



## Request for Expression of Interest (EOI)

for

Selection of Partner/ Developer for Construction,  
Operation and Maintenance of

### *Rural Drinking Water Supply Projects*

in one or more districts  
of Andhra Pradesh, India

**EOI No.: AE/DEE/RWS&S/WG Dated 20-3-2020**

**Date: 20-3-2020**

Rural Water Supply and Sanitation (RWSS)  
Department of Panchayat Raj and Rural Development  
Government of Andhra Pradesh (AP)

### **Disclaimer**

This Expression of Interest (Eol) is not intended either for selection of Developer or Award of Work or Empanelment of various entities participating in this process. The purpose of the Eol is to understand the current market scenario, qualifications & experience of the participants interested.

This Eol document may not be appropriate for all organizations, and it is not possible for AP RWSS to consider the investment objectives, financial situation and needs of each Participant who reads or uses this Eol document. Each Participant should conduct their own enquiry and analysis and should check the accuracy, reliability and completeness of the information in this Eol document and obtain independent advice from appropriate sources.

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The Participant(s) shall bear all costs associated with or relating to the preparation and submission of its proposal including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Participant or any other costs incurred in connection with or relating to their proposal. All such costs and expenses will remain with the Participant and AP RWSS shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by the Participant in preparation or submission of the Proposal.

AP RWSS may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this Eol document. This Eol may be cancelled by APRWSS at any stage without assigning any reasons.

## **GLOSSARY**

<b>COD</b>	Commercial Operation Date
<b>CPWS</b>	Comprehensive Protected Water Supply
<b>EOI</b>	Expression of Interest as explained in the Disclaimer
<b>EQP</b>	Equated Quarterly Payments
<b>FHTC</b>	Functional Household Tap Connection
<b>GoAP</b>	Government of Andhra Pradesh
<b>HAM</b>	Hybrid Annuity Model
<b>ICB</b>	International Competitive Bidding
<b>LPCD</b>	Liters per capita per day
<b>MCLR</b>	Marginal Cost of funds based Lending Rate
<b>MVS</b>	Multi Village Schemes
<b>PRRD</b>	Panchayat Raj and Rural Development Department
<b>PWS</b>	Protected Water Supply
<b>RFP</b>	Request for Proposal
<b>RWSS</b>	Rural Water Supply and Sanitation Department
<b>SPV</b>	Special Purpose Vehicle
<b>SVS</b>	Single Village Schemes

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## I. Background

Andhra Pradesh has around 48,663 rural habitations with a population of around 350 lakhs. 35% of the population is covered with 55 LPCD service level of which only 33% population has piped water supply. Major issues faced by the State in providing quality drinking water are:

- a. Salinity ingress due to long coastline
- b. Water pollution due to aqua culture.
- c. Depletion of ground water.
- d. Quality affected habitations mainly due to Fluoride.

The Govt. have therefore decided to solve the drinking water problem permanently by providing 100 LPCD water to every habitation with 100% household connections, including 135 LPCD for Municipalities and 150 LPCD for Corporations. 52 sustainable sources such as Hiramandalam Reservoir, Polavaram Reservoir, Godavari River, Yeleru Reservoir, Nagarjuna Sagar Dam, Buggavagu Balancing Reservoir, Somasila Reservoir, Chitravathi Balancing Reservoir, PABR, Owk Balancing reservoir, Gandikota Reservoir etc., are identified for the drinking water Projects.

The profile of the State is as follows:

Sl.No.	Description	Details
<b>Rural</b>		
1	Districts	13
2	Mandals	662
3	Gram Panchayats	12,907
4	Habitations	48,663
5	Rural households	90.86 Lakhs
6	No. of households with FHTCs	33.88 Lakhs
7	No. of households which require FHTCs by 2024	56.97 Lakhs
<b>Urban</b>		
8	Municipalities	16
9	Corporations	94

## II. About Rural Water Supply and Sanitation Department

Rural Water Supply and Sanitation Department (“RWSS”) is a fully owned entity of the Government of Andhra Pradesh (“GoAP”) and is the nodal agency in the State for providing drinking water and Sanitation facilities in rural areas under the Panchayat Raj and Rural Development Department (“PRRD”).

