

Jharkhand Bijli Vitran Nigam Limited



(CIN-U40108JH2013SGC001702)

Engineering Building, H.E.C. Dhurwa, Ranchi-834004

Fax No. 0651-2400799 E-mail ID: fcjbvnl@gmail.com

EXPRESSION OF INTEREST (EOI)
FOR SELECTION OF CONSULTANCY SERVICES FOR PREPARATION OF FIXED
ASSETS REGISTERS FOR JHARKHAND BIJLI VITRAN NIGAM LIMITED
(JBVNL)

Jharkhand Bijli Vitran Nigam Limited invites Expression of Interest from eligible consulting firms ("Consultants") for preparation of Fixed Assets Registers of Jharkhand Bijli Vitran Nigam Limited (JBVNL).

The short listing criteria would be based on the followings:-

- The bidder should be a registered firm/legal entity,
- Having experience in preparation of Fixed Assets Registers.
- More weightage will be given for having Experience in preparation of Fixed Assets Registers for Discoms/PSUs/Govt. Utilities.

The details can be downloaded from <http://www.jbvnl.co.in>. The interested firms must provide information in support of their experience and financial capabilities. The Expression of Interest (EOI) must be delivered through e-mail only in fcjbvnl@gmail.com up to 23.09.2018 by 5.00 p.m..

Office Address:-

Finance Controller,
Jharkhand Bijli Vitran Nigam Limited,
Engineering Building, H.E.C. Dhurwa,
Ranchi, Jharkhand,
PIN – 834004,
India.

Finance Controller,
JBVNL

Request for Expression of Interest
(Consulting Services – Firms Selection)

India

Jharkhand Power System Improvement Project (P162086)

Loan No.: Applied for

Assignment Title: Preparation of Fixed Assets Register for Jharkhand Bijli Vitran Nigam Limited (JBVNL).

JBVNL, through Govt. of Jharkhand, has applied for financing from the World Bank towards the cost of the **Jharkhand Power System Improvement Project**, and intends to apply part of the proceeds for consulting services towards, Preparation of Fixed Assets Register for JBVNL.

The Draft Terms of Reference (TOR) of the consulting services (“the Services”) is attached as Annexure. This is only to provide an idea about the scope of the assignment to potential Consultants to help them prepare their Expressions of Interest (EoIs). A more detailed TOR will be included in the Request for Proposal (RfP), which will be issued to the short-listed Consultants.

Jharkhand Bijli Vitran Nigam Limited now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services and share relevant details of similar work / assignments undertaken. Eligibility criteria are available in Annexure – I.

The attention of interested Consultants is drawn to paragraph 3.14 of the World Bank’s Procurement Regulations for Borrowers [July 2016, [Revised November 2017 and August 2018](#)] (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest. A Consultant will be selected in accordance with the QCBS method.

Further information can be obtained at the address below during office hours [*10:00 to 18:00 hours*].

Expressions of interest must be delivered through email on fcjbvnl@gmail.com

Attn: Finance Controller,

Jharkhand Bijli Vitran Nigam Ltd,

Engineering Building, HEC, Dhurwa, Ranchi

834004, Ranchi, India

Tel: 91-651-2401829,9431335535.

E-mail: fcjbvnl@gmail.com

Annexure – I: Eligibility Criteria

S. No.	Basic requirement	Specific Requirement	Documents Required
1.	Entity	(i) Consulting firm should be duly incorporated / registered (ii) be in existence for a minimum period of 10 years	Copy of the Incorporation / registration document
2.	Turnover	Minimum average annual turnover as evidenced from the last three years audited balance sheet shall not be less than Rs.50 crores.	Certified copy of the audited financial statements
3.	Overall experience	(i) Experience in undertaking assignments relating to physical verification of fixed assets, preparation of fixed assets registers of large corporate entities with a turnover of more than Rs. 500 crores	Self-certification of details of experience supported by work orders / letters of appointment
4.	Technical capability	(i) Should have successfully completed at least one assignment of physical verification of fixed assets and preparation of fixed assets register of a public sector power distribution undertaking in the last seven years	Self-certification of details of experience supported by work orders / letters of appointment

