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TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD



ABSTRACT

TWAD BOARD-CWSS TO 43 HABITATIONS IN LALGUDI PULLAMBADI UNIONS IN TRICHY DISTRICT AND ALATHUR AND THIRUMANUR UNIONS IN PERAMBALUR DISTRICT - CONSTRUCTION OF ELEVATED SERVICE RESERVOIR AND SUMP OF VARIOUS CAPACITIES, CONSTRUCTION OF PUMP HOUSE AND STAFF QUARTERS. SUPPLY, DELIVERY, ERECTION AND COMMISSIONING OF CENTRIFUGAL AND SUBMERSIBLE PUMPSETS, MANUFACTURING, SUPPLYING, JOINTING AND TESTING OF PSC PIPES FOR PUMPING MAIN AND BOOSTER MAINS, SUPPLY, LAYING, JOINTING AND TESTING OF AC/PVC PIPES FOR BRANCH MAINS AND DISTRIBUTION SYSTEM AND MAINTENANCE OF SCHEME FOR ONE YEAR -TENDER PROPOSAL ON TURNKEY BASIS - REJECTED - ORDERS ISSUED

(Contract Management Wing)

B.P.Ms.No. 174

Dated : 07.08.2000

Read :

Board's Resolution no. 3.4/ dated 01.08.2000

Order :

The Government of Tamil Nadu in G.O. Ms. No.114/ Rural Development (WS 3) Department/ dated 2.6.1998, have accorded administrative approval for providing a Combined Water Supply Scheme to 43 habitations in Lalgudi and Pullambadi union in Trichy District and Thirumanur and Alathur unions in Perambalur District for an amount of Rs.1205.60 lakhs.

The Chief Engineer, TWAD Board, Eastern Region, Thanjavur has accorded technical sanction for detailed estimates for various components except for source creation.

Tenders were invited by the Chief Engineer, TWAD Board, Eastern Region, Thanjavur on turnkey basis adopting two cover system vide tender notice No.571/ 2000/ SDO.I/ dated 22.1.2000, fixing last date for receipt of tenders and opening of technical bids as 03.03.2000, subsequently extended to 10.3.2000 and finally to 22.3.2000. The tender notice was published in the newspapers.

In response to the tender call, six firms had purchased the tender schedule out of which the following three firms had offered their tenders.

- 1) M/s Southern Structurals Ltd., Chennai
- 2) M/s Best & Crompton Engg.Ltd., Chennai
- 3) M/s Perfekt Engineering Associates Pvt. Ltd., Mumbai

The technical bids of the above three firms were opened by the Chief Engineer, TWAD Board, Eastern Region, Thanjavur on 22.03.2000. As per the directions contained in B.P. Ms. No.327 dated 7.10.98, the technical bids were placed before the Head Office Tender Evaluation Committee at its meeting held on 20.4.2000. The Head Office Tender Evaluation Committee discussed in detail the compliance of the qualification criteria by the tenderers and decided to pre qualify only one firm, namely M/s Best & Crompton Engg.Ltd., Chennai as they have satisfied the qualification criteria subject to the condition that they should withdraw the payment conditions set out by them and furnish the concurrence for the payment conditions stipulated in the bid documents.

The Head Office Tender Evaluation Committee decided to disqualify M/s Perfekt Engineering Associates (P) Ltd., Mumbai and M/s Southern Structurals Ltd., Chennai.

The price bid of the pre qualified single tenderer M/s Best & Crompton Engg. Ltd., Chennai was opened by the Chief Engineer, TWAD Board, Eastern Region, Thanjavur on 22.05.2000. The single tenderer had offered their tender for a value of Rs. 7,40,23,230/- at (+) 12.55 % excess over the departmental value of Rs. 6,57,66,546/-.

The Chief Engineer, TWAD Board, Eastern Region, Thanjavur has recommended the single tender of M/s Best & Crompton Engg. Ltd., Chennai for a value of Rs.7,40,23,230/- at (+) 12.55 % excess over the departmental value of Rs.6,57,66,546/- for consideration.

