

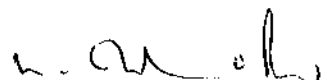
MINUTES FOR E-PRICE BID REVISION APPROVAL CWC- I HELD ON 29-09-2023 FOR THE CIVIL WORK- WIDENING OF ROAD IN FRONT OF AVNL CORPORATE OFFICE AT HVF ESTATE

CIVIL ENGINEERING OFFICE

The following Officers were present:-

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|-----------------------------|----------------------|----------------------|
| 1. Shri. V.R. Rambhad | CGM / HVF | - Chairman / CWC – I |
| 2. Shri. G. Krishna Kishore | GM / HR, F&A | - Member / Finance |
| 3. Shri. Paidi Annajee Rao | GM / IMS & QA | - Member / User |
| 4. Shri. K. Tulasi Rao | Jt.GM / IMS, EO & GS | - Member Secretary |

- 01 e-Tender Enquiry No. & Date : HVF/TE/13025/CEO/2023-24/30, Dt. 13-07-2023.
e-Procurement Tender ID : 2023_AVNL_161003_1
- 02 Name of the Work : Widening of Road In front of AVNL Corporate Office at HVF Estate.
- 03 Type of Tender : Open Tender under Two Bid System (e-Tendering)
- 04 Grant & Code Head : 920 / 34 (Under Capital Civil Works Grant) & (ND 2313)
- 05 User Section : HVF / IMS - CE (Estate)
- 06 Estimated cost of Work (Approx) : Rs. 1,09,18,000 /= (As per delegation of Financial Powers issued by AVNL as on 01-10-2021, Point SI.No. 51. (For Capital Civil works for Other than Production Buildings including Roads but excluding Residential Accommodation and Amenity Buildings; Sub Clause "b", and AVNL latest Amendment letter Dt. 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) OIC Approval vide IMS/CE (Estate) Note No.1659/ CE(E) / 2022-2023/CAP dt 15-06-2023.
ii) F&A Concurrence vide Letter No. 12501/HVF/ FIN&ACCT /86/2023, dt. 04-07-2023.
iii) ADP Approval vide AVNL Letter No. 91002/ADP/ HVF (ND2313)/AVNL/2023-24, Dt 15-06-2023.
- 08 e-Tender published in CPPP : 13-07-2023
e-proc website on
- 09 Scheduled Bid Submission Closing date & Tender Opening date : Original Bid Submission Closing Date : 28-07-2023
Original Technical Tender Opening Date : 29-07-2023
- 10 No. of T.O.D Postponements : Nil
- 11 e-Tender Technical /Eligibility Bid opened on : 29-07-2023
- 12 No. of Responses received online : 03 Responses / Bids were received online.

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13 Names of Contractors who has responded :

Sl. No.	NAME OF THE CONTRACTOR	EMD VALIDITY	OFFER VALIDITY (90 Days from Actual Technical Bid Opening Date)
01	M/s. Hari Enterprises, Chennai	FDR, Date of Maturity 29-10-2023.	Confirmed. Offer Validity till 27-10-2023
02	M/s. Siva Enterprises, Chennai	FDR, Date of Maturity 19-10-2023.	Confirmed. Offer Validity till 27-10-2023
03	M/s. PSG Constructions, Chennai	FDR, Date of Maturity 26-01-2024.	Confirmed. Offer Validity till 27-10-2023

14. Eligibility Bid:-

CWC – I held on 04-08-2023 deliberated the case and observed that all the 03 (Three) participating contractors have fulfilled the Eligibility Conditions of the tender and their offers are technically acceptable. Hence, CWC – I approved opening of e-price bids of all the 03 (Three) eligible contractors viz.,

- M/s. Hari Enterprises, Chennai
- M/s. Siva Enterprises, Chennai and
- M/s. PSG Constructions, Chennai

15. Accordingly e-Price Bid of the eligible contractors were Opened on:- 09-08-2023.

16. Details of e-Quotations received are given below:-

Sl. No	NAME OF THE CONTRACTOR	STATUS	QUOTED PRICE	DIFFERENCE OF % OVER ESTIMATED RATE
01	M/s. Siva Enterprises, Chennai	L1	Rs. 1,16,45,232.00 /-	(+) 6.66 %
02	M/s. Hari Enterprises, Chennai	L2	Rs. 1,20,12,420.00 /-	(+) 10.02 %
03	M/s. PSG Constructions, Chennai	L3	Rs. 1,23,03,280.00 /-	(+) 12.69 %

