

MINUTES FOR E-PRICE BID REVISION APPROVAL CWC-I HELD ON 07-06-2024
FOR THE CIVIL WORK – SPECIAL REPAIRS TO TOILET, OFFICE ROOM, MAIN
GARAGE, VEHICLE SHED AND PATHWAY IN TPT SECTION AT OLD FACILITY
IN HVF AVADI

CIVIL ENGINEERING OFFICE

The following Officers were present:-

1	Shri. V.R.Rambhad	Chief General Manager /HVF	Chairman CWC - I
2	Shri. M.Sivakumar	GM / HR, F&A, IMS	Member / Finance
3	Shri. Paidi Annajee Rao	GM / EO, STORES & GS	Member / User
4	Shri. K. Tulasi Rao	Jt.GM / IMS	Member Secretary

- 01 e-Tender Enquiry No. & Date : HVF/TE/13025/CEO/2023-24/77, Dt. 05-03-2024.
CPPP E-Proc Tender ID : 2024_AVNL_189794_1
- 02 Name of the Work : Special repairs to Toilet, Office Room, Main
Garage, Vehicle shed and Pathway in TPT Section
at Old Facility in HVF Avadi
- 03 Type of Tender : Open Tender under Two Bid System (e-Tendering)
- 04 Grant & Code Head : 920/34 (Capital Grant)
- 05 User Section : HVF / CE (Fy)
- 06 Estimated cost of Work (Approx) : Rs.1,37,17,000 /= (As per delegation of Financial
Powers issued by AVNL as on 01-10-2021, Point
Sl.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 Amendment letter Dt.
22-04-2022, 07.06.2023 CGM is empowered for
Issue of Acceptance of Necessity & Administrative
Approval and placement of Contract for
Departmental Works upto Rs. 05 Crores. Hence
the subject case falls under the financial powers of
CWC-I).
- 07 Approval & Financial Concurrence : i. CGM Approval vide CE(Fy) Note
No.13148/HVF/CE(FY)/2022-23., Dt.21-11-2023
ii. F&A Concurrence vide Letter No. 12501/HVF/
FIN&ACCT/86/2024, dt. 01-02-2024.
iii. ADP Approval vide Letter No.91002/ADP/HVF-
(ND2324)/AVNL/2023-24., Dt.31.10.2023
- 08 e-Tender published in CPPP e-proc website : 07-03-2024
on
- 09 Scheduled Bid submission closing date and : Bid Submission Closing Date : 22-03-2024
Date of Tender Opening : Technical Tender Opening Date : 23-03-2024
- 10 No. of T.O.D Postponements : NIL
- 11 e-Tender Technical /Eligibility Bid opened on : 23-03-2024
- 12 No. of Responses received online : 05 Responses / bids were received online.



13 Names of Contractors who has responded :

Sl. No.	NAME OF THE CONTRACTOR	EMD VALIDITY	OFFER VALIDITY
01	M/s. PSG Constructions, Chennai	FDR, Date of Maturity 20-06-2024	21.06.2024
02	M/s. MSK Construction, Thiruvannamalai	FDR, Date of Maturity 12-03-2025	21.06.2024
03	M/s. Siva Enterprises, Chennai	FDR, Date of Maturity 16-06-2024	21.06.2024
04	M/s. Vijayalakshmi Enterprises, Chennai	FDR, Date of Maturity 21-06-2024	21.06.2024
05	M/s. Sri Krishna Agencies, Chennai	FDR, Date of Maturity 26-06-2024	21.06.2024

14. **Eligibility Bid:-** CWC – I held on 05.04.2024 observed that M/s. Sri Krishna Agencies, Chennai submitted work experience is not meeting the Eligibility conditions of the tender requirement. CWC-I decided that the offer of the firm is not acceptable.

