



Abstract

Execution of E&M works of RMU of Kuttiyadi 3x25 MW HEP – Evaluation of Price Bid - Sanctioned - Orders issued.

Corporate Office (SBU-G/E)

B.O. (DB)No. 680 /2019 (D(GE)/G2/RMU-KTDY /2019-20) Thiruvananthapuram. Dated: 05 - 09 - 2019

- Read:-
1. B.O.(DB)No.1519/2017(DGE)/G2/RMU-KTDY/2017-18 dated 14-06-2017.
 2. B.O.(DB) No. 1580/2018 (D(GE)/ G2/ Genl/Tender/2018-19 dated 26-06-2018.
 3. Note No. FA/Tender I/80/2019 dated 13-08-2019 of Financial Adviser.
 4. Letter No. 22/AE4/2013/CE (PED)/468 dated 14-08-2019 of the Chief Engineer (Generation & PED).
 5. Note No. D(GE)/G2/RMU-KTDY/2019-20 dated 16-08-2019 of the Director (CP,GE,SCM&S) to Full Time Directors (Agenda Item No. 61/8/19).
 6. Note No. D(GE)/G2/RMU-KTDY/2019-20 dated 17-08-2019 of the Chairman and Managing Director to the Board of Directors.
 7. Proceedings of the 48th Meeting of the Board of Directors held on 22-08-2019 vide Agenda No. 07-08/2019.

ORDER

The Kuttiyadi Hydro Electric Project having a capacity of 3x25 MW was commissioned during the year 1972. Now the project has completed 46 years of service. The generating units in the powerhouse and its auxiliary equipment are fraught with problems developed due to ageing. Hence the renovation of the generating units and the auxiliary equipment was proposed after carrying out Residual Life Assessment (RLA) studies of various machinery and equipment in the station, through Alternate Hydro Energy Centre (AHEC), a Central Government agency under the IIT, Roorkee. The Chief Engineer (Projects-Electrical Designs) prepared a Detailed Project Report (DPR) based on the report of RLA study and other inputs from the field engineers and Administrative Sanction was accorded vide B.O read as 1st above for the Renovation, Modernization and Up-rating of machines of Kuttiyadi 3x25 MW HEP, at an estimated cost of Rs. 327.20 Crore (excluding IDC). The main works included in the DPR are Hydro Mechanical work in the powerhouse, Electrical work in the powerhouse, Electrical work in the switchyard, Laying of new penstock and Other civil works.

The tender for the execution of E&M part of RMU works was floated by the Chief Engineer (Projects-Electrical Designs) during December 2017 with PAC of Rs.156.20 Crore. But the tender was cancelled due to lack of competition and in compliance with the B.O. (DB) No.3243/2016 (CIA/Esst.GI./RCA/PCU-Tvpm/2016) dated 17-11-2016. For ensuring better participation, some of the tender conditions were modified/ included as per B.O. read as 2nd above and the work was retendered vide E-tender No.CEPED/07/2018-19 dated 27-11-2018. In response to the tender, five bidders submitted the bids.

The Pre-qualification committee meeting held on 04-07-2019 pre-qualified two bidders namely M/s. Bharat Heavy Electricals Limited (Bid ID-651263) and M/s. Voith Hydro Private Limited, (Bid ID- 662737). The financial bids were opened on 09-07-2019. M/s. Bharat Heavy Electricals Limited quoted Rs. 90,00,00,000/- (Supply (BoQ1) - Rs. 72,21,39,519.02, Service(BoQ2)- Rs. 17,78,60,480.98) and emerged as the L1 bidder. The quoted rate comes to 57.62% of the PAC of Rs. 156.20 Crore. The total price quoted by the L1 bidder excluding 1% quoted against welfare

cess for Kerala building and other Construction workers' welfare fund, which is not applicable for this contract, comes to Rs. 89,82,39,005/- which is 57.51% of the PAC. The firm was requested to furnish their rock bottom rate. But the firm intimated that they have already quoted their rock bottom rates, which are very competitive.

The Chief Engineer (Generation & PED) has reported that chances of getting better rate on retendering is remote, since the quoted rate of L1 bidder is well below the PAC. The rate quoted by the L2 bidder is Rs. 141,63,61,540.20. Moreover, L1 bidder is a Central PSU and has executed many projects for KSEBL satisfactorily. Hence, it will be in the best interests of KSEBL and State, to award the work to the L1 bidder M/s. Bharat Heavy Electricals Limited at their quoted rate of Rs. 90,00,00,000/- less 1% on account of welfare cess for Kerala building and other construction workers' welfare fund for the service, which comes to Rs. 89,82,39,005/-. Considering all above, the Chief Engineer (Generation & PED) requested sanction for awarding the work to M/s. Bharat Heavy Electricals Limited. It is also reported that an additional Performance Bank Guarantee for 15% of PAC to be collected from the bidder considering the G.O.(P) No.429/15/Fin dated 28.09.2015, since quoted rate is below PAC.

The matter was considered by the Full Time Directors in the meeting held on 16-08-2019 as per Note read as 5th above and resolved to place the matter before the Board of Directors. Accordingly, the matter was placed before the 48th meeting of the Board of Directors held on 22-08-2019 vide Agenda Item No. 07-08/2019. After discussion the Board

1. Resolved to accord sanction to award the execution of E&M works of RMU of Kuttiyadi 3x25 MW HEP to the L1 bidder M/s. Bharat Heavy Electricals Limited at their quoted rate of Rs.90,00,00,000/- less 1% on account of welfare cess for Kerala building and other construction workers' welfare fund for the service part, which is not applicable for this contract. The corrected value of contract with taxes and duties works out to Rs. 89,82,39,005/- (Rupees Eighty Nine Crore eighty two lakh thirty nine thousand and five only).
2. Resolved further to collect additional Performance Bank Guarantee for 15% of PAC from the L1 bidder, M/s. Bharat Heavy Electricals Limited as required in G.O.(P) No.429/15/Fin dated 28-09-2015, since quoted rate is below PAC

Orders are issued accordingly.

By Order of the Director Board,

Sd/-

Lekha G

Company Secretary (In charge)

To

The Chief Engineer (Generation & PED), Moolamattom.
The Deputy Chief Engineer (Projects-Electrical Designs).

Copy to:

The Financial Advisor/ The Chief Internal Auditor/The Company Secretary.
The Deputy Chief Engineer (IT)/ The RCAO/The RAO.
The TA to Chairman & MD/ Director (GE&SCM)/ Director (GC)/ Director (Trans.,SO&S)/ Director (D,IT&HRM).
The PA to Director (Finance).

Forwarded / By Order

Sunil Kumar
Asst. Exe. Engineer

DESPATCHED

No. 179

Date 16.09.19