDM meeting requirements of clause 1.1.1, registered in India under the Companies Act of India, as on the date of techno-commercial bid opening, for manufacturing/supply of Steam Generator sets/Flue Gas Desulphurization System.

The Subsidiary Company shall remain a Subsidiary Company of the Steam Generator Manufacturer/QFGDM for a minimum period of 7 years from the date of incorporation of such Subsidiary Company or up to the end of defect liability period of the contract whichever is later. Further, Bidder should have executed order(s), during the last 5 years, with the total value of such project(s) being INR 5,000 million or more as on the date of Techno- commercial bid opening.

Bidder should also have a valid ongoing collaboration and technology transfer agreement (CTTA) with a QFGDM meeting requirements of clause 1.1.1, valid minimum up to the end of the defect liability period of the contract. In such a case Bidder can either source the FGD System from such manufacturer or manufacture/get manufactured the FGD System as per the design and manufacturing drawings of such QFGDM.

An “Undertaking to be jointly executed by the Bidder and the collaborator(s)/ associate(s) for complying the provisions of Deed of Joint Undertaking”, shall be submitted by the bidder along with techno-commercial bid, failing which the Bidder shall be disqualified and its bid shall be rejected failing which, the Bidder shall be disqualified and its bid shall be rejected.

Further, the bidder emerging as the successful Bidder shall be required to submit the Deed of Joint Undertaking (DJU) executed by it, the promoter(s) having 25% or higher equity participation in the Subsidiary Company / JV Company (as the case may be) and the QFGDM, in which the executants of DJU shall be jointly and severally liable to the Employer for successful performance of the FGD System as per format enclosed with the bidding documents.

In case of award of a project, the QFGDM will be required to furnish an on demand bank guarantee for an amount of 2 % of the total Contract Price of the Flue Gas Desulphurization System Package for the awarded project in addition to the Contract Performance Security to be furnished by the Bidder.

1.1.4 Route-4:

EPC Organization with Collaboration and Technology Transfer Agreement with QFGDM

The Bidder should be an Engineering, Procurement and Construction (EPC) organization and should have executed, in the last 10 years, large industrial Projects on EPC basis (with or without civil works) in the area of power, steel, oil & gas, petro- chemical, fertilizer, Flue Gas Desulphurization and / or any other process industry with the total value of such Projects being INR 2,000 million or more. At least one of such projects (in single or multiple contract) should have a total contract value of INR 800 million or more. These Projects shall be in successful operation for a period of not less than one (1) year prior to the date of Techno-Commercial bid opening.

Bidder should also have a valid ongoing collaboration and technology transfer agreement with a QFGDM meeting requirements of clause 1.1.1, valid minimum up to the end of the defect liability period of the contract. In such a case the Bidder can either source the FGD System from such manufacturer or manufacture/get manufactured the FGD System as per the design and manufacturing drawings released by such QFGDM.

An “Undertaking to be jointly executed by the Bidder and the collaborator/ associate for complying the provisions of Deed of Joint Undertaking”, shall be submitted by the bidder along with techno-commercial bid, failing which the Bidder shall be disqualified and its bid shall be rejected failing which, the Bidder shall be disqualified and its bid shall be rejected.

Further, the bidder emerging as the successful Bidder shall be required to submit the Deed of Joint Undertaking(s) (DJU) executed by it and the QFGDM, in which the executants of DJU shall be jointly and severally liable to the Employer for successful performance of the FGD System as per format enclosed with the bidding documents

In case of award of a project, the QFGDM will be required to furnish an on demand bank guarantee for an amount of 2 % of the total Contract Price of the Flue Gas Desulphurization System Package for the awarded project in addition to the Contract Performance Security to be furnished by the Bidder.

1.2 Financial Criteria

1.2.1 Financial Criteria of Bidder

- a) The average annual turnover of the Bidder, in the preceding three (3) financial years as on the date of Techno-Commercial bid opening, should not be less than **Indian Rupees 1778 Million (Indian Rupees One thousand seven hundred and seventy eight Million only)**

In case a Bidder does not satisfy the average annual turnover criteria, stipulated above on its own, its Holding Company would be required to meet the stipulated turnover requirements as above, provided that the Net Worth of such Holding Company as on the last day of the preceding financial year is at least equal to or more than the paid-up share capital of the Holding Company. In such an event, the Bidder would be required to furnish along with its Techno-Commercial bid, a Letter of Undertaking from the Holding Company, supported by the Holding Company's Board Resolution, as per the format enclosed in the bid documents, pledging unconditional and irrevocable financial support for the execution of the Contract by the Bidder in case of award.

