



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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ABSTRACT

TransGrid 2.0 - Turnkey EPC Tender for "Survey, Design, Engineering, Procurement, Construction, Integration of Interfaces, Testing & Commissioning of Transmission Line Projects viz. Quilon Package, North South Inter link Package II A & B and Valluvanad Line Strengthening Package" - Tender clarifications – Sanction accorded – Orders issued

Corporate Office (SBU-T)

B.O (DB) No. 744/2022/D (T,SO,P&S)/T6/TG-Gen/2022-23 TVPM dated 01.09.2022

- Read: 1. B.O. (DB) No. 254/2022 (DGC/AEE V/Quoting System /2021) dated 30.03.2022
2. B.O. (FTD) No. 259/2022 (D(T&SO-AE5)/2022) dated 31.03.2022
3. BID No. CE/TransGrid/01/2022-23 dated 30.05.2022 of the Chief Engineer, TransGrid
4. Letter No. DB52/CE/TG/NSIP-II/2022-23/ Bid clarification/580 dated 11.07.2022 of the Deputy Chief Engineer in charge, TransGrid
5. Note No. D(T,SO,P&S)/T6/TG-Gen/2022-23 dated 23.07.2022 of the Chairman and Managing Director
6. Proceedings of the 66th meeting of the Board of Directors held on 27.07.2022 vide Agenda No. 9-7/2022
7. Note No. D (T,SO,P&S)/T6/TG-Gen/2022-23/2107 dated. 11.08.2022 of the Chairman and Managing Director though Circular Resolution No. 1-8/2022

ORDER

KSEBL has accorded revised Administrative Sanction for Quilon Package (Rs. 145.37 Cr), North South Interlink Package II (Rs. 295.31 Cr) and Valluvanad Lines and Substation package (Rs.210.41Cr) as per B.O. read as 2nd above, as part of Phase II projects of TransGrid 2.0. Accordingly, the Chief Engineer, TransGrid issued revised Technical Sanction for line works, the Quilon package for Rs. 29.725 Cr., NSIP II for Rs. 166.89 Cr. and construction of 220/110 kV MCMV line from Kalappetty to Vennakkara under VLSP for Rs. 25.335 Cr. based on the recommendation of TS Committee. Then these three line works were tendered together with PAC of Rs. 188.1 Cr incorporating the conditions specified in the B.O. read as 1st above adopting item rate tendering for all works without disclosing the department rate for tenders above Rs. 1 Cr. subject to the conditions, viz.

- I. If the quoted rate of any item is greater than 110% of the applicable DSR or LMR, the payment will be limited to 110% of the respective DSR/LMR and the balance will be released only after completion and commissioning.
- II. For excess quantity up to 25% more than the agreement quantity, the quoted rate shall prevail. For quantity in excess of 25% of the scheduled quantity, the admissible rates shall be limited to Technical Sanction Estimate Rate modified by overall tender excess/ tender deficit, as the case may be, subject to a maximum of PWD local market rates prevailing at the time of ordering.

One of the prospective bidders has raised clarifications in respect of the aforesaid special conditions, to provide procedure for releasing balance amount after completion and commissioning for the items quoted above 110% of DSR/LMR and to provide the TS estimate rates for each item to analyze the impact on the cash flow.

The individual item rates of the works are prepared based on the following:

- Material - KSEBL cost data and average rates from previous TransGrid projects
- Price of steel and ACSR conductor- KSEBL cost data with IEEMA price variation
- Service portion - KSEBL transmission cost data with applicable DSR / KSEBL special rate
- Civil portion - CPWD DSR 2018

The Deputy Chief Engineer in charge, TransGrid as per note read as 5th above reported that the prospective bidders may face ambiguity while quoting their rate since the derived item rates are not readily available in public domain. Hence, the DCE in charge, TransGrid requested sanction for revealing the individual item wise rates for the subject tender.

The Full Time Directors examined the proposal in its meeting held on 22.07.2022 and suggested to place before the Board of Directors. Accordingly, the matter regarding the modified tender conditions incorporated in the subject tender in accordance with B.O dated 30.03.2022, was taken up with the Board of Directors for clarification and decision.

The Director (Transmission, System Operation, Planning & Safety) pointed out that the question of front loading in the quotes is eliminated by incorporating the two conditions specified in the tender, as mentioned above. Further this is the first tender floated after the issuance of the B.O read as 1st above. In the case of works which are estimated predominantly by the rates as per CPWD DSR, the bidder can infer the rates from the public portal.

The Director Board in its meeting held on 27.07.2022 observed that while according sanction to adopt item rate tendering without disclosing department rate, it was directed that the pros and cons of the tenders quoted on item rate shall be reported to the Board to take suitable decision in future. Pursuant to the suggestion of the Director Board to enquire and bring back the matter regarding the methodology adopted by other utilities in the case of inviting tenders without disclosing the item rates in their BoQ, the available information were collected from various utilities and the Chairman and Managing Director as per note read as 7th above proposed a Resolution for consideration of the members of the Board of Directors for passing the Resolution by circulation.

Having considered the matter in detail, the Board of Directors of the Kerala State Electricity Board Limited,

RESOLVED THAT the individual item wise rates for the tender 'Turnkey EPC Contract for Survey, Design, Engineering, Procurement, Construction, Integration of Interfaces, Testing & Commissioning of Transmission Line Projects viz. North South Inter link Package II A & B, Quilon Package, Valluvanad Line Strengthening Package' be revealed to the prospective bidders, subject to the other conditions specified as per B.O. (DB) No. 254/2022(DGC/AEE V/ Quoting System /2021) dated 30.03.2022.

RESOLVED FURTHER THAT the payment condition "If the quoted rate of any item is greater than 110% of the applicable DSR or LMR, the payment will be limited to 110% of the respective DSR/ LMR and the balance amount will be released within 6 months after the successful completion, commissioning and handing over of the project" be appended to the tender conditions.

Orders are issued accordingly.

By Order of the Director Board,

Sd/-

Lekha G

Company Secretary

To: The Chief Engineer (TransGrid), Shornur

Copy to: The Deputy Chief Engineer, TransGrid South/ North

The Financial Adviser/The Chief Internal Auditor/ The Company Secretary

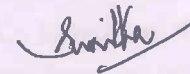
The RCAO/ RAO

The TA to CMD/D(T,SO,P&S)/D(D,IT &SCM)/D(G-C)/D(G-E)/D(REES,S&W)/ PA to D(F &HRM)

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Assistant Engineer