17. OBSERVATIONS OF CWC – I HELD ON 14-08-2023:

- CWC – I Observed that M/s. Siva Enterprises, Chennai is the L1 contractor and has quoted the amount of **Rs. 1,16,45,232.00 /-** (Rupees One Crore Sixteen Lakhs Forty Five Thousand Two Hundred and Thirty Two Only). The L1 quoted rate is Higher than the department estimate of Rs. 1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) by **(+) 6.66 %**. CWC – I also observed that there is No freakishly high and No freakishly low items quoted by the L1 Contractor.
- CWC – I Observed that the rates quoted by the L1 contractor for items Sl. No 05 & 06 (02 items) are higher than the departmental estimate by more than 10%.
- CWC – I Observed that as per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.
- CWC – I Observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, letter dt. 23-06-2023. Accordingly Market Variation of (+) 10% for Civil SSR Items {(+) 05% MV Plus (+)05% for Restricted Area} and (+) 15% for Electrical SSR Items {(+)10% MV Plus (+)05% for Restricted Area} has been calculated. The revised notional estimated cost works out to Rs. 1,12,52,600.00 /-.
- CWC – I Observed that the L1 quoted cost of Rs. 1,16,45,232.00 /- is Higher than the revised notional estimate of Rs. 1,12,52,600.00 /- by (+) 3.49%. It is submitted that there are No freakishly High items and Freakishly Low Items quoted by the L1 Contractor when compared with the revised notional estimate. It is also submitted that the rates quoted by the L1 Contractor for Item Sl. No 06 (01 item) is higher than the revised notional departmental estimate by more than 10%.

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18. DECISION OF CWC- I HELD ON 14-08-2023:

In view of the above observations, CWC - I decided to refer the rates for items Sl. No 05 & 06 (02 items wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%) and also the overall quoted rate to the L1 Contractor M/s. Siva Enterprises, Chennai for their consideration and downward revision of their quoted rates.

19. As directed by CWC – I, offline price negotiation was initiated with the L1 Contractor, M/s. Siva Enterprises, Chennai seeking downward revision for items Sl. No 05 & 06 (02 items wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%) and also the overall quoted rate. The Negotiated e-price bid of L1 Contractor M/s. Siva Enterprises, Chennai, was received on 17-08-2023.

20. The L1 Contractor has revised the price and offered the following rate revision:

S. No	Item Sl. No.	Original Quoted Unit Rate (Rs.) and Percentage wrt Estimated Cost			Revised Unit Rate (Rs.) after Price Revision and Percentage wrt Estimated Cost		
Price Revision offered for Items where the rates quoted are higher than estimate by more than 10%:							
01	Item Sl. No. 05	Rs.	7555.00	10.13 %	Rs.	7400.00	7.87 %
02	Item Sl. No. 06	Rs.	7755.00	14.04 %	Rs.	7300.00	7.35 %
Price Revision offered for Items where the rates quoted are higher than estimate by less than 10%:							
03	Item Sl. No. 04	Rs.	7655.00	9.98%	Rs.	7400.00	6.31%
04	Item Sl. No. 08	Rs.	8455.00	8.96%	Rs.	8350.00	7.61%
05	Item Sl. No. 10	Rs.	93.15.00	8.36%	Rs.	90.00	4.70%
06	Item Sl. No. 13	Rs.	845.00	6.96%	Rs.	838.00	6.08%
07	Item Sl. No. 14	Rs.	1515.00	9.25%	Rs.	1450.00	4.56%
08	Item Sl. No. 15	Rs.	4255.00	9.70%	Rs.	4180.00	7.77%
09	Item Sl. No. 20	Rs.	11000.00	9.21%	Rs.	10600.00	5.24%
10	Item Sl. No. 21	Rs.	4600.00	6.52%	Rs.	4500.00	4.20%
11	Item Sl. No. 23	Rs.	220.00	10.00%	Rs.	215.00	7.50%
12	Item Sl. No. 37	Rs.	1955.00	8.95%	Rs.	1930.00	7.56%
13	Item Sl. No. 44	Rs.	29655.00	9.83%	Rs.	29100.00	7.78%

The status of Prices quoted by the L1 Contractor after revision of Prices are as follows;

