

MINUTES OF E-PRICE BID REVISION APPROVAL CWC-I MEETING
HELD ON 08-09-2023 FOR THE CIVIL WORK – PROVISION OF
CHAIN LINK FENCING AROUND TYPE III QUARTERS
AT HVF ESTATE

CIVIL ENGINEERING OFFICE

The following Officers were present ;

1	Shri. V.R. Rambhad	CGM / HVF	Chairman / CWC-I
2	Shri. G. Krishna Kishore	GM / HR, F&A	Member / Finance & User
3	Shri. Paidi Annajee Rao	GM / IMS (Fy) & QA	Member / CEO
4	Shri. K. Tulasi Rao	JT. GM / IMS, EO & GS	Member / Secy

- 01 e-Tender Enquiry No. & Date : HVF/TE/13025/CEO/2023-24/19, Dt. 27-05-2023.
E-Procurement Tender ID : 2023_AVNL_155417_1
- 02 Name of the Work : Provision of Chain Link Fencing around Type-III Quarters at HVF Estate.
- 03 Type of Tender : Open Tender under Two Bid System (e-Tendering)
- 04 Grant & Code Head : 920 / 34 (Capital Grant) ND 2214 ADP 2022-23
- 05 User Section : HVF / IMS - CE (E)
- 06 Estimated cost of Work (Approx) : Rs.1,67,54,000/= (As per delegation of Financial Powers issued by AVNL as on 01-10-2021, Point Sl.No. 53. (For Capital Civil works for amenity buildings including residential and hostel accommodation), Sub Clause "b" and AVNL Amendment letter Dt. 22-04-2022 and 07-06-2023, CGM is empowered for Issue of Acceptance of Necessity & Administrative Approval and placement of contract for Departmental Works upto Rs. 05 Crores. Hence the subject case falls under the financial powers of CWC-I)
- 07 Approval & Financial Concurrence : i. CGM Approval vide CE/E Note No.1659/CE(E)/2022-23/Cap, Dt. 25-11-2022
ii. F&A Concurrence vide Letter No. 12501/HVF/FIN&ACCT/86/ 2022, Dt. 14-12-2022
iii. ADP Approval vide AVNL Letter No. 91002/ADP/HVF(ND2214)/ AVNL/2022-23, Dt. 09-11-2022
- 08 Re-Tender History : The Present case is a re-tendered Case. CWC-I held on 14-03-2023 had decided to cancel the First tender (e-Proc ID.No. 28949) and re-tender the case as the same had become a RST. Subsequently, the case was re-tendered. CWC-I held on 20-05-2023 had decided to cancel the second tender (e-proc ID No. 2023_AVNL_151479_1) and re-tender the case as the same had become a RST.
- 09 e-Tender published in CPPP e-proc website on : 29-05-2023
- 10 Scheduled Bid submission closing date and Date of Tender Opening : Original Bid Submission closing Date : 13-06-2023
Original Technical Tender Opening Date : 14-06-2023
- 11 No. of T.O.D Postponements : 1ST Auto Extension (BSCD : 27/06/2023 & TOD :28/06/2023)



- 12 e-Tender Technical /Eligibility Bid opened on : 28-06-2023
- 13 No. of Responses received online : 02 Responses / bids were received online.
- 14 Names of Contractors who have responded and their EMD details :

Sl. No.	NAME OF THE CONTRACTOR	EMD VALIDITY	OFFER VALIDITY (90 Days from Actual Technical bid opening date)
01	M/s R. Krishnamurthy & Co, Chennai	DD, 14-08-2023	Confirmed . Offer Validity till 26-09-2023
02	M/s Sri Lakshmi Industries, Chennai	FDR, Date of Maturity is 26-06-2025	Confirmed . Offer Validity till 26-09-2023.

- 15 CWC-I deliberated the case on 21-07-2023 and observed that both the participating contractors have fulfilled the eligibility Conditions of the tender and the offers of both the participating contractors are technically acceptable. Hence, CWC-I approved opening of e-price bids of both the eligible contractors viz.,

1. M/s R. Krishnamurthy and Co, Chennai
2. M/s Sri Lakshmi Industries, Chennai

- 16 Accordingly the e-price bids of both the eligible contractors have been opened on 26-07-2023.

