



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

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ABSTRACT

Pallivasal Extension Scheme (2x30MW) - Expression of Interest and Request for Proposal for Engineering design, construction works of intake structure, box culvert including Pre-Support System for deep excavation & allied works and construction of tunnel for 584m to intake (both soil & rock) of Pallivasal Extension Scheme - Contract with M/s. BUMI-ZILLION JV - Time extension - Sanctioned - Orders issued.

Corporate Office (SBU-G/C)

BO (FTD)No.171/2023(DGC/AEEV/PES-Intake/2017)

Thiruvananthapuram, Dated: 31.03.2023

- Read: 1. B.O. (DB) No. 3290/2017 (DGC/AEEV/PES-Intake/2017) dated 30.12.2017.
2. Agreement No. 20/CCM/2017-18 dated 15.03.2018.
3. B.O. (FTD) No. 390/2021 (DGC/AEEV/PES-Intake/2017) dated 25.05.2021.
4. B.O. (FTD) No. 819/2022 (DGC/AEEV/PES-Intake/2017) dated 07.10.2022.
5. Minutes of PMC meeting dated 25.02.2023 at Munnar Enclave.
6. Letter No. BZJV/2022-23/348 dated 30.01.2023 of M/s. BUMI-ZILLION JV.
7. Note No. DB-7/CCM/PESI/Intake/2022-23/1295 dated 22.03.2023 of the Deputy Chief Engineer and Project Manager, PES with full powers of Chief Engineer.
8. Note No. DGC/AEEV/PES-Intake/2017(4) dated 27.03.2023 of the Director (Generation - Civil) to the Full Time Directors (Agenda 86/3/23).

ORDER

Pallivasal Extension Scheme (2x30 MW) is a major Hydro Electric Project undertaken by KSEBL located in Pallivasal village in Devikulam Taluk. The Project is intended to generate 153.9 Mu per annum to solve the acute shortage of Power in the total grid of Kerala State. The work of Pallivasal Extension Scheme (2x30 MW) was originally awarded to M/s. ESSAR - DEC - CPPL Consortium. The work could not be completed in time due to the failure of the contractor even though time extension was given several times. Later, some portion of the work arranged separately with the permission of the previous contractor by de-linking some portion viz. Intake, Box Culvert and soil tunnelling due to their inefficiency to carry out this specialized work.

As such, the subject work was awarded to M/s. BUMI - ZILLION JV for an amount of Rs 109,44,03,495/- as per B.O. read as 1st above. The official date of commencement and completion of the work as per agreement are 01.02.2018 and 31.12.2020 respectively. The work commenced on 22.01.2018. The work includes construction of intake pool, box culvert and tunnel driving including lining for a length of 584m.

The time of completion of work was extended up to 31.12.2021 and later up to 31.12.2022 as per B.Os. read as 3rd and 4th above.

The Deputy Chief Engineer & PM, PES as per note read as 7th above has reported that the tunnel driving and lining works were completed. The remaining works are

transition concreting, trash rack erection, gate erection, maintenance slab concreting, pile cutting at the side of the river, river training works, consolidation grouting of 137.40m, dredging work for 30 days, river side cutting, testing and commissioning. Total progress of the subject work is 95.95%.

Even though the contractor had taken earnest efforts to complete the work in the stipulated time of completion, adverse effects of Covid pandemic, monsoon and some geological surprises after monsoon had affected the progress of work. In addition to that the quantum of work increased more than the original schedule due to adverse geological surprises during execution. The E&M works were delayed due to several factors and requested time extension for completion of the E&M works up to 16.07.2023. Even though the civil works will be completed much before these works, the activities like testing and commissioning of water conductor system and intake gates can be carried out only with the completion of the E&M works and the presence of civil contractor is inevitable during the trial operations and for rectification works, if required.

The contractor as per letter read as 6th above had submitted a revised micro schedule for the work.

The Project Monitoring Committee meeting held on 25.02.2023 has agreed to recommend time extension up to 30.04.2023 for the necessary works required for the trial run of the 1st machine and then up to 31.07.2023 for the remaining works, with detailed schedule breakup and without any additional financial commitment on either side.

The Deputy Chief Engineer & PM, PES has requested to grant time extension for the work up to 30.04.2023 with conditional time of extension up to 31.07.2023 for the entire completion of the remaining works after trial run, without any additional financial commitment on either side.

The matter was placed before the Full Time Directors as per the note read as 8th above.

