



KERALA STATE ELECTRICITY BOARD LIMITED

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

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Abstract

Erection of Supplied Electro Hydro Mechanical Equipment and Supply and Erection of BOP Equipment of (2x30MW) Pallivasal Extension Scheme Hydroelectric Project - Evaluation of Price Bid - Sanctioned - Orders issued.

Corporate Office (SBU-G/E)

B.O. (DB)No. 647A /2020 (25/AE2/2014/CE(PED) Thiruvananthapuram. Dated: 28 - 10 - 2020

- Read:-
1. B.O (FTD) No.1932/2018 (DGC/AEE V/PES-Balance works/2018) dated 19-11-2018.
 2. B.O(DB) No.2033/2018(DGC/AEE V/PES-Balance works/2018) dated 22-12-2018.
 3. B.O(FTD)No.113/2019(D(GE)/G2/PES/2018-19) dated 06-02-2019.
 4. B.O(DB) No.172/2019(DGC/AEE V/PES-Balance works/2018) dated 26-02-2019.
 5. B.O. (DB)No. 366 /2019 (D(GE)/G2/PES /2019-20) dated 06- 05- 2019.
 6. B.O. (FTD) No.12/2020 (D(GE)/G2/PES/2019-20) dated 07-01-2020.
 7. B.O. (DB)No. 221 /2020 (D(GE)/G2/PES /2019-20) dated 19-03- 2020.
 8. B.O.(FTD) No.486/2020 (D(GE)/G2/PES/2020-21) dated 24-07-2020.
 9. Minutes of the Pre-qualification Committee meeting held on 01-10-2020.
 10. Note No. 25/AE2/2014/CE(PED)/787 dated 06-10-2020 of the Chief Engineer (Gen. & PED) to the Full Time Directors.
 11. Note No. 25/AE2/2014/CE(PED) dated 09-10-2020 of the Chairman and Managing Director to the Board of Directors.
 12. Proceedings of the 55th Meeting of the Board of Directors held on 14-10-2020 vide Agenda No. 26-10/2020.

ORDER

The work for construction of Pallivasal Extension Scheme HEP (2x30MW) was tendered by the Chief Engineer (Civil Construction -South) with both the Civil and E&M works as a single package. The contract was awarded to M/s. ESSAR-DEC-CPPL Consortium at their quoted amount of Rs. 268.0189 Crore as per LOA dated 18.09.2006 and Agreement was executed by the Chief Engineer (Civil Construction - South) on 31-01-2007. The Contract Amount for E&M works was Rs. 85.47 Crore. For supply of E&M equipment (Schedule A1) contract amount was Rs. 77,34,34,324/- and for erection, testing and commissioning (Schedule A2) it was Rs. 8,13,27,930/-. The date of completion as per agreement was 01.03.2011. But the work could not be completed in time due to several reasons.

When the project ran into trouble, the Government vide G.O.(M.S)No.7/2016/PD dated 04.03.2016 accorded sanction to KSEBL to foreclose the contract without any risk and cost liability of the present contractor and permitted KSEBL to rearrange the balance works through open tender or through Government approved agencies like Uralungal Labour contract Cooperative society, Vatakara at the estimated PAC for balance works based on the current CPWD schedule of rates.

As per G.O. (MS)No.01/2017/PD dated 16/01/2017 the Government had excluded the Pallivasal Extension Scheme from the purview of G.O. dated 04-03-2016. The contractor as per letter dated 07- 4-2018 submitted their demand for a revised rate of supply of 2 times of

existing rate and 4 times of the existing contract rate for erection with hike in supervision component at actual plus 25% towards other cost and incidentals.