One of the key objectives of RWSS is to plan, design, construct, operate and maintain Single Village Scheme (SVS), and Multi Village Schemes (MVS) for providing drinking water supply connections to all habitations. The Department is entrusted by the Government of Andhra Pradesh to provide 100 LPCD water to every habitation with 100% household connections, including 135 LPCD for Municipalities and 150 LPCD for Corporations by end of FY 2023-24.

There are about 110 ULBs (both corporations and municipalities) with a population of about 1.62 crores. It is also proposed to include the balance demand of these ULBs in main trunk capacity and deliver water at a central point of each ULB.

## III. Applicability of the EOI

This EoI is being published by RWSS as per the directions of Government of Andhra Pradesh vide G.O.Ms.No.240, PR&RD (RWS1) Department, dated 16<sup>th</sup> January 2020.

The Expression of Interest is intended for those organizations/ entities interested in partnering with Government of Andhra Pradesh in construction, operation and maintenance of Drinking Water Supply Projects in the State of AP.

Government of Andhra Pradesh will subsequently decide the process for selection of Partners/ Developers through an International Competitive Bidding (ICB) process.

## IV. Data Sheet

S No.	Description	Remarks
1	Title of EoI with No.	Selection of Partner/ Developer for Construction, Operation and Maintenance of Rural Drinking Water Supply Projects in one or more districts of Andhra Pradesh EOI No.:
2	EoI issuance date	25 <sup>th</sup> March 2020

3	Last date for receiving queries	3rd April 2020
4	Meeting with applicants	11:00 AM 3 <sup>rd</sup> April 2020
5	Response to Queries	8 <sup>th</sup> April 2020
6	EOI–Client contact	<b>Designation:</b> Y. Sreenivasaulu, Dy. Project Director <b>E-mail id:</b> <a href="mailto:cewatergrid@gmail.com">cewatergrid@gmail.com</a> <b>Phone:</b> 83748 79853
7	Last date and time of EoI submission	03:00 PM, 15 <sup>th</sup> April 2020
8	Address for submission of hard copy of the EoI	Engineer-in-Chief, Rural Water Supply & Sanitation Department & Ex-Officio Joint Managing Director, APDWSC, 5 <sup>th</sup> floor, 'C' Block Vasudha Shelters, Saipuram Colony, Gollapudi, Vijayawada-521225, Andhra Pradesh
9	E-mail address for submission of soft copy of the EoI	<a href="mailto:cewatergrid@gmail.com">cewatergrid@gmail.com</a>
10	Presentation - Venue, Date & Time	Will be informed to all participants who submit their EoI

## V. Introduction

GoAP, through RWSS, has designed Drinking Water Supply Program for providing 100 LPCD water to every habitation with 100% household connections, including 135 LPCD for Municipalities and 150 LPCD for Corporations across 13 Districts before 2024.

In the first phase, considering the critical elements like chronic kidney disease (CKD) ground water pollution and salinity ingress, GoAP has accorded permission to undertake 6 (six) drinking water projects.

Immediate Projects to be taken up for which Administrative Sanction has been accorded are:

1. **East Godavari District**–Rs.3,960 Cr. (covers Central Delta, Eastern Delta, Yeleswaram Segment (4 sub-segments), Upland Area Segment (2 sub-segments) and Rampachodavaram Agency Area (8 sub-segments) to address water quality affected habs. due to aqua culture)
2. **West Godavari District**–Rs.3,670 Cr. (covers 5 Segments viz., Nidadavole-Narsapuram, Tanuku-Bhimavaram, Tadepalligudem-Eluru, Kovvuru, Polavaram-Chintalapudi-Gopalapuram to address water quality affected habs. due to aqua culture)
3. **Srikakulam District**–Rs.700 Cr. (covers Uddanam Area as it is affected by Chronic Kidney Disease)
4. **Guntur District**–Rs.2,665 Cr. (Covers Palnadu Area to address water pollution due to industries, aqua culture, fluoride)
5. **Prakasam District**–Rs.833 Cr. (Covers Kanigiri Area as it is affected due to deficient rainfall, excess fluoride, drying of sources)
6. **YSR Kadapa District**–Rs.480 Cr. (Pulivendula Area as it is drought prone area and local mining problems)

