PROCESSING OF RFP’S IN SOLID WASTE MANAGEMENT

Presented by:
L.VENKATESWARA Rao
Master of Social Work, M.Sc (Psychology)
REQUEST FOR PROPOSAL FOR SELECTION OF AGENCIES FOR PUBLIC PRIVATE PARTNERSHIP (PPP)
Structure of the RFP

This Request for Proposal (RFP) document for the PPP project of implementing for <Nodal Agency> comprises of the following.

A. Instructions on the Bid process for the purpose of responding to this RFP. This broadly covers:
1. General instructions for bidding process
2. Bid evaluation process including the parameters for Technical evaluation and commercial evaluation to facilitate << Nodal Agency >> in determining bidder’s suitability as the implementation partner
3. Payment Schedule
4. Commercial bid and other formats

B. Functional and Technical Requirements of the project. The contents of the document broadly cover the following areas:
1. About the project and its objectives
2. Scope of work for the System Integrator
3. Functional and Technical requirements
4. Project Schedule
5. Service levels for the implementation partner

The bidder is expected to respond to the requirements as completely and in as much relevant detail as possible, and focus on demonstrating bidder’s suitability to become the implementation partner of <<Nodal Agency>>

C. Draft Contract Agreement (which includes Service Level Agreement) - furnished as a separate document

This document identifies areas where the PPP Vendor has to invest upfront and the payment gets recovered over a period of time as per the payment schedule during the life of the project.

The bidders are expected to examine all instructions, forms, terms, Project requirements and other information in the RFP documents. Failure to furnish all information required as mentioned in the RFP documents or submission of a proposal not substantially responsive to the RFP documents in every respect will be at the Bidder's risk and may result in rejection of the proposal and forfeiture of the EMD.
This RFP comprises the Disclaimer set forth herein above, the contents as listed below:

1. Letter of Invitation

2. Introduction

3. Scope of work

4. Instructions to the Bidders

5. Evaluation of Bids

6. Time frame for execution of work

7. Special conditions

8. Instructions to the successful bidder/ concessionaire

9. Fraud and corrupt practices

10. Pre-bid meeting

11. Annexure (s)
CAREFUL STUDY OF RFP: The Bidders are advised to examine and study the RFP in great detail, and to carry out, at their own cost, such studies as may be required for submitting their respective Bids for the Project.

CLARIFICATIONS:
- Bidders requiring any clarification on the RFP may notify the concerned ULB in writing.
- The Bidder should send in their queries at least 3 days before the date mentioned in the Pre-Bid meeting.
- Including a description of the clarification sought, will be forwarded to all the Bidders without naming the party which has sought clarification.
- No verbal response by ULB will in any way be binding to ULB with respect to this RFP.
- ULB is not bound to reply any clarifications.

PRE-BID MEETING:
- A pre-bid meeting will be convened by ULB to clarify issues with respect to the Project and the terms and conditions of the RFP.
- ULB may hold the pre bid meeting(s) as per the schedule shown in this RFP.
- Prior to the pre bid meeting, the Bidders are requested to submit a list of queries and suggested deviations, if any from the terms and conditions set out in the RFP document.
AMENDMENT OF RFP: At any time prior to the deadline for submission of Bid, ULB may, for any reason, whether at its own initiative or in response to clarifications requested by any bidder, modify the RFP Document by the issuance of an Addendum, and if required to adhere to the addendum or replies to clarifications, the bid submission date will be extended.

Any Addendum thus issued will be sent in writing to all bidders who have purchased the Bid Documents or attended the pre-bid meeting and shall form the part of the RFP.
Key Requirements of the Bid
Right to Terminate the Process

I. <Nodal Agency> may terminate the RFP process at any time and without assigning any reason.

II. <Nodal Agency> makes no commitments, express or implied, that this process will result in a business transaction with anyone.

III. This RFP does not constitute an offer by <Nodal Agency>.

IV. The bidder's participation in this process may result <Nodal Agency> selecting the bidder to engage towards execution of the contract.
Contract Agreement

- The Contract Agreement (including SLA and NDA) sets forth the detailed terms and conditions for grant of the contract to the PPP Vendor, including the scope of the PPP Vendor’s services and obligations.

- The bidder should study the contract agreement and identify the risks and appropriately factor in its costs & Commercial Proposal.

