

MINUTES OF E-PRICE BID REVISION APPROVAL CWC-II MEETING
HELD ON 03-04-2024 FOR THE CIVIL WORK – WIDENING OF THE
APPROACH ROAD FOR THE TANK PARKING SHED AND
SHOP FLOOR IN GA SHOP AT HVF, AVADI

CIVIL ENGINEERING OFFICE

The following Officers were present ;

1	Shri. Indal Kumar Pankaj	GM / QA (Alternate Officer for GM / IMS & Stores)	Chairman / CWC-II
2	Shri. P.K. Gireesh Babu	GM / OP-OE, R&D	Member / User
3	Shri. Karra Sankara Rao	JT.GM / F&A	Member / Finance
4	Shri. K. Tulasi Rao	JT. GM / IMS, EO & GS	Member / Secy

- 01 e-Tender Enquiry No. & Date : HVF/TE/13025/CEO/2023-24/71, Dt. 23-01-2024.
E-Procurement Tender ID : 2024_AVNL_182671_1
- 02 Name of the Work : Widening of the Approach Road for the Tank Parking Shed and
Shop Floor in GA Shop at HVF, Avadi
- 03 Type of Tender : Open Tender under Two Bid System (e-Tendering)
- 04 Grant & Code Head : 920 / 34 (Capital Grant) ND 2318
- 05 User Section : HVF / IMS – CE (Fy) – GA shop.
- 06 Estimated cost of Work (Approx) : Rs. 1,42,62,000/= (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, GM is empowered for Issue of Acceptance of Necessity &
Administrative Approval and 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)/ 2023-24/CAP, Dt. 21-09-2023

ii. F&A Concurrence vide Letter No. 12501/HVF/FIN&ACCT/86/
2023, Dt. 18-12-2023

iii. ADP Approval vide AVNL Letter No. 91002/ADP/HVF(ND2318)/
AVNL/2023-24, Dt. 18-08-2023
- 08 e-Tender published in CPPP e-proc website on : 25-01-2024
- 09 Scheduled Bid submission closing date and Date : Original Bid Submission closing Date : 09-02-2024
of Tender Opening : Original Technical Tender Opening Date : 10-02-2024



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- 10 No. of T.O.D Postponements (System Configured for Bid Auto Extn Corrigendum in case of non receipt of minimum configured bids) : One Extension
Extended Bid Submission Closing Date : 23-02-2024
Extended Technical Tender Opening Date : 24-02-2024
- 11 e-Tender Technical /Eligibility Bid opened on : 24-02-2024
- 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 Santhosh Infrastructure, Chennai	MC, 08-05-2024	Confirmed . Offer Validity till 24-05-2024
02	M/s MSK Construction, Thiruvannamalai	FDR, Date of Maturity is 12-02-2025	Confirmed . Offer Validity till 24-05-2024
03	M/s Amutha Engineering and Construction, Chennai	DD, 21-05-2024	Confirmed . Offer Validity till 24-05-2024

- 14 CWC-II deliberated the case on 21-03-2024 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-II approved opening of e-price bids of all three eligible contractors viz.,

4. M/s Santhosh Infrastructure, Chennai
5. M/s MSK Construction, Thiruvannamalai
6. M/s Amutha Engineering and Construction, Chennai

- 15 Accordingly the e-price bids of all three eligible contractors have been opened on 25-03-2024.

- 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 Santhosh Infrastructure, Chennai	<u>L1</u>	Rs. 1,24,96,750.00 / =	(-) 12.38 % (Lower)
02	M/s MSK Construction, Thiruvannamalai	<u>L2</u>	Rs. 1,40,00,000.00 / =	(-) 01.84 % (Lower)
03	M/s Amutha Engineering and Construction, Chennai	<u>L3</u>	Rs. 1,48,68,875.00 / =	(+) 04.26 % (Higher)

17 **INITIAL OBSERVATIONS**

- a It is observed that M/s Santhosh Infrastructure, Chennai is the L1 Contractor and has quoted a total amount of Rs. 1,24,96,750 / = (Rupees One Crore Twenty Four Lakhs Ninety Six Thousand Seven Hundred and Fifty Only) for the work. The quoted amount is (-) 12.38 % lower than the departmental estimate of Rs. 1,42,62,000 {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 March 2023 circulated vide CE Chennai Zone, Letter Dt. 05-02-2024 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 quoted by the L1 Contractor. The rates quoted by L1 Contractor are freakishly low for Item Sl. No. 03. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST. It is confirmed that the estimate and quantities have been checked and certified that the quantities indicated for freakishly low item are not over estimated .
- b It is submitted that the rates quoted by the L1 contractor for Items Sl.No. 04 & 18 are higher than the departmental estimate by more than 10%



