



# KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated Under the Companies Act, 1956)

Corporate Identity No.U40100KL2011SGCO27424

Registered Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram- 695004, Kerala,

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## Abstract

Purchase of ACSR Rabbit Conductors- Finalisation of tender – Sanctioned – Orders issued.

### **Corporate Office (Supply Chain Management)**

B.O.(DB) No.508/2021 (XH-AEE4/2020-21/CE(SCM)/ACSR conductor/eP.59) dated, Tvpm. 02/07/2021

- Read:-
- 1) G.O (Rt) No.5382/2020/Fin dated 18/09/2020
  - 2) B.O (FTD) No.640/2020 (SCM/TA/Gnl/2020-21) dated 16/10/2020.
  - 3) B.O (DB) No.651/2020 (SCM/AEE VR/XM/2020-21) dated 28/10/2020
  - 4) Bid No. KSEB/ SCM/ eP.59/ 2020-21 dated 21/12/2020.
  - 5) KSERC order dated 30/12/2020 in OP filed by M/s.KEL on approval of G.O (Rt) No.5382/2020/Fin dated 18/09/2020.
  - 6) Minutes of PQ Committee meeting held on 15/02/2021
  - 7) Note No. D(D&IT)/D5/MR/2020-21/0001/496 dated 29/03/2021 of the Director (D,IT & HRM).
  - 8) B.O (FTD) No. 370/2021 (XH-AEE4/2020-21/CE (SCM)/ACSR Conductor/eP.59) dated 18/05/2021.
  - 9) Note No.XH-AEE4/2020-21/CE(SCM)/ACSR conductor/eP.59 dated 25/05/2021 of the Chairman & Managing Director.
  - 10) Proceedings of the 59<sup>th</sup> meeting of Board of Directors held on 21/06/2021 vide Agenda Item No. 08-06/2021

## ORDER

Two part open tender was invited for the procurement of 65,865 km ACSR Rabbit and 7,310 km ACSR Raccoon Conductors on variable price basis as per bid read as 4<sup>th</sup> above with PAC of Rs.296 Crores to meet the requirement for the Financial Year 2021-22.

As per tender condition, the bidders can quote for one Electrical Circle or more and shall offer full/part quantity of the bid item subject to their production / financial capacity.The Circle wise quantity is mentioned in the NIT and BOQ also. Since Circle wise quantity of the bid items are mentioned in the BOQ and the cells are protected, the bidders can only quote at least full quantity of one circle. As per pre-qualification conditions, the bidder should have a minimum Annual Turn Over of 75% PAC of the quoted quantity/Circles for the last 3 consecutive years.

21 bidders were pre-qualified. Out of the 21 nos. pre-qualified bidders, 4 bidders were pre-qualified only for the supply of Rabbit conductor. Of the above, 10 bidders are local MSME's and one bidder is State PSU, M/s.Traco Cable Company Limited

The LI bidder, M/s.Mahavir Transmission Limited, Noida has quoted only for 6 Electrical Circles and their quoted/negotiated all inclusive rates for Raccoon and Rabbit conductors is Rs.59,263.14 and Rs.39,557.14 respectively. All the circle wise L1 bidders

agreed to match with the all inclusive rate of the L1 bidder, M/s. Mahavir Transmission Limited.

As per the Government Order read as 1<sup>st</sup> above, the all inclusive rates quoted by M/s.Traco cable Company and local MSMEs (10 Nos.) are within the price band of L1+15% in 25 Electrical Circles for Raccoon conductor and in 19 Electrical Circles for Rabbit conductor. In case of ACSR Rabbit, in 6 Electrical circles (Kozhikode, Manjeri, Kalpetta, Kannur, Sreekandapram and kasargod – Total quantity-7363 km). M/s.Traco cable Company alone have quoted and their all inclusive rate is outside the price band of L1+15%. The all inclusive rate quoted by the local MSMEs are within the price band of L1+15%. The lowest all inclusive rates among State PSU/ MSMEs is quoted by M/s.Elezabeth Conductors and M/s.J.C Steels for Raccoon (Rs.66799.80/-) and Rabbit (Rs.44875.40) respectively. On negotiation, M/s.Traco cable Company and local MSMEs agreed to reduce their basic rates to Rs.56,400/- and Rs.37,750/- for Raccoon and Rabbit conductors respectively. On further negotiation conducted by the Director (G-E&SCM) on 05/03/2021, M/s.Traco cable Company and local MSMEs reduced their freight charges.

