

MINUTES FOR E-PRICE BID REVISION APPROVAL CWC- II HELD ON 14-02-2024 FOR THE CIVIL WORK- SPECIAL REPAIRS TO DAMAGED ADMIN BLOCK, SHOP FLOOR AREA AND STEEL DOOR IN MBT ARJUN AT HVF, AVADI

CIVIL ENGINEERING OFFICE

The following Officers were present:-

- | | | |
|------------------------------|----------------------|-----------------------|
| 1. Shri. Paidi Annajee Rao | GM / IMS | - Chairman / CWC – II |
| 2. Shri. Sulaiman S Siddique | GM / CP & Arjun | - Member / User |
| 3. Shri. Karra Sankara Rao | Jt.GM / F & A | - Member / Finance |
| 4. Shri. K. Tulasi Rao | Jt.GM / IMS, EO & GS | - Member Secretary |

- 01 e-Tender Enquiry No. & Date : HVF/TE/13025/CEO/2023-24/61, Dt. 30-11-2023.
e-Procurement Tender ID : 2023_AVNL_176148_1
- 02 Name of the Work : Special Repairs to Damaged Admin Block, Shop Floor area and Steel Door in MBT Arjun at HVF, Avadi.
- 03 Type of Tender : Open Tender under Two Bid System (e-Tendering)
- 04 Grant & Code Head : 920 / 34 (Under Capital Civil Works Grant) (ND 2321)
- 05 User Section : HVF / IMS -CE (Fy)
- 06 Estimated cost of Work (Approx) : Rs.2,04,96,000 /= (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 Building 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 & 07-06-2023, GM is empowered for placement of Contract for Departmental Works upto Rs. 03 Crores. Hence the subject case falls under the financial powers of CWC - II).
- 07 Approval & Financial Concurrence : i) CGM Approval vide IMS/CE(Fy) Note No.13148/HVF/IMS-CE(FY)/2022-23., dt 11-09-2023.
ii) F&A Concurrence vide Letter No. 12501/HVF/ FIN&ACCT /86/2023, dt. 27-10-2023.
iii) ADP Approval vide AVNL Letter No. 91002/ADP/HVF (ND2321)/AVNL/2023-24,Dt. 30-08-2023.
- 08 e-Tender published in CPPP e-proc website on : 30-11-2023
- 09 Scheduled Bid Submission Closing date& Tender Opening date : Original Bid Submission Closing Date : 15-12-2023
Original Technical Tender Opening Date : 16-12-2023
- 10 No. of T.O.D Postponements : 01 Auto Extension
(BSCD:29-12-2023 & TOD:30-12-2023)
- 11 e-Tender Technical /Eligibility Bid opened on : 30-12-2023
- 12 No. of Responses received online : 02 Responses / Bids were received online.

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. PSG Constructions, Chennai	FDR, Date of Maturity 26-06-2024.	Confirmed. Offer Validity till 29-03-2024
02	M/s. Shape Maker, Chennai	FDR, Date of Maturity 26-03-2024.	Confirmed. Offer Validity till 29-03-2024

14. **Eligibility Bid:-** CWC-II held on 10-01-2024 deliberated the case 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-II approved opening of e-price bids of both the eligible contractors viz.,

- i) M/s. PSG Constructions, Chennai and
- ii) M/s. Shape Maker, Chennai

15. Accordingly e-Price Bid of the eligible contractors were Opened on:- 12-01-2024.

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. PSG Constructions, Chennai	L1	Rs. 2,16,15,455.50 /-	(+) 5.46 %
02	M/s. Shape Maker, Chennai	L2	Rs. 2,21,26,395.40 /-	(+) 7.95 %

