



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Registered Office : Vidyuthi Bhavanam, Pattom, Thiruvananthapuram -695004

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Abstract

Implementation of Upper Kallar Small Hydro Electric Project (2 MW/ 5.14MU)- Contract with M/s Power Mech – Pentaflo-Hydro Magus-SEW Consortium – Time Extension - Sanctioned - Orders issued

CORPORATE OFFICE (SBU-G/C)

B.O(FTD) No 492 /2020 (DGC/AEE VI/URKLR /2014) Thiruvananthapuram, Dated 27.07.2020

Read :1. Agreement No.03/CECC/2016-17 dated 06.08.2016.

2. B.O (FTD) No.1977/2018(DGC/AEE VI/URKLR/2014) dated 10.12.2018

3. B.O (FTD) No.842/2019 (DGC/AEE VI/URKLR/2019) dated 15.11.2019

4. Letter No.CE CCS/UPKLR/2009 dated 01.07.2020 of the Chief Engineer (Civil- Construction) South

5. Note No.DGC/AEEVI/URKLR /2014 dated 14.07.2020 of the Director (Generation-Civil) (Agenda 54 / 7 /20)

ORDER

The contract for the implementation of Upper Kallar SHEP was awarded to M/s Power Mech-Pentaflo-Hydro Magus-SEW Consortium as a single package for Rs 15,24,07,927/- and the agreement was executed on 06.08.2016. The date of commencement of work as per agreement was on 02.08.2016 and the period of completion of the project was 24 months which expired on 01.08.2018. Considering various hindrances encountered during the implementation of the scheme, the period of completion of the contract was extended up to 30.10.2019 as per B.O read as 2nd above.

But even in the extended period, they could only achieve a physical progress of 57% due to adverse climatic condition and unexpected geological conditions. Considering the above, further time extension for the completion of the project was granted up to 31.03.2020 as per B.O read as 3rd above based on the revised micro schedule submitted by the contractor without imposing penalty or liquidated damages as the delay in commissioning of the project is mainly due to natural calamities and unexpected geological condition.

The progress and the reason for the delay were analyzed in the 8th PMC meeting held on 26.02.2020 and the PMC directed the contractor to take all possible steps to complete the project works by increasing manpower, making available sufficient materials/equipment in time. Consequently, the contractor has submitted a request as per their letter dated 22.04.2020, to extend the period of completion up to 30.12.2020 citing the reasons such as complete lock down ordered in the Country due to COVID-19 pandemic, non-completion of piling works arranged through separate contractor and difficulty in arranging the works during the south west monsoon 2020.

The Chief Engineer reported that as per the construction program submitted by the contractor with time of completion as 31.03.2020, the contractor could not complete the balance

works in tunnel, forebay tank, erection of trash rack, etc within the agreed period. The main reason for the delay in completion of the work in various work fronts was intermittent & heavy rain which occurred in the project site from July 2019 causing heavy seepage and piping phenomena. The poor soil condition made the access to the work fronts very difficult as the road became slippery even for foot traffic and thereby causing difficulty in transporting the construction materials. This interrupted the progress of the work considerably. The favorable climatic condition in the project site was obtained from January 2020 and the work was progressing. But due to the complete lock down declared by the Government of India during March 2020 due to COVID-19 pandemic, the whole works had to be stopped from 25.03.2020. Even after the resumption of work at site in the last week of April 2020, the works were progressing slowly due to the non-availability of materials, declaration of Idukki District as Red Zone for a particular period, nonfunctioning of quarries, difficulty in transporting materials, ban for employing labours from outside the State.

Also, the contractor couldn't start the work at control room area of Power House & erection of penstock as planned because of the reason of non-completion of pile foundation work at these locations arranged through separate contractor. There had been short fall in the progress of pile driving works due to intermittent & heavy rain occurred in the project site, hindrances encountered during pile driving such as slushy soil, presence of boulders & timber logs buried in the soil etc.

The reasons for delay such as peculiar climatic conditions existing at site, very slushy nature of soil, non-completion of piling works for starting penstock erection works by another contractor, declaration of lockdown due to COVID-19 pandemic, difficulty in arranging materials and labours due to lockdown etc were beyond the control of the contractor and KSEB Ltd.

An overall physical progress of 75% & overall financial progress of 54% is achieved so far. The 9th PMC meeting held on 16.05.2020 reviewed the progress of work in detail and conducted detailed discussion with the contractor regarding the various difficulties encountered during the work. Since the piling work at the control room area and penstock route has not yet been completed, the work of control room, penstock erection etc to be done by this contractor are pending. The contractor informed that all works under their contract will be completed in all respects by 30.12.2020. Considering the monsoon and the delay occurred due to the lock down declared by the Government in the wake of Covid -19 pandemic, the 9th PMC meeting recommended to extend the time of completion of the subject work up to 30.12.2020 with milestone penalty.

Based on the direction of the Director (Generation- Electrical & SCM) in the meeting held on 09.06.2020, to compress the time of completion of the work to 30th November 2020, the contractor has submitted the revised micro schedule in which the whole work of the project is scheduled to be completed by 30.11.2020. It is reported that, if sufficient resources are mobilized by the contractor and execute works at all work fronts simultaneously, all the works can be completed within 30.11.2020.

It is reported that imposing penalty at this stage will badly affect the fund flow of the contractor and which in turn will affect the completion of the work as per the revised micro schedule. In the present scenario with COVID-19 restrictions, the contractor is taking all efforts for completion of the work as per the revised micro schedule.

Considering the above, the Chief Engineer (Civil-Construction) South has recommended to accord time extension of the contract with M/s Power Mech – PentaFlo-Hydro Magus-SEW Consortium for the implementation of Upper Kallar Small Hydro Electric Project up to 30.11.2020 subject to the condition that the decision regarding penalty/liquidated damages shall be fixed after completion of the project.

The matter was placed before the Full Time Directors as per note read as 5th above. Having considered the matter in detail, the Full Time Directors in the meeting held on 22.07.2020

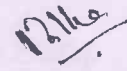
resolved to accord sanction for extending the time of completion of the contract with M/s Power Mech – PentaFlo-Hydro Magus-SEW Consortium for the implementation of Upper Kallar Small Hydro Electric Project up to 30.11.2020 subject to the condition that the decision regarding penalty/liquidated damages will be taken after completion of the project.

The Chief Engineer (Civil Construction) South shall take further action in this regard.
Orders are issued accordingly.

By Order of the Full Time Directors
Sd/-
LEKHA.G
Company Secretary i/c

To: The Chief Engineer (Civil Construction) South
Copy to: 1. The Financial Adviser/ The Chief Internal Auditor
2. The RCAO/RAO
3. The Deputy Chief Engineer (IT)
4. TA to CMD/ Dir(D&IT&HRM)/ Dir(T,SO&REES)/Dir (GE&SCM)/Dir(Plg&S)/Dir(GC)
5. PA to Dir (F)/ Secretary (Administration)
6. FC Supdt/ Librarian/Stock file / File

Forwarded / By Order



Assistant Executive Engineer