

**PROFORMA OF SERVICE LEVEL AGREEMENT (SLA)**

(To be executed on non-judicial Stamp Paper)

This agreement made this.....day of .....2016 between DAKSHIN HARYANA BIJLI VITRAN NIGAM LTD.(hereinafter referred to "Owner or DHBVN or Nigam which expression shall include its administrators, Company incorporated under the Companies Act, 1956) on the one part and .....having its Registered office at .....(hereinafter referred to as "Contractor" or ..... "X" .....name of the Contracting Company which expression shall include its administrators, successors, executors and permitted assigns) of the other part.

NOW THEREFORE THIS DEED WITNESSETH AS UNDER :-

**1. Purpose of this agreement**

The purpose of this SLA is to clearly define the levels of service to be provided by the contractor to the DHBVN for the duration of this contract or until modified by amendment in this SLA with mutual agreement.

The client, DHBVN, depends on the infrastructure provided, operated, maintained and supported by the contractor under the project. The system installed is of critical importance to the business of the client as well as the obligations of the client to the public at large.

This service level agreement sets out what levels of availability and support to the client is guaranteed and also explains what penalties will be applied to the contractor if it fails to meet the desired levels.

The SLA forms an important part of the contract between the client and the contractor. It aims to enable the two parties to work effectively.

**2. Description of services provided**

The contractor shall provide services as given in the tender document under the head 'Support Services' and given as under:-

The Contractor shall be required to provide the Support Services (including O&M) so as to operate & Manage HT and LT Power Distribution Network including all the equipments, installations such as overhead and underground HT/ LT cables, Optical Fibre Cable network with allied equipments, DT substation with associated equipments such as Ring Main Units (RMU), FRTU, LT panels, supply upto the meter input level and other allied equipments under the project, installed, tested and commissioned by Contractor for the utility in order that they meet the availability requirement as specified in the document.

Support Services shall be provided by Contractor in order that maximum uptime & performance levels of power distribution network installed alongwith OFC network or otherwise are ensured. As such, Contractor is expected to provide services as per prevailing IT standards (wherever applicable) and HERC regulations, IE Act 2003 and IE Rules 2005 with latest amendments, other prevailing statutes/ guidelines with performance levels meeting or exceeding those mentioned in Service Level Agreement (SLA) agreed between utility & Contractor.

To achieve the desired Service Levels, the Contractor may need to interact, coordinate and collaborate with the other Service Providers as required. The Contractor will act as the Single Point of Contact for all issues relating to the Service Levels. The Contractor will have the responsibility to deal with his material supply vendors (during warranty period) /other vendors as selected by utility during the O&M period as the case may be, to provide the services at agreed service levels. The role of Contractor towards Support Services (including O&M) shall start immediately after installation, testing, commissioning and handing over to the owner after Operational acceptance of the power distribution System for the entire project. The O&M period shall start from the date of taking over the entire system by the DHBVN.

### **3. SCOPE OF WORK**

The Scope of Work shall include the power infrastructure operation and maintenance support to be provided by the Contractor in respect of the system supplied under this project for a period of five years alongwith Supervision & Operationalizing five year warranty of the power distribution infrastructure alongwith communication infrastructure after the Operational Acceptance of the entire project, however during the execution of the infrastructure work it is expected that certain portion of the work shall be completed and put to service before the actual completion and commissioning of the entire project, then in that case also the support services including O&M shall be the responsibility of the contractor in accordance with this document, at no additional/ extra cost towards payment of support services (O&M) during this intervening period.

The maintenance of the Power distribution System including other works executed by the contractor under support services period shall be comprehensive, as set forth herein, in nature and would broadly include but not be limited to diagnosis and rectification faults/ instrument failures. The Scope includes:

1. Operation and running of the Power Distribution Network – i) Remote monitoring of the power distribution network and operation through SCADA control centre by deputing staff in the SCADA control centre ; ii) Local operation. The scope of the contractor shall be to ensure smooth running of the system.