17. **OBSERVATIONS OF CWC- II HELD ON 24-01-2024:**

- a) CWC - II observed that M/s. PSG Constructions, Chennai is the L1 contractor and has quoted the amount of Rs. 2,16,15,455.50 /- (Rupees Two Crore Sixteen Lakhs Fifteen Thousand Four Hundred and Fifty Five Rupees and Fifty Paise Only). The quoted rate is **Higher by (+) 5.46 %** than the department estimate of Rs.2,04,96,000 /- (prepared based on SSR 2020 with MV of (+) 15% for Civil & Electrical SSR Items {(+)05% MV Plus (+)10% for Factory Area}. For Some items LPR, MR / BQ has been taken).
- b) CWC - II observed that the L1 quoted rates in this tender is freakishly high for Item Sl. No. 120 (01 Item) and Freakishly low for item Sl. No. 157 (01 Item). It is confirmed that the estimate and quantities have been checked and certified that the quantity indicated for freakishly high items are not under estimated and the quantity indicated for freakishly low item is not over estimated. It is also submitted that the rates quoted by the L1 contractor for items Sl. No 144, 145 & 158 (03 Items) are higher than the departmental estimate by more than 10%).
- c) CWC - II 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 - II observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending Dec 2023 circulated vide CE Chennai Zone, letter dt. 10-11-2023. Accordingly Market Variation (for Addl / Altn / Spl Repairs / Maintenance) of (+) 15% for Civil SSR Items {(+)05% MV Plus (+)10% for Factory Area) and for Electrical SSR Items is (+)20% {(+)10% MV Plus (+)10% for Factory Area) has been calculated. The revised notional estimated cost works out to Rs. 2,05,52,000 /-.
- e) CWC - II observed that the L1 quoted cost of Rs. 2,16,15,455.50 /- is Higher than the revised notional estimate of Rs. 2,05,52,000 /- by (+) 5.17 %. The L1 Contractor quoted rate is freakishly high for Item Sl. No. 120 (01 Item) and Freakishly low for item Sl. No. 157 (01 Item) when compared with the revised notional estimate. It is also submitted that the rates quoted by the L1 Contractor for Items Sl. No 144, 145 & 158 (03 Items) are higher than the revised notional departmental estimate by more than 10%.

18. **DECISION OF CWC- II HELD ON 24-01-2024:**

In view of the above observations, CWC - II decided to refer the freak rates on higher side for item Sl. No. 120 (01 Item) to the L1 Contractor M/s. PSG Constructions, Chennai for their consideration and downward revision of their quoted rates.

CWC - II also decided to refer the rates for items Sl. No 144, 145 & 158 (03 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. PSG Constructions, Chennai for their consideration and downward revision of their quoted rates.

CWC - II decided to obtain confirmation from the L1 Contractor M/s. PSG Constructions, Chennai that good quality of material and labour will be maintained by them while executing the work for Item Sl. No. 157 (01 Item) wherein the rate quoted by them is freakishly on the lower side.

19. As directed by CWC – II, Price negotiation was initiated with the L1 Contractor, M/s. PSG Constructions, Chennai seeking downward revision for Freakishly High item Sl. No. 120 (01 Item) and also for items Sl. No 144, 145 & 158 (03 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 Revised price of L1 Contractor, M/s. PSG Constructions, Chennai, was received vide email / letter No. PSG/HVF/OTE/PRICE NEGO/465 of 2023-2024 dated 28-01-2024.

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		
<u>Item where the rate quoted are Freakishly High:</u>							
01	Item Sl. No. 120	Rs.	2050.00	527.45 %	Rs.	356.00	8.96 %
<u>Items where the rates quoted are higher than estimate by more than 10%:</u>							
02	Item Sl. No. 144	Rs.	610.00	39.08%	Rs.	482.00	9.89%
03	Item Sl. No. 145	Rs.	2200.00	37.64%	Rs.	2000.00	25.13%
04	Item Sl. No. 158	Rs.	36.00	38.46%	Rs.	28.00	7.69%
<u>Items where the rates quoted are Lower than estimate:</u>							
05	Item Sl. No. 157	Rs.	240.00	(-) 54.72%	Rs.	215.00	(-) 59.43%

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 Price Revision)	Diff. of Revised Price in % over Estimated price
PSG Constructions, Chennai	Rs.2,04,96,000 /-	Rs. 2,16,15,455.50 /-	Rs. 2,15,28,491.50 /-	(+) 05.04 % Higher
Total Amount Reduced by the L1 Contractor: Rs. 86,964 /-				

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21. **OBSERVATIONS OF CWC- II AFTER PRICE REVISION HELD ON 31-01-2024:**

