

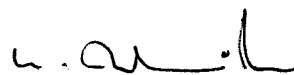
MINUTES OF E-PRICE BID REVISION APPROVAL CWC-I MEETING
HELD ON 21-12-2023 FOR THE CIVIL WORK – SPECIAL
REPAIRS TO DAMAGED FLOORING IN OH(MS) SHOP
IN OLD FACILITY AT HVF, AVADI

CIVIL ENGINEERING OFFICE

The following Officers were present ;

1	Shri. V.R. Rambhad	CGM / HVF	Chairman / CWC-I
2	Shri. Sulaiman S. Siddique	GM / CP & ARJUN (Alternate Officer for GM / HR, F&A)	Member / Finance
3	Shri. Atul Khare	GM / OP-OH	Member / User
4	Shri. Paidi Annajee Rao	GM / IMS	Member / CEO
5	Shri. K. Tulasi Rao	JT.GM / IMS, EO & GS	Member / Secy

- 01 e-Tender Enquiry No. & Date : HVF/TE/13025/CEO/2023-24/43, Dt. 20-09-2023.
E-Procurement Tender ID : 2023_AVNL_168199_1
- 02 Name of the Work : Special Repairs to Damaged Flooring in OH(MS) Shop in Old Facility at HVF, Avadi
- 03 Type of Tender : Open Tender under Two Bid System (e-Tendering)
- 04 Grant & Code Head : 920 / 34 (Capital Grant) ND 2311
- 05 User Section : HVF / IMS – CE (Fy) – OH(MS) shop.
- 06 Estimated cost of Work (Approx) : Rs. 4,79,61,000/= (As per delegation of Financial Powers issued by AVNL as on 01-10-2021, Point Sl.No. 50. (For Capital Civil works for Ammunition Magazines, Production Buildings, Production Buildings including buildings / Installations required for support services etc which are directly related to Production Activities), Sub Clause "b" and AVNL Amendment letters 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. 07 Crores. Hence the subject case falls under the financial powers of CWC-I)
- 07 Approval & Financial Concurrence : i. CGM Approval vide IMS / CE (Fy) Note No.13148/HVF/IMS-CE(FY)/ 2023-24/CAP, Dt. 03-07-2023
ii. F&A Concurrence vide Letter No. 12501/HVF/FIN&ACCT/86/ 2023, Dt. 25-08-2023
iii. ADP Approval vide AVNL Letter No. 91002/ADP/HVF(ND2311)/ AVNL/2023-24, Dt. 16-06-2023
- 08 e-Tender published in CPPP e-proc website on : 21-09-2023
- 09 Scheduled Bid submission closing date and Date of Tender Opening : Original Bid Submission closing Date : 06-10-2023
Original Technical Tender Opening Date : 07-10-2023



- 10 No. of T.O.D Postponements : NIL
- 11 e-Tender Technical /Eligibility Bid opened on : 07-10-2023
- 12 No. of Responses received online : 03 Responses / bids were received online.
- 13 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 and Co, Chennai	DD, 05-01-2024	Confirmed . Offer Validity till 05-01-2024
02	M/s J. Santhanam Contractor, Chennai	DD, 05-01-2024	Confirmed . Offer Validity till 05-01-2024. Offer Validity Extended till 31-01-2024.
03	M/s Amutha Engineering and Construction, Chennai	DD, 06-01-2024	Confirmed . Offer Validity till 05-01-2024

- 14 CWC-I deliberated the case on 17-11-2023 and observed that all three participating contractors have fulfilled the eligibility Conditions of the tender and the offers of all three participating contractors are technically acceptable. Hence, CWC-I approved opening of e-price bids of all three eligible contractors viz.,

1. M/s R. Krishnamurthy and Co, Chennai
2. M/s J. Santhanam Contractor, Chennai
3. M/s Amutha Engineering and Construction, Chennai

- 15 Accordingly the e-price bids of all three eligible contractors have been opened on 21-11-2023.