- 17 Details of e-Quotations (Price bids) received is given below

Sl. No	Name of the Contractor	STATUS	Quoted Amount	Difference in % over estimated rate
01	M/s Sri Lakshmi Industries, Chennai	<u>L1</u>	Rs. 1,67,00,200.00 / =	(-) 00.32 % (Lower)
02	M/s. R. Krishnamurthy and Co, Chennai	<u>L2</u>	Rs. 1,84,75,513.94 / =	(+) 10.27 % (Higher)

18 INITIAL OBSERVATIONS

- a It is observed that M/s Sri Lakshmi Industries, Chennai is the L1 Contractor and has quoted a total amount of Rs. 1,67,00,200 / = (Rupees One Crore Sixty Seven Lakhs and Two Hundred Only) for the work. The quoted amount is (-) 00.32 % lower than the departmental estimate of Rs.1,67,54,000/= {prepared based on "At Par" Rates for Civil SSR Items. For some Items MR has been taken.}. It is submitted that as per the Latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, Letter Dt. 23-06-2023 the market variation for "Compound Wall & Fencing" for SSR Items is "At Par" { MV of "(-) 5 % Plus (+) 5 % for Normal Restricted area – HVF Estate }. There are no freakishly high rates and freakishly low rates quoted by the L1 Contractor. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST.
- b It is submitted that the rates quoted by the L1 contractor for Items Sl.No. 10 & 11 are higher than the departmental estimate by more than 10%

19 OBSERVATIONS OF CWC-I HELD ON 04-08-2023

- a CWC-I observed that M/s Sri Lakshmi Industries, Chennai is the L1 Contractor and has quoted a total amount of Rs. 1,67,00,200 / = (Rupees One Crore Sixty Seven Lakhs and Two Hundred Only) for the work. The quoted amount is (-) 00.32 % lower than the departmental estimate of Rs.1,67,54,000/= {prepared based on "At Par" Rates for Civil SSR Items. For some Items MR has been taken.}. CWC-I also observed that as per the Latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, Letter Dt. 23-06-2023 the market variation for "Compound Wall & Fencing" for SSR Items is "At Par" { MV of "(-) 5 % Plus (+) 5 % for Normal Restricted area – HVF Estate }. There are no freakishly high rates and freakishly low rates quoted by the L1 Contractor. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST.
- b CWC-I further observed that the rates quoted by the L1 contractor for Items Sl.No. 10 & 11 are higher than the departmental estimate by more than 10%

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- c CWC-I also observed that the rates / total amount quoted by the L1 Contractor in the present case is on the higher side when compared to the rates accepted by HVF for the Similar work viz., Provision of Chain Link Fencing around Type IV Quarters at HVF Estate placed on M/s J. Santhanam, Chennai vide HVF CA No. HVF/CE/08/2022-23/CAP, Dt. 11-01-2023.

20 DECISION OF CWC-I HELD ON 04-08-2023

- a In view of the aforesaid observations, CWC-I decided to refer the rates for items Sl.No. 10 & 11 (wherein the rates quoted by the L1 firm are higher than departmental estimate by more than 10%) to the L1 Contractor M/s Sri Lakshmi Industries, Chennai for their consideration and downward revision of their quoted rates.
- b CWC-I also decided to refer the overall quoted rates / total amount to the L1 contractor M/s Sri Lakshmi Industries, Chennai for their consideration and downward revision of their quoted rates as the rates / total amount quoted by the L1 contractor in the present case is on the higher side when compared to the rates accepted by HVF for similar work in recent past.
- 21 As directed by CWC-I, Price Negotiation was initiated with the L1 contractor, M/s Sri Lakshmi Industries, Chennai and e.mail Dt. 08-08-2023 and 10-08-2023 were issued to the contractor, seeking downward revision of the rates for Items Sl.No. 10 & 11 (wherein the rates quoted by the L1 firm are higher than the departmental estimate by more than 10 %) and also for the overall quoted rates / total amount.

