

Key clauses in the RFP document

The RFP is the comprehensive request for proposals from interested firms. It is the most important communication to bidders of the Sponsor's requirements. The RFP would typically include several sections detailing the essential aspects of the project and the bid, for example:

Eligible Bidders

- Eligible bidders may include companies, partnership firm, society, NGO's, Self Help Groups, sole proprietor, individual etc.

Detailed description of the project scope and required service outputs based on the specifications developed in the feasibility study, including:

- Output-focused specification
- Site-specific details
- Financing requirements
- Environmental and social safeguard requirements
- Detailed description of the commercial framework for the project, including:
- Payment mechanisms
- Risk allocation
- Performance standards covering all stages in the life of the project
- Penalties for under-performance

Qualification Criteria

- Qualification criteria in terms of past experience in similar works i.e. operation and maintenance of similar facilities in the last 5 years.
- Experience in related works i.e. door-to-door collection of MSW, street sweeping, housekeeping agencies deploying manpower for cleaning activities, etc. in the last 5 years.

Bid Parameter

- Depending on the viability of the project (and based on the project structure option selected), could include:
 - Viability Gap Fund/Grant
 - Revenue share/Royalty
 - Highest upfront payment
 - Lowest annuity payment sought from the Government;

Where the project is unviable, MCS may be required to provide a gap funding to the Operator in the form of a Grant. In such a scenario, MCS would be required to set in place the financial mechanism to mobilize the amount required for payment as grant to the Successful Bidder at the implementation stage.

Bid Security

- 2% - 5% of the project cost is taken as bid security (HP Financial Rules, 2009)
- Bid Security could be forfeited for the reasons like (i) modification/withdrawal of bid during the validity period; (c) failure on the part of the successful bidder to sign the contract or to deposit performance security within stipulated period;

Sealing, marking and submission of Proposal

- Method of submission – submission of qualification document and financial bid in separate covers

Evaluation

- Parameters of Evaluation
- Evaluation process
- Evaluation parameters where more than one cluster is awarded to single applicant

Appendix

- Formats for submission & authorization

Draft Concession Agreement specifying the commercial framework in legal terms, including:

- The intended risk allocation
- Roles, rights, responsibilities and restrictions of all parties
- Key schedules to the Agreement, including
 - Site description
 - Specifications and standards
 - Required tests and inspections, and procedures for testing, independent inspections, and reporting
 - Schedule of user fees/ tariff rates
 - Financial arrangements, such as performance security, escrow accounts
 - Substitution agreement (in case of financial default by the concessionaire)
 - Criteria for bid evaluation