- 16 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 J. Santhanam Contractor, Chennai	<u>L1</u>	Rs. 4,29,43,650.00 / =	(-) 10.46 % (Lower)
02	M/s Amutha Engineering and Construction, Chennai	<u>L2</u>	Rs. 4,59,29,950.00 / =	(-) 04.23 % (Lower)
03	M/s R. Krishnamurthy and Co, Chennai	<u>L3</u>	Rs. 4,86,80,400.00 / =	(+) 01.50 % (Higher)

17 INITIAL OBSERVATIONS

- a It is observed that M/s J. Santhanam Contractor, Chennai is the L1 Contractor and has quoted a total amount of Rs. 4,29,43,650 / = (Rupees Four Crores Twenty Nine Lakhs Forty Three Thousand Six Hundred and Fifty Only) for the work. The quoted amount is (-) 10.46 % lower than the departmental estimate of Rs. 4,79,61,000 {prepared based on MES SSR 2020 rates with Market Variation of (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area] for SSR Items. For some items MR has been taken.}. It is submitted that as per the Latest Market Variation for Quarter ending September 2023 circulated vide CE Chennai Zone, Letter Dt. 05-09-2023 the market variation for "Addn / Altn / Special Repairs / Maintenance" for SSR Items is (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area]. 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%

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18 **OBSERVATIONS OF CWC-I HELD ON 24-11-2023**

- a CWC-I observed that M/s J. Santhanam Contractor, Chennai is the L1 Contractor and has quoted a total amount of Rs. 4,29,43,650 /- (Rupees Four Crores Twenty Nine Lakhs Forty Three Thousand Six Hundred and Fifty Only) for the work. The quoted amount is (-) 10.46 % lower than the departmental estimate of Rs. 4,79,61,000 {prepared based on MES SSR 2020 rates with Market Variation of (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area] for SSR Items. For some items MR has been taken.}}. CWC-I observed that as per the Latest Market Variation for Quarter ending September 2023 circulated vide CE Chennai Zone, Letter Dt. 05-09-2023 the market variation for "Addn / Altn / Special Repairs / Maintenance" for SSR Items is (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area]}. 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 rates quoted by the L1 contractor for Items SI.No. 10 & 11 are higher than the departmental estimate by more than 10%

19 **DECISION OF CWC-I HELD ON 24-11-2023**

In view of the above observations, CWC-I decided to refer the rates for items SI.No. 10 & 11 (wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%) to the L1 Contractor M/s J. Santhanam Contractor, Chennai for their consideration and downward revision of their quoted rate.

- 20 As directed by CWC-I, Price Negotiation was initiated with the L1 contractor, M/s J. Santhanam Contractor and e.mail Dated. 07-12-2023 was issued to the contractor, seeking downward revision of the rates for Items SI.No. 10 & 11 (wherein the rates quoted by the L1 firm are higher than the departmental estimate by more than 10 %).

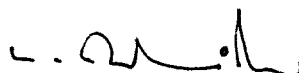
The L1 Contractor M/s J. Santhanam Contractor has replied vide e.mail Dt. 11-12-2023 and submitted letter Dt. 11-12-2023 wherein it is intimated that

"... We submit that the rates and total amount quoted by us is very much reasonable. The overall total amount quoted by us is more than 10 % lower than the departmental estimate. Hence it is humbly submitted that no rate reduction is possible from our side as the rates quoted are very much reasonable and in line with prevailing market rates. It is further submitted that our quoted rates is our final rates. Hence it is requested to accept our quoted rates and release your valuable order for the work"

It is submitted that M/s J. Santhanam Contractor has not offered any Price reduction.

