



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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### Abstract

Pallivasal Extension Scheme (2x30MW-153.90Mu) – Execution of the Balance Civil works- Award of work- Sanctioned - Orders issued.

### Corporate Office(SBU-G/C)

BO(DB)No.537/2019(DGC/AEEV/PES- Balance works /2018) TVPM dtd:11.07.2019

- Read:
1. G.O(Ms) No. 10/2018/PD dated 10.07.2018.
  2. BO(FTD)No.1932/2018(DGC/AEEV/PES-Balance works/2018) dated 19.11.2018
  3. BO(DB)No.172/2019(DGC/AEE V/PES- Balance works/2018) dated:26.2.2019.
  4. B.O (DB) No. 366/2019 D(GE) /G2/PES/2019-20) dated 6.5.2019
  5. Note No. FA/Tender -I/57/2019 dated 30.05.2019 of the Financial Adviser, KSEBL.
  6. Note No. DB30/CCM/PES/Balance works/2019-20 dated 1.6.2019 of the Deputy Chief Engineer & PM(PES) with F/P of CE.
  7. Note No. DGC/AEE V/PES- Balance works/2018 dated 07.06.2019 of the Chairman & Managing Director
  8. Proceedings of the 47<sup>th</sup> meeting of the Board of Directors held on 29.06.2019((Agenda 10-06/2019).

### ORDER

The Contract for the implementation of the Pallivasal Extension Scheme was awarded to M/s. ESSAR DEC-CPPL Consortium as a single package and agreement No. 11/CE(IPDS)/2006-07 was executed on 31.01.2007. The agreed contract value was ₹268.01 crore. The date of completion as per agreement was 01.03.2011. But the work was not completed in time due to several reasons including geological issues occurred at Intake and Tunnel area, improper planning of the contractor, non-mobilization of adequate men, materials and machineries etc due to financial stringency of the Contractor.

The works of Intake area, Face I Tunneling and balance Face II tunneling were delinked from the scope of work awarded to M/s. ESSAR -DEC-CPPL Consortium as per BO No 1422 /2017 dated: 2.06.2017 by invoking clause EI.060 of the contract agreement, with the consent of the contractor. The delinked work was awarded to M/s. BUMI-ZILLION JV for an amount of ₹ 109,44,03,495.00 and is progressing.

The balance Civil works coming under the scope of M/s ESSAR DEC CPPL consortium was works from Adit I to CH 1165 & Face II to Power House and other allied works. But the contractor stopped the entire balance works with effect from 10<sup>th</sup> April 2018 as the price adjustment sanctioned by the Government was not found encouraging to the contractor. Government as per G.O read as 1<sup>st</sup> paper above has accorded sanction to retender the balance work of Pallivasal Extension Scheme at the risk and cost of the contractor. As the contractor committed breach of contract conditions, KSEBL as per letter dated 13.09.2018 has terminated the contract with M/s ESSAR DEC CPPL consortium at their risk and cost and decided to forfeit the Performance Security and Retention money to the KSEBL's account. The Contractor has filed WP © No 31613/2018

before the Hon'ble High court of Kerala challenging the termination order and the case is pending before the Hon'ble High Court.

KSEBL has also delinked the balance works of tail race weir of PES and supply and laying of outlet pipe from tail race weir of Pallivasal Extension Scheme to the inlet of Sengulam tunnel from the Civil works of Pallivasal Extension Scheme and the work was awarded to Shri Saravana Industries Private Ltd at their quoted rate of ₹ 7,16,26,739/

KSEBL as per B.O read as 2<sup>nd</sup> paper above has accorded Administrative Sanction for an amount of ₹ 85.60 Crore including GST for completing the balance work of Pallivasal Extension Scheme excluding the already delinked work with a split of Civil works - ₹ 73 .00 Cr and E & M works - ₹ 12.60 Cr and to invite tenders for the execution of balance Civil & E & M works together. Accordingly the Deputy Chief Engineer & PM(PES) invited e-tenders on 22.11.2018, as a single package for the balance Civil & E & M works together, but no bids were received. Hence sanction was accorded to re tender the balance Civil & E & M works separately as per B.O read as 3<sup>rd</sup> paper above considering the fact that balance Civil works are in critical path and will require at least 26 months to complete on a most optimistic schedule while Electro-Mechanical works require only about 18 months.

Subsequently Chief Engineer (Generation & PED) has requested sanction for the revised estimate for balance E & M works amounting to ₹ 20.275 cr. The Board in its 46<sup>th</sup> meeting held on 26.04.2019 vide Agenda 9-04/2019 had accorded sanction for the revised estimate of ₹ 93.275 Crore for the balance works of Pallivasal Extension Scheme with a split of Civil works - ₹ 73 .00 Cr and E & M works - ₹ 20.275 Cr. Accordingly vide B.O read as 4<sup>th</sup> paper above, sanction was accorded for the revised estimate of ₹ 93.275 Crore for the balance works of Pallivasal Extension Scheme with a split of Civil works - ₹ 73 .00 Cr and E & M works - ₹ 20.275 Cr .