CWC – I deliberated the case and observed that 4 (Four) contractors have fulfilled the eligibility Conditions of the tender and the offers of the 4 (Four) contractors are technically acceptable. Hence, CWC - I approved opening of e-price bids of 4 (Four) eligible contractors viz.,

5. M/s. MSK Construction, Thiruvannamalai
6. M/s. Vijayalakshmi Enterprises, Chennai
7. M/s. PSG Constructions, Chennai
8. M/s. Siva Enterprises, Chennai

15. Accordingly e-Price Bid of the eligible contractors were Opened on:- 12-04-2024.

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. MSK Constructions, Thiruvannamalai	L1	Rs.1,29,99,999.00 /-	(-) 05.23%
02	M/s. Vijayalakshmi Enterprises, Chennai	L2	Rs.1,34,39,975.00 /-	(-) 02.02%
03	M/s. Siva Enterprises, Chennai	L3	Rs.1,49,10,753.50 /-	(+) 08.70%
04	M/s. PSG Constructions, Chennai	L4	Rs.1,60,40,685.00 /-	(+) 16.94%

17. **OBSERVATIONS:**

- b. It is observed that M/s. MSK Constructions, Thiruvannamalai is the L1 contractor and has quoted the amount of Rs. 1,29,99,999.00/- (Rupees One Crore Twenty Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Nine Only). The quoted rate is Lower than the department estimate of Rs.1,37,17,000.00 /- (prepared based on MES SSR 2020 rates for SSR Items with market variation of 15% for civil SSR items (+) 5% MV Plus (+) 10% for Factory Restricted Area) and (+)20% ((+)10% MV Plus (+) 10% for Factory Restricted Area) for Electrical items and for some items LPR / MR / BQ has been taken) by (-) 05.23 %. The L1 quoted rates are freakishly high for item Sl. No. 08, 12, 15, 17, 18, 22, 23, 25, 26, 28, 30, 31, 37, 38, 39, 40, 41, 46, 47, 50, 51, 52, 53, 54, 55, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 72, 74, 75, 77, 83, 85, 87, 97, 98, 99, 103, 115 (Freakishly high for 48 items) and freakishly low item Sl. No. 05, 33, 92, 112 and 118 (Freakishly low for 5 items) quoted by the L1 Contractor. It is confirmed that the estimate and quantities have been checked and certified that the quantities indicated for freakishly high items are not under estimated and freakishly low items are not over estimated

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- d. It is submitted that the rates quoted by the L1 contractor for items Sl. No. 01, 02, 07, 20, 27, 29, 35, 36, 43, 44, 48, 56, 58, 71, 73, 80, 81, 82, 84, 88, 90, 106, 109, 116 and 117 (Above 10% for 25 items) are higher than the departmental estimate by more than 10%.
- e. As per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

18 OBSERVATIONS OF CWC- I HELD ON 18-04-2024:

- b. CWC - I Observed that M/s. MSK Constructions, Thiruvannamalai is the L1 contractor and has quoted the amount of Rs. 1,29,99,999.00/- (Rupees One Crore Twenty Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Nine Only). The quoted rate is **Lower** than the department estimate of Rs.1,37,17,000.00 /- (prepared based on MES SSR 2020 rates for SSR Items with market variation of 15% for civil SSR items (+) 5% MV Plus (+) 10% for Factory Restricted Area) and (+)20% ((+)10% MV Plus (+) 10% for Factory Restricted Area) for Electrical items and for some items LPR / MR / BQ has been taken) **by (-) 05.23 %**. The L1 quoted rates are freakishly high for item Sl. No. 08, 12, 15, 17, 18, 22, 23, 25, 26, 28, 30, 31, 37, 38, 39, 40, 41, 46, 47, 50, 51, 52, 53, 54, 55, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 72, 74, 75, 77, 83, 85, 87, 97, 98, 99, 103 and 115 (Freakishly high for 48 items) and freakishly low item Sl. No. 05, 33, 92, 112 and 118 (Freakishly low for 5 items) quoted by the L1 Contractor. It is confirmed that the estimate and quantities have been checked and certified that the quantities indicated for freakishly high items are not under estimated and freakishly low items are not over estimated.
- c. CWC - I Observed that the rates quoted by the L1 contractor for items Sl. No. 01, 02, 07, 20, 27, 29, 35, 36, 43, 44, 48, 56, 58, 71, 73, 80, 81, 82, 84, 88, 90, 106, 109, 116 and 117 (Above 10% for 25 items) are higher than the departmental estimate by more than 10%.
- 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.

