



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated Under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom,

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ABSTRACT

Manufacture and Supply of 8m/200kg PSC poles for the Electrical Circles under Southern, Central, Northern and North Malabar Regions for a period of 2 years - P.O. issued - Inadequate capacity of M/s. Pinarayi Industrial Co Operative Society LTD., Kannur - revising Purchase Order quantity - Sanction accorded - Orders issued.

Corporate Office (Supply Chain Management)

B.O.(FTD) No. 117/2023(CE/SCM/XC/AE3/PSC Poles/8m/2021-22) dated, Thiruvananthapuram 08.03.2023

Read: Note No.CE/SCM/XC/AE3/PSC Poles/8m/2021-22 dated 28/02/2023 of the Chief Engineer (SCM) submitted to the Full Time Directors (Agenda 13/3/23)

ORDER

Purchase Orders were issued to 10 Nos L1 bidders for supplying 6,73,856 No of 8m/200kg PSC poles out of the tendered quantity of 7,00,000 poles as per the decisions of the Purchase Committee meeting held on 27/06/2022 and 28/06/2022 and as per the B.O. (DB) No.571/2022(CE/SCM/XC/AE3/PSC Poles/8m/2021-22) dated 02/07/2022.

Though two of the suppliers, viz. M/s. Pinarayi Industrial Co Operative Society LTD., Kannur and M/s. The Imperial Trading Company (TN), Kanyakumari do not possess sufficient infrastructure facilities and capability to meet their eligible entitlements in its entirety in line with KSEBL's expectations and demand, they have not cautioned at first place their inability to meet the quoted quantity, during the tender stage. Despite the inadequacy factor of the above said suppliers was before hand, KSEBL however was constrained to allocate their entire quoted quantity to these two suppliers to avert probable future litigation when KSEBL is reeling under severe pole shortage crisis.

Purchase Order No. SCM.44/2022-23/3523 dated 02/07/2022 was subsequently issued to M/s. Pinarayi Industrial Co Operative Society LTD., Kannur for the Manufacture

and supply of 8m/200kg PSC poles to Electrical Circles, Kozhikode, Vadakara, Kannur and Sreekandapuram and the pertinent details are given below.

Sl. No.	Name of Electrical Circle	P.O. quantity (Nos)	Monthly target (Nos)
1	Kozhikode	29,750	1,240
2	Vadakara	21,700	904
3	Kannur	26,425	1,101
4	Sreekandapuram	64,750	2,698
	Total	1,42,625	5,943

The monthly target fixed as per the above Purchase Order was 5943 No. of 8m PSC poles to the above Electrical Circles. As per the Purchase Order, the supply of 8m PSC poles shall commence in 16th August 2022 and the delivery to be completed by 15/08/2024.

As directed by the Director (D, IT & SCM), a review meeting was conducted with M/s. PICOS including M/s. Imperial Trading Co. and M/s. Raphael & Company, Thrissur on 02/08/2022. In the Meeting, M/s. PICOS's commitment for the supply of 8m PSC poles for the 1st three months was as follows:-

August month supply - 2500Nos against monthly target of 5943
September - 3000 Nos against monthly target of 5943
October onwards - 3800 Nos against monthly target of 5943

Also M/s. PICOS had requested to reduce their scheduled monthly target from 5,943 to 3800 from November 2022 onwards till the end of the contract without incurring any additional financial liability on them. In the zoom meeting conducted by the CMD, KSEBL on 11/08/2022 with the PSC pole suppliers also, M/s. PICOS have reiterated their above commitment. It is therefore confirmed that M/s. PICOS are unable to meet their scheduled target of 5,943 poles/month. Thus shortage of poles identified as 8,529 No out of their 3 months scheduled target for 8m/200kg PSC poles till the end of October 2022 and an additional 45,003 No poles till the contract completion, thus a total of 53,532 poles in shortage for next two years is anticipated in Kozhikode, Vadakara, Kannur and Sreekandapuram Electrical Circles together.

In order to meet the immediate requirement of deficient number of PSC poles to the above Electrical Circles, the Purchase Sub Committee meeting held on 12/10/2022 had authorized the Chief Engineer (SCM) to place Adhoc Purchase Order to M/s. Bajrang Power Industries LLP, Jaipur for supplying 8,529 No 8m/200kg PSC poles at L1 rate of respective Circles, by deducting respective quantity from the Purchase Order quantity issued to M/s. Pinarayi Industrial Co Operative Society Ltd. The above action was formalised in line with Clause 13.b. of the P.O. condition. Accordingly Ad-hoc P.O. was issued to M/s. Bajrang Power Industries LLP, jaipur on 12/10/2022 for supplying 8,529 No 8m/200kg PSC poles to Kozhikode, Vadakara, Kannur and Sreekandapuram Electrical Circles within 2 months and they have already completed the supply as per the schedule.

There is no additional financial commitment to KSEBL on the issuance of P.O. to M/s. Bajrang Power Industries LLP by deducting the 8529 poles from M/s. PICOS, since the procurement is done at the L1 rate of M/s. PICOS at the respective Circles. Now that after the 1st quarter appraisal of delivery of poles (16th August to 15th November 2022) it is observed that poles are still remain as shortfalls to M/s. PICOS that need to be further addressed to cover the entire outstanding shortfall in the 1st Quarter commitment of M/s. PICOS. This quantity of poles can be allocated to M/s. Bajrang Power Industries towards the above 4 Electrical Circles, if emergency arises, by issuing an additional Purchase Order to M/s. Bajrang Power Industries limiting the additional quantity within 25% of the Original Purchase Order quantity allocated to them.

Accordingly the matter was placed before the Full Time Directors as per Note read above. Having considered the matter in detail, the Full Time Directors in its meeting held on 02/03/2023

RESOLVED to accord sanction to issue a revised P.O. to M/s. Pinarayi Industrial Co-Operative Society Ltd., Kannur, for supplying a reduced quantity of 89,093 Nos of 8m/200kg PSC poles by reducing their scheduled monthly target from the commencement till the end of the contract as @2500 poles in August 2022, @3000 poles in September 2022 and thereafter @3800 poles till the P.O. completion, (ie. up to 15/08/2024) without changing any other P.O. conditions except the relevant modifications affected due to change in P.O. quantity / monthly target and contract amount, as requested by M/s. PICOS and considering their manufacturing capacity.

FURTHER RESOLVED to place the matter before the Board of Directors for ratification.

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 Legal Advisor & Disciplinary Enquiry Officer.
2. TA to the Chairman & Managing Director / Director (Distribution, IT & CM) / Director (Transmission & SO, Planning & Safety) / Director (Generation-Civil) / Director(Generation-Electrical & HRM) / Director (REES, Soura, Nilavu, Sports & Welfare)
3. PA to Director (Finance) / Senior C.A. to Secretary(Administration) / Company Secretary

FORWARDED / BY ORDER



Assistant Engineer