2. Maintenance and Repair/ replacement of defective equipments installed under the project. He will have close co-ordination with the equipment supplier.
3. Predictive and preventive maintenance of the infrastructure.
4. Additions and deletions after the commissioning of the entire project in the power distribution network is a dynamic phenomenon and shall be catered by the contractor. The network analysis with respect to the additions/ deletions in the power distribution network and designing of the network configuration shall also be carried out by the contractor.
5. The additions during the support period in the system infrastructure done by contractor shall also be covered under the scope of contractor, till the duration of the support period.
6. The O&M of the existing Distribution Transformers as well as any other item being continued to be used shall also be covered under the present scope. However, in case of replacement of any existing Distribution Transformer or any other item which are not installed by the contractor, the same shall be replaced by the contractor and in those cases the cost shall be borne by the Nigam on the same rates as per the award of original project with the price variation applicable on DTs and cables as per the formulas given in the NIT document. For other items the rates shall be governed by the consumer price index during the O&M period for which the consumer price index as on the date of award of the work shall be applicable by considering the percent change from the date of completion of entire project to the date on which the equipments have been installed. The price for the whole O&M period will be given considering the increased percentage in consumer price index with respect to the last year.
7. Any additions/ alterations for making the system SCADA compatible.
8. Services to bring up any or all power distribution systems upon its failure and to restore the functioning of the same etc.
9. Handling and redressal of consumer and local authorities complaints arising out of the downtime of the supply or any other related issue in connection with the infrastructure laid under the project and support services requirement and SLA.
10. Coordination with civic authorities on the matters of system being maintained by the contractor.
11. Routine works like releasing of new connections, disconnections and other techno-commercial activities etc. of the concerned wing of DHBVN shall continued to be processed by DHBVN. The contractor shall provide necessary support and execute any infrastructure required in releasing of new connection for which all the material (except metering equipment) will be provided by the contractor on the same rates as per the award of original project with the price variation applicable on DTs and cables as per the formulas given in the NIT document. For other items the rates shall be governed by the consumer price index during the O&M period for which the consumer price index as on the date of award of the work shall

be applicable by considering the percent change from the date of completion of entire project to the date on which the equipments have been installed. The price for the whole O&M period will be given considering the increased percentage in consumer price index with respect to the last year.

12. Any future planning, estimation, augmentation and execution work for strengthening of the existing system shall be done by the contractor during the O&M period. Any material required for the above work shall be provided by the contractor on the same rates as per the award of original project with the price variation applicable on DTs and cables as per the formulas given in the NIT document. For other items the rates shall be governed by the consumer price index during the O&M period for which the consumer price index as on the date of award of the work shall be applicable by considering the percent change from the date of completion of entire project to the date on which the equipments have been installed. The price for the whole O&M period will be given considering the increased percentage in consumer price index with respect to the last year.
13. During the execution of the infrastructure work it is expected that certain portion of the work shall be completed and put to service before the actual completion and commissioning of the entire project, then in that case also the support services including O&M shall be the responsibility of the contractor in accordance with this document at no additional/ extra cost towards payment of support services (O&M) during this intervening period.
14. In case of a scenario during the O&M period when some equipment gets damaged by natural causes such as flood, earthquake, storm etc or accidents by vehicles etc which are beyond the scope of warranty, then in those cases the cost of the replacement of that equipment shall be borne by the Nigam on the same rates as per the award of original project with the price variation applicable on DTs and cables as per the formulas given in the NIT document. For other items the rates shall be governed by the consumer price index during the O&M period for which the consumer price index as on the date of award of the work shall be applicable by considering the percent change from the date of completion of entire project to the date on which the equipments have been installed. The price for the whole O&M period will be given considering the increased percentage in consumer price index with respect to the last year.