19 DECISION OF CWC- I HELD ON 18-04-2024:

In view of the above observations, CWC - I decided to refer the freakishly higher rate at item Sl. No. 08, 12, 15, 17, 18, 22, 23, 25, 26, 28, 30, 31, 37, 38, 39, 40, 41, 46, 47, 50, 51, 52, 53, 54, 55, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 72, 74, 75, 77, 83, 85, 87, 97, 98, 99, 103 and 115 (Freakishly high for 48 items) to the L1 Contractor M/s. MSK Construction, Thiruvannamalai for their consideration downward revision of their quoted rates.

CWC - I decided to refer the rates for items Sl. No. 01, 02, 07, 20, 27, 29, 35, 36, 43, 44, 48, 56, 58, 71, 73, 80, 81, 82, 84, 88, 90, 106, 109, 116 and 117 (25 items wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%) to the L1 Contractor M/s. MSK Constructions, Thiruvannamalai for their consideration and downward revision of their quoted rates.

CWC - I also decided to obtain confirmation from the L1 Contractor M/s. MSK Constructions, Thiruvannamalai that good quality of material and labour will be maintained by them while executing the work for Items Sl. No. 05, 33, 92, 112 and 118 (Freakishly low for 5 items) wherein the rate quoted by them is freakishly on the lower side.

- 20. As directed by CWC – I, price negotiation was initiated with the L1 Contractor, M/s. MSK Construction, Thiruvannamalai, seeking downward revision for items Sl. No. 08, 12, 15, 17, 18, 22, 23, 25, 26, 28, 30, 31, 37, 38, 39, 40, 41, 46, 47, 50, 51, 52, 53, 54, 55, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 72, 74, 75, 77, 83, 85, 87, 97, 98, 99, 103 and 115 (48 freakishly high items) and Sl. No. 01, 02, 07, 20, 27, 29, 35, 36, 43, 44, 48, 56, 58, 71, 73, 80, 81, 82, 84, 88, 90, 106, 109, 116 and 117 (25 items wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%). The Negotiation reply from the L1 Contractor, M/s. MSK Construction, Thiruvannamalai, was received on 02.05.2024.

21. The L1 Contractor has revised their price bid 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		
1	Item Sl. No. 08	Rs.	100.00	55.28 %	Rs.	95.00	47.52 %
2	Item Sl. No. 15	Rs.	100.00	109.03 %	Rs.	72.00	50.50 %
3	Item Sl. No. 17	Rs.	810.00	51.27 %	Rs.	797.00	48.85 %
4	Item Sl. No. 18	Rs.	4000.00	169.87 %	Rs.	2211.12	49.18 %
5	Item Sl. No. 22	Rs.	3000.00	318.33 %	Rs.	1068.00	48.93 %
6	Item Sl. No. 30	Rs.	460.00	52.02 %	Rs.	450.00	48.72 %
7	Item Sl. No. 31	Rs.	2000.00	194.77 %	Rs.	1010.00	48.86 %
8	Item Sl. No. 38	Rs.	500.00	103.26 %	Rs.	365.00	48.38 %
9	Item Sl. No. 39	Rs.	150000.00	50.99 %	Rs.	148000.00	48.98 %
10	Item Sl. No. 40	Rs.	3000.00	13110.04 %	Rs.	33.00	45.31 %
11	Item Sl. No. 50	Rs.	100.00	79.28 %	Rs.	83.00	48.80 %
12	Item Sl. No. 53	Rs.	300.00	63.04 %	Rs.	270.00	46.74 %
13	Item Sl. No. 54	Rs.	300.00	108.70 %	Rs.	210.00	46.09 %
14	Item Sl. No. 55	Rs.	200.00	58.10 %	Rs.	185.00	46.25 %
15	Item Sl. No. 59	Rs.	6000.00	51.85 %	Rs.	5880.00	48.82 %
16	Item Sl. No. 60	Rs.	5000.00	69.23 %	Rs.	4400.00	48.92 %
17	Item Sl. No. 61	Rs.	4000.00	65.28 %	Rs.	3600.00	48.75 %
18	Item Sl. No. 64	Rs.	800.00	170.19 %	Rs.	440.00	48.60 %
19	Item Sl. No. 65	Rs.	200.00	244.71 %	Rs.	86.00	48.22 %
20	Item Sl. No. 66	Rs.	150.00	100.67 %	Rs.	110.00	47.16 %
21	Item Sl. No. 68	Rs.	200.00	253.48 %	Rs.	84.00	48.46 %
22	Item Sl. No. 72	Rs.	1000.00	86.72 %	Rs.	795.00	48.44 %
23	Item Sl. No. 74	Rs.	1400.00	79.97 %	Rs.	1150.00	47.83 %
24	Item Sl. No. 77	Rs.	300.00	284.12	Rs.	115.00	47.25 %
25	Item Sl. No. 83	Rs.	150.00	96.72	Rs.	110.00	44.26 %
26	Item Sl. No. 87	Rs.	40.00	56.68	Rs.	38.00	48.84 %
27	Item Sl. No. 97	Rs.	760.00	265.67	Rs.	284.00	36.64 %
28	Item Sl. No. 98	Rs.	700.00	56.73	Rs.	660.00	47.77 %
29	Item Sl. No. 99	Rs.	700.00	97.54	Rs.	525.00	48.15 %

