

Tender No. IRCON/2053/SHM/TN/RAIL/2022/ 91

Date: 29.12.2022

TENDER COMMITTEE PROCEEDINGS (AFTER NEGOTIATION) IN CONNECTION WITH FINALIZATION OF TENDER FOR THE WORK OF "MANUFACTURE AND SUPPLY OF R-260 GRADE RAILS AS PER INDIAN RAILWAYS STANDARD SPECIFICATION FOR FLAT BOTTOM RAIL (IRS T-12:2009 WITH LATEST AMENDMENT) FOR THE DEVELOPMENT OF SHALIMAR YARD IN CONNECTION WITH SHALIMAR STATION DEVELOPMENT PROJECT FOR SOUTH EASTERN RAILWAY IN DISTRICT HOWRAH, WEST BENGAL.

- Ref.: i) e-Procurement Notice No. IRCON/2053/SHM/TN/RAIL/2022/91 dt. 02.09.2022
 ii) Bid opened on 16.09.2022 (CP 416 and 420).
 iii) Tender ID: 2022_IRCON_126898_1
 iv) Briefing Note dated 19.09.2022 (NP 39-42).
 v) TC minutes dated 13.10.2022 (NP 43-44)

TC MEMBERS:

Competent Authority had constituted following tender committee for opening & finalization of Tender, vide approval Note dated 23.07.2022 (CP-370):

A) FOR OPENING OF TENDER

- i) Sh. Santosh Kumar Thakur, Manager/Civil.
- ii) Sh. Dilip Kumar, Manager/Finance.

B) FOR FINALIZATION OF TENDER

- i) Sh. Sankar Kumar Sarkar, AGM/Civil
- ii) Sh. Santosh Kumar Thakur, Manager/Civil
- iii) Sh. Nooruddin, DGM /Finance

1.0 **NEGOTIATION:**

1.1 Subsequent to the acceptance of the Tender Committee recommendation dated 14.10.22 (Folio No. NP 43-44) by the competent authority (GM/East) for negotiation to explore a possibility for reduction in rate to the extent possible, the lone agency, M/s. Jindal Steel and Power Ltd. was intimated to attend the rate negotiation meeting through VC on 17.10.2022 at 11.00 hours vide IRCON's letter No. IRCON/2053/SHM/TN/RAIL/ 2022/91/309 dated 15.10.2022 (Folio No. CP429).

1.2 In response, M/s. Jindal Steel and Power Ltd. attended the said VC meeting through VC on 17.10.2022. The members in the negotiation meeting from M/s Ircon side were Sh. Sankar Sarkar AGM/Civil, Sh. Nooruddin DGM/Fin and Sh. Santosh Thakur MGR/Civil and from M/s Jindal were Sh. Pawanjeet Singh Chadha Manager/Rail Business and Sh. Arunesh Bharti AVP/Sales & Marketing, After great persuasion and issuing reminder for sending negotiated offer & also for extension of validity of the tender upto 31.12.2022 vide IRCON's letter No.

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IRCON/2053/SHM/TN/RAIL/2022/91/ dated 06.12.2022 (Folio No.CP 447), they have submitted their negotiated offer as under & extended the validity upto 30.12.2022 vide their letter No. Nil dated 21.12.2022 (Folio No.448).

EXW	:	Rs.76,500.00
GST@18%	:	Rs.13,770.00
Total	:	Rs.90,270.00

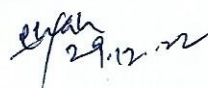
Thus, the amount comes to **Rs.8,58,17,883.60** based on the above negotiated offer for **950.68 MT**.