Jharkhand Bijli Vitran Nigam Ltd

Terms of Reference

For

**Preparation of Fixed Assets Register and hand holding support for updating FAR in
SAP ERP.**

I. BACKGROUND

1. The unbundling of the erstwhile Jharkhand State Electricity Board (JSEB) vide the Jharkhand State Electricity Reforms Transfer Scheme, 2013 (revised 2015¹) transferred all the properties, interests, rights, assets, liabilities, obligations, proceedings and personnel of JSEB pertaining to generation, transmission and distribution to JUUNL, JUSNL and JBVNL respectively in accordance with the mechanism prescribed therein the transfer scheme. The ownership/control of the three companies was vested with Jharkhand Urja Vikas Nigam Limited (JUVNL- Holding Company²). JBVNL (Jharkhand Bijli Vitran Nigam Limited) as a distribution licensee maintains the power supply through the state and is responsible for the operation and maintenance of the electrical system covering all 33 KV, 11KV & 440/220 voltage power distribution system.

2. JBVNL was constituted as a company in accordance with the prescriptions of the Companies Act, 1956 (now 2013) and the legal and regulatory environment is established under the Companies Act, Electricity Act 2003, and the rules framed thereunder. It is a State owned public sector undertakings (PSUs) operating under the administrative control of the Energy Department, Government of Jharkhand, (GoJ).

3. JBVNL has its Head Office (HO) at Ranchi (Jharkhand) with the field offices layered into jurisdictional hierarchy of 7 Electric Supply Area (ESA), around 15 Circles, 45 Divisions, more than 120 Sub-divisions and Sections (power sub-stations). Each ESA is headed by a General Manager cum Chief Engineer (GM cum CE) while each Circle office is under the overall control and supervision of Electrical Superintending Engineer (ESE). The Divisions are headed by an Electrical Executive Engineer (EEE), sub-divisions by the Assistant Electrical Engineer (AEE) and sections by Junior Electrical Engineer (JEE).

4. The Finance function at the HO is sub-divided into various functional departments/sections e.g. budgets, revenue accounts and audit, secretariat, projects etc. under the overall control of a Finance Controller (FC). Each department/ section has Deputy General Managers, Senior Manager/s and Accounts Officer/s (AO). Similarly, the finance function at each ESA is headed by a Deputy General Manager (F&A) and Circle office by an AO while EEE is the Drawing and Disbursing Officer at the Division Office. In addition, each office has subordinate accounts staff being accountants/assistant accountants/Junior Accounts Clerks (JACs). HO along with the ESAs, Circles and divisions are established as the accounting locations with the transactions of the Divisions³ being consolidated at the respective Circle offices.

5. JBVNL does not have a comprehensive Fixed Assets Register. The Statutory Auditor and CAG in its report specifically directed to maintain Fixed Assets register. In order to adhere the regulatory and statutory compliance, there is an urgent need to develop an appropriate framework for Fixed Assets register. JBVNL is in process of transforming itself into a vibrant utility with hundred percent regulatory and statutory compliance. As part of regulatory and other statutory compliance, JBVNL has to prepare the fixed asset register (FAR). Additionally, the present system for inventory management, especially the monitoring system requires strengthening

¹The Scheme was notified on January 06, 2014 vide notification no. 18 (revised notification no. 2917 dated November 20, 2015).

² JUVNL will own all shares of JUUNL, JUSNL and JBVNL.

³Divisions aggregate the expenditure of the sub-divisions under its jurisdiction.

II. OBJECTIVE

6. The key objectives of the engagement shall include:

- Preparation of the Fixed Asset Register complying with the regulatory and statutory prescriptions including physical verification (sample basis), geographical tagging, coding, numbering and valuation of assets distributed across the geographic area of operation of the company within the State of Jharkhand.
- Handholding support for proper management of Fixed Assets in future in SAP ERP environment

III. SCOPE OF WORK

7. **(A1) Program Management of the Physical Verification & Valuation of Fixed Assets**

(I) Preparation of Plan for physical verification & valuation of fixed assets:

(a) Identify in consultation with JBVNL the assets to be verified, prepare the template of the Fixed Assets Register and the report on physical verification & valuation which will be approved by JBVNL, establish physical verification protocols, teams / and plan in consultation with JBVNL.

(b) Develop the entire physical verification & valuation plan in consultation with JBVNL officials of different accounting units on the geographical spread of the assets.

(c) Develop Fixed Assets Coding framework- The Consultant shall develop the framework for tagging, coding and numbering of Fixed Assets which will be approved by JBVNL.

(II) Program manage the data collection exercise:

(a) Given the size and geographical coverage of the distribution business, physical verification, valuation and preparation of the asset register of all the assets is a major challenge. It is expected that the data shall be provided by JBVNL circle and other field offices to the extent possible.