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. MSK Construction, Thiruvannamalai	Rs. 1,37,17,000.00 /-	Rs. 1,29,99,999.00/-	Rs. 1,29,00,000.00 /-	(-) 5.96 % (Lower)
Total Amount Reduced by the L1 Contractor: Rs. 99,999.00 /-				



22. OBSERVATIONS AFTER PRICE NEGOTIATION:

- c. In reply to the price negotiation request the L1 Contractor, M/s. MSK Construction, Thiruvannamalai has reduced and revised his offer rate from Rs. 1,29,99,999.00 /-to Rs. 1,29,00,000.00 /- (Rupees One Crore Twenty Nine Lakhs Only). The revised rate is **Lower** than the department estimate of Rs. 1,37,17,000.00 /- **by (-) 5.96 %**. (prepared based on MES SSR 2020 rates for SSR Items with market variation of 15% for civil SSR items ((+) 5% MV Plus (+) 10% for Factory Restricted Area) and (+)20% ((+)10% MV Plus (+) 10% for Factory Restricted Area) for Electrical items and for some items LPR / MR / BQ has been taken). The L1 quoted rates are freakishly high for item Sl. No. 08, 12, 15, 17, 18, 22, 23, 25, 26, 28, 30, 31, 37, 38, 39, 40, 41, 46, 47, 50, 51, 52, 53, 54, 55, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 72, 74, 75, 77, 83, 85, 87, 97, 98, 99, 103 and 115 (Freakishly high for 48 items) and freakishly low item Sl. No. 05, 33, 92, 112 and 118 (Freakishly low for 5 items) quoted by the L1 Contractor. It is confirmed that the estimate and quantities have been checked and certified that the quantities indicated for freakishly high items are not under estimated and freakishly low items are not over estimated.
- d. It is submitted that the L1 Contractor has offered Price revision for freakishly high item Sl. No. 08, 17, 18, 22, 30, 31, 38, 39, 40, 50, 53, 54, 55, 59, 60, 61, 64, 65, 66, 68, 72, 74, 77, 83, 87, 97, 98, 99, (28 Items) and after price revision, the rate become Non Freakish and are higher than the departmental estimate by more than 10%. The L1 Contractor has offered Price revision for freakishly high item Sl. No. 15 (01 item) but still the rate for this item are freakishly higher. The L1 Contractor has not offered any Price revision for other freakishly high items Sl. No. 12, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (19 items). Hence, the rates for these items are still freakishly higher.
- e. It is submitted that for the items where in the rates quoted by the L1 Contractor are higher than 10%, the L1 Contractor has not offered any price revision for items Sl. No. 01, 02, 07, 20, 27, 29, 35, 36, 43, 44, 48, 56, 58, 71, 73, 80, 81, 82, 84, 88, 90, 106, 109, 116 and 117 (25 items) remains higher than the departmental estimate by more than 10%
- f. It is submitted that the L1 contractor vide email dated 03.05.2024 stated "We herewith assure you that we will only use for good quality of material and labour will be maintained by us while executing the work for item Sl.No. 05, 33, 92, 112 and 118 (05 items) wherein the rate quoted by us is freakishly on the lower side".
- g. As per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