GoAP have accorded permission to undertake these 6 Projects under the Hybrid Annuity Model (HAM) with a sharing pattern of 70:30 (70% share of Annuity by Developer and 30% by Government) (each of these drinking water projects are individually referred to as the “Project” and collectively referred to as “Projects”).

The cumulative construction cost for the Projects is estimated to be around Rs.12,308.00 Crore (Twelve Thousand Three Hundred Eight Crores only).

## **VI. Brief Scope of Work (SoW) of the Concessionaire**

The RWSS Department intends to select, through an open and transparent tender process, one private sector partner (“Concessionaire”) for each Project or a group of Projects. Brief scope of Work (SoW) of the Partner/ Developer/ Concessionaire is as follows:

- a. Review, resurvey, revise and update the designs, drawings, technical parameters and documents for requisite approvals for new Multi-Village and Single Village Water Supply Schemes pre-determined by the Authority
- b. Undertake construction of Projects in totality as per designs and specifications
- c. Adhere to prescribed Standards for construction and overall maintenance of Projects/ Schemes including installation and commissioning of IoT based SCADA for operation of the system. Developer shall also be encouraged to



utilize Artificial Intelligence and Machine Learning for monitoring and control of the projects during operations.

- d. Operation and maintenance of the executed projects for a period of 12 years post completion and commissioning.

The above SoW is tentative and detailed scope will be published during the ICB Stage.

## VII. Proposed Commercial Terms

The Concessionaire shall be responsible for designing, engineering, part financing, procurement, construction, operation and maintenance of its Project in accordance with the provisions of a concession agreement (“**Concession Agreement**”) to be entered into between the Authority and the Concessionaire. The total duration of the Project shall be for a period of at least 15 (Fifteen) years (“**Concession Period**”). The construction of all identified works under the Project shall be completed within a period of 3 (three) years from the date of signing of the Concession Agreement (“**Construction Period**”). The Concessionaire shall provide manning, operations and maintenance of water supply schemes for the duration of the Project in accordance with the provisions of the Concession Agreement.

The key commercial terms proposed for the above projects is detailed in the table below:

Sl. No.	Parameter	Remarks
1	Project Model	Hybrid Annuity Model (HAM)
2	Concession Period	15 years (3 years construction, 12 years operation)
3	Sharing Pattern	70:30
4	Payment Mode	Equated Quarterly Payment (EQP)
5	Discount Rate	SBI MCLR + 3%

In the RFP stage, for each Project, Bidders shall be invited to submit a financial bid comprising:

- a. Upfront payment sought from the Authority; and
- b. Equated quarterly payments sought from the Authority.

The Net Present Value (NPV) of the upfront payment and equated quarterly payments may be determined using a discount rate equivalent to SBI MCLR plus 3% (three per cent). Such NPV shall constitute the sole criteria for evaluation of the Bids. The Project shall be awarded to the Bidder whose Bid has the lowest NPV in accordance with the

provisions of the RFP (“Lowest Bidder”). SBI MCLR prevailing on the Bid Due Date shall be used in determining the discount rate as mentioned above.

During the Bid Stage, Bidders shall be invited to examine the Project(s) in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of concession including implementation of the project(s) by physically visiting the project area and assessing the ground situation.

Further and other details of the process to be followed at the Bid Stage and the terms thereof will be explained in the Bidding Documents.

## VIII. Participation in EoI

A participant can express interest for a **single project or multiple projects** as listed in the table below:

#	Project	Estimated Project Cost (in INR crores)
1	Srikakulam	700.00
2	East Godavari	3,960.00
3	West Godavari	3,670.00
4	Guntur	2,665.00
5	Prakasam	833.00
6	YSR Kadapa	480.00

## IX. Eligibility for Participation in EoI

Any Company (Public/ Private)/ Trust/ Society engaged in construction projects from India/ abroad can participate. Banks and financial institutions can also participate in the EoI if they have experience in eligible projects in the form of SPV.