The L1 Contractor M/s Sri Lakshmi Industries, Chennai has replied vide e.mail Dt. 11-08-2023 and submitted letter Dt. 10-08-2023 wherein it is intimated that "...we have quoted a very reasonable rates for the subject work. Also it is submitted that the rates of labour and materials are continuously increasing. However we have now reduced the rates for Items Sl.No. 10 & 11 and offered a total discount of Rs. 2,90,900 /=. The revised total amount after price reduction is Rs. 1,64,09,300 /=. This may be considered as our final discounted price please. The rate revision sheets are enclosed. It is requested to kindly accept the same and release the order at the earliest, please....."

It is submitted that M/s Sri Lakshmi Industries, Chennai has revised their prices and offered the following rate revision.

Sl.No	Item Sl.No	Original Quoted Unit Rate (Rs.) and Percentage w.r.t Estimated cost	Revised Unit Rate (Rs.) after Price Revision and Percentage w.r.t Estimated cost
01	Item Sl. No. 10	Rs. 99 /= (20.92%)	Rs. 89 /= (08.71 %)
02	Item Sl. No. 11	Rs. 100 /= (21.32%)	Rs. 90 /= (09.18 %)

- 22 The status of Prices quoted by the L1 firm after revision of Prices are as follows ;

Sl. No	Name of the Contractor	STATUS	Original Quoted Amount	Revised Quoted Amount	Difference in % over estimated rate for revised quoted amount
01	M/s SRI LAKSHMI INDUSTRIES	<u>L1</u>	Rs. 1,67,00,200 / =	Rs. 1,64,09,300 / =	(-) 02.05 % (Lower)
TOTAL AMOUNT REDUCED			Rs. 2,90,900 / =		

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23 OBSERVATIONS AFTER PRICE REVISION

- a It is observed that after the Price revision / reduction offered by the L1 contractor Sri Lakshmi Industries, Chennai, the revised quoted total amount works out to Rs. 1,64,09,300 /- (Rupees One Crore Sixty Four Lakhs Nine Thousand and Three Hundred Only) for the work. The revised quoted total amount is (-) 02.05 % Lower than the departmental estimate of Rs.1,67,54,000/- {prepared based on "At Par" Rates for Civil SSR Items. For some Items MR has been taken.}. It is submitted that as per the Latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, Letter Dt. 23-06-2023 the market variation for "Compound Wall & Fencing" for SSR Items is "At Par" { MV of "(-) 5 % Plus (+) 5 % for Normal Restricted area – HVF Estate }. There are no freakishly high rates and freakishly low rates quoted by the L1 Contractor. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST.
- b It is submitted that the L1 Contractor has offered Price revision for Items SI No. 10 & 11 (which were earlier higher than the departmental estimate by more than 10%) and after price revision, the revised rates for these items are higher than the departmental rates by less than 10 %.
- c It is submitted that the L1 Contractor M/s Sri Lakshmi Industries, Chennai vide their letter Dt. 10-08-2023 has intimated that they have quoted very reasonable rates for the subject work and also that the rates of labour and material are continuously increasing. The firm has intimated that they have reduced the rates for Items SI.No. 10 & 11 and offered a total discount of Rs. 2,90,900 /- and their revised total amount after price reduction works out to Rs. 1,64,09,300/- and this may be considered their final discounted price. The firm has requested to accept the same and release the order.