The Deputy Chief Engineer & PM(PES) vide note dated 01.06.2019 has reported that the tender for the balance civil works was invited vide e-Tender No CCM/DYCE/04/2018-19 dated 19.02.2019. The Pre-Qualification bids were opened on 26-04-2019 and following bidders have participated in the tender and all of them Pre- Qualified as the firms have sufficient Technical and Financial capability as per the Pre-Qualification criteria.

M/s. Nechupadam Constructions Pvt. Ltd –SSIPL Consortium

M/s.Anchor Structural -DSE-SSIPL Consortium

M/s. Poulouse George construction Company Pvt.Ltd –Aryacon constructions Consortium

The price bids of the technically & financially qualified bidders were opened on 23.05.2019. The tendered PAC of the work of the above work is ₹ 59,21,39,191/- and the estimated value of schedule A -BOQ 1 is ₹48,00,49,322 and that of Schedule B – BOQ2 is ₹11,20,89,869/. The time of completion of work is 26 months.

M/s. Anchor Structural –DSE-SSIPL JV quoted the lowest amount of ₹ 48,34,11,157/- with an overall percentage of 18.36 % below estimated PAC . The firm quoted ₹38,11,11,157/ on Schedule –A and ₹ 10,23,00,000/- on Schedule –B. The bidder was asked to offer their rock bottom rate. The firm as per their letter dated 01.06.2019 has informed that, considering the nature of work, site conditions, material availability etc. the rate quoted by them is very competitive and only workable. They have also informed that they have quoted the rate below the estimate rate and far below the L2 & L3 rate and hence they are unable to further reduce the already quoted rate.

The Deputy Chief Engineer & PM(PES) recommended to award the work of Pallivasal Extension Scheme (2 x 30 MW) – balance civil works of tunnel, surge shaft, pressure shaft,



penstock, power house and allied works to M/s. Anchor Structural –DSE-SSIPL -JV who stood as 1<sup>st</sup> lowest in the bidding process at the rates quoted.

The matter was considered by the Full Time Directors in the meeting held on 6/6/2019, together with remarks of Financial Adviser read as 5<sup>th</sup> paper above, and approved for placing before the Board of Directors with the recommendation that the Project Manager shall ensure that the execution is taking place strictly based on microschedule and hindrance register and any slippage at any stage shall be reported to the Board.

The details of outcome of tender for balance civil works of Pallivasal Extension Scheme were placed before the 47<sup>th</sup> meeting of the Board of Directors held on 29.06.2019 as per note read as 7<sup>th</sup> paper above vide Agenda 10-06/2019. The Board observed that assessment of risk and cost to be recovered from the previous contractor subject to the verdict of court order in WP @ No 31613/2018 before the Hon'ble High Court of Kerala need to be carried out. After discussion, the Board

Resolved to accord sanction to award the work of Pallivasal Extension Scheme (2 x 30 MW) – Balance Civil works of tunnel, surge shaft, pressure shaft, penstock, power house and allied works to the lowest bidder M/s. Anchor Structural –DSE - SSIPL JV at their quoted amount of ₹ 48,34,11,157/- (Rupees Forty Eight Crore Thirty Four Lakh Eleven Thousand One Hundred and Fifty Seven only) with an overall percentage of 18.36 % below the PAC of ₹ 59,21,39,191/- as under:

Schedule A percentage rate-BOQ1 ( 20.61 % below estimate rate )	₹ 38,11,11,157/-
Schedule – B( item rate- BOQ2)	₹ 10,23,00,000/-
Total quoted Amount	₹ 48,34,11,157/- ( Rupees Forty Eight Crore Thirty Four Lakh Eleven thousand One Hundred and Fifty Seven only)

Orders are issued accordingly. The Deputy Chief Engineer & Project Manager (PES) with F/P of Chief Engineer, Pallivasal Extension Scheme shall take further necessary action in this regard.

By Order of the Director Board,

Sd/-

LEKHA G.

COMPANY SECRETARY IN CHARGE

To The Deputy Chief Engineer & Project Manager (PES) with F/P of Chief Engineer, Pallivasal Extension Scheme.

Copy to:

- The Chief Engineer (Generation & PED)
- The Chief Internal Auditor/ Financial Adviser
- The Chief Engineer (IT)
- The RCAO/The RAO
- The TA to CMD/Director(GC&HRM)/Director (D & IT), Director (T&SO)/Director (CP, GE, SCM &S)
- The PA to Director (Finance) /Company Secretary

Forwarded / By Order

  
Assistant Executive Engineer