[The Contract Agreement should either be provided along with the RFP or at least 45 days before the Proposal Due Date and 21 days before the Pre-Bid Conference]
Bid Evaluation Process

a) <Nodal Agency> will constitute a Proposal Evaluation Committee to evaluate the responses of the bidders.
b) The Bid Evaluation Committee constituted by the <Nodal Agency> shall evaluate the responses to the RFP and all supporting documents / documentary evidence. Inability to submit requisite supporting documents / documentary evidence, may lead to rejection.
c) The decision of the Bid Evaluation Committee in the evaluation of responses to the RFP shall be final. No correspondence will be entertained outside the process of negotiation/ discussion with the Committee.
d) The Bid Evaluation Committee may ask for meetings with the Bidders to seek clarifications on their proposals.
e) The Bid Evaluation Committee reserves the right to reject any or all Bids on the basis of any deviations.
f) Each of the responses shall be evaluated as per the criterions and requirements specified in this RFP.
Criteria for Evaluation

I. First the Pre-Qualification Bid will be evaluated and only those bidders who qualify the requirements will be eligible for next set of evaluations.

II. Technical Bid and Commercial Bid of Bidders, who do not meet the Pre-Qualification criteria, will be returned without opening.

III. The technical score of all the bidders would be calculated as per the criteria mentioned below

IV. All the bidders who achieve at least <<minimum marks>> in the technical evaluation, as per the criteria, would be eligible for the next stage, i.e. Commercial Bid opening.

V. Bids would be evaluated as per Technical Evaluation Criteria.

VI. Agencies / firms should clearly indicate, giving explicit supporting documentary evidence, with respect to the above, in absence of which their proposals will be rejected summarily at the qualification stage itself.

VII. These technical scores would be normalized on a scale of 100. Such normalized scores would be considered for the purpose of Quality & Cost Based Selection (QCBS) based evaluation, explained below.
Technical Score Evaluation

- The bid with the highest Technical score (T1) will be assigned 100%.

- Technical Scores for other bids will be normalized using the following formula:
  
  \[
  \text{Normalized Technical Score of a Bid (Tn)} = \left( \frac{\text{Technical Score of the Bid}}{\text{Highest Technical Score (T1)}} \right) \times 100 \%
  \]
  
  (adjusted to 2 decimals).

- Each Technical Bid will be assigned a technical score out of a maximum of 100 points.

- Only the bidders, who score above the minimum cut-off score in each of the sections AND score a total Technical score of 70 (seventy) or more, will qualify for the evaluation of their commercial bids.

- The committee shall inform to all the bidders the results of the technical evaluation through a written communication. The technical scores of the bidders will be announced prior to the opening of the commercial bids.
Commercial Score Evaluation

- The Commercial Bids of only the technically qualified bidders will be opened for evaluation.
- The bid with the lowest bid price (L1) will be assigned 100%.
- Commercial Scores for other bids will be normalized using the following formula: Normalized Commercial Score of a Bid \( (F_n) = \{ \frac{(\text{Commercial Bid price of L1})}{\text{Commercial bid price of the Bid}} \times 100 \} \% \) (adjusted to 2 decimals)
Best Value Bid Analysis