#### **4. SERVICE DELIVERY MANAGEMENT**

The Contractor shall provide detailed description for service delivery management for the complete project including deliverables and project management methodology for approval by engineer in charge of the project and that also alongwith foot survey details to avoid any problems to the end user.

## **5. SERVICE HOURS:**

The Contractor's standard hours of service shall be 24 hours a day, 7 days a week throughout the year (i.e. 24X365).

The Contractor shall be responsible for 24\*7\*365 management of all the systems as per scope of work with services rendered as per Service Level Agreement between utility & Contractor.

## **6. SERVICE PERSONNEL:-**

The following personnel shall be deployed:

- a. One no. Manager having minimum qualification as Graduate engineer in electrical engineering and MBA with atleast ten (10) years experience in the similar work for the entire project area who will provide the management interface facility and has the responsibility for managing the complete service delivery during the contractual arrangement between utility and the Contractor. Project Manager will be responsible for preparation and delivery of all monthly/weekly/daily reports as well as all invoicing relating to the service being delivered. The monthly/ weekly/ daily report formats will be approved by Engineer in charge and can also be changed as per the requirement of DHBVN.
- b. 4 nos Engineers with Diploma in Electrical engineering having atleast five (5) years experience in the similar work.
- c. 15 nos technical personnel in ITI electrical with atleast two (2) years experience in the similar work.

The support personnel except the project manager shall be deployed to be available 24X7. The number of personnel shall be enhanced as per the requirement to the satisfaction of DHBVN. It is the intent that the downtime shall be negligible and therefore it is the responsibility to ensure that the faults/ failures are attended immediately.

## **7. OFFICE , STORES, SPARES and T&P:**

Apart from the personnel deputed in the SCADA control room for system operation, the contractor will set up his own offices for the field staff deputed as well as his clerical staff at no extra cost. The contractor shall maintain a minimum spares installed under the project and alongwith tools and plants and machinery required for the scope under the SLA as per the final installed and commissioned quantity of the project area. The contractor shall maintain a minimum 2% inventory of quantity of all the necessary equipments, except DT, PSS, RMU, LT feeder panel, all type of cables. The contractor shall maintain a minimum 0.5% inventory of each type/capacity of PSS,DT, RMU and LT feeder panel and all type of cables (for the size LT XLPE cable of 3.5 CX300 sq.mm. will maintain 1%). He will also maintain the inventory asset register and the same will be submitted on monthly basis to the concerned XEN/Operation with copy to

Engineer in charge and SE/Operation and also submit the annual audit report. The contractor will also provide atleast 2 nos mobile DT stations alongwith other material/ arrangement to restore the supply immediately in case of any fault. The security of the office/ store and the equipments shall be the contractor's responsibility.

## **8. SUPPORT PERIOD AND AMC:-**

The Support services (including O&M) period shall be for five (5) years duration and shall commence just after the completion of all installation & commissioning jobs by the Contractor under the project and acceptance by the utility for the entire project, as well as during the period of execution of the project, as mentioned in the scope above.

## **9. MONITORING AND REPORTING:**

The overall responsibility of smooth running of the system infrastructure installed under the project shall be with the contractor only. He shall have systematic monitoring mechanism in place in order to ensure 24X7 supply. Regularly monitor and maintain a log of the performance monitoring of system. Regular analysis of events and failure/ system interruption logs generated in the control room shall be carried out and the report be submitted. To undertake actions in accordance with the results of the log analysis to ensure that the hindrances in the infrastructure are identified and remedial action is taken, he shall report to the Engineer in charge on a weekly basis about the system running condition for which he shall get the MIS formats approved from the Engineer in charge. In addition he shall submit report on a monthly basis detailing about the disruptions and other issues encountered during the month. The format for the monthly report shall also be got approved by the contractor. In general the MIS report shall depict the SAIDI, SAIFI, Area wise No of Disruptions, no of complaints, redressal, analysis etc and the monthly report shall include Area wise details of each complaint, time, duration of downtime, nature of problem, time of restoration of supply, duration, issues, suggestions etc.