Name of the L1 Contractor	Estimated Price	Original Quoted Price	Revised Price (After Negotiation)	Diff. of Revised Price in % over Estimated price
M/s. Siva Enterprises, Chennai	Rs.1,09,18,000 /-	Rs. 1,16,45,232 /-	Rs. 1,14,50,187 /-	(+) 4.87 % (Higher)
Total Amount Reduced by the L1 Contractor: Rs. 1,95,045 /-				

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21. OBSERVATIONS OF CWC – I AFTER PRICE REVISION HELD ON 18-08-2023:

a. CWC – I Observed that the L1 Contractor M/s. Siva Enterprises, Chennai has revised his quoted amount from Rs. 1,16,45,232 /- to Rs. 1,14,50,187 /- (Rupees One Crore Fourteen Lakhs Fifty Thousand One Hundred and Eighty Seven rupees Only). The revised rate is still Higher than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) by (+) 4.87 %. CWC – I Observed that there is No freakishly high and No freakishly low items quoted by the L1 Contractor.

b. CWC – I Observed that the revised rates after price negotiation quoted by the L1 contractor for items Sl. No 05 & 06 (02 items) are higher than the departmental estimate by less than 10% and the L1 Contractor in reply to the price negotiation has offered Price revision for 13 items out of 44 Items and reduced Rs. 1,95,045 /- from their initial offer.

c. CWC – I Observed that the L1 Contractor has offered Price reduction of Rs. 1,95,045 /- in reply to the Price negotiation request and vide letter dated 17-08-2023 stated "(i) The rates quoted by us are the rock bottom only. The Material and Labour rates increased drastically nearly 10% in the current situations. (ii) Majority of the items in the tender are based on Market Rates and due to increase in prices there is no further scope for price revision. (iii) The Price for steel, cement items has increased after our submission of offer to this tender. (iv) To extend the maximum cooperation with the department, In reply to the Price negotiation request, I reduced my rates for items Sl. No 04, 05, 06, 08, 10, 13, 14, 15, 20, 21, 23, 37 & 44 and offered a total discount of Rs. 1,95,045 /- from my initial offer. (v) My revised quoted total amount after price reduction is Rs. 1,14,50,187 /- (confirmed vide subsequent email) and the same is very much reasonable.

Taking into consideration the above, the rates offered by me in the present case are my best possible offers and any further reduction is not possible. It is requested to accept the same and issue the order to me at the earliest, please".

d. CWC – I Observed that as per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

e. CWC – I Observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, letter dt. 23-06-2023. Accordingly Market Variation of (+) 10% for Civil SSR Items {(+) 05% MV Plus (+)05% for Restricted Area} and (+) 15% for Electrical SSR Items {(+)10% MV Plus (+)05% for Restricted Area} has been calculated. The revised notional estimated cost works out to Rs. 1,12,52,600 /-.

f. CWC - I Observed that the L1 revised total cost of Rs. 1,14,50,187 /- is Higher than the revised notional estimate of Rs. 1,12,52,600 /- by (+) 1.76%. It is submitted that there are No freakishly High items and Freakishly Low Items quoted by the L1 Contractor when compared with the revised notional estimate and it is also submitted that the revised rates quoted by the L1 Contractor for Item Sl. No 06 (01 item) is higher than the revised notional departmental estimate by less than 10%.

22. DECISION OF CWC- I AFTER PRICE REVISION HELD ON 18-08-2023:

CWC – I deliberated the case and observed that the L1 Contractor M/s. Siva Enterprises, Chennai has revised his quoted amount from Rs. 1,16,45,232 /- to Rs. 1,14,50,187 /- (Rupees One Crore Fourteen Lakhs Fifty Thousand One Hundred and Eighty Seven rupees Only). The revised quoted rate is still Higher than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) by (+) 04.87 % and there appears to be a scope for further reduction in the revised price offered by the L1 Contractor. Hence CWC – I decided to once again refer the overall quoted price to the L1 Contractor, M/s. Siva Enterprises, Chennai for their consideration and downward revision of the revised offer price.

23. As directed by CWC – I, once again offline price negotiation was initiated with the L1 Contractor, M/s. Siva Enterprises, Chennai seeking downward revision for the overall quoted rate. Reply email from the L1 Contractor M/s. Siva Enterprises, Chennai was received on 28-08-2023 in which the L1 Contractor stated their inability to reduce further and attached their reply letter;

Handwritten signature

In the reply letter the L1 Contractor stated "With reference to the 2nd time Price negotiation clarification issued on 26-08-2023 by HVF Civil Engineering office, the following is submitted for kind consideration.