21 **OBSERVATIONS AFTER PRICE NEGOTIATION CORRESPONDENCE ;**

- a It is observed that M/s J. Santhanam Contractor, Chennai has not offered any Price Reduction in the Price negotiation and the L1 Contractor quoted total amount remains unchanged at Rs. 4,29,43,650 /- (Rupees Four Crores Twenty Nine Lakhs Forty Three Thousand Six Hundred and Fifty Only), for the work. The quoted amount is (-) 10.46 % lower than the departmental estimate of Rs. 4,79,61,000 {prepared based on MES SSR 2020 rates with Market Variation of (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area] for SSR Items. For some items MR has been taken.}}. It is submitted that as per the Latest Market Variation for Quarter ending December 2023 circulated vide CE Chennai Zone, Letter Dt. 10-11-2023 the market variation for "Addn / Altn / Special Repairs / Maintenance" for SSR Items is (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area]}. 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 SI.No. 10 & 11 remain higher than the departmental estimate by more than 10% as no price reduction has been offered in the price negotiation.
- c It is submitted that M/s J. Santhanam Contractor, vide letter Dt. 11-12-2023 has intimated that the rates and total amount quoted by them are very much reasonable and their quoted total amount is more than 10 % lower than the departmental estimate. M/s J. Santhanam Contractor has further intimated that no rate reduction is possible from their side as the rates quoted by them are very much reasonable and in line with prevailing market rates. M/s J. Santhanam Contractor has further intimated that their quoted rates are their final rates and requested to accept the same and release the order for the work.



22 OBSERVATIONS OF CWC-I HELD ON 15-12-2023 ;

- a CWC-I observed that M/s J. Santhanam Contractor, Chennai has not offered any Price Reduction in the Price negotiation and the L1 Contractor quoted total amount remains unchanged at Rs. 4,29,43,650 /- (Rupees Four Crores Twenty Nine Lakhs Forty Three Thousand Six Hundred and Fifty Only), for the work. The quoted amount is (-) 10.46 % lower than the departmental estimate of Rs. 4,79,61,000 {prepared based on MES SSR 2020 rates with Market Variation of (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area] for SSR Items. For some items MR has been taken.}. CWC-I observed that as per the Latest Market Variation for Quarter ending December 2023 circulated vide CE Chennai Zone, Letter Dt. 10-11-2023 the market variation for "Addn / Altn / Special Repairs / Maintenance" for SSR Items is (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area]}. 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 rates quoted by the L1 contractor for Items SI.No. 10 & 11 remain higher than the departmental estimate by more than 10% as no price reduction has been offered in the price negotiation.
- c CWC-I noted that M/s J. Santhanam Contractor, vide letter Dt. 11-12-2023 has intimated that the rates and total amount quoted by them are very much reasonable and their quoted total amount is more than 10 % lower than the departmental estimate. CWC-I noted that M/s J. Santhanam Contractor has further intimated that no rate reduction is possible from their side as the rates quoted by them are very much reasonable and in line with prevailing market rates. CWC-I also noted that M/s J. Santhanam Contractor has further intimated that their quoted rates are their final rates and requested to accept the same and release the order for the work.

23 DECISION OF CWC-I HELD ON 15-12-2023

CWC-I deliberated the case and opined that scope exists for reduction in rates quoted by the L1 contractor for items SI.No. 10 & 11 (wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%). Hence, CWC-I decided to invite the L1 contractor M/s J. Santhanam Contractor, Chennai for Price Negotiations to discuss the downward revision of rates for items SI.No. 10 & 11 (wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%), in the next CWC meeting.

- 24 As directed by CWC-I, CEO vide e.mail Dt. 19-12-2023 has invited the L1 contractor M/s J. Santhanam Contractor for attending the Price Negotiation Meeting at HVF on 22-12-2023 at 1000 Hrs. M/s J. Santhanam Contractor has replied vide e.mail Dt. 19-12-2023 and confirmed his participation in the Price Negotiation Meeting at HVF.

25 PRICE NEGOTIATION MEETING HELD AT HVF ON 21-12-2023

Price Negotiation was held at HVF on 21-12-2023 with L1 Contractor viz., M/s J. Santhanam Contractor for downward revision of rates for items SI.No. 10 & 11 (wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%). During the price negotiation meeting the L1 Contractor has stated that the overall total amount quoted by him is more than 10% lower than the departmental estimate and very reasonable. After protracted price negotiations the L1 Contractor M/s J. Santhanam Contractor has revised and reduced the Unit rate for Item SI. No. 10 from Rs. 400 /- to Rs. 384 /-. The L1 contractor has stated that his quoted rate for item SI. No. 11 is very much reasonable and no price reduction is possible for this item. M/s J. Santhanam Contractor has submitted letter Dt. 21-12-2023 and intimated as below ;

" I thank you for the courtesy extended to me during the Price Negotiation Meeting held at HVF on 21-12-2023 for the tender under reference. I further submit that the overall total Amount quoted by me in the above tender is more than 10 % lower than the departmental estimate and very reasonable. However Price negotiation was held for reduction in prices for items SI.No. 10 & 11. I submit to offer the following Price Reduction for Item SI. No. 10.."

