



GOVERNMENT OF KERALA

Abstract

Local Self Government Department – Sanction for Establishing 5 MW solid Waste-to-Energy(WtE) plants on Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public- Private- Partnership (PPP) - Modified – Orders issued

LOCAL SELF GOVERNMENT (DC) DEPARTMENT

GO(Ms.) No.174/2018/LSGD

Dated, Thiruvananthapuram 22.11.2018

- Read :- (1) GO(Rt) No. 3122/2017/LSGD dated 23.09.2017.
(2) GO(Rt) No. 499/2018/LSGD dated 21.02.2018.
(3) GO(Ms) No.82/2018/LSGD dated 11.06.2018
(4) Minutes of the 15th meeting of State Level Advisory Committee (SLAC) on Solid Waste Management held on 18.09.2018
(5) Minutes of the 16th meeting of State Level Advisory Committee (SLAC) on Solid Waste Management held on 29.09.2018

ORDER

As per the GO read as 3rd paper above sanction was accorded for Establishing 5 MW solid Waste-to-Energy (WtE) plants at 7 districts on Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public- Private- Partnership (PPP). State Government had also entrusted KSIDC to float Request for Proposal(RFP) for the selection of suitable concessionaires to set up Waste-to-Energy Plants at the 7 identified sites across the State.

2. Subsequently KSIDC, had floated RFP in Government e-tender portal for identifying suitable implementing agencies for the setting up of Waste-to-Energy Plant at Njaliaparambu in Kozhikkode District. The RFP was floated on 29th June 2018 and last date for the submission of bid was 31st July 2018. At the pre bid meeting held on 19th July 2018 majority of the prospective bidders had requested for extending the last date for the submission of bid. Considering the request by the prospective bidders and to ensure participation of more serious bidders the last date for the submission of bid was extended to 20th August 2018 and further up to 15th September 2018.

3. Since no bids were received even after extending the last date of submission of bids, the 15th meeting of State Level Advisory Committee (SLAC) on Solid Waste Management (constituted as per G.Os. read as 1st & 2nd paper above) held on 18.09.18 resolved to revise the Project structure and to bring in corresponding revision in the relevant clauses of the RFP document. Accordingly KSIDC had prepared a revised project structure based on the feedback received from several prospective bidders. The revised project structure and the corresponding changes in the relevant clauses of the RFP document were presented in the 16th meeting of SLAC held on 29/9/2018. The SLAC resolved to approve the revised project structure and changes proposed in the RFP document. It is also resolved to modify the G.O. read as 3rd paper above with suitable modifications in accordance with the changes approved.

4. Government have examined the matter in detail and are pleased to modify para 4 and its sub paras 4.2, 4.4, 4.6, 4.8, 4.12 and 4.15 of G.O. read as 3rd paper above as follows:

Para No	Existing provision	Modified provision
4	Government have examined the matter in detail and hereby accord sanction for setting up 5 MW Waste to Energy (WtE) Plants at the above 7 sites in Thiruvananthapuram, Thrissur, Palakkad, Kozhikode, Kannur, Kollam and Malappuram on Design, Build, Finance, Operate and Transfer basis in Public - Private Partnership mode as per proposal at Para 2 above. KSIDC is entrusted to float an RFP with the following broad terms and conditions for the selection of a suitable concessionaire to set up WtE plants in the above 7 sites.	Government have examined the matter in detail and hereby accord sanction for setting up Waste-to-Energy (WtE) Plants of solid waste processing capacity of 300 TPD and a power production capacity of 5 MW at the above 7 sites in Thiruvananthapuram, Thrissur, Palakkad, Kozhikode, Kannur, Kollam and Malappuram on Design, Build, Finance, Operate and Transfer basis in Public-Private-Partnership mode as per proposal at Para 2 above. KSIDC is entrusted to float an RFP with the following broad terms and conditions for the selection of a suitable concessionaire to set up WtE plants in the above 7 sites.
4.2	The payment to the concessionaire for their services will be in terms of payment for the energy produced by the WtE plant. The bidder who offers the lowest energy tariff for the entire process that is outlined above will be selected for the contract. The concession agreement will contain the time period, amount payable, interest payable, terms regarding protection of concessionaire interest and so forth.	The payment to the concessionaire for their services will be in terms of Tipping Fee (to be quoted by the concessionaire) in Rupees for per tonne of solid waste collected, transported and processed in the waste to energy plant and payment for the power generated at a rate as fixed by KSERC. The concession agreement will contain the time period, amount payable, interest payable, terms regarding protection of concessionaire interest and so forth.
4.4	It is possible that the amount quoted by the lowest bidder may exceed the rate fixed by KSERC. This differential amount shall be paid by the KSIDC to the concessionaire and the same shall be reimbursed to KSIDC by the participating local bodies and in case they fail to do so the State Government.	The concessionaire shall prepare the Detailed Project Report (DPR) covering technology proposed, cost estimates, capital investment plan and the project financing details and shall file petition to KSERC for fixing the power tariff for their WtE project. State Government shall facilitate the selected bidder to obtain the project specific power tariff for the WtE project

