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TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD



ABSTRACT

CWSS TO IRUPALI AND 236 FLUORIDE AFFECTED HABITATIONS IN EDAPADI AND OTHER UNIONS OF SALEM DISTRICT - CONSTRUCTION OF ALL COMPONENTS (EXCEPT HEAD WORKS) INCLUDING MAINTENANCE FOR A PERIOD OF ONE YEAR - TENDER PROPOSAL ON TURNKEY BASIS - APPROVAL ACCORDED - ORDERS ISSUED

(Contract Management Wing)

B.P.Ms.No. 155

Dated : 08.07.2000

Read :

Board's Circulation Resolution no. 176/ dated 08.07.2000

Order :

The Government of Tamilnadu in G.O.Ms.No.101/ Rural Development (WS2) Department/ Dated 22.05.98, have accorded administrative sanction for the CWSS to Irupali and 236 fluoride affected habitations in Edapadi and other unions of Salem District for an amount of Rs.5587.00 lakhs.

The preparation of design and detailed estimate were carried out by M/s. Shah Technical Consultants, Mumbai as approved in Managing Director's Lr.No. 037915/ P&D/ AE 7/ 99/ dated 23.06.1999. The detailed estimates furnished by the Consultant were scrutinised and technically sanctioned by the Chief Engineer, Western Region, Coimbatore for an amount of Rs. 5902.58 lakhs and registered as CE/ WR/ 63/ 1999-2000 dated 09.03.2000.

Agency for the head works has already been fixed. Tenders for all the components except head works were invited by the Chief Engineer, TWAD Board, Western Region, Coimbatore vide Chit Tender Notice No. F.9006/ T9/ CE/ WR/ 2000/ dated 10.03.2000, fixing the last date for receipt of tenders as 28.04.2000. During the pre-bid meeting held on 20.04.2000, all the bidders had requested for extension of time for the submission of tenders. Accordingly, only the last date for receipt of tenders was extended upto 12.05.2000 and the place of receipt and opening of tenders was notified as TWAD House, 31, Kamarajar Salai, Chepauk, Chennai - 600 005. In between, amendments to the qualification criteria was issued in respect of Sump and service reservoir.

In response to the tender call, tender schedules were purchased by 12 firms, out of which the following six firms had offered their tenders.

1. M/s. IVRCL Infrastructures & Projects Ltd., Hyderabad
2. M/s. Laxmi Engineers, Kolhapur
3. M/s. McNally Bharat Engg. Co. Ltd., Calcutta
4. M/s. S.P. Periasamy & Co., Erode
5. M/s. Larsen & Toubro Ltd., Chennai
6. M/s. East Coast Construction & Industries Ltd., Chennai

The technical bids of the above six firms were opened on 12.05.2000 by the Chief Engineer, TWAD Board, Western Region, Coimbatore at Head Office, TWAD Board, Chennai.

As per the directions contained in Board's Proceedings Ms. No. 100 dated 03.05.2000, the proposals were placed before the Head Office Tender Evaluation Committee at its meeting held on 26.05.2000 for taking a decision on the pre qualification of the bidders for this work.

The Evaluation Committee discussed in detail the qualification criteria prescribed for the work and the compliance of the qualification criteria by the firms who have offered their tenders.

- ◆ The Committee decided that M/s. Laxmi Engineers, Kolhapur cannot be pre qualified as their bid capacity is insufficient and experience record furnished by the firm do not satisfy the technical requirements with regard to G.I. piping, pumphouse and the pumpsets.
- ◆ After taking into account the clarification furnished in response to the Chief Engineer's letter by M/s. IVRCL Infrastructures & Projects Ltd., Hyderabad,, M/s. McNally Bharat Engg. Co. Ltd., Calcutta, M/s. S.P. Periasamy & Co., Erode, M/s. Larsen & Toubro Ltd., Chennai and M/s. East Coast Constructions & Industries Ltd., Chennai, the Committee observed that all the five firms satisfied the qualification criteria laid down and as such decided to pre qualify these five firms.
- ◆ The Evaluation Committee directed that the price bids of five pre qualified firms, viz. M/s. IVRCL Infrastructures & Projects Ltd., Hyderabad,, M/s. McNally Bharat Engg. Co. Ltd., Calcutta, M/s. S.P. Periasamy & Co., Erode, M/s. Larsen & Toubro Ltd., Chennai and M/s. East Coast Constructions & Industries Ltd., Chennai may be opened by the Chief Engineer and processed further.

The price bids of the five pre qualified tenderers were opened at head office by the Chief Engineer, TWAD Board, Western Region, Coimbatore on 02.06.2000.

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Among the five tenderers, M/s. East Coast Constructions & Industries Ltd., Chennai have offered the lowest tender for a value of Rs. 53,69,26,254/- at (+) 11.39 % excess over the departmental value of Rs. 48,20,28,763/-

The Chief Engineer has recommended the lowest tender offered by M/s. East Coast Constructions & Industries Ltd., Chennai for a value of Rs. 53,69,26,254/- at (+) 11.39 % excess over the departmental value of Rs. 48,20,28,763/- for approval after negotiation at Board level.

Negotiations were held with the lowest tenderer, M/s. East Coast Constructions and Industries Ltd., Chennai. In response to this, the firm vide their letter dated 28.06.2000, have offered a total reduction of Rs. 75,00,000/- on their quoted price.