- In determination of the Best Value Bid, weightages of 70 and 30 shall be applied respectively to the normalized technical and commercial scores of each bid that was included in the commercial evaluation process.
- A composite score shall be calculated for technically qualified bids only.
- The weightage for the composite evaluation is as described below:
  - Technical – 70%
  - Commercial – 30%
- In other words, the bid would awarded in favour of most competitive bidder by adopting the 70:30 weightages to technical and commercial scores respectively after duly normalizing the technical & commercial scores. The overall Composite score will be calculated as follows:- Bn = 0.70 * Tn + 0.30 * Fn
- The Bidder with the highest final composite score (Bn) will be called as the Best Value Bid and will be called for negotiating the contract. In case of a tie in the final composite score the bidder with higher Technical Score will be first invited for negotiations
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Basic Requirement</th>
<th>Specific requirement</th>
<th>Documents required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales Turnover in System Integration</td>
<td>Annual Sales Turnover generated from services related to System Integration during each of the last three financial years (as per the last published Balance sheets), should be at least Rs. &lt;value&gt;. This turnover should be on account of ICT Systems Development and Implementation (i.e. revenue should be on account of System Integration/Turnkey solutions or products and their associated maintenance or implementation services, packaged software etc.) only.</td>
<td>Extracts from the audited Balance sheet and Profit &amp; Loss; OR Certificate from the statutory auditor</td>
</tr>
<tr>
<td>2</td>
<td>Sales Turnover</td>
<td>PQ criterion related to Sales Turnover</td>
<td>Certificate from the statutory auditor</td>
</tr>
<tr>
<td>3</td>
<td>Net Worth</td>
<td>PQ criterion related to Net-worth</td>
<td>Certificate from the statutory auditor</td>
</tr>
</tbody>
</table>
| 4      | Technical Capability      | Bidder must have successfully completed at least the following numbers of ICT Systems Development and Implementation engagement(s) of value specified herein:  
- One project of similar nature not less than the amount <value equal to 80% of estimated cost>; OR  
- Two projects of similar nature not less than the amount equal <value | Completion Certificates from the client; OR Work Order + Self Certificate of Completion (Certified by the Statutory Auditor); OR Work Order + Phase Completion Certificate |
<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Basic Requirement</th>
<th>Specific requirement</th>
<th>Documents required</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Certifications</td>
<td>PQ criterion related to Certifications</td>
<td>Copy of certificate</td>
</tr>
<tr>
<td>6</td>
<td>Consortiums</td>
<td>PQ criterion related to Consortiums</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Legal Entity</td>
<td>Should be Company registered under Companies Act, 1956 or a partnership firm registered under LLP Act, 2008 Registered with the Service Tax Authorities Should have been operating for the last three years</td>
<td>- Certificates of incorporation - Registration Certificates</td>
</tr>
<tr>
<td>Sl.No.</td>
<td>Basic Requirement</td>
<td>Specific requirement</td>
<td>Documents required</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8</td>
<td>Manpower Strength</td>
<td>PQ criterion related to Legal entity</td>
<td>Self-Certification by the authorized signatory with clear declaration of staff – year wise, level/designation wise.</td>
</tr>
<tr>
<td>9</td>
<td>Blacklisting [Optional, till the blacklisting process has been institutionalized by DeitY, GoI]</td>
<td>PQ criterion related to Blacklisting [Optional, till the blacklisting process has been institutionalized by DeitY, GoI]</td>
<td>A Self Certified letter</td>
</tr>
</tbody>
</table>

*It may be noted that the Pre-qualification criteria should not be put for cases where EOI has already been carried out.*
Technical Bid Evaluation
Bidders who meet the pre-qualifications/eligibility requirements would be considered as qualified to move to the next stage of Technical and Financial evaluations.

[The “litmus test” for drawing up the requirements for “Company profile” below should be that Nodal officer should assure himself that at least 8 bidders would be able to score minimum qualifying marks]
<table>
<thead>
<tr>
<th>S. No</th>
<th>Criteria</th>
<th>Basis for valuation</th>
<th>Max Marks</th>
<th>Supporting</th>
</tr>
</thead>
</table>
| 1.    | Business Model evaluation & Risk Management Plan | Business Model proposed & identification of risks of the project which has been identified in the RFP document (and interalia the Feasibility Report and Financial Assessment) and which may have been advertently missed out. The qualitative evaluation would be based upon:  
  - Risk identification in detail  
  - Coverage of all costs & risks element  
  - Detailing of Operational aspects of Risk mitigation plan  
  - Fall back mechanism in case of failure of business model  
  - Economic analysis of the Business Model (cost/benefit analysis which is not | 50%       | Detailed Note containing the analysis |
2. Methodology, Support and Documentation

- Understanding of the objectives of the assignment: The extent to which the Systems Implementer’s approach and work plan respond to the objectives indicated in the Statement/Scope of Work.

- Completeness and responsiveness: The extent to which the proposal responds exhaustively to all the requirements of all the Terms of Reference.