- (i) As we have stated earlier, the rates quoted by us are the rock bottom only. The Material and Labour rates increased drastically nearly 10% in the current situations.
- (ii) Majority of the items in the tender are based on Market Rates and due to increase in prices there is no further scope for price revision.
- (iii) The Price for steel, cement items has increased after our submission of offer to this tender and we have to execute the job in this same price for another one year for completion of the work.
- (iv) Even though our quoted rates are competitive, I reduced my rates for items Sl. No 04, 05, 06, 08, 10, 13, 14, 15, 20, 21, 23, 37 & 44 and offered a total discount of Rs. 1,95,045 /- in the first negotiation to extend the maximum cooperation with the department. My revised quoted total amount after 1st price reduction is Rs. 1,14,50,187 /- and the same is very much reasonable and any further reduction is not possible and this will be our final price for the tender.

Taking into consideration the above, I request you to accept the same and issue the order to me at the earliest, please".

24. Since the L1 Contractor, M/s. Siva Enterprises, Chennai has not given any price revision during the 2nd Price Negotiation request, the status of the Prices quoted by him remain same and are as follows;

Estimated Price	Original Quoted Price	Revised Price (After 1 st Price Revision)	Revised Price (After 2 nd Price Revision)	Diff. of Revised Price in % over Estimated price
Rs. 1,09,18,000 /-	Rs. 1,16,45,232 /-	Rs. 1,14,50,187 /-	Rs. 1,14,50,187 /-	(+) 4.87 % (Higher)
Total Amount Reduced by the L1 Contractor during 1 st Price Revision:				Rs. 1,95,045 /-
Total Amount Reduced by the L1 Contractor during 2 nd Price Revision:				0 /-
Overall Total Amount Reduced by the L1 Contractor:				Rs. 1,95,045 /-

25. OBSERVATIONS OF CWC – I HELD ON 01-09-2023:

a. CWC – I Observed that the L1 Contractor M/s. Siva Enterprises, Chennai in reply to the 2nd Price Negotiation request has not revised his offered amount and hence the Total amount remain the same and is Rs. 1,14,50,187 /- (Rupees One Crore Fourteen Lakhs Fifty Thousand One Hundred and Eighty Seven rupees Only). The L1 Contractors rate is **Higher** than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) **by (+) 4.87 %**. CWC – I also observed that there is No freakishly high and No freakishly low items quoted by the L1 Contractor.

b. CWC – I Observed that the L1 Contractor has offered Price reduction of Rs. 1,95,045 /- in reply to the 1st Price negotiation request and subsequently in the 2nd Price redction has not offered any price reduction. Furhter the L1 Contractor vide letter dated 28-08-2023 submitted the following for kind consideration.

- (i) As we have stated earlier, the rates quoted by us are the rock bottom only. The Material and Labour rates increased drastically nearly 10% in the current situations.
- (ii) Majority of the items in the tender are based on Market Rates and due to increase in prices there is no further scope for price revision.
- (iii) The Price for steel, cement items has increased after our submission of offer to this tender and we have to execute the job in this same price for another one year for completion of the work.
- (iv) Even though our quoted rates are competitive, I reduced my rates for items Sl. No 04, 05, 06, 08, 10, 13, 14, 15, 20, 21, 23, 37 & 44 and offered a total discount of Rs. 1,95,045 /- in the first negotiation to extend the maximum cooperation with the department. My revised quoted total amount after 1st price reduction is Rs. 1,14,50,187 /- and the same is very much reasonable and any further reduction is not possible and this will be our final price for the tender.

Taking into consideration the above, I request you to accept the same and issue the order to me at the earliest, please".

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c. CWC – I Observed that as per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

d. CWC – I Observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, letter dt. 23-06-2023. Accordingly Market Variation of (+) 10% for Civil SSR Items {(+) 05% MV Plus (+)05% for Restricted Area} and (+) 15% for Electrical SSR Items {(+)10% MV Plus (+)05% for Restricted Area} has been calculated. The revised notional estimated cost works out to Rs. 1,12,52,600 /-.

e. CWC – I Observed that the L1 revised total cost of Rs. 1,14,50,187 /- is Higher than the revised notional estimate of Rs. 1,12,52,600 /- by (+) 1.76%. It is submitted that there are No freakishly High items and Freakishly Low Items quoted by the L1 Contractor when compared with the revised notional estimate.

