Clarifications No. 01 Dated 26.11.2019 to Bid Queries
NIB No. 341 Dated 15.11.2019

Name of work: **Limited Tender for undertaking "Industrial All Risk (IAR) Insurance Policy for the Assets of Tuirial Hydro Electric Plant, Tuirial, Mizoram for a period of 1(one) year w.e.f. 00:00:00 Hours of 11.12.2019.**

Sl. No.	Bidders Queries	NEEPCO's Response
1.	The Bidder has requested to provide schematic diagram of Project layout and its accessibility.	The project layout and salient feature of the project is available in NEEPCO Website www.neepco.co.in.
2.	Whether critical equipment are imported or indigenous.	The critical equipment of Electro-Mechanical were supplied by M/s BHEL.
3.	The lead time required for repair/ procurement of critical equipment in case of failure.	For critical equipment, back up spares are available at site and all repair and maintenance of the plant are carried out at site by the service engineers. The lead time required for repair/ procurement shall depend upon the nature of the damage/loss of the equipment. As such, specific lead time cannot be ascertained.
4.	Deductibles of 7 days considered for BI under IAR policy is felt to be very short.	Adequate stock of mandatory/recommended spares parts are maintained at site. Also, the Plants undergo routine maintenance as per practice in order to avoid breakdown time. However, Clause 4.1.1, Section-IV, Scope of Insurance Coverage has been modified vide Corrigendum No. 01.
5.	Coverage of employee belongings under Clause 4.1 (i) Sl. No. 18 of Section-IV should have been included in the basic Sum insured.	Employee belongings means personal belongings of employees, which are not included in the Sum Insured. However, Corrigendum No. 01 may please be referred in this regard.
6.	The bidder informed that "Theft" is not an insurable risk, hence cannot be covered under the IAR insurance policy. However, "Burglary" is included within IAR policy.	Clause 1.0 (A) (i) (m), Section-IV has been modified vide Corrigendum No. 01.
7.	Reason of having an IAR Policy instead of the SFSP Policy.	NEEPCO intends to undertake Business Interruption (BI) Loss for the Tuirial H.E. Plant as per choice available to the insured.
8.	List of critical machines/ equipment in the plant.	List of Critical machines /equipment in the Plant is enclosed as **Annexure-A.**
9.	Availability of spares/ backup of critical machines/ equipment at site.	Availability of spares/backup of critical machines/equipment at site: As per OEM, recommended/mandatory spares of every equipment are being maintained. In addition to that for safety of the Plant there are 2 nos of Emergency DG set, 2 Nos of 5MVA Stations Supply Transformers, 1(one) spare Generator Transformers, 1(one spare) runner has been kept with redundancy in the operating and control system to run the plant continuously. Fast moving spares has been identified and

		procured and kept in stock for reducing downtime of the Plant.
10.	Reason for total fire section SI being enhanced by Rs. 116 Crore from the last year SFSP policy SI of Rs. 1413 Crore.	The SI for the instant tender is considered based on RIV, whereas, last year SI was considered based on the Book Value. As such, there is an increase in the SI for the instant tender floated.
11.	Which assets falls under township occupancy.	Description of Assets at Section-VI of the Bid Document is self-explanatory. The assets at Serial No. 7, 10, 11, 12, 13, 14, 15, 25, 27 & 28 of Description of Assets under Section-VI of the Bid Document pertains to township occupancy.
12.	Claim details, the quantum and the affected asset(s) details have not been provided. If the assessment is not done yet, the estimated loss and the details of asset (s) affected is to be provided.	There is a reported loss due to landslide on 02.09.2019. The claim amount has not been settled yet, however, the loss is estimated at ₹ 1.13 Crore. The damage due to slide has affected a part of Gabion wall at Power House and nearby toilet, without affecting the Power House.
13.	It is mentioned in the bid document that the insurer within 30 days from the date of the issue of letter of award shall complete the process of determination of reinstatement/ replacement value of the assets of the Project through Govt. approved valuer and the reinstatement cost approved by Insured shall be considered as the Sum Insured for the purpose of the policy. We are interested to know the basis of valuation considered for the S.I. while issuing the bid document.	The Sum Insured for the instant tender is considered as Reinstatement Value (RIV), which is derived from the gross asset value of the project by escalating the same upto August, 2019 price level. The provision for determination of reinstatement/ replacement value of the Project by the insurer through Govt. approved valuer at no extra to cost to NEEPCO is kept in the Bid Document, to arrive at the RIV acceptable to the insured and the insurer.
14.	W.r.t. Section-IV, sub-section no. 1.0 (B) and 2.0 (B) i.e. Terrorism Cover S.I., it is observed that the description of cover is "Terrorist Damage (Fire +FLOP+MLOP) and Material Damage (MD) including Electronic Equipment breakdown". The description may be rephrased as Terrorist Damage (Material Damage + Loss of Profit) suitably.	Clause 1.0 (B) and 2.0 (B), Section-IV has been modified vide Corrigendum No. 01.
15.	W.r.t. Section -IV, sub-section no. 4.1 i), sl. no. 18 i.e. Employee Belongings, it is to be understood that only those property as included in the S.I. for Material Damage, due to loss/damage of which, NEEPCO shall incur a direct financial loss considering the principle of Insurable Interest.	Section-IV, Clause 3.1 (i), Additional Insurance Covers under IAR Policy, Sl. No. 18 has been modified vide Corrigendum No. 01.
16.	As per Section-V, Clause no. 2 (g), the terrorism cover mentioned is Standalone Terrorism Policy. It is observed that the Total S.I. per location for Material Damage and Business Interruption is less than 2000 crs. As such, we would be able to provide Terrorism cover as per Indian Market Terrorism	Section-V, Clause 2(g) has been modified vide Corrigendum No. 01.