Functionality of Meeting the requirements of 5% Compliance Note
| Functionality of all components of services | Meeting the requirements of `<department>` in terms of how close the proposal is to the functional requirements for the solution as have been proposed for `<department>` (In case it is COTS, it should be measured by degree of customization required) | 5% | Compliance Note |
| Technology | Demonstrated robustness of the technology deployed across other installations around the world, including:  
- Scalability  
- Security  
- Ease of implementation | 5% | Note |
<p>| India Specific | Qualitative assessment based on the number of Projects of similar nature in India and size of those projects. | 5% | Note; and Conclusion Certificates from the client; OR Work Order + Self Certificate of Completion (Certified by the Statutory Auditor); OR Work Order + Phase Completion Certificate (for ongoing projects) from the client |
| 6. Capabilities | Qualitative assessment based on the Past experience of the bidder in executing similar assignments, size of those assignments. *The definition of “similar” should be such that it focuses on the areas which are “innovative” or where the technical | 5% | Note; and Conclusion Certificates from the client; OR Work Order + Self Certificate of Completion (Certified by the Statutory Auditor); OR Work Order + Phase Completion Certificate (for ongoing projects) from the client |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Training</td>
<td>Trainings proposed by the vendor and the amount of emphasis laid on Training the employees schedule details, locations, sessions and their description</td>
<td>3%</td>
</tr>
<tr>
<td>8.</td>
<td>Certifications and Credentials</td>
<td>Relevant certifications (SEI-CMMi, ISO, etc.)</td>
<td>2%</td>
</tr>
<tr>
<td>9.</td>
<td>Profile of proposed team members</td>
<td>Relevant assignment experience / Years of experience / Number of Certifications in Technology specific to Solution proposed (Microsoft / Oracle certification / J2EE etc)</td>
<td>10%</td>
</tr>
</tbody>
</table>
10. MSMEs in Project Delivery

Bidders, whose bids are responsive, based on minimum qualification criteria / documents as in Pre-Qualification Criteria and score at least <The minimum marks to obtain for qualifying> in the (given) defined scoring mechanism would be considered technically qualified. Price Bids of such technically qualified bidders alone shall further be opened.
• **Commercial Bid Evaluation**
  
  - The bids should obtain minimum `<Percentage>}` score in each of the technical evaluation criteria as specified in the above table.
  - In addition to this, the bids should obtain an overall score of at least 70 marks.
  - Only those bids that have scored a minimum of `<Percentage>` marks in each of the criteria specified in Technical evaluation criteria and an overall technical score of at least / 70 marks will be deemed responsive and considered for the next stage. i.e. Commercial Bid evaluation.

• The Commercial Bids of technically qualified bidders will be opened on the prescribed date in the presence of bidder representatives.
• Only fixed price financial bids indicating total price for all the deliverables and services specified in this bid document will be considered.
• The bid price will include all taxes and levies and shall be in Indian Rupees and mentioned separately.
• The bid price mentioned in the commercial bid would be for evaluation purpose only, the bill of materials would be finalised at the time of issuance of work order to the successful bidder.
• Any conditional bid would be rejected.
• Errors & Rectification: Arithmetical errors will be rectified on the following basis: “If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail”.

The Proposal Evaluation Committee would evaluate the commercial bids in isolation and in comparison with other commercial bids to confirm whether all foreseeable & probable risks have been factored in appropriately at the fair market price.

Also the ability of the bidder to absorb the adverse risk position shall also be evaluated.

In case the Proposal Evaluation Committee feels that the commercial risks has not factored in all such costs & risks mitigation plan and necessary contingency, the commercial bid proposal may be rejected.

The Proposal Evaluation Committee shall also confirm whether any new avenues of costs OR revenues should not be mentioned in the Commercial Proposal, which was not detailed out previously in the Technical Bid.
1. Award Criteria

<Nodal Agency> will award the Contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined as the most responsive bid as per the process outlined above.

Right to Accept Any Bid and To Reject Any or All Bids(s)

<Nodal Agency> reserves the right to accept or reject any bid, and to annul the tendering process / Public procurement process and reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for <Nodal Agency> action.

Notification of Award

Prior to the expiration of the validity period, <Nodal Agency> will notify the successful bidder in writing or by fax or email, that its proposal has been accepted. In case the tendering process / public procurement process has not been completed within the stipulated period, <Nodal Agency> may like to request the bidders to extend the validity period of the bid.

The notification of award will constitute the formation of the contract. Upon the successful bidder's furnishing of Performance Bank Guarantee, <Nodal Agency> will notify each unsuccessful bidder and return their EMD.
4. Contract Finalization and Award

The <Nodal Agency> shall reserve the right to negotiate with the bidder(s) whose bid has been ranked best value bid on the basis of Technical and Commercial Evaluation to the proposed Project, as per the guidance provided by CVC. On this basis the draft contract agreement would be finalized for award & signing.

Please refer for guidelines on Contract Negotiations with Successful Bidder.