- a) CWC-II observed that the L1 Contractor M/s. PSG Constructions, Chennai has revised his offer rate from **Rs. 2,16,15,455.50 /-** to **Rs. 2,15,28,491.50 /-** (Rupees Two Crore Fifteen Lakhs Twenty Eight Thousand Four Hundred and Ninety One rupees and Fifty Paise Only). The revised rate is still **Higher** by **(+) 5.04 %** than the department estimate of Rs.2,04,96,000 /- (prepared based on SSR 2020 with MV of (+) 15% for Civil & Electrical SSR Items {(+)05% MV Plus (+)10% for Factory Area}. For Some items LPR, MR / BQ has been taken).
- b) CWC-II observed that after Price revision there are No Freakishly High Item quoted by the L1 Contractor, and the revised rate is Freakishly low for item Sl. No. 157 (01 Item). As directed by CWC, Confirmation for Quality of Item for Freakishly Low item was taken up and the L1 Contractor in his reply vide letter dated 28-01-2024 stated that they will maintain good quality of Material and labour for Item Sl. No. 157. It is also submitted that the revised rate quoted by the L1 contractor for item Sl. No 145 (01 Item) is still higher than the departmental estimate by more than 10%.
- c) CWC-II observed that the L1 Contractor has offered Price revision for the freakishly high item (Price revised for Items Sl. No. 120 (01 Item) and the rate for the Item become non freakish.
- d) CWC-II observed that that for the items Sl. No 144, 145 & 158 (03 Items wherein the rates offered by the L1 Contractor are higher than 10%), the L1 Contractor has offered Price revision for all the 03 Items and after Price revision the rates for items Sl. No 144 & 158 (02 Items) offered are higher than the departmental estimate by less than 10%. The revised price offered for Item Sl. No. 145 (01 Item) is still higher than the departmental estimate by more than 10%.
- e) CWC-II observed that as per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.
- f) CWC-II observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending Dec 2023 circulated vide CE Chennai Zone, letter dt. 10-11-2023. Accordingly Market Variation (for Addl / Altn / Spl Repairs / Maintenance) of (+) 15% for Civil SSR Items {(+)05% MV Plus (+)10% for Factory Area) and for Electrical SSR Items is (+)20% {(+)10% MV Plus (+)10% for Factory Area) has been calculated. The revised notional estimated cost works out to Rs. 2,05,52,000 /-.
- g) CWC-II observed that the L1 Contractors revised cost of Rs. 2,15,28,491.50 /- is **Higher** than the revised notional estimate of Rs. 2,05,52,000 /- by **(+) 4.75 %**. There are No Freakishly high rates for Items when compared with the revised notional estimate and the L1 Contractor quoted rate is freakishly Low for item Sl. No. 157 (01 item) when compared with the revised notional estimate. It is submitted that the revised rates quoted by the L1 Contractor for Items Sl. No 145 (01 item) is still higher than the revised notional departmental estimate by more than 10%.

22. **DECISION OF CWC- II HELD ON 31-01-2024:**

CWC - II deliberated the case and observed that the L1 Contractor viz, M/s. PSG Constructions, Chennai has revised his offer rate from **Rs. 2,16,15,455.50 /-** to **Rs. 2,15,28,491.50 /-** (Rupees Two Crore Fifteen Lakhs Twenty Eight Thousand Four Hundred and Ninety One rupees and Fifty Paise Only) for the subject work and there still appears to be a scope for reduction in price.

In view of the above observations, CWC - II decided to once again refer the rate for item Sl. No 145 (01 Item wherein the rate quoted by the L1 Contractor is higher than departmental estimate by more than 10%) and also the overall quoted rate to the L1 Contractor M/s. PSG Constructions, Chennai for their consideration and downward revision of their quoted rates.



23. As directed by CWC – II, once again Price negotiation was initiated with the L1 Contractor, M/s. PSG Constructions, Chennai seeking downward revision for item Sl. No. 145 (01 Item wherein the rate quoted by the L1 Contractor is higher than departmental estimate by more than 10%) and also the overall quoted rate. The 2nd Price Revision of L1 Contractor, M/s. PSG Constructions, Chennai, was received vide email / letter No. PSG/HVF/OTE/PRICE NEG/468 of 2023-2024 dated 08-02-2024.