(b) The Consultant shall manage the program and be responsible for ensuring that the entire data collection exercise is completed within the prescribed time. As a part of the program management, the Consultant shall develop the asset verification methodology, formats, physical verification plan (wherever required) and framework for tagging and coding as outlined in Point (II) above.

(c) Further, the consultant and JBVNL shall follow a pragmatic approach and rely on estimations and block level analysis to the extent possible. E.g pole to meter assets may be considered a block and should be considered only as one asset. Similarly, LT pole may be considered a single asset.

(d) The Consultants shall provide periodical status reports on the completion of exercises. This will include review of physical verification sheets submitted by the physical verification teams, monitoring the adherence to schedule, provide status reports to management on the progress highlighting delays and any other issues, identify mitigation measures etc.

(III) Physical Verification of Assets on actual survey basis

In parallel to the data collection by JBVNL field offices, the consultant teams shall physically verify all the details related to the assets as per the below sampling methodology

- a) For consumer meters, no physical verification will be required
- b) For all assets from the consumer pole to the consumer premises, no physical verification will be required
- c) For LT line (from distribution transformers to the LT pole), the consultant team shall verify approximately 5% of the LT lines as per the sampling methodology agreed with JBVNL during implementation
- d) For Sub-stations, DTRs, and HT line, the consultant shall verify 100% of these assets for 10 sub-divisions (sub-divisions to be agreed with JBVNL during implementation)
- e) For rest of the assets such as land, building (office and townships), vehicles, a sampling methodology will be agreed with JBVNL later

(IV) Compile and consolidate all data and Valuation exercise:

(a) This task will involve compilation and consolidation of all JBVNL's Fixed Assets collected from the field.

(b) The consultant shall assist JBVNL in valuation exercise based on the methodology agreed.

(c) The Valuation of Assets shall be based as per provisions of IND-AS –The cost determination exercise shall be carried out based on the following:

(1) For assets created before unbundling of the erstwhile JSEB in 2014, the cost determination shall be based on documentary evidences such as invoices, Purchase / Work Orders, BOQs, and other relevant records, which shall be made available by JBVNL, to the extent possible. Otherwise, the consultant shall identify individual assets scheme-wise and make its valuation as per the functional condition of the Assets (as per the methodology agreed).

(2) For assets with no economic life/useful life including obsolete assets, the value shall be determined by the Chartered Valuer as per provisions of Ind-AS.

(3) For assets created after unbundling of the erstwhile JSEB in 2014, the cost determination shall be based on documentary evidences such as invoices, Purchase / Work Orders, BOQs, and other relevant records which shall be made available by JBVNL based on which the consultant shall identify individual assets scheme-wise and make its valuation as per the functional condition of the Assets.

8. **(A2) Incorporation of Valuation and Cost Determination Exercise outputs and Preparation of Fixed Assets Register:**

(I) Post completion of the above exercise, the consultant shall assist JBVNL in reconciliation of the fixed assets (as per physical verification and valuation exercise) with the existing values in the books of accounts. The Consultant shall identify the variances and suggest rectification entries to be passed in the books of accounts.

(II) Preparation of fixed asset register for JBVNL: The consultant will prepare the fixed asset register in the format agreed with JBVNL after incorporating asset values from the valuation report and the cost determination exercise for assets procured after 2014. The cut-off date of physical verification is 31.12.2018 (or as decided by JBVNL based on actual date of start of physical verification). Further, the FAR shall be

maintained in SAP-FI module and the consultant shall assist JBVNL and the SAP implementation agency to bring the data to a format that can then be migrated into SAP-FI module.

9. **Maintenance support for the updating of the FAR**

- (l) In parallel to the above exercise, the Consultant shall develop and document a Fixed Asset capitalization and disposal process (to be part of the FM manual). This process will have comprehensive framework for management of fixed assets, in compliance with the statutory and regulatory prescriptions and should provide detailed procedures for identification, custody, physical verification, disposal, record maintenance, accounting etc. of the fixed assets.

10. Setting up of the Program Management Office (PMO): Set up a Project Management Office in Ranchi

IV. KEY PERSONNEL: -

- 11 It is expected that a team of four to five experts may be required at JBVNL Hq. in Ranchi. Additional man power of around five to seven experts may be required at Area Board Offices for short term duration. This consultant team will be supported by suitable survey agency for physical verification.