4.6	The RFP will seek offers from bidders or consortium of bidders who have experience in designing and developing and / or operating at least 1 MW WtE plant for minimum period of one year.	The RFP will seek offers from bidders or consortium of bidders who have experience in design & development of at least one Waste-to-Energy Plant of minimum 1 MW in India or abroad in the period of past five years and the relevant plant is currently in operation; OR Successful operation of at least one Waste-to-Energy Plant of minimum 1 MW capacity for a minimum period of 1 year in India or abroad in the period of past five years from the bid due date and the relevant plant is currently in operation;
4.8	If the bidder is a single specified entity, the stipulated criteria shall be fulfilled by the bidder either by itself individually or as a member of a consortium / Special Purpose Vehicle (SPV) where in its share of ownership is not less than 26% held directly or through its affiliate, parent or subsidiary.	If the bidder is a single specified entity, the stipulated criteria shall be fulfilled by the bidder itself. If the bidder is a consortium or joint venture, the stipulated criteria shall be fulfilled by any member of the consortium by itself or through its affiliate or parent or subsidiary, wherein the equity share of that member in the SPV shall not be less than 26%. In case of consortium, the bidder will be considered to have met the stipulated criteria only if the condition for consortium specified against each criterion is fulfilled.
4.12	10-15 acres of land may be offered on lease for 27 years , including two years project planning and implementation on nominal terms.	10-15 acres of land may be offered on lease for 27 years, including project planning and implementation on nominal terms.
4.15	The participating Local Bodies shall sign an undertaking with KSIDC agreeing to make available a minimum amount of solid waste for collection by the concessionaire from their respective jurisdictions for the concession period, and pay penalty at the rate of Rs. 1500/- per tonne if there is a shortfall of more than 10% from the monthly average of committed quantity.	The participating Local Bodies shall sign an undertaking with KSIDC agreeing to ensure generation of minimum of 300 TPD from the identified cluster by the local bodies and to put in place an appropriate mechanism, which will make it mandatory for the participating LSGIs to contribute solid waste based on their population, economic activities, tourism, and other features. In case LSGI fails to ensure the minimum assured quantity, LSGIs, will be liable to pay penalty to SPV calculated at 25% of the corresponding year Tipping Fee per ton

		for each ton of shortfall. The penalty shall be payable only if the monthly average of quantity received at the Site is below 90% of assured quantity.
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There will be no changes in Para No. 4.1, 4.3, 4.5, 4.7, 4.9, 4.10, 4.11, 4.13, 4.14, 4.16, 4.17 and 4.18 of the G.O. read as 3rd paper above.

5. Government are also pleased to order the following additional provisions in connection with the setting up of 5 MW solid Waste-to-Energy(WtE) plants on Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public- Private- Partnership (PPP).

Sl. No	Additional provisions
1	Will facilitate in obtaining any eligible financial assistance as per the prevailing guidelines of Swachh Bharat Mission (SBM) – Urban 2017, or any prevailing schemes of Ministry of Housing & Urban Affairs, GoI, at the time of execution of the concession agreement. The concessionaire shall prepare and submit to the Authority for approval, a DPR, covering the collection mechanism, technology for processing, detailed project costing and the capital investment plan. The financial assistance as approved and released by SBM, MoH & UA and the corresponding State share if any will be released as reimbursement to the Concessionaire based on the progress of project development and on recommendation of the PMU.
2	The responsibility to undertake the door to door collection, collection from public spaces, street cleaning and delivering to the bins provided by the Concessionaire at the designated collection points shall be vested with the participating LSGIs. The location of bins and concessionaire's collection points will be decided depending on area and population with mutual consultation between LSGI and Concessionaire.

6. GO read as 3rd paper above stands modified to the above extend.

By order of the Governor,
T.K Jose
Additional Chief Secretary

To

The District Collectors:

Thiruvananthapuram/ Kollam/ Enakulam/ Idukki/ Thrissur/ Palakkad/
Kozhikode/ Malappuram/ Kannur/ Wayanad

The Secretary:

Thiruvananthapuram/ Kollam/ Kochi/ Thrissur/ Kozhikode/ Kannur
Corporations.

The Chairman and Managing Director, Kerala State Electricity Board Limited.

The Principal Accountant General (Audit)/(A&E), Kerala, Tvpm.

The Managing Director, KSIDC

The Director of Urban Affairs.

The Director, Agriculture Department.
The General Administration (SC) Department
The Finance Department.
The Power Department.
The Industries Department.
The Agriculture Department.
The Revenue Department.
The Information Officer, I&PRD (web & New Media)
The Executive Director, Information Kerala Mission.
Stock File / Office Copy.

Forwarded/By Order

[Signature]
Section Officer

Copy to :- PS to Hon'ble Chief Minister.
PS to Minister LSGD.
PS to Minister Industries.
PS to Minister Power.
PS to Minister Agriculture.
PS to Minister Revenue.
Special Secretary to Chief Secretary.
PA to Additional Chief Secretary, Local Self Government
Department.
PA to Additional Chief Secretary, Revenue.
PA to Principal Secretary, Finance.
PA to Law Secretary.
PA to Agriculture Production Commissioner.
PA to Principal Secretary, Industries.
PA to Secretary, IT