5. Performance Guarantee

The <Nodal Agency> will require the selected bidder to provide a Performance Bank Guarantee, within 15 days from the Notification of award, for a value equivalent to 10% of the total cost of ownership. The Performance Guarantee shall be kept valid till completion of the project and Warranty period. The Performance Guarantee shall contain a claim period of three months from the last date of validity. The selected bidder shall be responsible for extending the validity date and claim period of the Performance Guarantee as and when it is due on account of non-completion of the project and Warranty period. In case the selected bidder fails to submit performance guarantee within the time stipulated, the <Nodal Agency> at its discretion may cancel the order placed on the selected bidder without giving any notice. <Nodal Agency> shall invoke the performance guarantee in case the selected Implementation Agency fails to discharge their contractual obligations during the period or <Nodal Agency> incurs any loss due to Implementation Agency’s negligence in carrying out the project implementation as per the agreed terms & conditions.
Signing of Contract

After the <Nodal Agency> notifies the successful bidder that its proposal has been accepted, <Nodal Agency> shall enter into a contract, incorporating all clauses, pre-bid clarifications and the proposal of the bidder between <Nodal Agency> and the successful bidder. The Draft Legal Agreement is provided as a separate document as a template.

Failure to Agree with the Terms and Conditions of the RFP

Failure of the successful bidder to agree with the Draft Legal Agreement and Terms & Conditions of the RFP shall constitute sufficient grounds for the annulment of the award, in which event <Nodal Agency> may award the contract to the next best value bidder or call for new bids from the interested bidders.

In such a case, the <Nodal Agency> shall invoke the PBG of the most responsive bidder.
KEY OPTIONS FOR WASTE MANAGEMENT:

The bidder has three primary options that can be taken up.

1. The first is anaerobic digestion of the organic waste by adopting biomethanation route and generation of power thereof for forward sale.

2. The second option could be gas generation and bottling for bulk sale. The third option would be generation of compost where the compost will have a forward sale linked up with the nodal fertilizer agency.

3. The manure generated from Biogas generation from first and second option would be totally organic and will fetch a better value than MSW compost. Thus, the benefits of technologies should be taking into consideration the dual benefits of power/biogas energy and organic manure.
**BIO-GAS TO POWER:**

a. The concessionaire should generate biogas from the biodegradable component of the solid waste at the facility and further generate power.

b. The concessionaire should set-up a gas cleansing system, gas containment systems/gas balloon and appropriate capacity of gas engine to optimize the financial costs of Digester-Gas Engine Configuration.

c. The power generated will be purchased by the respective ULB at the rate of Rs. 6.85 (base tariff) which is APDISCOM charges ULBs towards “Street lighting” power consumption. The rate will be escalated @ 3% per annum on base tariff every year commencing the 2nd year of COD.

d. The concessionaire can have a forward sale of the Organic Manure.

e. In integrated waste management, the developer can also go for generation of power and use it for its internal MSW processing facility, if other treatment and recycling.
BIO-GAS TO BIO-GAS BOTTLING:

a. The concessionaire should generate biogas from the biodegradable component of the solid waste at the facility and further sell to bulk consumers.

b. The concessionaire should set-up a appropriate gas containment and bottling system

c. The concessionaire can have a forward sale of the Organic Manure

d. In integrated waste management, the developer can also go for treatment and recycling of other non-biodegradable wastes to optimize its revenues
RECOVERY OF CITY COMPOST

a. The other option would be to go for generation of compost from aerobic biodegradation of the solid waste at the facility.

b. The concessionaire should take precaution of minimizing flies, rodents and bird menace and fire hazards.

c. The concessionaire should also optimize revenues from other products and recyclables by selling to appropriate vendors.

The pre-process and post composting process rejects shall be handled as per SWM Rules, 2016.

The bidder should explore the possibility of minimizing the quantum of inerts with alternatives.

The disposal of the inerts /rejects can be carried out if any balance rejects are not sent for any other applications/uses and accordingly disposed by landfilling.

d. The end product compost shall meet the standards prescribed under Fertilizer Control (FCO) Order notified from time to time.

In-order to ensure safe application of compost, the specifications for compost quality as per FCO has been delineated in the SWM Rules, 2016, as the concentration limits exceeding the same, are not to be used for food crops.

e. The Ministry of Urban Development, GoAP, has formed a committee for monitoring of city compost, and exploring and fostering the sale of such compost through fertilizer companies, or agriculture and horticulture departments of the state.

The committee shall be meeting on a periodical regular basis to decide upon the forward linkages of city compost.