Applicant shall be eligible to participate only if they meet the following criteria:

1. Over the past 5 financial years, the applicant shall have paid for development of, or received payments for construction of at least one **completed and commissioned** Civil Engineering Construction Project (in similar or core sector) of at least 25% of the cumulative estimated cost of the projects for which EoI is being submitted; and
2. the cumulative worth of **completed and commissioned** Civil Engineering Construction Projects over the past 5 financial years, in which the applicant has either paid for development or has received payments for construction (in

similar or core sector) shall be at least 75% of the cumulative estimated cost of the projects for which EoI is being submitted

3. The participant shall also have a net worth of at least an amount indicated against the project in the table below

#	Project	Estimated Project Cost (in INR crores)
1	Srikakulam	175
2	East Godavari	990
3	West Godavari	918
4	Guntur	666
5	Prakasam	208
6	YSR Kadapa	120

For the purposes of this EOI,

- net worth (“**Net Worth**”) shall mean the sum of subscribed and paid up equity and reserves from which the sum of revaluation reserves, miscellaneous expenditure not written off and reserves not available for distribution to equity shareholders shall be deducted.
- JV or Consortium with three members (including lead partner) can participate in EoI. Further details about JV/Consortium shall be detailed in the RFP.

## X. Eligible Projects

An eligible project is the project which satisfies the following criteria:

- a. It should have been undertaken as a project in similar or core sectors on PPP, BOT, BOLT, BOO, BOOT or other similar basis to a Public Sector entity in the past 7 (seven) financial years,
- b. The entity claiming the development experience should have held a minimum of 26% equity during all the years,
- c. Value of actual capital expenditure on the project shall be at least equivalent to the amount mentioned against the respective project for which the EoI is being sought as per the table below and the project should have been **completed and commissioned** or **completed and due for commissioning in next 3 months** from the date of closure of EoI:

#	Project	Minimum Project Size (in INR crore)
1	Srikakulam	70.00
2	East Godavari	396.00
3	West Godavari	367.00
4	Guntur	266.00
5	Prakasam	83.00
6	YSR Kadapa	48.00

- d. and the entity claiming experience should have (i) paid for development of the project (excluding the cost of land), and/ or (ii) collected and appropriated the revenues from users availing of non-discriminatory access to or use of fixed project assets, such as revenues from Highways, Airports, Ports and Railway Infrastructure, but shall not include revenues from sale or provision of goods or services such as Electricity, Gas, Petroleum Products, Telecommunications or Fare/Freight revenues and other incomes of the company owning the project.

For the purpose of this EoI:

- a. **Similar Sector** shall be deemed to include Water Supply (rural or urban), Wastewater/ Sewerage, industrial water supply, Lift Irrigation (comprising works only related to pipes, pumps or intake structures), Water Pipelines, Oil and Gas Pipelines, and
- b. **Core Sector** shall be deemed to include Irrigation, Highways, Expressways, Bridges, Tunnels, Runways, Railways, Metro Rails, Ports, Airports, Power Generation, Industrial Parks/ Estates, SEZ, Logistic parks, and Real Estate Development.

## XI. Submission of Documents

The following documents are required to be submitted by participants as a response to this EoI to showcase their proof of experience:

Sl.	Criteria	Documents Required
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No.		
1	i. The Participant can be a Company (Public/Private) /Trust/Society engaged in Construction Projects from India/abroad.  ii. Banks/Financial Institutions can also participate in this EoI.	Certificate of Incorporation/ Registration
2	Eligibility for participation satisfying the criteria in section -IX (points 1 & 2)	Supporting documents of the projects viz. completion certificate, payment certificates certified by client/ statement of fund disbursements for work certified along with Annexure IV
3	Experience in Construction/ Development of project in last seven financial years satisfying the criteria set in section-X.	Completion and Commission Certificate of eligible projects issued by competent authority and Annexure-III  (or)  Certificate for those projects which are due for completion and commission within 3 months from the date of closure of EoI.
4	Net Worth of the organization as on 31 <sup>st</sup> March 2019 satisfying the criteria set in section – IX (point 3)	CA Certificate