26. DECISION OF CWC- I HELD ON 01-09-2023:

CWC – I deliberated the case and observed that the L1 Contractor has offered Price reduction of Rs. 1,95,045 /- in reply to the 1st Price negotiation request and subsequently in the 2nd Price redction has not offered any price reduction and hence the Total amount remain the same and is Rs. 1,14,50,187 /- (Rupees One Crore Fourteen Lakhs Fifty Thousand One Hundred and Eighty Seven rupees Only).

CWC – I observed that the L1 Contractors revised rate is still Higher than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) by (+) 04.87 % and there appears to be a scope for further reduction in the revised price offered by the L1 Contractor. Hence CWC – I decided to once again refer the overall quoted price to the L1 Contractor, M/s. Siva Enterprises, Chennai for their consideration and downward revision of the revised offer price.

27. As directed by CWC – I, offline price negotiation was once again initiated with the L1 Contractor, M/s. Siva Enterprises, Chennai seeking downward revision for the overall quoted price. The Negotiated e-price bid of L1 Contractor M/s. Siva Enterprises, Chennai, was received on 12-09-2023.

28. The L1 Contractor has revised the price and offered the following rate revision:

S. No	Item Sl. No.	Original Quoted Unit Rate (Rs.) and % wrt Estimated Cost			Revised Unit Rate (Rs.) and % after 1 st & 2 nd Price Revision wrt Estimated Cost			Revised Unit Rate (Rs.) and % after 3 rd Price Revision wrt Estimated Cost		
<u>Price Revision offered for the following Items:</u>										
01	Item Sl. No. 15	Rs.	4255.00	9.70%	Rs.	4180.00	7.77%	Rs.	3900.00	0.55%
02	Item Sl. No. 20	Rs.	11000.00	9.21%	Rs.	10600.00	5.24%	Rs.	10200.00	1.27%
03	Item Sl. No. 21	Rs.	4600.00	6.52%	Rs.	4500.00	4.20%	Rs.	4400.00	1.89%

The status of Prices quoted by the L1 Contractor after 3rd revision of Prices are as follows;

Estimated Price	Original Quoted Price	Revised Price (After 1 st as well as 2 nd Price Revision)	Revised Price (After 3 rd Price Revision)	Diff. of Revised Price in % over Estimated price
Rs.1,09,18,000 /-	Rs. 1,16,45,232 /-	Rs. 1,14,50,187 /-	Rs. 1,13,39,547 /-	(+) 3.86 % (Higher)
Total Amount Reduced by the L1 Contractor during 1 st Price Revision: Rs. 1,95,045 /-				
Total Amount Reduced by the L1 Contractor during 2 nd Price Revision: Rs. 0 /-				
Total Amount Reduced by the L1 Contractor during 3 rd Price Revision: Rs. 1,10,640 /-				
Overall Total Amount Reduced by the L1 Contractor: Rs. 3,05,685 /-				

W. M. S.

29. OBSERVATIONS OF CWC – I AFTER 3rd PRICE REVISION HELD ON 15-09-2023:

a. CWC – I Observed that the L1 Contractor M/s. Siva Enterprises, Chennai in reply to the 3rd Price Negotiation request has revised his offered amount from Rs. 1,14,50,187 /- to Rs. 1,13,39,547 /- (Rupees One Crore Thirteen Lakhs Thirty Nine Thousand Five Hundred and Forty Seven Only). The L1 Contractors rate is **Higher** than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) **by (+) 3.86 %**. CWC – I also observed that that there is No freakishly high and No freakishly low items quoted by the L1 Contractor.

b. CWC – I Observed that the L1 Contractor has offered Price reduction of Rs. 1,95,045 /- in reply to the 1st Price negotiation request and in the 2nd Price negotiation has not offered any price reduction. Subsequently, the L1 Contractor in reply to the 3rd Price Negotiation has offered Price reduction of Rs. 1,10,640 /-. The Overall reduction offered by the L1 Contractor after all the 3 (Three) Price revisions is Rs. 3,05,685 /-.

