



## KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

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### ABSTRACT

Review and refinement of General Conditions of Contract applied to Civil Procurement - Adoption of CPWD General Conditions of Contract - Sanctioned - Orders issued.

### CORPORATE OFFICE(SBU-G/C)

BO (DB)No.192/2023(DGC/AEE I/TENDER/GCC/2022)

Thiruvananthapuram, Dated: 11.04.2023

- Read: 1. Note No. CMD/106/High Priority Items/2022 dated 02.06.2022 of the Chairman & Managing Director.
2. Note No. DGC/AEE I/TENDER/GCC/2022 (3) dated 16.02.2023 of the Director (Generation-Civil), KSEBL (Agenda 50/2/23).
3. Note No. DGC/AEE I/TENDER/GCC/2022 dated 09.03.2023 of the Chairman & Managing Director, KSEBL
4. Proceedings of the 70th meeting of Board of Directors held on 25.03.2023 vide Agenda No.9-3/2023.

### ORDER

KSEBL generally implements the construction of its projects/works through contractors by inviting competitive tenders. However, during implementation of the projects, it has been witnessed time & cost overrun in many projects due to various reasons. It has been observed that there is less participation in the tenders invited by KSEBL from reputed contractors all over India.

The Chairman & Managing Director as per the note read as 1<sup>st</sup> above had directed to review and refine the General Conditions of Contract applied to Civil Procurement.

Various discussions were taken place to review and refine the Terms & Conditions of Contract followed by KSEBL for implementation of its Projects by inviting tenders, focusing on the following outcome once implemented.

- Standardization of tender conditions at par with industry practice
- to improve transparency during implementation of contracts
- to encourage wider participation of reputed contractors in tenders invited by KSEBL
- to reduce contractual complications & avoid post contract disputes causing time & cost overrun in the Projects.

To meet the above objectives, General Conditions of Contract currently followed by KSEBL for Civil projects/works were compared with the Contract Conditions followed by CPWD & other Central PSUs/agencies implementing Hydro Electric Projects in India. Also views & suggestions were collected from concerned Chief Engineers/Project Managers based on the concerns & difficulties faced by them while implementing the contracts/works.

After review and comparison of Terms & Conditions of CPWD/Central PSUs and in due consideration of views & suggestions received from concerned Chief Engineers/Project Managers, conclusion has been reached that the General Conditions of Contract followed

by CPWD (including its revisions time to time) will be suitable for adoption to meet the above objectives.

CPWD GCC is mainly targeted for works like Buildings, Roads, Bridges etc. But major capital work in KSEBL is Hydro Electric Projects which includes construction of Dams, weirs, Tunnels, Surge, Penstocks, Electro Mechanical works besides Buildings, Roads, Bridges etc. Most of the HEPs are located in remote and isolated areas with difficult geographic terrains and also involve risky jobs. Hence, "Particular Conditions of Contract (PCC)" to suit the special nature of work is to be formulated Project/work specific along with the GCC. Also, standard guidelines are to be decided to prepare the Schedules D, E & F (a part of CPWD GCC), to address the specific requirements of the Project/type of works. Other standard documents of CPWD like "Works Manual and Standard Operating Procedure" are also required to be adopted along with GCC.

Therefore, before implementing the Conditions of Contract of CPWD, it is imperative that the same is reviewed in detail by a committee formed from representation from all Departments concerned with in KSEBL and necessary modifications, if necessary, is incorporated as Particular Conditions of Contract (PCC) along with standard guidelines to prepare the Schedules D, E & F, which is required to address the specific requirements of the Project/type of works. This exercise should also review & address the specific interests of KSEBL in consideration of existing Board Orders regarding the subject matter and shall ensure that all tender inviting authorities across KSEBL follows the same standard criteria/parameters. Along with this exercise, Standard documents of CPWD has to be reviewed to decide up on adoption of the same in KSEBL.

The proposal was placed before the Full Time Directors as per note read as 2<sup>nd</sup> above, in the Full Time Directors in its meeting held on 17.02.2023 decided to place the matter before the Board of Directors of KSEBL for approval.

Accordingly, the matter was placed before the Board of Directors, as per note read as 3<sup>rd</sup> above.

Having considered the matter in detail the Board of Directors in its 70<sup>th</sup> meeting held on 25.03.2023 considered the proposal and the Chairman & Managing Director intimated that adoption of CPWD GCC in KSEBL would help in bringing standardization and would address many contractual issues faced by the company. CMD also stated that the adoption of CPWD conditions is not intended to be restrictive but to bring standardization and if the enabling provision is not available then particular provision would be decided at the time of bidding by following due processes and as per the delegated powers. The practices followed in other Central PSUs could also be referred at the time of deciding the exceptional cases.

After discussion, the Board

Resolved to adopt the "General Conditions of Contract issued by CPWD" as standard "General Conditions of Contract (GCC)" of KSEBL for all future tenders for civil works invited by KSEBL with prospective effect and for those works if the enabling provision is not available in it, the Full Time Directors would be authorized to decide the particular provision at the time of bidding.

Resolved further to form a committee to prepare a standard guideline document for finalization of "Particular Conditions of Contract (PCC)" and "Schedule- D, E & F" will be

formulated after reviewing other standard documents of CPWD and other DISCOMs. The report shall be submitted within 2 months.

Orders are issued accordingly.

**By Order of the  
Director Board**

**LEKHA G  
Company Secretary**

To:  
All Chief Engineers

Copy to: The Chief Engineer (IT,CR&CAPS)/ Company Secretary/ Financial Advisor/  
LA&DEO/CIA  
The TA to the Chairman & Managing Director / Director (Generation-Civil)/  
Director (Distribution, IT SCM,REES & Soura)/ Director (Transmission, SO, P,S & Ge-  
Ele)  
The PA to the Director (Finance & HRM)  
The Sr.CA to the Secretary (Administration).  
The RCAO/RAO  
Stock File/Library.

Forwarded / By Order

  
Assistant Executive Engineer