23 OBSERVATIONS OF CWC- I HELD ON 10-05-2024:

- b. CWC - I Observed that in reply to the price negotiation request the L1 Contractor, M/s. MSK Construction, Thiruvannamalai has reduced and revised his offer rate from Rs. 1,29,99,999.00 /-to Rs. 1,29,00,000.00 /- (Rupees One Crore Twenty Nine Lakhs Only). The revised rate is **Lower** than the department estimate of Rs. 1,37,17,000.00 /- **by (-) 5.96 %**. (prepared based on MES SSR 2020 rates for SSR Items with market variation of 15% for civil SSR items ((+) 5% MV Plus (+) 10% for Factory Restricted Area) and (+)20% ((+)10% MV Plus (+) 10% for Factory Restricted Area) for Electrical items and for some items LPR / MR / BQ has been taken). The L1 quoted rates are freakishly high for item Sl. No. 08, 12, 15, 17, 18, 22, 23, 25, 26, 28, 30, 31, 37, 38, 39, 40, 41, 46, 47, 50, 51, 52, 53, 54, 55, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 72, 74, 75, 77, 83, 85, 87, 97, 98, 99, 103 and 115 (Freakishly high for 48 items) and freakishly low item Sl. No. 05, 33, 92, 112 and 118 (Freakishly low for 5 items) quoted by the L1 Contractor. It is confirmed that the estimate and quantities have been checked and certified that the quantities indicated for freakishly high items are not under estimated and freakishly low items are not over estimated.
- c. CWC - I Observed that the L1 Contractor has offered Price revision for freakishly high item Sl. No. 08, 17, 18, 22, 30, 31, 38, 39, 40, 50, 53, 54, 55, 59, 60, 61, 64, 65, 66, 68, 72, 74, 77, 83, 87, 97, 98 and 99 (28 Items) and after price revision, the rate become Non Freakish and are higher than the departmental estimate by more than 10%. The L1 Contractor has offered Price revision for freakishly high item Sl. No. 15 (01 item) but still the rate for this item are freakishly higher. The L1 Contractor has not offered any Price revision for other freakishly high items Sl. No. 12, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (19 items). Hence, the rates for these items are still freakishly higher.



- d. CWC - I Observed that for the items where in the rates quoted by the L1 Contractor are higher than 10%, the L1 Contractor has not offered any price revision for items Sl. No. 01, 02, 07, 20, 27, 29, 35, 36, 43, 44, 48, 56, 58, 71, 73, 80, 81, 82, 84, 88, 90, 106, 109, 116 and 117 (25 items) remains higher than the departmental estimate by more than 10%
- e. CWC - I Observed that the L1 contractor vide email dated 03.05.2024 stated "We herewith assure you that we will only use for good quality of material and labour will be maintained by us while executing the work for item Sl.No. 05, 33, 92, 112 and 118 (05 items) wherein the rate quoted by us is freakishly on the lower side".
- f. 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.

24 DECISION OF CWC-I HELD ON 10-05-2024:

In view of the above observations, CWC - I once again decided to refer freak rates on higher side for items Sl. No. 12, 15, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (20 items) to the L1 Contractor M/s. MSK Construction, Thiruvannamalai for their consideration and downward revision of their quoted rate.