It is reported that as per schedule to the original agreement, KSEB would have to pay an amount of Rs.27,52,65,610/- to M/s ESSAR for balance supply (Rs.19,62,41,961/-) and erection (Rs.7,90,23,649/-). As per the demand of Essar the approximate cost for supply works out to Rs.41,92,97,849.6/- and that for erection (considering hike of 25% on the rates for foreign service part as per original schedule since actual are not known) works out to Rs.32,27,86,038.80/- totaling to an amount of Rs.74,20,83,888.40/- which causes a financial burden of Rs.46,68,18,278.4/- which is a substantial amount. As the demand by the contractor would cause a huge liability to KSEBL, the Government as per G.O(Ms) No.10/2018/PD dated 10.07.2018 directed to retender the balance works of Pallivasal Extension Scheme at the risk and cost of the Contractor M/s.ESSAR-DEC-CPPL Consortium. Subsequently as per B.O. read as 1st above, KSEBL accorded sanction for an amount of Rs. 85.60 Crore including GST(Rs.73 Cr for Civil works and Rs.12.6 Cr. for E&M works) for completing the balance works of Pallivasal Extension Scheme and to invite tenders for the execution of balance Civil &E&M works together. The estimate of Rs. 12.6 Cr was prepared considering the rates available for projects under execution, approved transmission data and the latest offer received from M/s.MKS engineering company Gwalior. Also sanction was accorded to delink the supply and execution of communication systems of PES and to entrust the same with the Chief Engineer (Trans-System Operation).

Accordingly, the Deputy Chief Engineer &Project Manager with full powers of Chief Engineer, Civil Circle, Meencut invited tender for the balance Civil &E&M works together vide e-tender No.CCM/DYCE/01/2018-19 dated 22-11-2018. But no bids were received. Meanwhile, a Technical Committee was constituted as per B.O. read as 3rd above for evaluating the condition of the E&M Equipment already supplied by the E&M contractor at Pallivasal Extension Scheme. As per B.O read as 4th above (Proceedings of the Board of Directors in its 44th meeting held on 18.02.2019 vide agenda No.10-02/2019), sanction was accorded to re-tender the balance works of Pallivasal Extension Scheme as two separate tenders for balance Civil and E&M works.

Subsequently, KSEBL accorded Sanction for the revised cost estimate of Rs.93.275 Crore for the balance works of Pallivasal Extension Scheme considering the report of Technical Committee with a split up of Civil works-Rs.73.00 Crore and E&M works-Rs.20.275 Crore as per B.O read as 5th above and the work was tendered vide E-tender No. CEPED/01/2019-20 dated 27/05/2019.

The tender was cancelled on 25/09/2019 due to lack of competition and in compliance with B.O. (DB) No.3243/2016 (CIA/Esst.GI./RCA/PCU-Tvpm/2016) dated 17/11/2016 and retendered vide e-Tender No. CEPED/04/2019-20 dated 27-09-2019. The PQ bid was opened on 01/11/2019 and the lone bidder M/s.Allonward- SSIPL Consortium was pre-qualified and the price bid was opened on 22.11.2019. The bidder had quoted an amount of Rs.77,92,34,846.37. After negotiations the final amount was reduced to Rs. 49.04 Cr. (after deleting items not in the estimate), which is 158.9% above PAC. Subsequently as per B.O. read as 6th above, it was resolved to cancel the tender and to re-constitute the technical committee with more experienced officers as additional members and the Committee shall revisit the estimate and examine the reasons for high tender excess and come out with a more realistic estimate/proposal by convening a vendor meeting also if found necessary.

Subsequently, considering the estimate submitted by the reconstituted technical committee, KSEBL as per B.O. read as 7th above, accorded sanction to the revised estimate amounting to Rs.144 Cr (Civil- Rs.73 Cr and E&M -Rs.71 Cr.) and also authorized the Chief Engineer (Generation & PED) to invite tender with modified commercial and PQ conditions on reverse bidding basis taking Rs.71 Cr as the cap for balance E&M works excluding amount for execution of PLCC system(Rs.1.335 Cr.).

Subsequently reverse e-bid was floated in the platform provided by MSTC a Government of India company vide E-reverse bid No. CEPED/06/2020-21 dated 10.07.2020 with facility for reverse auction also, as sanctioned as per B.O. read as 8th above. The PAC for the tender is Rs. 69,61,38,345/-, excluding PLCC system. This tender was cancelled since only a single bidder participated in the bid and Re-e-reverse bid was invited vide E-reverse bid No.CEPED/08/2020-21 dated 04.08.2020. Two bidders participated and pre-qualification bids were opened on 03-09-2020. M/s. SSIPL - Allonward Consortium (consortium between M/s. Shri Saravana Industries Private Limited, C 15, SIDCO Developed Plots Estate Thuvakudy, Trichy 620015 and M/s. Hunan Allonward Hydro Generating Equipment Co Ltd., 6th Floor, MO Group, Torch City, High-Tech Development Zone, Changsha City, Hunan Province, China (Member)) and M/s. TVPPL-KSK-REHPL-DEC Consortium (Consortium between M/s. Tavasya Venture Partners Private Limited, M/S. KSK Fabricators and Erectors Private Limited, M/s. Raajratna Energy Holdings Private Limited and M/s. Dongfang Electric Corporation Co. Ltd., China) participated in the tender.