CWC – I also observed that the L1 Contractor in their reply letter dated 12-09-2023 also *submitted the following*; "In the subject work, we have quoted very competitive rates but still to maintain the good relationship we have reduced our quoted rates for item Nos. 15, 20 and 21 and with the reduced rates the total quoted rates shall be Rs. 1,13,39,547 /-. As the work has to be carried out where there is lot of public movement we shall be forced to work during night hours which impacts in our rates. This reduced rates shall be our final rates. Kindly accept our revised rates and place order on us".

c. CWC – I Observed that as per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

d. CWC – I Observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, letter dt. 23-06-2023. Accordingly Market Variation of (+) 10% for Civil SSR Items {(+) 05% MV Plus (+)05% for Restricted Area} and (+) 15% for Electrical SSR Items {(+)10% MV Plus (+)05% for Restricted Area} has been calculated. The revised notional estimated cost works out to Rs. 1,12,52,600 /-.

e. CWC – I Observed that the L1 revised total cost of Rs. 1,13,39,547 /- is Higher than the revised notional estimate of Rs. 1,12,52,600 /- by (+) 0.77 %. It is submitted that there are No freakishly High items and Freakishly Low Items quoted by the L1 Contractor when compared with the revised notional estimate.

30. DECISION OF CWC- I HELD ON 15-09-2023:

CWC – I deliberated the case and observed that the L1 Contractor has offered Price reduction of Rs. 1,95,045 /- in reply to the 1st Price negotiation request and in the 2nd Price negotiation has not offered any price reduction. Subsequently, the L1 Contractor in reply to the 3rd Price Negotiation has offered Price reduction of Rs. 1,10,640 /-. The Overall reduction offered by the L1 Contractor after all the 3 (Three) Price revisions is Rs. 3,05,685 /- and the Total amount after all the 03 price revision is Rs. 1,13,39,547 /- (Rupees One Crore Thirteen Lakhs Thirty Nine Thousand Five Hundred and Forty Seven Only).

CWC – I observed that the L1 Contractors revised rate is still Higher than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) by (+) 3.86 % and there still appears a scope for further reduction in the revised price offered by the L1 Contractor. Hence CWC – I decided to once again refer the overall quoted price to the L1 Contractor, M/s. Siva Enterprises, Chennai for their consideration and downward revision of the revised offer price.

31. As directed by CWC – I, once again offline price negotiation was initiated with the L1 Contractor, M/s. Siva Enterprises, Chennai seeking downward revision for the overall quoted rate. Reply email from the L1 Contractor M/s. Siva Enterprises, Chennai was received on 24-09-2023 in which the L1 Contractor stated that they are not in a position to reduce their rates further and attached their reply letter;

In the reply letter the L1 Contractor stated "With reference to the above subject work, we have already given our lowest offer and hence we are not in a position to reduce further as further reduction if any shall push us into losses. So we are not in a position to reduce further".

W. M. S. S.

32. Since the L1 Contractor, M/s. Siva Enterprises, Chennai has not given any price revision during the 4th Price Negotiation request, the status of the Prices quoted by him remain same and are as follows;

Estimated Price	Original Quoted Price	Revised Price (After 3 rd Price Revision)	Revised Price (After 4 th Price Revision)	Diff. of Revised Price in % over Estimated price
Rs. 1,09,18,000 /-	Rs. 1,16,45,232 /-	Rs. 1,13,39,547 /-	Rs. 1,13,39,547 /-	(+) 3.86 % (Higher)
Total Amount Reduced by the L1 Contractor during 1 st Price Revision:				Rs. 1,95,045 /-
Total Amount Reduced by the L1 Contractor during 2 nd Price Revision:				0 /-
Total Amount Reduced by the L1 Contractor during 3 rd Price Revision:				Rs. 1,10,640 /-
Total Amount Reduced by the L1 Contractor during 4 th Price Revision:				0 /-
Overall Total Amount Reduced by the L1 Contractor:				Rs. 3,05,685 /-

33. OBSERVATIONS AFTER 4th PRICE REVISION:

a. It is observed that the L1 Contractor M/s. Siva Enterprises, Chennai in reply to the 4th Price Negotiation request has not revised his offered amount and hence the Total amount remain the same and is Rs. 1,13,39,547 /- (Rupees One Crore Thirteen Lakhs Thirty Nine Thousand Five Hundred and Forty Seven Only). The L1 Contractors rate is **Higher** than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) **by (+) 3.86 %**. CWC – I also observed that that there is No freakishly high and No freakishly low items quoted by the L1 Contractor.