24 OBSERVATIONS OF CWC-I HELD ON 25-08-2023

- a CWC-I observed that after the Price revision / reduction offered by the L1 contractor Sri Lakshmi Industries, Chennai, the revised quoted total amount works out to Rs. 1,64,09,300 /- (Rupees One Crore Sixty Four Lakhs Nine Thousand and Three Hundred Only) for the work. The revised quoted total amount is (-) 02.05 % Lower than the departmental estimate of Rs.1,67,54,000/- {prepared based on "At Par" Rates for Civil SSR Items. For some Items MR has been taken.}. It is submitted that as per the Latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, Letter Dt. 23-06-2023 the market variation for "Compound Wall & Fencing" for SSR Items is "At Par" { MV of "(-) 5 % Plus (+) 5 % for Normal Restricted area – HVF Estate }. There are no freakishly high rates and freakishly low rates quoted by the L1 Contractor. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST.
- b CWC-I also observed that the L1 Contractor has offered Price revision for Items SI No. 10 & 11 (which were earlier higher than the departmental estimate by more than 10%) and after price revision, the revised rates for these items are higher than the departmental rates by less than 10 %.
- c CWC-I noted that the L1 Contractor M/s Sri Lakshmi Industries, Chennai vide their letter Dt. 10-08-2023 has intimated that they have quoted very reasonable rates for the subject work and also that the rates of labour and material are continuously increasing. The firm has intimated that they have reduced the rates for Items SI.No. 10 & 11 and offered a total discount of Rs. 2,90,900 /- and their revised total amount after price reduction works out to Rs. 1,64,09,300/- and this may be considered their final discounted price. The firm has requested to accept the same and release the order.
- d CWC-I also observed that the L1 Contractor quoted rates for some items (including revised rates) / revised quoted total amount in the present case is still on the higher side when compared to the rates accepted by HVF for various Civil works in the recent past (LPR Rates)

25 DECISION OF CWC-I HELD ON 25-08-2023

- a In view of the aforesaid observations, CWC-I decided to once again refer the overall quoted rates / total amount to the L1 contractor M/s Sri Lakshmi Industries, Chennai for their consideration and further downward revision of their quoted rates as the rates for some items (including revised rates) / revised total amount quoted by the L1 contractor in the present case is still on the higher side when compared to the rates accepted by HVF for various Civil works in the recent past (LPR Rates)

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- 26 As directed by CWC-I, Price Negotiation was again initiated with the L1 contractor, M/s Sri Lakshmi Industries, Chennai vide HVF/CEO e.mail Dt. 28-08-2023 and 31-08-2023, seeking further downward revision of their quoted rates / overall total amount. The L1 Contractor M/s Sri Lakshmi Industries, Chennai has replied vide e.mail Dt. 31-08-2023 and submitted letter Dt. 30-08-2023 wherein it is intimated that

"...In response to HVF e.mail referred above for second price negotiation, it is submitted that in the first price negotiation we had reduced our overall total quoted price by Rs. 2,90,900/= and revised total amount after price reduction was Rs. 1,64,09,300 /= and the same is very much reasonable. It is regretted to submit that further reduction in rates / total amount is not possible as the rates of raw materials and labour is increasing and the work has to be executed over the next one year. Hence we are not offering any price reduction in the second negotiation. We request to consider our revised quoted total amount of Rs. 1,64,09,300 /= offered in first price negotiation as our final discounted total price and release the order on us, please....."

It is submitted that M/s Sri Lakshmi Industries, Chennai has not submitted any rate revision in the second price negotiation.

27 OBSERVATIONS AFTER SECOND PRICE NEGOTIATION CORRESPONDENCE

- a It is observed that the L1 Contractor M/s Sri Lakshmi Industries, Chennai, has not offered any price revision / reduction in the second price negotiation and the L1 contractor revised quoted total amount remains unchanged at Rs. 1,64,09,300 /= (Rupees One Crore Sixty Four Lakhs Nine Thousand and Three Hundred Only) for the work. The revised quoted total amount is (-) 02.05 % Lower than the departmental estimate of Rs.1,67,54,000/= {prepared based on "At Par" Rates for Civil SSR Items. For some Items MR has been taken.}. It is submitted that as per the Latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, Letter Dt. 23-06-2023 the market variation for "Compound Wall & Fencing" for SSR Items is "At Par" { MV of "(-) 5 % Plus (+) 5 % for Normal Restricted area – HVF Estate }. There are no freakishly high rates and freakishly low rates quoted by the L1 Contractor. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST.
- b It is submitted that the L1 Contractor M/s Sri Lakshmi Industries, Chennai vide their letter Dt. 30-08-2023 has intimated that in the first price negotiation they had reduced their overall total quoted price by Rs. 2,90,900 /= and revised total amount after price reduction was Rs. 1,64,09,300 /= and the same was very much reasonable. The L1 contractor has now regretted to submit any further reduction in rates / total amount citing that the rates of raw materials and labour are increasing and the work has to be executed over the next one year. The L1 contractor has intimated that they are not offering any price reduction in the second negotiation and requested to consider their revised total amount of Rs. 1,64,09,300 /= offered in first price negotiation as their final discounted price and requested to release the order on them.