Having considered the matter in detail, the Full Time Directors resolved to accord sanction for extending the time of completion of the contract with M/s. BUMI-ZILLION JV, for the work of "Pallivasal Extension Scheme (2x30 MW) – Expression of Interest and request for proposal for engineering design, construction works of intake structure, box culvert including pre-support system for deep excavation & allied works and construction of tunnel for 584m to intake (both soil & rock) of Pallivasal Extension Scheme" up to 30.04.2023, for completing the necessary works required for the trial run of the 1st machine and up to 31.07.2023 for the entire completion for the remaining works after trial run, with detailed schedule breakup and without any additional financial commitment on either side.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

Sd/-

**LEKHA G
Company Secretary**

To:

The Deputy Chief Engineer & Project Manager, Pallivasal Extension Scheme with full powers of Chief Engineer, Meencut

Copy to: The Chief Engineer (IT,CR & CAPS)/ Chief Internal Auditor/ Company Secretary/
Financial Advisor/ LA&DEO

The TA to the Chairman & Managing Director / Director (Generation-Civil)/ Director
(Generation-Electrical & HRM)/ Director (Distribution, IT & SCM)/ Director
(Transmission, SO, P & S)/ Director (REES, SOURA, Nilaavu Projects, S & W).
The PA to the Director (Finance).

The RCAO/RAO

The Sr.CA to the Secretary (Administration).

Stock File.

Forwarded / By Order



Assistant Executive Engineer

capital investment finalization.

Agenda 08-03/2023: Execution of Civil works of Pazhassi Sagar SHEP 7.5 MW (3x2.5MW)-25.16MU-Contract with M/s R.S Development and Constructions India (P) Ltd, Erode-Cancellation of Board Order for Termination & Extension of time of completion-Sanction-Regarding.

Note No.DGC/AEEVI/PSR/2014 dated 09.03.2023 of the Chairman & Managing Director.

The Board vide CR:1-03/2022 dated 23.03.2022 and noted in the 64th meeting of the Board of Directors held on 12.05.2022 vide Agenda 9-05/2022 had accorded sanction for termination of the contract with R.S. Development and Construction India Private Ltd for the execution of Civil works of Pazhassi Sagar SHEP at the risk and cost of the contractor, forfeiting the performance guarantee of the contract and to rearrange the balance civil works based on the current DSR 2018. The Director (Generation-Civil) explained the chain of events that occurred subsequent to the decision of the Board. In view of the interim order of the Hon'ble High Court on the writ petition filed by the contractor not to take adverse action for invocation of Bank Guarantee, the Board's decision for termination of contract was not served on the contractor. Consequent to the discussions with the Contractor, the work was resumed on 12.06.2022. Hence the proposal for cancellation of the earlier decision of the Board for terminating the contract and time extension of the agreement with the contractor till 30.04.2024 was placed before the Board.

The OSD Finance (Resources) enquired whether the time extension is realistic and how the contractor could be made accountable if there is non-execution of the work. The Director (Generation-Civil) assured that the time extension sought is realistic and the micro schedule of activities is chartered out, which is being monitored closely. The i/c Director (Finance) opined that it is advisable to have a legally vetted supplementary agreement executed with the contractor to obtain assurance of non-slippage of contract. The Independent Director

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expressed the view that it is not a proper practice to mention the reference of Minister, MLA etc in agenda notes where representations received by them are forwarded to the company as a normal course of action. After discussion the Board

RESOLVED TO accord sanction to cancel the B.O.(DB) No.348/2022 (DGC/AEE VI/PSR/2014) dated 22.04.2022 for termination of the contract with R.S. Development and Construction India Pvt. Ltd. for the execution of Civil works of Pazhassi Sagar SHEP at the risk and cost of the contractor & forfeiting the performance guarantee of the contract and to rearrange the balance civil works based on the current DSR 2018.

RESOLVED FURTHER TO accord sanction to extend the time of completion of the present agreement with M/s RSDCPL up to 30.04.2024 and the decision regarding imposition of penalty as per agreement conditions would be decided based on the performance of the contractor towards the successful completion of the works.

FURTHER RESOLVED to authorize the Director (Generation-Electrical & HRM) and the Director (Generation-Civil) for close supervision of the execution of micro schedule of activities charted out for the contract.

RESOLVED ALSO to accord sanction to execute a supplementary agreement stipulating that no more time extension shall be granted beyond the agreed period. Upon time overrun due to the contractor's failure, the contract shall be terminated at the risk and cost. Director Generation Civil shall submit the day-to-day execution plan and monitor properly and take appropriate action on the day itself, if the decided milestone is lagging behind then take corrective measures within the agreed extended execution period.