b. It is observed that the L1 Contractor has offered Price reduction of Rs. 1,95,045 /- in reply to the 1st Price negotiation request. In the 2nd Price negotiation has not offered any price reduction, During, the 3rd Price Negotiation, he has offered a Price reduction of Rs. 1,10,640 /-. The Overall reduction offered by the L1 Contractor after all the 3 (Three) Price revisions is Rs. 3,05,685 /-. Subsequently, the L1 Contractor in reply to the 4th Price Negotiation has not offered any price reduction and stated that they are not in a position to reduce their rates further and attached their reply letter;

In the reply letter the L1 Contractor stated "With reference to the above subject work, we have already given our lowest offer and hence we are not in a position to reduce further as further reduction if any shall push us into losses. So we are not in a position to reduce further".

c. It is submitted that as per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

d. It is submitted that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, letter dt. 23-06-2023. Accordingly Market Variation of (+) 10% for Civil SSR Items {(+) 05% MV Plus (+)05% for Restricted Area} and (+) 15% for Electrical SSR Items {(+)10% MV Plus (+)05% for Restricted Area} has been calculated. The revised notional estimated cost works out to Rs. 1,12,52,600 /-.

e. It is submitted that the L1 revised total cost of Rs. 1,13,39,547 /- is Higher than the revised notional estimate of Rs. 1,12,52,600 /- by (+) 0.77 %. It is submitted that there are No freakishly High items and Freakishly Low Items quoted by the L1 Contractor when compared with the revised notional estimate.

f. It is submitted that, CWC- I held on 15-09-2023 observed that Item SI No. 13 was having a weightage of 32.56% and after Price revision also the L1 Contractors revised rate is higher than the Estimated price by 6.08% for this item. Hence, CWC – I directed Civil Engineering Section to carry out Market Analysis for the Item SI. No. 13 Stainless Steel SS 304 Grade;

Accordingly, Civil Engineering Office has undertaken Market Analysis for the above item and as per the Market Analysis the Unit Price for the Item SI. No. 13 Stainless Steel SS 304 Grade is Rs. 798.48 /-. It is observed that the revised rate of the L1 Contractor is Higher than the Market Analysis rate.

Further it is submitted that the Price for the Item SI. No. 13 was Estimated based on Market Rate with Budgetary Quote obtained from HVF regular Contractors. As per the Budgetary Quotes the prices offered for the Item SI. No. 13 Stainless Steel SS 304 Grade by various contractors are Rs. 810 per KG, Rs. 800 per KG and Rs. 790 per KG respectively and the Lowest price of Rs. 790 per KG is taken as Estimated Price. It is also submitted that the Budgetary Quotes are taken in the Month of June 2023.

It is also submitted that, after Price Bid Opening the rate quoted by the L2 Contractor in this tender is Rs. 675 per KG for the Item SI. No. 13 Stainless Steel SS 304 Grade and the rate quoted by the L1 Contractor is Rs. 845 per KG and after Price revision also the L1 Contractor has revised it to Rs. 838 per KG which is still exorbitantly high when compared with the Estimated rate (based on Market Rate) as well as the L2 Contractors rate.

34. OBSERVATIONS OF CWC – I HELD ON 29-09-2023:

a. CWC – I Observed that the L1 Contractor M/s. Siva Enterprises, Chennai in reply to the 4th Price Negotiation request has not revised his offered amount and hence the Total amount remain the same and is Rs. 1,13,39,547 /- (Rupees One Crore Thirteen Lakhs Thirty Nine Thousand Five Hundred and Forty Seven Only). The L1 Contractors rate is **Higher** than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) **by (+) 3.86 %**. CWC – I also observed that there is No freakishly high and No freakishly low items quoted by the L1 Contractor.

b. CWC – I Observed that the L1 Contractor has offered Price reduction of Rs. 1,95,045 /- in reply to the 1st Price negotiation request. In the 2nd Price negotiation has not offered any price reduction, During, the 3rd Price Negotiation, he has offered a Price reduction of Rs. 1,10,640 /-. The Overall reduction offered by the L1 Contractor after all the 3 (Three) Price revisions is Rs. 3,05,685 /-. Subsequently, the L1 Contractor in reply to the 4th Price Negotiation has not offered any price reduction and stated that they are not in a position to reduce their rates further and attached their reply letter;

In the reply letter the L1 Contractor stated *"With reference to the above subject work, we have already given our lowest offer and hence we are not in a position to reduce further as further reduction if any shall push us into losses. So we are not in a position to reduce further"*.

c. CWC – I Observed that as per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

d. CWC – I Observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending June 2023 circulated vide CE Chennai Zone, letter dt. 23-06-2023. Accordingly Market Variation of (+) 10% for Civil SSR Items {(+) 05% MV Plus (+)05% for Restricted Area} and (+) 15% for Electrical SSR Items {(+)10% MV Plus (+)05% for Restricted Area} has been calculated. The revised notional estimated cost works out to Rs. 1,12,52,600 /-.

