



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956) CIN: U40100KL2011SGC027424
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Abstract

Tender for Supply, erection, testing and commissioning of Governor, Excitation, DCS and Protection panels for (1x10+1x30)MW Thottiyar Hydro Electric Project- Evaluation of Price Bid - Sanctioned - Orders issued.

Corporate Office (SBU-G/E)

B.O. (DB)No. 9 /2021 (12/AE3/2012/CE(PED)) Thiruvananthapuram. Dated: 11 - 01 - 2021

- Read:-
1. B.O (DB) No. 681/2019(D(GE)/G2/Thottiyar/2019-20) dated 05-09-2019.
 2. Note No. 12/AE3/2012/CE(PED)/1029 dated 17-11-2020 of the Chief Engineer(Generation &PED) to the FTD (Agenda No. 86/11/20).
 3. Note No. 12/AE3/2012/CEPED//1100 dated 03-12-2020 of the Chief Engineer(Generation &PED) to the FTD.
 4. Note No. 12/AE3/2012/CE(PED) dated 09-12-2020 of the Chairman and Managing Director to the Board of Directors.
 5. Proceedings of the 56th Meeting of the Board of Directors held on 01-01-2021 vide Agenda No. 09-12/2020.

ORDER

The sanction was accorded as per B.O read as 1st above, to carry out the balance E&M works of Thottiyar HEP departmentally through experienced E&M erection contractors, including purchasing required equipment departmentally. And to arrange the procurement of electrical BOP equipment for Thottiyar HEP like generator transformers, Unit auxiliary transformers, transformer control panel, busbar protection panel, feeder panels, 220kV SF6 breakers, 220kV CTs, PTs, LAs, 220kV cable and 110V battery bank, charger etc. in which the centrally procured items are to be procured by the Chief Engineer(SCM) and the balance equipment by the Chief Engineer(Generation &PED) and to carry out the erection of all the above items departmentally through experienced E&M erection contractors by inviting tenders for erection, so that the entire work can be carried out for the satisfactory commissioning of the project in line with requirement of progress of Civil works.

The Chief Engineer(Generation &PED) has reported that tender for the Supply, erection testing and commissioning of Governor, Excitation, DCS and Protection panels for Thottiyar Hydro Electric Project was floated as per Tender reference No. CEPED/07 /2020-21 dated 28.07.2020 with PAC of Rs. 18,40,07,312/- (BOQ1-15,85,47,632.00, BOQ2- 2,54,59,680.00). The estimate was prepared based on the decision of the technical committee in which it was decided to replace the outdated items, submerged in flood and ratification was sought vide FTD note No.12/AE3/2012/CE(PED)/803 dated 08.10.2020. In response, only a single Bid was received and was cancelled and retender was invited as per E-tender No.CEPED/11 /2020-21 dated 25.09.2020. For the re-tender also only a single bidder, namely M/s.ABB India Ltd.(bid ID: 960929) participated and the PQ bid was opened online on 16-10-2020. As per the decision of the Pre-qualification Committee meeting held on 02.11.2020, M/s. ABB India Ltd. was pre-qualified and also directed to conduct a meeting with the bidder to discuss LD clause in which the bidder requested to limit the LD clause to the balance unsupplied items. The price bid of the pre-qualified bidder was opened on 03.11.2020. The bidder has quoted an amount of Rs. 11,56,95,056.42 (BOQ1- Rs. 10,93,58,038.81, BOQ2- Rs. 63,37,017.61) which is 37.12% below the estimate rate. It is noted that the rates of freight and insurance of items varies from 0.22% to 1.466% of the basic rates and GST is given @18%. The bidder was requested to submit the rock bottom rates and the firm has intimated that there is no scope for further reduction in quoted amount.

It is reported that as per the tender conditions, for 10MW machine, all systems including synchronization to grid shall be supplied within 4th month from the date of LOA and commissioned within 21 days of date of supply at site and for 30MW machine, all systems can be supplied within 7th month from date of LOA and commissioned within 8th month from date of LOA. The bidder informed in the tender that for both machines the supply portion will be completed in 7 months from the date of drawing approval and commissioning shall be completed within 45 days from the date of supply.

Subsequently, in the meeting convened by the Chief Engineer(Generation &PED) on 10-11-2020, M/s. ABB confirmed to agree to the tender conditions in LD clause and delivery schedule subject to the conditions that KSEBL has to approve the submitted drawings within one week from the date of submission, KSEBL has to provide grace Period of 2 weeks for delivery of 1st unit i.e (4 months for delivery & 2 Weeks as Grace Period) and in case of any delay which is not attributable to M/s. ABB, KSEBL has to provide the time extension.

The remarks of Financial Adviser were obtained as per Note No. FA/Tender-I/79/2020 dated 12-11-2020 and based on the remarks, M/s. ABB India Ltd. was requested to confirm the rates of mandatory spares. In reply the bidder furnished the revised priced list of mandatory spares, which includes freight and insurance in addition to basic rate and GST for each component. The all inclusive amount in the revised list tallies with the all-inclusive amount for mandatory spares already quoted in BOQ1.

Considering the above, the Chief Engineer (Generation &PED) as per Note read as 2nd above recommended to award the work of Supply, erection, testing and commissioning of Governor, Excitation, DCS and Protection panels for (1x30+1x10)MW Thottiyar Hydro Electric Project to the L1 bidder M/s. ABB India Ltd.(bid ID: 960929)at their rock bottom rate of Rs.11,56,95,056/- inclusive of taxes, which is 37.12% below estimate rate .

