



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated Under the Companies Act, 1956 (No. 1/1956))

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ABSTRACT

E-tender No KSEB/SCM/eP47/2022-23 dated 14.02.2023 floated by Chief Engineer (SCM), KSEB Ltd - Purchase Order placed with KEL, Kochi - Tenderer failed to fulfill the contractual obligations - Arranging of Risk & Cost purchase for the quantity defaulted -Sanctioned - Orders issued

CORPORATE OFFICE (Procurement & Supply Chain Management)

B.O.(FTD)No. 78/2024 (XD/AE3/SCM.24/2023-24) Thiruvananthapuram,

Dated 17.02.2024

- Read: 1. Purchase Order No. SCM.24/2023-24/1777 dated 04.07.2023.
2. Letter No.XD/AE3/DTR General/2023-24 dated 23.09.2023 addressed to M/s KEL, Kochi.
3. Letter No.XD/AE3/SCM.24/2023-24 dated 06.01.2024 addressed to M/s KEL, Kochi
4. Letter No.KMTM/ST-4172-74 & 810/6297/2023-24 dated 09.01.2024 of M/s KEL, Kochi.
5. Letter No. UPS/SCM.eP47/2023-24/072 dated 09.01.2024 of M/s Unipower Systems, Kottayam.
6. Note No. XD/AE3/SCM 24/2023-24 dated 31.01.2024 of the Chief Engineer (SCM) submitted to the Full Time Directors (Agenda No:18-02/2024)

ORDER

Pursuant to the E-tender No KSEB/SCM/eP47/2022-23 dated 14.02.2023, purchase order read as 1st above for the supply of 11 kV/433 V 100 kVA (1198 Nos), 160 kVA (340 nos.), & 500 kVA (11 Nos.) DTRs for the Financial Year 2023-24 was placed with M/s KEL, Kochi, considering their status as a Public Sector Undertaking among other things. As per the delivery schedule in the said purchase order, the 1st lot of 100 Nos of 160kVA transformers ought to have been supplied within 3 month from the date of P.O. ie, within 04.10.2023, 2nd lot of 100 Nos of 160kVA transformers within 4 month from the date of P.O. ie, within 04.11.2023, the 3rd lot of 100 Nos of 160kVA transformers within 04.12.2023 and the last lot of 40 Nos, within 04.01.2024. But, till date, the said firm had supplied only 65 Nos of 160kVA transformers. As per the relevant provisions in the purchase order, 'Advance information' of not less than 20 days regarding readiness of goods for inspection and the date of inspection and testing shall be given to the Chief Engineer (SCM), immediately when each consignment or lot is ready for despatch'. But, till date no such intimation regarding the said inspection, is received by the said tendering authority or KSEBL.

The delay in supplying the transformers by M/s KEL has adversely affected the execution of the works in the field offices, there by affecting KSEBL's revenue and performance. The above matter was intimated to the said firm as per letters read as 2nd & 3rd above. In reply, the firm as per letter read as 4th above, had submitted untenable reasons and requested for delivery extension, releasing of pending payment and waiver of liquidated damages imposed, overlooking the very provisions in the tender conditions. Also, they have requested to release the retention amount deducted from the previous bills towards performance guarantee by accepting corporate guarantee. According to them, they are facing acute shortage of working capital to purchase major raw materials for timely delivery.

As there is alarming scarcity of distribution transformers of various ratings in the field, relaxing any of the provisions in the purchase order was not possible. In the circumstance, having exhausted all other options, the KSEB Ltd was left with no other option, but to procure the said items from the L2 bidder, M/s Unipower Systems, Kottayam, who is willing to supply the 275 Nos of 160kVA transformers at basic price: Rs.2,68,000/-, Freight:Rs.2,000/-, GST@ 18%: Rs.48,600/- & AIR:Rs.3,18,600/- causing a difference of Rs.41,72,746/- viz-a-viz the rates agreed to by the L1, the KEL, Kochi.

Having considered the matter in detail, the Full Time Directors have resolved:

- i. to accord sanction for placing Purchase Order with M/s Unipower Systems, Kottayam, who is the L2 in the subject tender, for the supply of 275 nos of 160kVA transformers at their quoted All Inclusive Rate of Rs.3,18,600/- per unit (Basic Price: Rs.2,68,000/-, Freight: Rs.2,000/-, GST@ 18%: Rs.48,600/-), the total financial commitment being Rs. 8,76,15,000/- (Rupees Eight Crore Seventy Six Lakhs Fifteen thousand only);
- ii. to authorize the Chief Engineer (Procurement & SCM) to recover the risk & cost amount of Rs.41,72,746/- (Rupees Forty One Lakhs Seventy Two thousand Seven hundred and Forty Six only) from the defaulted vendor, M/s KEL, Kochi observing due procedure.

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-

LEKHA.G

COMPANY SECRETARY

To

The Chief Engineer (SCM)

Copy to:-

1. The Company Secretary/Chief Engineer (IT, CR & CAPS)/ Financial Advisor/ LA & DEO/ Chief Internal Auditor/Chief Vigilance Officer.
2. The TA to Chairman & Managing Director/ Director (D, S & SCM)/ Director (T, SO & Planning)/ Director (G-Electrical, REES, SOURA, S&W) / Director (G-Civil)
3. PA to Director (Finance)
4. Senior C.A. to Secretary(Administration)
5. The RCAO/RAO
6. Stock file.

Forwarded/ By Order



Assistant Engineer