Negotiations were held with the single tenderer M/s. Best & Compton Engg. Ltd., Chennai. ^{in head office} In response to this, the firm has offered a lumpsum reduction of Rs. 12,60,000/- on their quoted price and have stated that the revised price would be Rs. 7,27,63,230/-, which is (+) 10.64 % excess over the departmental value of Rs. 6,57,66,546/-.

The tender proposal was placed before the Tender Committee at its meeting held on 28.07.2000. The Tender Committee, after detailed discussions, resolved to recommend to Board to reject the tender for the above work for the following reasons:

- ◆ Only single eligible tender was available for consideration thus cutting down the competition

- ◆ Amendment for the variation in quantities, specifications etc were issued in Chief Engineer's letter dated 20.03.2000 and the last date for receipt and opening of technical bids was fixed 22.03.2000, thus depriving sufficient time for the tenderers to consider the amendments.
- ◆ Even after negotiation, the value of the tender offered by the single tender is with high excess percentage

The Tender Committee resolved further that in view of the above reasons and to have more competitive offers, fresh tenders may be called for.

The Tender Committee felt that after the introduction of turnkey system adopting two cover system, there has been a communication gap resulting in lack of adequate information furnished by the firms resulting in their disqualification which ultimately cut down the competition. Therefore, the Tender Committee directed that the firms, who have participated regularly in the turnkey tenders so far and registered contractors may be addressed through a general communication pointing out the flaws in furnishing the information by them so that they can try and avoid such deficiencies in future and enhance competition.

The matter was placed before the Board at its meeting held on 01.08.2000. The Board, after careful consideration, resolved in its Resolution No. 3.4 dated 01.08.2000, to accept the recommendation of the Tender Committee and to reject the tender for the above work for the following reasons :

- ◆ Only single eligible tender was available for consideration thus cutting down the competition
- ◆ Amendment for the variation in quantities, specifications etc were issued in Chief Engineer's letter dated 20.03.2000 and the last date for receipt and opening of technical bids was fixed 22.03.2000, thus depriving sufficient time for the tenderers to consider the amendments.
- ◆ Even after negotiation, the value of the tender offered by the single tender is with high excess percentage

The Board resolved further that in view of the above reasons and to have more competitive offers, fresh tenders may be called for.

The Board accepted the views of the Tender Committee and directed that the firms, who have participated regularly in the turnkey tenders so far and registered contractors may be addressed through a general communication pointing out the flaws in furnishing the information by them so that they can try and avoid such deficiencies in future and enhance competition.

Accordingly, the Board rejects the tender for the above work for the following reasons :

- ◆ Only single eligible tender was available for consideration thus cutting down the competition

- ◆ Amendment for the variation in quantities, specifications etc were issued in Chief Engineer's letter dated 20.03.2000 and the last date for receipt and opening of technical bids was fixed 22.03.2000, thus depriving sufficient time for the tenderers to consider the amendments.
- ◆ Even after negotiation, the value of the tender offered by the single tender^{er} is with high excess percentage

The Board directs that in view of the above reasons and to have more competitive offers, fresh tenders may be called for.

The Board further directs that the firms, who have participated regularly in the turnkey tenders so far and registered contractors may be addressed through a general communication pointing out the flaws in furnishing the information by them so that they can try and avoid such deficiencies in future and enhance competition.

/ By order of the Board /

A.M. Kasiviswanathan
Managing Director, TWAD Board

To

The Chief Engineer, TWAD Board, Eastern Region, Thanjavur
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 Supcrintending Engineer, TWAD Board, Trichy Pudukkottai Circle, Trichy
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 /

Handwritten signature and date:
8/8/21
Joint Chief Engineer (CM)
TWAD Board, Chennai – 5

Handwritten date:
8/8/21