24 (A). The L1 Contractor has revised the price and offered the following rate revision:

S. No	Item Sl. No.	Original Quoted Unit Rate (Rs.) & Percentage wrt Estimated Cost			Revised Unit Rate (Rs.) & Percentage after 1 st Price Revision wrt Estimated Cost			Revised Unit Rate (Rs.) & Percentage after 2 nd Price Revision wrt Estimated Cost		
<u>Items where the rates quoted is higher than estimate by more than 10%:</u>										
01	Item Sl. No. 145	Rs.	2200.00	37.64 %	Rs.	2000.00	25.13 %	Rs.	1742.00	8.99 %
<u>Items where the rates quoted is higher than estimate by less than 10%:</u>										
02	Item Sl. No. 34	Rs.	1170.00	9.76%	Rs.	1170.00	9.76%	Rs.	1100.00	3.20%

The status of Prices quoted by L1 Contractor, M/s. PSG Constructions after 2nd Price revision are;

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.2,04,96,000 /-	Rs. 2,16,15,455.50 /-	Rs. 2,15,28,491.50 /-	Rs. 2,15,11,615.50 /-	(+) 04.96 % Higher
Total Amount Reduced by the L1 Contractor in the 1 st Price Revision				Rs. 86,964 /-
Total Amount Reduced by the L1 Contractor in the 2 nd Price Revision				Rs. 16,876 /-
The Cumulative Price Revision offered by the L1 Contractor (i.e. 1 st Price Revision + 2 nd Price Revision)				Rs. 1,03,840 /-

24 (B). In reply to the 2nd Price negotiations, the L1 Contractor has once again offered Price revision and further vide letter dated 08-02-2024 stated "The Material and labour rate are increasing in fast manner. To maintain the goodwill and co-operation for the department, we herewith submit the final revised offer of the above work and this is our Rock Bottom rate and we are not in a position for further reduction".

25. OBSERVATIONS AFTER 2nd PRICE REVISION:

a. It is observed that the L1 Contractor M/s. PSG Constructions, Chennai has once again revised his offer amount from **Rs. 2,15,28,491.50/-** to **Rs. 2,15,11,615.50 /-** (Rupees Two Crore Fifteen Lakhs Eleven Thousand Six Hundred Fifteen rupees and Fifty Paise Only). The revised rate is still **Higher by (+) 4.96 %** than the department estimate of Rs.2,04,96,000 /- (prepared based on SSR 2020 with MV of (+) 15% for Civil & Electrical SSR Items {(+)05% MV Plus (+)10% for Factory Area}. For Some items LPR, MR / BQ has been taken).

b. It is submitted that after Price revision there are No Freakishly High Item quoted by the L1 Contractor, and the revised rate is Freakishly low for item Sl. No. 157 (01 Item). It is also submitted that after 2nd Price revision offered by the L1 contractor there are No items wherein the rates are higher than the departmental estimate by more than 10%).

c. It is submitted that the L1 Contractor during the 2nd Price revision has revised his offered rate for Items Sl. No 34 & 145 (2 Items). For the item Sl. No 145 (wherein the rate was higher than estimated rate by more than 10%) and for the item Sl. No 34 (wherein the rate was higher than the estimated rate by 09.86%) the L1 Contractor has reduced the price.

d. It is submitted that the L1 Contractor has offered Price reduction of Rs. 86,964 /- in reply to the 1st Price negotiation request. During, the 2nd Price Negotiation, the L1 Contractor has once again offered a Price reduction of Rs. 16,876 /-. The Overall reduction offered by the L1 Contractor after both the Price revisions is Rs. 1,03,840 /-. Further, the L1 Contractor in reply to the 2nd Price Negotiation vide letter dt 08-02-2024 stated "The Material and labour rate are increasing in fast manner. To maintain the goodwill and co-operation for the department, we herewith submit the final revised offer of the above work and this is our Rock Bottom rate and we are not in a position for further reduction".

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e. As per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

f. Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending Dec 2023 circulated vide CE Chennai Zone, letter dt. 10-11-2023. Accordingly, Market Variation (for Addl / Altn / Spl Repairs / Maintenance) of (+) 15% for Civil SSR Items {(+)05% MV Plus (+)10% for Factory Area) and for Electrical SSR Items is (+)20% {(+)10% MV Plus (+)10% for Factory Area) has been calculated. The revised notional estimated cost works out to Rs. 2,05,52,000 /-.

g. The L1 Contractors revised cost of Rs. 2,15,11,615.50 /- is **Higher** than the revised notional estimate of Rs. 2,05,52,000 /- by (+) 4.67 %. There are No Freakishly high rates for Items when compared with the revised notional estimate and the L1 Contractor quoted rate is freakishly Low for item Sl. No. 157 (01 item) when compared with the revised notional estimate. It is also submitted that there are No items wherein the revised rates quoted by the L1 Contractor are higher than the revised notional departmental estimate by more than 10%.