## **10. SUPPORT FOR SYSTEM EXPANSION**

Ideally the system laid under the project shall be sufficient in capacity to cater to the load requirements for upto next 15 years. However, NewFRTUs, RMUs, FPIs, DTs, cables, LT panels etc per year are likely to be added in the system on need basis. The services under the scope shall be to cater to the operation and running of the system thus added.

## **11. PENALTY CHARGES:**

A. Performance parameters of the O&M contractor on the following parameters shall be calculated by the system. Presently the DHBVN has filed an application before the HERC for imposing of the reliability surcharge @ 0.50 paise per unit to the consumer pertaining to the project area for providing 24X7 quality power supply to the consumers. However the decision on the reliability surcharge is still to be decided. As such any penalty on the following parameters as well as in case of reliable power supply imposed by the HERC shall be passed on to the contractor. Apart from this any modifications in the standards of performance on mutual agreed basis as well as penalty imposed by the regulator shall be under the scope of the contractor.

- **System Average Interruption Frequency Index (SAIFI)**
- **System Average Interruption Duration Index (SAIDI)**
- **Consumer Average Interruption Frequency Index (CAIFI)**
- **Consumer Average Interruption Duration Index (CAIDI)**
- **Momentary Average Interruption Frequency Index (MAIFI)**

B. The contractor is to ensure 100% up time since the system is to be designed with 100% redundancy at each level. Failure to provide the desired up time, the following penalties shall be levied.

Sr. No.	Nature of service	Standard (indicating Maximum time limit for restoration of supply for rendering services)		Penalty Amount	
		Through Alternative source/Ring main	Supply restoration from original source	Through Alternative source	Supply restoration from original source
1	Normal fuse off/ ACB/MCCB Tripping	Within 30 mins.	Within 4 hrs	Rs. 100 in each case of default	Rs. 100 in each case of default
2	HT Breakdowns/Cable Damage	Within 15 mins.	Within 12 hrs	Rs. 1000 in each case of default	Rs. 1000 in each case of default
3	LT Line Breakdowns/Cable Damage	Within 1 hrs.	Within 12 hrs	Rs. 1000 in each case of default	Rs. 1000 in each case of default
4	Distribution	Within	Within 6 hrs	Rs. 1000	Rs. 1000

	Transformer Failure	1 hrs.		in each case of default	in each case of default
5	RMU failure	Within 1 hrs.	Within 6 hrs	Rs. 1000 in each case of default	Rs. 1000 in each case of default
6	LT feeder Pillar failure	Within 1 hrs.	Within 6 hrs	Rs. 1000 in each case of default	Rs. 1000 in each case of default
7	Individual Consumer Outage	Within 30 mins.	Within 4 hrs	Rs. 100 in each case of default	Rs. 100 in each case of default
<p>Note: - (i) In case of restoration of supply through alternate source/ ring main, in addition to the above penalty, extra penalty shall be charged for every additional 15 minutes or part thereof as per the above defined penalty amount.</p> <p>(ii) In case of restoration of supply from original source, in addition to the above penalty, extra penalty shall be charged for every additional one hour or part thereof as per the above defined penalty amount.</p>					

## **12. PREVENTIVE MAINTENANCE**

The Contractor shall undertake preventive maintenance of all equipments supplied and installed under the scope of the project, in accordance with this section. The contractor will schedule the maintenance of equipments and get the schedule approved in advance from the XEN/ Operation concerned. In case of failure to obtain prior approval before the maintenance then the penalty charges as mentioned above shall be applicable. The Contractor will prepare the report and submit the same to the Engineer-in-charge monthly for approval.

## **13. Handing over/ taking over:**

After the successful completion of the support services period, all the installed assets maintained by the contractor as well as the inventory as per the minimum fixed and applicable on the last day of O&M services and tools and plants etc shall be handed over to the XEN/Operation, DHBVN, Gurgaon without any cost.