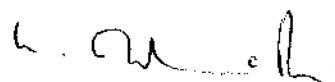
e. CWC – I Observed that the L1 revised total cost of Rs. 1,13,39,547 /- is Higher than the revised notional estimate of Rs. 1,12,52,600 /- by (+) 0.77 %. It is submitted that there are No freakishly High items and Freakishly Low Items quoted by the L1 Contractor when compared with the revised notional estimate.

f. CWC – I Observed that Item SI No. 13 was having a weightage of 32.56% and after Price revision also the L1 Contractors revised rate was higher than the Estimated price by 6.08% for this item. Hence, CWC – I dt 15-09-2023 directed Civil Engineering Section to carry out Market Analysis for the Item SI. No. 13 Stainless Steel SS 304 Grade;

Accordingly, Civil Engineering Office has undertaken Market Analysis for the above item and as per the Market Analysis the Unit Price for the Item SI. No. 13 Stainless Steel SS 304 Grade is Rs. 798.48 /-. CWC – I Observed that the revised rate of the L1 Contractor is Higher than the Market Analysis rate.

CWC – I also observed that the Price for the Item SI. No. 13 was estimated based on Market Rate with Budgetary Quote obtained from HVF regular Contractors. As per the Budgetary Quotes the prices offered for the Item SI. No. 13 Stainless Steel SS 304 Grade by various contractors are Rs. 810 per KG, Rs. 800 per KG and Rs. 790 per KG respectively and the lowest price of Rs. 790 per KG is taken as Estimated Price. CWC – I Observed that the Budgetary Quotes are taken in the Month of June 2023.

CWC – I Observed that, after Price Bid Opening the rate quoted by the L2 Contractor in this tender is Rs. 675 per KG for the Item SI. No. 13 Stainless Steel SS 304 Grade and the rate quoted by the L1 Contractor is Rs. 845 per KG and after Price revision also the L1 Contractor has revised it to Rs. 838 per KG which is still exorbitantly high when compared with the Estimated rate (based on Market Rate) as well as the L2 Contractors rate.



g. 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. Siva Enterprises, Chennai through online Price Negotiation on 04 occasions. In the 1st Price negotiation the L1 contractor offered a price reduction of Rs. 1,95,045 /- and in the 2nd Price negotiation has not offered any price reduction. Subsequently, the L1 Contractor in reply to the 3rd Price Negotiation has offered Price reduction of Rs. 1,10,640 /- and in the 4th Price negotiation has not offered any price reduction. The Overall cumulative reduction offered by the L1 Contractor after all the 04 (Four) Price revisions is Rs. 3,05,685 /- and the Total amount after all the 04(Four) price revision is Rs. 1,13,39,547 /- (Rupees One Crore Thirteen Lakhs Thirty Nine Thousand Five Hundred and Forty Seven Only).

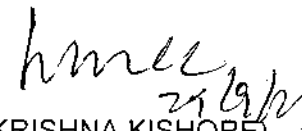
h. CWC-I observed that the L1 Contractor revised quoted rates for some items (including revised rates) / revised quoted total amount in the present case is still Higher than the department estimate of Rs.1,09,18,000 /- (prepared based on SSR 2020 with MV of (+) 05% {i.e. "At Par" MV Plus (+) 05% for Restricted Area} for Civil SSR Items and MV of (+) 10% for Electrical SSR Items and for some items LPR / MR / BQ has been taken) by (+) 3.86 %.

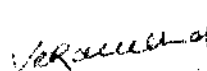
35. DECISION OF CWC- I HELD ON 29-09-2023:

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_161003_1 must be cancelled in the CPPP e-procurement portal.


(PAIDI ANNAJEE RAO)
GM / IMS & QA
MEMBER / USER


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


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


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