Item No	Qty	My Original Quoted Unit Rate	My Revised Quoted Unit Rate	Total Amount Reduced
10	12900	Rs. 400 /-	Rs. 384 /-	Rs. 2,06,400 /-

" I further submit that my quoted rates for Item SI.No. 11 is very much reasonable and no price reduction is possible for this item. I humbly request you to accept the total price reduction of Rs. 2,06,400 /- offered for Item SI. No. 10 and release your valuable order for the work..."



26 **OBSERVATIONS OF CWC-I HELD ON 21-12-2023 :**

- a CWC-I observed that after the Price revision / reduction offered by the L1 Contractor M/s J. Santhanam Contractor, Chennai during the Price Negotiation Meeting held at HVF on 21-12-2023, the revised quoted total amount works out to Rs. 4,27,37,250 /= (Rupees Four Crores Twenty Seven Lakhs Thirty Seven Thousand Two Hundred and Fifty Only), for the work. The revised quoted amount is (-) 10.89 % lower than the departmental estimate of Rs. 4,79,61,000 {prepared based on MES SSR 2020 rates with Market Variation of (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area] for SSR Items. For some items MR has been taken.}. CWC-I observed that as per the Latest Market Variation for Quarter ending December 2023 circulated vide CE Chennai Zone, Letter Dt. 10-11-2023 the market variation for "Addn / Altn / Special Repairs / Maintenance" for SSR Items is (+) 15 % [MV of (+) 05 % Plus (+) 10% for Factory Area]}. 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 Item Sl. No. 10 (which was earlier higher than the departmental estimate by more than 10 %) (Original quoted Unit Rate Rs. 400 /= and higher than departmental estimate by 14.29 %) and after price revision, the revised Unit rate for this item is Rs 384/= (09.71 % higher than the departmental estimate), and the revised rate for this item is higher than the departmental rates by less than 10 %. CWC-I also observed that the L1 contractor has not offered price reduction for Items Sl.No. 11 and the quoted rate for this item remain higher than the departmental estimate by more than 10%.
- c CWC-I further observed that the overall revised total amount quoted by the L1 contractor is (-) 10.89 % lower than the departmental estimate. CWC-I observed that the overall revised total amount quoted by the L1 Contractor is competitive and reasonable.

27 **DECISION OF CWC-I HELD ON 21-12-2023**

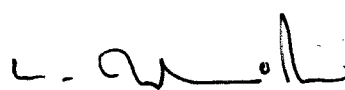
In view of the aforesaid observations, CWC-I decided to place Contract Agreement on the L1 Contractor, viz., M/s J. Santhanam Contractor, Chennai at their revised quoted total amount of Rs. 4,27,37,250 /= (Rupees Four Crores Twenty Seven Lakhs Thirty Seven Thousand Two Hundred and Fifty Only) for the work.

CWC-I authorised to operate upto (+) or (-) 10 % deviation over the CA Amount.

- 28 Security Deposit : The contractor has to submit SD of Rs. 6,28,000 /= (Rupees Six Lakhs and Twenty Eight Thousand Only) in the form of Fixed Deposit / Term Deposit / BG in favour of CGM / HVF, Avadi from any Nationalised bank for the completion and maintenance period which will be releasable on satisfactory completion of the defects liability period.
- 29 Completion time : Twelve Months (365 days) from the date of handing over of site.
- 30 Payment : As per IAFW 2249, Cost debitable to : Code Head 920/34 (Capital Grant)


(ATUL KHARE)
GM / OP-OH
MEMBER / USER


(PAIDI ANNAJEE RAO)
GM / IMS
MEMBER / CEO


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


(SULAIMAN S. SIDDIQUE)
GM / CR & ARJUN
(Alternate Officer for GM / HR, F&A)
MEMBER / FINANCE


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