- b) Net worth of the bidder should not be less than 100% (hundred percent) of its paid-up share capital as on the last day of the preceding financial year on the date of Techno- commercial bid opening. In case the Bidder does not meet the Net worth criteria on its own, it can meet the requirement of Net worth based on the strength of its Subsidiary (ies) and/or Holding Company and/or Subsidiaries of its Holding company wherever applicable. In such a case, however the Net worth of the Bidder and its Subsidiary(ies) and/or Holding Company and/or Subsidiary(ies) of the Holding Company, in combined manner should not be less than 100% (hundred percent) of their total paid up share capital. However individually, their Net worth should not be less than 75% (seventy five percent) of their respective paid-up share capitals.
- c) Net worth in combined manner shall be calculated as follows:
Net worth (combined) = $(X1+X2+X3) / (Y1+Y2+Y3) \times 100$
Where X1, X2, X3 are individual Net worth which should not be less than 75% of the respective paid up share capitals and Y1, Y2, Y3 are individual paid up share capitals.
- d) In case the Bidder is not able to furnish its audited financial statements on standalone entity basis, the unaudited unconsolidated financial statements of the Bidder certified by a practicing Chartered Accountant shall be considered acceptable provided the Bidder further furnishes the following documents for substantiation of its qualification:
- i) Copies of the unaudited unconsolidated financial statements of the Bidder along with copies of the audited consolidated financial statements of its Holding Company.
 - ii) A Certificate from the CEO/CFO of the Holding Company, shall be enclosed with the bidding documents, stating that the unaudited unconsolidated financial statements form part of the consolidated financial statements of the Holding Company.

- e) In cases where audited results for the last financial year as on the date of Techno Commercial bid opening are not available, the financial results certified by a practicing Chartered Accountant shall be considered acceptable. In case, Bidder is not able to submit the Certificate from a practicing Chartered Accountant certifying its financial parameters, the audited results of three consecutive financial years preceding the last financial year shall be considered for evaluating the financial parameters. Further, a Certificate would be required from the CEO/CFO stating that the financial results of the Company are under audit as on the date of Techno-commercial bid opening and the Certificate from the practicing Chartered Accountant certifying the financial parameters is not available.

1.2.2 Financial Criteria of Collaborator/Associate

(Applicable for clause 1.1.2, 1.1.3 & 1.1.4)

- a) The average annual turnover of the Collaborator/Associate, in the preceding three (3) financial years as on the date of Techno-Commercial bid opening, should not be less than Indian Rupees 1778 Million (Indian Rupees One Thousand seven hundred and seventy eight Million only)

In case a Collaborator/Associate does not satisfy the average annual turnover criteria, stipulated above on its own, its Holding Company would be required to meet the stipulated turnover requirements as above, provided that the Net Worth of such Holding Company as on the last day of the preceding financial year is at least equal to or more than the paid-up share capital of the Holding Company. In such an event, the Collaborator/Associate would be required to furnish along with bidder's Techno- Commercial bid, a Letter of Undertaking from the Holding Company, supported by the Holding Company's Board Resolution, as per the format enclosed in the bid documents, pledging unconditional and irrevocable financial support to the Collaborator/Associate to honor the terms and conditions of the Deed of Joint Undertaking in case of award of the Contract to the Bidder with whom Collaborator/Associate is associated.

- b) Net worth of the Collaborator/Associate should not be less than 100% (hundred percent) of its paid-up share capital as on the last day of the preceding financial year on the date of Techno-commercial bid opening. In case the Collaborator/Associate does not meet the Net worth criteria on its own, it can meet the requirement of Net worth based on the strength of its Subsidiary (ies) and/or Holding Company and/or Subsidiaries of its Holding company wherever applicable. In such a case, however the Net worth of the Collaborator/ Associate and its Subsidiary (ies) and/or Holding Company and/or Subsidiary (ies) of the Holding Company, in combined manner should not be less than 100% (hundred percent) of their total paid up share capital. However individually, their Net worth should not be less than 75% (seventy five percent) of their respective paid up share capitals.

Net worth in combined manner shall be calculated as follows: $\text{Net worth (combined)} = \frac{(X1+X2+X3)}{(Y1+Y2+Y3)} \times 100$

Where X1, X2, X3 are individual Net worth which should not be less than 75% of the respective paid up share capitals and Y1, Y2, Y3 are individual paid up share capitals.

- c) In case the Collaborator/Associate is not able to furnish its audited financial statements on standalone entity basis, the unaudited unconsolidated financial statements of the Collaborator/Associate certified by a practicing Chartered Accountant shall be considered acceptable provided the Collaborator/Associate further furnishes the following documents for

substantiation of its qualification:

- (i) Copies of the unaudited unconsolidated financial statements of the Collaborator/Associate along with copies of the audited consolidated financial statements of its Holding Company.
 - (ii) A Certificate from the CEO/CFO of the Holding Company, shall be submitted along with the bidding documents, stating that the unaudited unconsolidated financial statements form part of the consolidated financial statements of the Holding Company.
- d) In cases where audited results for the last financial year as on the date of Techno Commercial bid opening are not available, the financial results certified by a practicing Chartered Accountant shall be considered acceptable. In case, Collaborator/Associate is not able to submit the Certificate from a practicing Chartered Accountant certifying its financial parameters, the audited results of three consecutive financial years preceding the last financial year shall be considered for evaluating the financial parameters. Further, a Certificate would be required from the CEO/CFO stating that the financial results of the Company are under audit as on the date of Techno-commercial bid opening and the Certificate from the practicing Chartered Accountant certifying the financial parameters is not available.