The PQ committee held on 01.10.2020 decided to pre-qualify the bidders M/s. SSIPL - Allonward Consortium and M/s. TVPPL-KSK-REHPL-DEC Consortium and also to open the price bids of the pre-qualified bidders. In the meeting, the Chairman and Managing Director has also directed that considering the legal opinion from LA&DEO regarding issues with China, after opening of the price bid and e-reverse auction and before issuing work order a meeting with the L1 bidder should be conducted at Director Level so that the bidder shall give an assurance to complete the work in a time bound manner even if the political tension between the two countries persists and Government of India disengages contractual relations with China fully.

As per the decision of the Pre-qualification committee, the price bids of M/s. SSIPL - Allonward Consortium and M/s. TVPPL-KSK-REHPL-DEC Consortium were opened on 01.10.2020 in the MSTC platform as per tender conditions and subsequently e-reverse auction was carried out on 05.10.2020. After the e-reverse auction process M/s. TVPPL-KSK-REHPL-DEC Consortium (Reference No.456) became the L1 bidder with a quoted amount of Rs.67,07,37,026.88, (Price Schedule for total Supply [BOQ1]- Rs. 57,26,64,901.22 and Price Schedule for total Services (BOQ2) - Rs. 9,80,72,125.66) which is 3.65% below PAC.

Considering all the above, the Chief Engineer (Gen.&PED) has recommended to award the work of Erection of Supplied Electro Hydro Mechanical Equipment and Supply and Erection of BOP Equipment of (2x30MW) Pallivasal Extension Scheme Hydroelectric Project to the L1 bidder, M/s. TVPPL-KSK-REHPL-DEC Consortium (Reference No. 456) at their rock bottom rate of Rs. 67,07,37,026.88 (rounded to Rs. 67,07,37,027/-) , inclusive of taxes, in the reverse auction.

The matter was considered by the Full Time Directors in the meeting held on 09-10-2020 as per Note read as 10th and resolved to place the matter before the Board of Directors of KSEBL. Accordingly, the matter was placed before the Board of Directors as per Note read as 11th above.

The matter was discussed in detail by the Board of Directors in its meeting held on 14-10-2020. The Additional Chief Secretary (Finance) observed that accuracy of Technical

Sanction estimate shall be confirmed by the Director (Generation Electrical) and the quoted amount is within the estimate amount based on local market rates. He also stated that the Government of India direction has been adopted by State Government vide Circular No. 57/2020/FIN dated 06-10-2020, specifying restriction for import from countries which share a land border with India. The Board noted that since the tendering process was started before the issue of direction from Government of India, it would not be an impediment in proceeding further in this regard. Hence the Board

Resolved to authorize the Chief Engineer (Generation & PED) to award the work of Erection of Supplied Electro Hydro Mechanical Equipment and Supply and Erection of BOP Equipment of (2x30MW) Pallivasal Extension Scheme Hydroelectric Project to the L1 bidder M/s. TVPPL-KSK-REHPL-DEC Consortium at their rock bottom rate of Rs.67,07,37,027/- (Rupees Sixty seven Crore seven lakh thirty seven thousand and twenty seven only) inclusive of taxes, which is 3.65% below PAC, on the condition that accuracy of Technical Sanction estimate shall be confirmed by the Director (Generation -Electrical) and the quoted amount is within the estimate amount based on local market rates.

Orders are issued accordingly.

By Order of the Director Board,

Sd/-

Lekha G

Company Secretary (In charge)

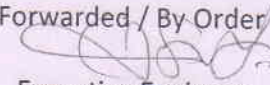
To

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 RCAO/The RAO.
The TA to Chairman & MD/ Director (GE&SCM)/ Director (GC)/ Director (Trans.,SO&REES)/ Director (D,IT &HRM) /Director (Planning &Safety).
The PA to Director (Finance).

Forwarded / By Order


Executive Engineer