	Risk Insurance Pool.	
17.	Prevention of Access may be considered instead of Denial of Access as there are treaty restrictions.	Section-IV, Clause 3.1 (i), Additional Insurance Covers under IAR Policy, Sl. No. 21 has been modified vide Corrigendum No. 01.
18.	Testing period cover cannot be granted under an IAR policy which covers operational risks only.	Section-IV, Clause 4.1(ii)(i) and Section-V, Clause 5.0 : Extensions has been modified vide Corrigendum No. 01.
19.	Clause no. 19.0 of Section-V. IAR is an annual policy and as such extensions are not applicable.	Clause no. 19.0: EXTENSION OF POLICY of Section-V is deleted vide Corrigendum No. 01.
20.	Minimum Deductible applicable for Hydro Power Plants (above INR 500 crs top location S.I.) have been revised w.e.f. 01/03/2019 and are as below: FLOP: 30 Days of Gross Profit MLOP: 45 Days of Gross Profit Material Damage: 5% of Claim amount subject to Minimum of INR 1.25 crores	Clause 4.1.1, Section-IV, Scope of Insurance Coverage has been modified vide Corrigendum No. 01.
21.	W.r.t. Section 14.0 i.e. Under-insurance Provision, the Standard IAR policy is subject to condition of average on each item of the schedule. However, Under Insurance on each item of the schedule will be ignored if it does not exceed 15% thereat. Standard IAR policy wordings and conditions w.r.t. change in S.I. during the currency of the policy is to be considered for additional premium.	Bid Stipulation shall prevail.
22.	Section IV, Clause no 7.2.: We are interested to know the components included in the Gross Profit for arriving at the Business Interruption Sum Insured.	The Gross Profit for the Business Interruption (BI) Sum Insured is calculated as below: **Net Loss:** (excluding income from non-operating activities) : Rs. 7096.60 Lakhs **Add:** (i) Standing Charges: Employees Remuneration & benefits : Rs. 2535.72 Lakhs (ii) Depreciation : Rs. 7066.00 Lakhs (iii) Finance Cost : Rs. 4601.00 Lakhs (iv) Other expenditure: Repair & Maintenance of assets etc. : Rs. 2116.60 Lakhs **Gross Profit : Rs. 9222.72 Lakhs**

Annexure -A

BRIEF DESCRIPTION OF EQUIPMENTS / SYSTEMS installed at TrHEP

The 2x30MW TrHEP is a fully automated Power Station with MAX DNA based Control & SCADA System with integrated monitoring & protection of Turbines, Generators, Auxiliaries, from Central Control Room. All Switchyard Equipment are controlled from a control room at SY.

Sl No	Equipment / System Description
1	2 sets of 30 MW Francis type hydraulic turbine, MIV (BF valve) and auxiliary system.
2	2 sets of turbine, governing system including governor, oil pressure system, hydraulic control panel for MIV, instruments etc.
3	2 sets of generators, generator station auxiliaries, coolers, static excitation equipment.
4	2 sets of closed loop cooling water system along with all associated items.
5	1 set of unit dewatering and station drainage system.
6	1 set of low pressure compressed air system.
7	1 number of EOT crane for Power House / machine hall.
8	Firefighting system consisting of automatic high velocity water spray system, medium velocity water sprinkler system, fire alarm & detection system including fire water pumps, portable fire extinguishers etc.
9	2 sets of 11KV Isolated phase bus duct 2500A, LAVT & NG cubicles.
10	2 sets of 300 KVA dry type unit auxiliary transformer, 2 Nos. 500KVA Excitation Transformers.
11	2 nos 1000 KVA dry type Station Auxiliary Transformer
12	1 No. 33KV station Switchgear having 5 Nos. 33KV VCBs & PT & CTs
13	Complete LT switchgear, LT bus duct.
14	2 Sets of 220 V DC system consisting of 220V battery, 1 sets of 24V DC system, DCDB, battery charger & auxiliaries, and 48 V DC System comprising of Batteries, 2x20KVA UPS / Inverter Panels.
15	Starter panels for turbine & generator auxiliaries.
16	Emergency power supply system comprising of 2 nos. 500 kVA DG Sets with all auxiliaries.
17	Protection system of 7 nos. of 132KV bays. For Generator- transformer 2 nos, 132 KV feeders 3 Nos, 1 no. for 132/33 KV station transformer protection panels, 1 no. bus coupler bay and all cabling works etc.
18	MAX DNA based SCADA control for turbine, generator, transformer yard & SY along with associated auxiliaries for two Units.
19	Complete PLCC system.
20	(6 + 1) Nos. 11/132 KV, 12.5 MVA single phase Generator Transformers
21	2 Nos. 132/33 KV 5 MVA, Three phase Power Transformers.
22	All equipment, relay, control and protection panel of 132 KV switchyard consisting of 7 bays.
23	3 Nos of Spillway radial gates along with hydraulic power pack and servo cylinders, 2 nos. draft tube gates, 1 no. intake gate along with lifting arrangements and structures, stop log gate, and trash rack gate. 1 No. 85.5KVA DG set at Radial dam spillway site for emergency supply.