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18 OBSERVATIONS OF CWC-II HELD ON 27-03-2024

- a CWC-II observed that M/s Santhosh Infrastructure, Chennai is the L1 Contractor and has quoted a total amount of Rs. 1,24,96,750 /- (Rupees One Crore Twenty Four Lakhs Ninety Six Thousand Seven Hundred and Fifty Only) for the work. The quoted amount is (-) 12.38 % lower than the departmental estimate of Rs. 1,42,62,000 {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-II noted that as per the Latest Market Variation for Quarter ending March 2023 circulated vide CE Chennai Zone, Letter Dt. 05-02-2024 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 quoted by the L1 Contractor. The rates quoted by L1 Contractor are freakishly low for Item SI. No. 03. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST. CWC-II observed that it is confirmed that the estimate and quantities have been checked and certified that the quantities indicated for freakishly low item are not over estimated .
- b CWC-II also observed that the rates quoted by the L1 contractor for Items SI.No. 04 & 18 are higher than the departmental estimate by more than 10%

19 DECISION OF CWC-II HELD ON 27-03-2024

- a In view of the aforesaid observations, CWC-II decided to refer the rates for items SI. No. 04 & 18 (wherein the quoted rates are higher than the departmental estimate by more than 10 %) to the L1 Contractor M/s Santhosh Infrastructure, Chennai for their consideration and downward revision of their quoted rates.
- b CWC-II further decided to obtain confirmation from the L1 Contractor M/s Santhosh Infrastructure, Chennai, that good quality of material and workmanship will be maintained by them while executing the work for Items SI.No. 03 wherein the rates quoted by them are freakishly on the lower side.
- c CWC-II also decided to obtain confirmation from the L1 Contractor viz., M/s Santhosh Infrastructure, Chennai that they will maintain good quality of material and workmanship while executing the entire work (since the overall total amount quoted by them is on the lower side).
- 20 As directed by CWC-II, Price Negotiation was initiated with the L1 contractor, M/s Santhosh Infrastructure, Chennai and e.mail Dt. 28-03-2024 was issued to the contractor, seeking downward revision of the rates for Items SI.No. 04 & 18 (wherein the quoted rates are higher than the departmental estimate by more than 10 %) and for seeking confirmation that good quality of material and workmanship will be maintained by them while executing the work for Items SI.No. 03 wherein the rates quoted by them are freakishly on the lower side and also that they will maintain good quality of material and workmanship while executing the entire work.

The L1 Contractor M/s M/s Santhosh Infrastructure, Chennai has replied vide e.mail Dt. 29-03-2024 and submitted Rate Revision Sheet and Letter Dt. 29-03-2024 wherein it is intimated that ;

1. "In response to above referred HVF e.mail, I have reduced and downward revised the Prices for Item SI.No. 04 and 18 and offered a total price reduction of Rs. 41,250 /-. The Rate revision Sheet showing my reduced prices is enclosed and submitted herewith. I have now offered by best and lowest prices for these items and request that the revised prices may kindly be accepted.
2. I Confirm that I shall maintain good quality of material and good workmanship while executing the work for Item SI. No. 03 wherein the rate quoted is on the lower side.
3. I also confirm that I shall maintain good quality of material and good workmanship while executing the Entire work."

- 21 It is submitted that M/s Santhosh Infrastructure, Chennai has submitted the rate revision sheet and revised their prices and offered the following rate revision ;

Sl.No	Item SI.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 SI. No. 04	Rs. 1,200 /- (25.00 %)	Rs. 1,050 /- (09.38 %)
02	Item SI. No. 18	Rs. 35 /- (12.72 %)	Rs. 34 /- (09.50 %)



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 Santhosh Infrastructure, Chennai	<u>L1</u>	Rs. 1,24,96,750 /=-	Rs. 1,24,55,500 /=-	(-) 12.67 % (Lower)
TOTAL AMOUNT REDUCED			<u>Rs. 41,250 /=-</u>		