2.0 DISCUSSION ON FINANCIAL BID:

- 2.1 The tender was invited on limited tender basis and only one bidder had participated. The estimated cost of the work is **Rs.7,57,21,662.00 (NP 1 & 8)** inclusive of all taxes & duties. M/s Jindal Steel and Power Ltd. has quoted **14.08% above** the estimated cost i.e. **Rs.8,63,83,272.01(CP 417)** inclusive of all taxes & duties and stands as a lone bidder in the tender.
- 2.2 Subsequently, based on their negotiated offer, the total amount comes to **Rs. 8,58,17,883.60**, which is **13.33% above** the estimated cost for considering 950.68 MT @90,270 per MT (CP-448).
- 2.3 M/s Jindal Steels were reluctant to reduced the rates. However, on our persuasion M/s Jindal Steels offered a rebate of Rs. 595/- (Including GST) which stands to 0.75% amounting to total value of Rs. **8,58,17,883.60**, which is **13.33%** above the estimated cost.
- 2.4 Considering the original offer of the lone bidder, M/s. Jindal Steel and Power Ltd. being on higher side, they were requested to attend the rate negotiation meeting Accordingly, they attended the meeting and submitted their negotiated offer. Based on their negotiated offer, the total negotiated price comes to Rs. **8,58,17,883.60**, which is **13.33%** above the estimated cost.
- 2.5 The cost of executing a project of this nature within a specified target date is dependent upon timely availability of materials, proper scheduling of work and adoption of the best project management practices.
- 2.6 The rate received for transportation and handling and unloading etc. from M/s Jindal steel comes to Rs. 4,200/- and Rs 500/- respectively excluding GST (CP 449).

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If we consider the transportation Rs 4,200/-per MT for 645 km (From Raigarh to Shalimar) i. e. transportation charges for one km equals to Rs. 6.51 (CP 451).

LOA Issued for the same work by Ircon, Corporate office is Rs. 85,500/- (Including transportation loading unloading etc.) After considering the handling charges of Rs. 500/- and transport cost of Rs. 8,665 (Rs. 6.51x1331km) From Raigarh to Chennai (CP 450). The net price comes to Rs. 76,335/-per MT excluding transportation and handling charges as per LOA issued by Corporate Office (CP 435 to 437). Net price will be Rs. 76,335/-

The LOA issued of the same work by M/s RITES Ltd is of Rs. 85,650/- after considering the handling charges of Rs.500/- and transportation cost Rs. 3125/- per MT (i.e Rs. 6.51x 480km) From Bhilai to Angul (CP 452). The net price to Rs. 81,995/- per MT exclusive transportation and handling charges. Net Price will be Rs. 81,995/-

The price quoted by M/s Jindal steel is Rs. 76,500/- which is 0.22% higher than LOA issued by M/s Ircon, Corporate Office. Whereas, the LOA issued as per M/s Rites Ltd. is 7.18 % above (CP 434-435).

Recently issued one LOA issued to M/S Jindal in MP which is Rs. 80,000/- per MT exclusive transportation and handling charges (CP 445 to 446) which is 4.58 % above of our negotiated rate i.e. Rs. 76,500/- per MT. One LOA issued to M/s Jindal (CP-439 to 444) not considered in our comparison due to rate taken inclusive of GST and custom duty.

- 2.7 Hence, negotiated offer of M/s. Jindal Steel and Power Ltd. of Rs. **76,500/-** per MT exclusive @18 % GST, which is slightly higher by 0.22% than LOA issued by CO. However, this minor variation of the rate from LOA issued by Corporate Office can be considered.

3.0 RECOMMENDATIONS:

In view of the discussions and deliberations in the foregoing paras, the tender committee recommends to award the work of "Manufacture and supply of R-260 Grade Rails as per Indian Railways Standard Specification for Flat Bottom Rail (IRS T-12:2009 with latest amendment) for the development of Shalimar Yard in connection with Shalimar Station Development Project for South Eastern Railway in District Howrah, West Bengal" to M/s Jindal Steel and Power Ltd., Jindal Centre, Plot No.2,

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Sector -32, Gurugram-122001, Haryana for a total value of **Rs.8,58,17,883.60 (Rupees Eight Crore Fifty Eight Lac Seventeen Thousand Eight Hundred Eighty Three and Sixty paise only)** at the negotiated rate of Rs.90,270/- per MT inclusive GST @18%.

As per SOP Clause No. 5.1.1 (b), acceptance /rejection /modification of the recommendation of the Tender Committee lies within the competency of CGM/East.

Sankar
29/12/22
(Sankar Kr. Sarkar)
AGM/Civil

Nooruddin
29.12.22
(Nooruddin)
DGM/Fin.

Santosh
29.12.22
(Santosh Kr. Thakur)
Manager/Civil

CGM/East

TCR accepted.
K. Lal
29/12/22