**Note:** Above-mentioned documentation requirements are subject to change at the discretion of AP RWSS.

## **Annexure I: Covering Letter**

To

The Engineer-in-Chief,

RWSS & Ex-Officio Joint Managing Director, APDWSC,

5<sup>th</sup> Floor, 'C' Block, Vasudha Shelters, Saipuram Colony,

Gollapudi, Vijayawada-521225

Andhra Pradesh.

EoI Ref: \_\_\_\_\_, Dated. (DD/MM/YYYY)

EOI Name: Selection of Partner/ Developer for Construction, Operation and Maintenance of Drinking Water Supply Projects in State of Andhra Pradesh.

Dear Sir,

- a. All information provided in response to EoI and in the Appendices, is true and correct.
- b. I/We shall make available to the Client any additional information it may deem necessary or require for supplementing or authenticating the Proposal.
- c. I/We understand that you are neither bound to accept any Proposal that you may receive in response to this EoI.
- d. I/We agree and understand that the Proposal is subject to the provisions of the EoI document.
- e. I/We agree and undertake to abide by all the terms and conditions of the EoI Document. In witness thereof, I/We submit this Proposal under and in accordance with the terms of the EoI Document.

Yours faithfully,

(Signature of the Authorized Signatory)

Name:

Place:

Date:

Designation and Office seal

## Annexure II: Profile of the EoI Participant

Sl. No	Key Particulars	Details		
1	Name of the participant			
2	Constitution of the participant			
3	Registered Office			
4	Presence in India			
5	Worldwide presence			
6	Total No. of employees			
7	Core Business Activities			
8	Experience in Construction Projects	No. of Years:		
		No. of Projects		
			Similar Sector	Core Sector
		PPP/ BOT or other similar basis		
		Traditional models (EPC, item-rate, any other etc.,)		





### Annexure III: Project Experience Format

#### Summary of Project Experience

Sl. No.	Name of the Project	Value (in INR crore)	Sector of Project (as per section-X of Eol)	Location	Client	Role in the Project (Funder/ Developer)	Equity Stake in Project	Actual Capital Expenditure in the project	Payment Mechanism
1									
2									
3									
4									

For each of the projects mentioned in the summary above, completion certificates to be attached along with the detailed project sheet as per the format below:

Sl. No.	Description	Remarks
1	Name of the Project	
2	Contract Value	
3	Start Date of the Project	

4	End Date of the Project	
5	Location of the Project	
6	Client Name	
7	Details of the consortium member if project executed/ developed in consortium	
8	Stake of consortium member	
9	Scope of Work	
10	Payment Mechanism in detail	

## Annexure IV: Proposed Model

Participants are requested to express their interest for the proposed projects for a concession period of 15 years (3 years for construction and 12 years for operation and maintenance) by providing the details in the format below:

- a. Net Worth as on March 31, 2019 \_\_\_\_\_ (in INR crore)
- b. Highest value of construction project for which we have paid amount for development/ received payment for construction in last 5 financial years \_\_\_\_\_ (in INR crore)
- c. Cumulative value of construction projects for which we have paid amount for development/ received payment for construction in last 5 financial years \_\_\_\_\_ (in INR crore)
- d. Interest Projects

Project	Interest (please tick in the projects interested)
Srikakulam	
East Godavari	
West Godavari	
Guntur	
Prakasam	
YSR Kadapa	

- e. Acceptance of Sharing Pattern (tick the preferred option)
  - i. 70:30 (as proposed in EOI)
  - ii. Any other \_\_\_\_\_
- f. Acceptance to key commercial terms

Parameter	Remarks	Acceptance (Yes/No) If no, please propose your term
Payment Mode	Equated Quarterly Payment (EQP)	

Discount Rate	SBI MCLR + 3%	
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