26. OBSERVATIONS OF CWC- II AFTER 2nd PRICE REVISION HELD ON 14-02-2024:

a. CWC-II observed that the L1 Contractor M/s. PSG Constructions, Chennai has once again revised his offer amount from **Rs. 2,15,28,491.50/-** to **Rs. 2,15,11,615.50 /-** (Rupees Two Crore Fifteen Lakhs Eleven Thousand Six Hundred Fifteen rupees and Fifty Paise Only). The revised rate is still **Higher by (+) 4.96 %** than the department estimate of Rs.2,04,96,000 /- (prepared based on SSR 2020 with MV of (+) 15% for Civil & Electrical SSR Items {(+)05% MV Plus (+)10% for Factory Area}. For Some items LPR, MR / BQ has been taken).

b. CWC-II observed that after Price revision there are No Freakishly High Item quoted by the L1 Contractor, and the revised rate is Freakishly low for item Sl. No. 157 (01 Item). CWC-II also observed that after 2nd Price revision offered by the L1 contractor there are No items wherein the rates are higher than the departmental estimate by more than 10%).

c. CWC-II observed that the L1 Contractor during the 2nd Price revision has revised his offered rate for Items Sl. No 34 & 145 (2 Items). For the item Sl. No 145 (wherein the rate was higher than estimated rate by more than 10%) and for the item Sl. No 34 (wherein the rate was higher than the estimated rate by 09.86%) the L1 Contractor has reduced the price.

d. CWC-II 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-II observed that Civil Engineering Section has undertaken to recast the estimate by taking into account the latest Market Variation for Quarter ending Dec 2023 circulated vide CE Chennai Zone, letter dt. 10-11-2023. Accordingly, Market Variation (for Addl / Altn / Spl Repairs / Maintenance) of (+) 15% for Civil SSR Items {(+)05% MV Plus (+)10% for Factory Area) and for Electrical SSR Items is (+)20% {(+)10% MV Plus (+)10% for Factory Area) has been calculated. The revised notional estimated cost works out to Rs. 2,05,52,000 /-.

f. CWC-II observed that the L1 Contractors revised cost of Rs. 2,15,11,615.50 /- is **Higher** than the revised notional estimate of Rs. 2,05,52,000 /- by (+) 4.67 %. There are No Freakishly high rates for Items when compared with the revised notional estimate and the L1 Contractor quoted rate is freakishly Low for item Sl. No. 157 (01 item) when compared with the revised notional estimate. It is also submitted that there are No items wherein the revised rates quoted by the L1 Contractor are higher than the revised notional departmental estimate by more than 10%.

g. CWC-II 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. PSG Constructions, Chennai through online Price Negotiation on 02 occasions. In the 1st Price negotiation, the L1 contractor offered a price reduction of Rs. 86,964 /- and in the 2nd Price negotiation has offered Price reduction of Rs. 16,876 /-. The Overall cumulative reduction offered by the L1 Contractor after both the Price revisions is Rs. 1,03,840 /- and the Total amount after both the price revision is Rs. 2,15,11,615.50 /- (Rupees Two Crore Fifteen Lakhs Eleven Thousand Six Hundred Fifteen rupees and Fifty Paise Only). It is observed that even after multiple attempts the L1 Contractor has not reduced considerably and his price is still on the higher side. CWC-II also observed that the L1 Contractor in reply to the 2nd Price Negotiation vide letter dt 08-02-2024 stated "The Material and labour rate are increasing in fast manner. To maintain the goodwill and co-operation for the department, we herewith submit the final revised offer of the above work and this is our Rock Bottom rate and we are not in a position for further reduction".

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h. CWC-I observed that the L1 Contractor revised quoted rates (including revised rates) / revised quoted total amount in the present case is still Higher than the department estimate of Rs.2,04,96,000 /- by (+) 4.96 % and is also higher than the Notional Estimate by (+) 4.67%.

27. **DECISION OF CWC- II HELD ON 14-02-2024:**

In view of the aforesaid observations, CWC-II decided to re-tender the case on Open Tender basis on two part bid system, through e-Procurement Portal to receive offers with competitive and reasonable prices. CWC-II decided that the present Tender bearing ID : 2023_AVNL_176148_1 must be cancelled in the CPPP e-procurement portal.



(KARRA SANKARA RAO)
Jt.GM / F&A
MEMBER / FINANCE

E.P



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



(SULAIMAN S SIDDIQUE)
GM / CP & ARJUN
MEMBER / USER



(PAIDI ANNAJEE RAO)
GM / IMS
CHAIRMAN / CWC - II