28 OBSERVATIONS OF CWC-I HELD ON 08-09-2023

- a CWC-I observed that the L1 Contractor M/s Sri Lakshmi Industries, Chennai, has not offered any price revision / reduction in the second price negotiation and the L1 contractor revised quoted total amount remains unchanged at Rs. 1,64,09,300 /= (Rupees One Crore Sixty Four Lakhs Nine Thousand and Three Hundred Only) for the work. The revised quoted total amount is (-) 02.05 % Lower than the departmental estimate of Rs.1,67,54,000/= {prepared based on "At Par" Rates for Civil SSR Items. For some Items MR has been taken.}. CWC-I also observed that as per the Latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, Letter Dt. 23-06-2023 the market variation for "Compound Wall & Fencing" for SSR Items is "At Par" { MV of "(-) 5 % Plus (+) 5 % for Normal Restricted area – HVF Estate }. There are no freakishly high rates and freakishly low rates quoted by the L1 Contractor. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST.
- b CWC-I noted that the L1 Contractor M/s Sri Lakshmi Industries, Chennai vide their letter Dt. 30-08-2023 has intimated that in the first price negotiation they had reduced their overall total quoted price by Rs. 2,90,900 /= and revised total amount after price reduction was Rs. 1,64,09,300 /= and the same was very much reasonable. The L1 contractor has now regretted to submit any further reduction in rates / total amount citing that the rates of raw materials and labour are increasing and the work has to be executed over the next one year. The L1 contractor has intimated that they are not offering any price reduction in the second negotiation and requested to consider their revised total amount of Rs. 1,64,09,300 /= offered in first price negotiation as their final discounted price and requested to release the order on them.

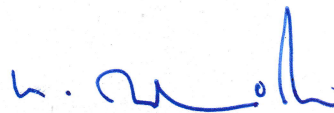
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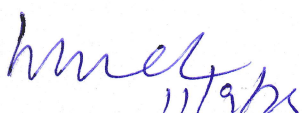
- c CWC-I observed that all efforts have been made to obtain rate revision / reduction for the rates / overall total amount quoted by the L1 Contractor M/s Sri Lakshmi Industries, Chennai through online Price Negotiation on two occasions. In the first price negotiation, the L1 contractor has offered a cumulative price reduction of Rs. 2,90,900 (for Items Sl. No 10 and 11) and in the second price negotiation the L1 contractor has regretted to offer any further price reduction. Hence the final discounted / revised price of the L1 Contractor is Rs. 1,64,09,300 /=. CWC-I also observed that the L1 Contractor quoted rates for some items (including revised rates) / revised quoted total amount in the present case is still on the higher side when compared to the rates accepted by HVF for various Civil works in the recent past (LPR Rates).

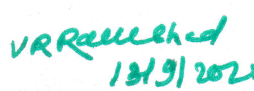
29 DECISION OF CWC-I HELD ON 08-09-2023

In view of the aforesaid observations, CWC-I decided to re-tender the case on Open Tender basis on two part bid system, through e-Procurement Portal to receive more number of offers with competitive and reasonable prices. CWC-I decided that the present Tender bearing ID : 2023_AVNL_155417_1 must be cancelled in the CPPP e-procurement portal.


(PAIDIANNAJEE RAO)
GM / IMS (Fy) & QA
MEMBER / CEO


(K. TULASI RAO)
JT.GM / IMS, EO & GS
MEMBER SECRETARY


(G. KRISHNA KISHORE)
GM / HR, F&A
MEMBER / FINANCE & USER


(V.R. RAMBHAD)
CGM / HVF
CHAIRMAN / CWC-I

F.R