Meanwhile, M/s.Kerala State Cable and Conductor Manufacturers Association and MSME Suppliers have submitted representations to KSEBL through the Government. Based on their quoted quantity/Circles as per tender condition, M/s.Traco is eligible for 30% quantity and local MSMEs (7 nos.) are eligible for 20% quantity of ACSR Raccoon conductor. In the case of Rabbit conductor, M/s. Traco is eligible for 34% quantity and local MSMEs (8 nos.) are eligible for only 5% quantity. Since the MSMEs have lower turn over, most of the MSMEs quoted in only one circle either for Raccoon or Rabbit conductor.

As per the Government order read as 1<sup>st</sup> above, Board order read as 2<sup>nd</sup> above and PQ minutes read as 6<sup>th</sup> above, 50% quantity of Raccoon and Rabbit conductors can be allotted to circle wise L1 bidders (7 nos. outside state bidders) limiting the quantity subject to the their Turnover and Solvency / Networth at the negotiated all inclusive L1 rate of Rs.59,263.14 and Rs.39,557.14 per km respectively.

As per note read as 7<sup>th</sup> above, there is a stock of approximately 10000 km of ACSR Raccoon conductors at various SRS and Section stores. Hence the proposal for placing purchase orders for Raccoon conductor is not considered.

But in case of ACSR Rabbit conductor, acute shortage is being reported from field offices for carrying out the breakdown maintenance and targeted works. As per the existing Purchase Order dated 02/11/2020, M/s.Traco Cable Company Ltd has supplied only 16659 km of Rabbit conductor out of, 33800 km ordered with schedule of delivery upto 15/05/2021. (The requirement of Rabbit conductor as per purchase plan will be 7000km/month approx.). In the meeting convened by the Director (G-E & SCM) on 09/04/2021, M/s.Traco Cable Company Limited informed that they are facing serious financial crisis and hence cannot resume supply of Rabbit conductor against the existing purchase order immediately. Hence the possibility of placing additional orders at the existing purchase order rate with IEEMA price variation was also explored from local MSMEs. They also informed that they are not willing to supply the additional quantity of Rabbit at the existing purchase order rate as the negotiated all inclusive rate for Rabbit conductors of local MSMEs and M/s.Traco as per the new tender (L1+13.22%) is Rs.44785.44/- which is 5.23% higher than the existing purchase order rate.

By placing purchase order for 50% quantity of Rabbit conductor with outside state L1 bidders at the leveled down L1 rate of Rs.39,557.14 per km as per the Government order, the total financial commitment to KSEBL will be reduced by Rs.17.21 Crore, when compared to the rate of state PSU/ local MSMEs.

The Government order read as 1<sup>st</sup> above is being modified in order to give clarity to the division of quantity (ratio) among state PSU and local MSMEs.

In order to meet the urgent requirement, the Full Time Directors had accorded sanction vide Board Order read as 8<sup>th</sup> above for placing Purchase Order of ACSR Rabbit Conductors with circle wise L1 bidders for the supply of 32,933 km (50% of the tendered quantity) at their all inclusive L1 rate of ₹39,557.14 per km with IEEMA price variation in anticipation of sanction from Board of Directors with total financial commitment ₹130.27 Crore.

Having considered the matter in detail, the Board of Directors resolved to ratify the decision of Full Time Directors vide B.O.(FTD)No.370/2021 (XH/AEE4/2020-21/CE(SCM)/ACSR Conductor/eP.59 dated 18/05/2021 in having issued sanction to authorize the Chief Engineer (SCM) for placing Purchase Orders (7 Nos.) with circlewise L1 bidders (Outside State bidders) at their all inclusive rate of Rs.39,557.14 per km with IEEMA price variation for the supply of 32,933 km (50% of the tendered quantity) of ACSR Rabbit conductors as per Government Order dated 18/09/2020. The total financial commitment will be Rs.130,27,35,292/- (Rupees One Hundred and Thirty Crore Twenty Seven Lakh Thirty Five Thousand Two Hundred and Ninety Two only).

It is further resolved to finalise the balance quantity reserved for local MSMEs and M/s.Traco Cable Company after getting modified order from Government regarding division of quantity.

Orders are issued accordingly.

**BY ORDER OF THE DIRECTOR BOARD**

Sd/-

**Lekha.G**

**Company Secretary (in charge)**

To

The Chief Engineer (SCM)

Copy to:-

- ◆ The Legal Advisor & Disciplinary Enquiry Officer.
- ◆ The Deputy Chief Engineer (IT), KSEB Limited.
- ◆ TA to Chairman & Managing Director/ Director (Distribution, IT & HRM)/ Director ( G-E & SCM )/ Director (Transmission & System Operation)/ Director (Generation-Civil)/ Director (Planning & S).
- ◆ PA to Director (Finance)/Senior C.A. to Secretary(Administration)/Company Secretary.
- ◆ The Fair Copy Superintendent, Board Secretariat
- ◆ The Library, KSEB Limited/Stock file.

Forwarded/ By Order



Assistant Executive Engineer