



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

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ABSTRACT

Revamped Distribution Sector Scheme (RDSS) - M/s. RECPDCL as Project Implementation Agency (PIA) - Request for waiver of Performance Security for Phase 1 implementation of Advanced Metering Infrastructure in KSEBL - Sanctioned - Orders issued.

B.O. (FTD) No 632.2022(ITPD-AE8/2022/1131)

Thiruvananthapuram, Dated: 21.07.2022

- Read :
1. B.O. (FTD) No. 839/2021 (IT/Proj/RDSS/Smart Meter/2021-22/) dated 11.11.2021.
 2. B.O. (FTD) No. 298/2022 (CEITCR-AE8/2022/19) dated 11.04.2022.
 3. Note No. IT PD-AE8/2022/1131(5) dated 14.07.2022 of the Chief Engineer (IT, CR & CAPs) to the Full Time Directors (Agenda No. 67/7/22).

ORDER

The Chief Engineer (IT, CR & CAPs) as per the note read above, has reported that sanction was accorded for implementation of Smart Meters working in prepayment mode (as mandated by Government of India) in various phases in KSEBL as per B.O. read as 1st above. It was also directed to identify an "AMI Service Provider" through DBFOOT mode as proposed in SBD (Standard Bidding Document) published by MoP.

Pre-paid smart metering being a new technology adopted by KSEBL, it was decided to appoint a PIA (Project Implementation Agency) for the realization of the project within the stipulated time frame. M/s. RECPDCL was appointed as PIA for Phase 1 implementation of AMI in KSEBL (for 37 lakh meters) at a PIA fee of ₹450/- per meter as per B.O. read as 2nd above.

The scope of PIA includes Action Plan, DPR, Bid Process Management, Finalization & approval of GTP, Technical Specifications, drawings etc., Quality assurance, Monitor the supply chain of materials, Statutory compliance, Identification of bottlenecks in project implementation & preparation of remedial action plan, coordination and reporting to various stakeholders including MoP and Nodal agencies, fund flow management, Concept-to-commissioning services (i.e. design, procure, supply, install, test and commission) during implementation (30 months for project implementation) and Services to be provided as per SLA agreed with DISCOM including maintenance of entire AMI field & Back-end infrastructure along with AMI communication Network during O&M period (90 months). The service also includes installation of new smart meters and replacement of faulty meters on request of DISCOM.

The Letter of Acceptance and Work Order were issued to M/s. RECPDCL for Phase 1 implementation of AMI in KSEBL for 37 lakh meters on 30.03.2022. As per the work order issued, M/s. RECPDCL was requested to furnish a Performance Security equal to 3 percent of the value of the contract (₹166 Crore) with a validity of 120 months for the subject work. This is also mentioned in Cl.6 of General Conditions of Contract in the SBD furnished by nodal agency for appointment of AMISP.

The Chief Engineer (IT, CR & CAPs) has reported that, M/s. RECPDCL has requested KSEBL to waive off Performance Security mentioned in the Work Order issued to M/s. RECPDCL.

that as the PIA for the project, they shall be appointing the contractors in line with the SBD document only and it's their responsibility to ensure that the contractors perform their obligations as per the timelines, meet the SLAs (Service Level Agreement) and other performance parameters defined in SBD. Also RECPDCL will be seeking the Performance Guarantee from the contractor in line with the clauses mentioned in SBD for the subject work. They have also requested to consider that M/s. RECPDCL is a wholly owned subsidiary of the CPSU M/s. REC Ltd.

In this context the Chief Engineer (IT, CR & CAPs) as per the note read as 3rd above reported that in the DBFOOT model envisaged for the implementation of AMI in KSEBL, the responsibility for the arrangement of the fund lies solely with the PIA/AMISP during the implementation period. No upfront payment is planned by KSEBL for this project work. KSEBL will be making a payment of equal monthly installment to PIA/AMISP on per meter per month basis based on the SLAs (as per SBD) for the O&M period (7.5 years). Therefore the entire investment and risk of the project lies with PIA/AMISP.

Also the payment towards PIA fee to M/s.RECPDCL is spread out through the whole project period with 30% of the payment to be done in the implementation period of 2.5 years and 70% of the payments to be done in the O&M period of 7.5 years. The terms of payment are -

- 2.5% of the PIA charges shall be paid on issue of RFP for appointment of AMISP.
- 2.5% of the PIA charges shall be paid on appointment of AMISP.
- 25% of the PIA charges shall be paid in equal quarterly installments during the implementation period which shall be mutually decided in line with RDSS scheme.
- 70% of the PIA charges shall be paid in equal quarterly installments during the O&M phase for the project.

In view of the above, the Chief Engineer (IT, CR & CAPs) has suggested that the request from M/s.RECPDCL (a wholly owned subsidiary of the CPSU M/s.REC Ltd.) for the waiver off Performance Security (3 percent of the value of the contract) on PIA fee for Phase 1 implementation of AMI in KSEBL may be considered so as to proceed further with the execution of agreement for subject work.

Having considered the matter in detail, the Full Time Directors in the meeting held on 15.07.2022 resolved to accord sanction to consider the request from M/s. RECPDCL (a wholly owned subsidiary of the CPSU M/s. REC Ltd.) for the waiver of performance security (3 percent of the value of the contract) on PIA fee for implementation of Phase1 AMI in KSEBL.

Order are issued accordingly.

**By Order of the
Full Time Directors**

Sd/-

**LEKHA G
Company Secretary**

To:

Chief Engineer (IT,CR & CAPS)

Copy to The CIA/Company Secretary
The TA to CMD / Director (D & SCM / GC / T & SO. Planning & Safety / GE / REES including
SOURA. Sports and Welfare)
The PA to the Director (Finance, IT & HRM)
The CA to Secretary (Administration)
Stock file

Forwarded / By Order


Assistant Engineer