23 **OBSERVATIONS AFTER PRICE REVISION :**

- a It is observed that after the Price revision / reduction offered by the L1 Contractor M/s Santhosh Infrastructure, Chennai, the revised quoted total amount works out to Rs. 1,24,55,500 /=- (Rupees One Crore Twenty Four Lakhs Fifty Five Thousand and Five Hundred Only) for the work. The revised quoted total amount is (-) 12.67 % lower than the departmental estimate of Rs. 1,42,62,000 {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 March 2023 circulated vide CE Chennai Zone, Letter Dt. 05-02-2024 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 quoted by the L1 Contractor. The rates quoted by L1 Contractor are freakishly low for Item Sl. No. 03. 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 reduction for Items Sl. No. 04 & 18 (which were earlier higher than the departmental estimate by more than 10 %) and after price reduction the prices of these items are higher than the departmental estimate by less than 10 %.
- c It is submitted that the L1 Contractor vide letter Dt. 29-03-2024 has intimated that they have reduced and revised their rate downward for item Sl.No. 04 & 18 and offered a total price reduction of Rs. 41,250/- and have given their best and lowest prices for these items. The L1 contractor requested that their revised prices may be accepted.
- d It is submitted that the L1 Contractor Santhosh Infrastructure, Chennai vide letter Dt. 29-03-2024 has confirmed that they will maintain good quality of material and good workmanship while executing the work for Items Sl.No. 03 wherein the rates quoted are on the lower side. The L1 contractor has further confirmed that they shall maintain good quality of material and good workmanship while executing the entire work.

24 **OBSERVATIONS OF CWC-II HELD ON 03-04-2024 :**

- a CWC-II observed that after the Price revision / reduction offered by the L1 Contractor M/s Santhosh Infrastructure, Chennai, the revised quoted total amount works out to Rs. 1,24,55,500 /=- (Rupees One Crore Twenty Four Lakhs Fifty Five Thousand and Five Hundred Only) for the work. The revised quoted total amount is (-) 12.67 % lower than the departmental estimate of Rs. 1,42,62,000 {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 March 2023 circulated vide CE Chennai Zone, Letter Dt. 05-02-2024 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 quoted by the L1 Contractor. The rates quoted by L1 Contractor are freakishly low for Item Sl. No. 03. As per clause No.15 of the e-tender enquiry the contractors quoted rates are inclusive of GST.
- b CWC-II also observed that the L1 Contractor has offered Price reduction for Items Sl. No. 04 & 18 (which were earlier higher than the departmental estimate by more than 10 %) and after price reduction the prices of these items are higher than the departmental estimate by less than 10 %.

h. a. n. l.

- c CWC-II noted that the L1 Contractor vide letter Dt. 29-03-2024 has intimated that they have reduced and revised their rate downward for item Sl.No. 04 & 18 and offered a total price reduction of Rs. 41,250/= and have given their best and lowest prices for these items. The L1 contractor requested that their revised prices may be accepted.
- d CWC-II further observed that the L1 Contractor Santhosh Infrastructure, Chennai vide letter Dt. 29-03-2024 has confirmed that they will maintain good quality of material and good workmanship while executing the work for Items Sl.No. 03 wherein the rates quoted are on the lower side. The L1 contractor has further confirmed that they shall maintain good quality of material and good workmanship while executing the entire work.
- e CWC-II further observed that the overall revised total amount quoted by the L1 contractor is (-) 12.67 % lower than the departmental estimate. CWC-II observed that the overall revised total amount quoted by the L1 Contractor is competitive and reasonable.

25 **DECISION OF CWC-II HELD ON 03-04-2024 ;**

In view of the aforesaid observations, CWC-II decided to place Contract Agreement on the L1 Contractor, viz., M/s Santhosh Infrastructure, Chennai, at their revised quoted total amount of Rs. 1,24,55,500 /- (Rupees One Crore Twenty Four Lakhs Fifty Five Thousand and Five Hundred Only) for the work.

CWC-II authorised to operate upto (+) or (-) 10 % deviation over the CA Amount. CWC-II directed the executing agency to ensure good quality of material and good workmanship by the contractor for the items Sl.No. 03 for which the rates quoted are freakishly low. CWC-II also directed the executing agency to ensure good quality of material and good workmanship by the contractor while executing the entire work. CWC-II also directed the executing agency to ensure that as per SOP for Civil Works in AVNL – 2021, the items having freakishly lower rates (Items Sl. No. 03) shall not be executed less than 05 % of the estimated quantity.

- 26 Security Deposit : The contractor has to submit SD of Rs. 2,49,500 /- (Rupees Two Lakhs Forty Nine Thousand and Five Hundred Only) in the form of Fixed Deposit / Term Deposit / BG in favour of The CGM / HVF, Avadi from any Commercial bank for the completion and maintenance period which will be releasable on satisfactory completion of the defects liability period.
- 27 Completion time : Twelve Months (365 days) from the date of handing over of site.
- 28 Payment : As per IAFW 2249, Cost debitable to : Code Head 920/34 (Capital Grant)


(P.K. GIREESH BABU)
GM / OP-OE, R&D
MEMBER / USER


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


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

F. 12


(INDAL KUMAR PANKAJ)
GM / QA
(Alternate Officer for GM / IMS & Stores)
CHAIRMAN / CWC-II