## **14. CONTRACTOR'S RESPONSIBILITY:**

1. To ensure smooth and 24X7 availability of quality power supply to the consumers in accordance with the above.

2. Adherence to the prevailing statutes/ guidelines etc pertaining to the above.
3. Deploy qualified and experienced personnel for providing services under the agreement.
4. Coordination with civic authorities on various issues.
5. To ensure that all the existing laws are adhered.
6. Maintain close and harmonious coordination with the DHBVN's office, field staff and all other stake holders.

**15. EMPLOYER'S RESPONSIBILITY:**

1. To provide requisite support to the contractor in terms of line shutdowns etc.
2. To maintain close and harmonious coordination with the contractor's office and field staff.

**16. BREACH OF SLA:**

In case the contractor does not meet the service levels mentioned above, for maximum one week, the Nigam will treat it as a case of breach of Service Level Agreement. The following steps will be taken in such case:-

- a. The Nigam will issue a Show cause notice to the contractor.
- b. The contractor should reply to the notice with three working days.
- c. If the Nigam is not satisfied with the reply, then DHBVN will initiate termination of the contract proceedings as per the tender document.

**17. EXCLUSIONS:**

The contractor will be exempted from any delays or slippages on SLA parameters arising out of delay in execution due to delay (in approval, review etc) from the Nigam's side. Any such delays shall be put up to the notice of engineer in charge by the contractor promptly.

**18. MONITORING AND REVIEW/ AUDITING:**

The Nigam may review the performance of the contractor against the SLA parameters weekly or at any periodicity defined in the contract document. The review report will form the basis of any action relating to imposing penalty or breach of contract. Any such review can be scheduled or un-scheduled. The results will be shared with the contractor. The Nigam reserves the right to appoint a third party agency to validate the outcome of the performance under SLA. The SLA performance reports shall depict actual versus target parameters and analysis and discussion on appropriate issues or significant events.

**19. SLA AMENDMENT:**

It is acknowledged that this SLA may change as Nigam’s business needs evolve over the course of the contract period. Both the parties may amend this SLA by mutual agreement.

**20. MANAGEMENT ESCALATION PROCEDURES:**

The purpose of this escalation process is to provide a quick and orderly method of notifying both parties that an issue is not being successfully resolved at the lowest possible management level. Implementing this procedure ensures that DHBVN and contractor management are communicating at the appropriate levels. Escalation should take place on an exception basis and only if successful issue resolution cannot be achieved in a reasonable time frame.

1. All issues would be raised to the project management team, which is completely responsible for the day to day aspects of the implementation. The project management team shall classify the issues based on their severity level and resolve them within appropriate timelines.

2. If project management team is unable to resolve an issue, the issue would be escalated to the top management with options/ risks detailed for decision. Top management will make decisions based on the options/ risks presented by the team. The decision of Nigam’s Management will be final and binding on both the parties.

**21. PROJECT CONTRACT AND SLA:**

It is expressly agreed to by the Contractor that non withstanding the fact that the agreement is termed as Service Level Agreement or indicates the break-up of the SLA consideration, for convenience of operation and for payment of taxes on services portion, it is however in fact a part of the contract agreement under the project and thus considered as one composite contract on single source responsibility basis and the Contractor is bound to perform the total contract alongwith SLA in its entirety and non-performance of any part or portion of the contract or SLA shall be deemed to be a breach of the entire contract.

IN WITNESS WHEREOF, the parties through their duly authorized representatives have executed these presents (execution where of has been approved by the competent authorities of both the parties) on the day month and year first above mentioned at Gurgaon.

WITNESS:

1. .... (Owner’s Signature)

(Printed Name)

2. .... (Designation)  
(Company's Stamp)

3. .... (Contractor's Signature)  
(Printed Name)

4. .... (Designation)  
(Printed Name)