The FTD meeting held on 20-11-2020 resolved to award the subject work to the L1 bidder, M/s. ABB India Limited and to ensure that the quoted rates are within DSR+10% or Market rate whichever is less and to collect Bank Guarantee as per the Government Order. It was also further resolved that the orders in this regard may be issued after the expiry of Model Code of Conduct for the election to LSG.

The Chief Engineer (Gen &PED) reported that the sanctioned estimate was prepared based on the budgetary offer received from M/s. Voith Hydro Private Limited and M/s. ABB based on the technical specification of KSEBL. While preparing the BOQ for the floated tender, some of the items in the estimate have been re-arranged for easiness of quoting. Hence exact item wise comparison is not possible. In compliance with the FTD decision, M/s. ABB Limited was requested to limit the rates of items for which they have quoted higher rates than estimate rates, and in response the firm has intimated that they had quoted their very best prices and not in a position to provide any further discount and also requested to issue the Purchase Order / LOA by 30th November. It is reported that even though they have not made any reduction in their quoted rates item wise, the overall amount quoted is 37.12% below estimate rate.

M/s.ABB India Limited had further vide Letter dated 24.11.2020 intimated that they had agreed to withdraw their deviation on delivery Schedule and agreed to supply the material for 10MW machine within four months of placement of PO as per the requirement of KSEBL that the project needs to be completed in time bound manner and that all their commitments for withdrawal of deviations in delivery and LD clauses, Post Bid Submission were based on their request to release the PO by 30th Nov 2020. They have intimated that they had also taken back to back delivery commitments with their partners to deliver the material in stipulated period with assurance that the order would be issued to them upon receipt of order from KSEBL and that their partner are also raising concern about

the delay in placement of order and are unable to validate delivery in case their orders are not placed by 30th Nov 2020.

The Chief Engineer (Gen.&PED) has pointed out that if M/s ABB withdraws from the post bid activities, it will not be advantageous. In the BOQ, estimate rate of items are not given in the tender. Hence the bidder is ignorant of item wise rates and also most of the items are not available in market. These are custom made for each project. In the case of Civil works, even though estimate rates are not given in BOQ, all the rates are readily available either as PWD rates or as LMR. Almost all Civil items are locally available. E&M works are EPC nature which includes Engineering, design, procurement and construction. But in BOQ, only supply and service portion is provided. So the bidder will load the price for designing in the Supply portion. Hence comparison of the items with LMR rates is not possible. In E&M tenders, the items are not readily available in market and DSR rates are not available. For each item, detailed engineering, design is required for the bidders to submit offers as they are tailor made for each project. Thus it can be seen that there is no LMR rates and DSR rates for the above items.

As per CEA guideline for preparing cost estimates of electro mechanical works, for appraisal of cost estimates of E&M equipment/works, estimated cost is assessed on cost data of similar equipment/works in other projects for which concurrence have been accorded recently by CEA or orders have been placed recently or budgetary offer etc. The market rate analysis of hydro mechanical equipment also is not an accurate process, compared to an item for Civil item in DSR for which the market rate analysis would be more accurate since the split up is there in the CPWD analysis of rate accompanying the DSR. Being turnkey works, itemwise evaluation is not envisaged in these tenders. Comparison is done only with PAC. Many individual items may be far below the estimate rates and the total quoted amount is below the PAC. Moreover, tender is invited in such a way that the cost of engineering and design is loaded in the supply and service portion. Moreover the rates of item are not given in the tender. Hence insisting the bidder to reduce their high quoted item with estimate rates is unjustifiable.

It is reported that this is the second tender for the work and the chance of getting a better participation/offer is very remote considering the fact that in the original tender and re-tender only a single bidder participated. The necessity of completing the work at least by April-May 2021 to utilize the next South-West monsoon season is to be considered. The total rate quoted is far below the estimate rate and also retendering may lead to the bidder quoting higher rates foreseeing single participation. Hence it was recommended to award the work of Supply, erection, testing and commissioning of Governor, Excitation, DCS and Protection panels for (1x30+1x10)MW Thottiyar Hydro Electric Project to the L1 bidder M/s.ABB India Ltd.(bid ID: 960929)at their rock bottom rate of Rs.11,56,95,056/- inclusive of taxes, which is 37.12% below estimate rate .

The matter was placed before the Full Time Directors and as directed, the matter was placed before the Board of Directors as per Note read as 4th above.

Having considered the matter in detail, the Board of Directors in its meeting held on 01-01-2021 resolved to authorize the Chief Engineer (Generation &PED) to award the work of Supply, erection, testing and commissioning of Governor, Excitation, DCS and Protection panels for (1x30+1x10)MW Thottiyar Hydro Electric Project to the L1 bidder M/s.ABB India Ltd.(bid ID: 960929)at their rock bottom rate of Rs. 11,56,95,056/- inclusive of taxes, which is 37.12% below estimate rate provided that Bank Guarantee shall be collected as per G.O(P)No. 429/15/Fin dated 28-09-2015 or as modified from time to time.

Orders are issued accordingly.

By Order of the Full Time Directors,
Sd/-
Lekha G
Company Secretary (In charge)

To

The Chief Engineer (Generation & PED), Moolamattom.
The Deputy Chief Engineer (Projects-Electrical Designs).

Copy to:

The Financial Advisor/ The Chief Internal Auditor/The Company Secretary.
The Deputy Chief Engineer (IT)/ The RAO/The RAO.
The TA to Chairman & MD/ Director (GE&SCM)/ Director(GC)/ Director
(Trans.&SO)/ Director (D,IT&HRM) /Director (Planning&Safety).
The PA to Director (Finance).

Forwarded / By Order

Sunil Kumar
Asst. Exe. Engineer

DESPATCHE

No. 321

Date 11.01.2021