Taking this into account, the position of the lowest tender offered by M/s. East Coast Constructions and Industries Ltd., Chennai was as under :

Departmental value	Rs. 48,20,28,763/-
Value of tender originally offered by the lowest tenderer M/s. East Coast Constructions & Industries Ltd.	Rs. 53,69,26,254/-
Less total rebate offered during negotiations at head office	Rs. 75,00,000/-
Value of the lowest tender after negotiation at head office	Rs. 52,94,26,254/-
Excess over the departmental value	Rs. 4,73,97,491/-
Excess percentage	(+) 9.83 %

The tender proposal was placed before the Tender Committee at its meeting held on 01.07.2000.

The Committee after detailed discussion took note of the fact that the qualification criteria in respect of construction of service reservoirs and sump was modified for attracting more participation and in the interest of getting competitive offers. The Committee was informed that eventhough the amendment was issued after the closing date of sale of documents it was communicated to all the firms who purchased the schedule by Fax message as well as by certificate of posting on 05.05.2000 before the last date viz. 12.05.2000 fixed for receipt of tenders. As there was no restriction on sale of documents, no firm could have been prevented from purchase of documents and participation in the tender. Therefore the committee felt that issue of the amendment to pre qualification criteria could not be treated as restriction of the firms or preventing other firms from bidding. It was also noted six out of twelve firms who purchased the documents had participated and offered their tender.

The Committee was also informed that the tenders received were compared with the departmental rates for 2000-2001 for civil works and 1999-2000 rates for materials and the lowest offer of M/s East Coast Construction and Industries Limited,

Chennai was 9.83% excess over the departmental value. The Committee was also informed that by adopting 2000-2001 rates for materials also, the departmental value works out to Rs.50,54,99,948/- and the lowest tender of M/s East Coast Construction and Industries Ltd., was 4.73% excess, compared to the departmental value worked out based on 2000-2001 rates.

The Committee discussed in detail and felt that further negotiation may be resorted to with the lowest tenderer in order to bring down the tender value further. The Tender Committee therefore resolved to recommend to Board, to authorise the Managing Director to negotiate with the lowest tenderer M/s East Coast Construction & Industries Ltd., Chennai further and to bring the matter before the Board.

The matter was placed before the Board at its meeting held on 01.07.2000. The Board, after careful consideration, resolved in its Resolution No. 3.8 dated 01.07.2000, to accept the recommendation of the Tender Committee and to authorise the Managing Director, TWAD Board to negotiate with the lowest tenderer M/s. East Coast Construction and Industries Ltd. further and to bring the matter before the Board.

As directed by the Board, further negotiations were held by the Managing Director, TWAD Board with M/s. East Coast constructions & Industries Ltd., Chennai on 05.07.2000 and 06.07.2000. In response to the negotiations, the firm vide their letter no. ECCI/ 1118/ 1634/ 00/ dated 06.07.2000, have offered a further rebate of Rs. 50.00 lakhs, making the total reduction as 125.00 lakhs from their original quoted price. The firm has intimated that the breakup details for reduction in individual items will be furnished while concluding the agreement.

Taking into account the reduction offered during negotiation with the Managing Director, the position of the lowest tender offered by M/s. East Coast Constructions & Industries Ltd., Chennai would be as under :

Departmental value	Rs. 48,20,28,763/-
Value of tender originally offered by the lowest tenderer M/s. East Coast Constructions & Industries Ltd.	Rs. 53,69,26,254/-
Less total rebate offered during negotiations at head office	Rs. 75,00,000/-
Value of the lowest tender after negotiation at head office	Rs. 52,94,26,254/-
Less further rebate offered by M/s. East Coast Constructions & Industries Ltd. during negotiations with the Managing Director, TWAD Board	Rs. 50,00,000/-
Value of the lowest tender after negotiation by the Managing Director, TWAD Board	Rs. 52,44,26,254/-
Excess over the departmental value	Rs. 4,23,97,491/-
Excess percentage	(+) 8.80 %

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The Board, after careful consideration, resolved in its Circulation Resolution No. 176 dated 08.07.2000, to approve the lowest tender offered by M/s East Coast Constructions & Industries Ltd., Chennai, for a negotiated value of Rs. 52,44,26,254/- at (+) 8.80 % excess over the departmental value of Rs. 48,20,28,763/- for the above work.

Accordingly, the Board accords approval for the lowest tender offered by M/s East Coast Constructions & Industries Ltd., Chennai, for a negotiated value of Rs. 52,44,26,254/- at (+) 8.80 % excess over the departmental value of Rs. 48,20,28,763/- for the above work.

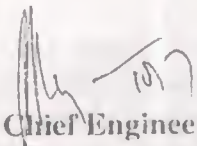
/ By order of the Board /

A.M. Kasiviswanathan
Managing Director, TWAD Board

To

The Chief Engineer, TWAD Board, Western Region, Coimbatore
Copy to the Engineering Director, TWAD Board, Chepauk, Chennai – 600 005
Copy to the Finance Director, TWAD Board, Chepauk, Chennai – 600 005
Copy to the Superintending Engineer, TWAD Board, Salem Circle, Salem
Copy to the Joint Chief Engineer (CM), TWAD Board, Chepauk, Chennai – 600 005
Copy to the RAO, TWAD Board, Chepauk, Chennai – 600 005
Copy to the Board Cell
Spare

/ forwarded by order /


Joint Chief Engineer (CM)
TWAD Board, Chennai – 5

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