CWC - I also decided to once again refer the rates for items Sl. No. 01, 02, 07, 08, 17, 18, 20, 22, 27, 29, 30, 31, 35, 36, 38, 39, 40, 43, 44, 48, 50, 53, 54, 55, 56, 58, 59, 60, 61, 64, 65, 66, 68, 71, 72, 73, 74, 77, 80, 81, 82, 83, 84, 87, 88, 90, 97, 98, 99, 106, 109, 116 and 117 (53 items wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%) to the L1 Contractor M/s. MSK Construction, Thiruvannamalai for their consideration and downward revision of their quoted rates.

25. As directed by CWC - I, once again price negotiation was initiated with the L1 Contractor, M/s. MSK Construction, Thiruvannamalai, seeking downward revision for items Sl. No. 12, 15, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (20 freakishly high items) and Sl. No. 01, 02, 07, 08, 17, 18, 20, 22, 27, 29, 30, 31, 35, 36, 38, 39, 40, 43, 44, 48, 50, 53, 54, 55, 56, 58, 59, 60, 61, 64, 65, 66, 68, 71, 72, 73, 74, 77, 80, 81, 82, 83, 84, 87, 88, 90, 97, 98, 99, 106, 109, 116 and 117 (53 items wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%). The Negotiation reply from the L1 Contractor, M/s. MSK Construction, Thiruvannamalai, was received on 27.05.2024.

26. The L1 Contractor has revised their price bid 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 1 st Price Revision and Percentage wrt Estimated Cost			Revised Unit Rate (Rs.) after 2 nd Price Revision and Percentage wrt Estimated Cost		
Item where the revised rate quoted are above 10% of Estimated Cost										
01	Item Sl. No. 39	Rs.	150000.00	50.99 %	Rs.	148000.00	48.98 %	Rs.	135500.00	36.39%

The status of Prices quoted by the L1 Contractor after 2nd Price revision are as follows;

Name of the L1 Contractor	Estimated Price	Original Quoted Price	Revised Price (After 1 st Price Negotiation)	Revised Price (After 2 nd Price Negotiation)	Diff. of Revised Price in % over Estimated price
M/s. MSK Construction, Thiruvannamalai	Rs. 1,37,17,000.00 /-	Rs. 1,29,99,999.00/-	Rs. 1,29,00,000.00 /-	Rs. 1,28,95,000.00 /-	(-) 5.99 (Lower)
Total Amount Reduced by the L1 Contractor in 1 st Price Revision: Rs. 99,999.00 /-					
Total Amount Reduced by the L1 Contractor in 2 nd Price Revision: Rs.5,000.00 /-					
Grand Total Reduction offered by the L1 contractor : Rs.1,04,999.00 /-					

[Handwritten Signature]

27. OBSERVATIONS AFTER 2nd PRICE NEGOTIATION:

- f. In reply to the 2nd price negotiation request the L1 Contractor, M/s. MSK Construction, Thiruvannamalai has reduced and revised his offer rate from Rs. 1,29,00,000.00 /-to Rs. 1,28,95,000.00 /- (Rupees One Crore Twenty Eight Lakhs Ninety Five Thousand Only). The revised rate is **Lower** than the department estimate of Rs. 1,37,17,000.00 /- **by (-) 5.99 %**. (prepared based on MES SSR 2020 rates for SSR Items with market variation of 15% for civil SSR items (+) 5% MV Plus (+) 10% for Factory Restricted Area) and (+)20% ((+)10% MV Plus (+) 10% for Factory Restricted Area) for Electrical items and for some items LPR / MR / BQ has been taken).
- g. It is submitted that the L1 Contractor has not offered any Price revision for freakishly high items Sl. No. 12, 15, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (20 Items) and the rates for these items still remains freakishly higher.
- h. It is submitted that for the items where in the rates quoted by the L1 Contractor are higher than 10%, the L1 Contractor has offered Price revision for item Sl. No. 39 (01 item), even after price revision the item still remains higher than the departmental estimate by more than 10%. The contractor has not offered any price revision for other items Sl. No. 01, 02, 07, 08, 17, 18, 20, 22, 27, 29, 30, 31, 35, 36, 38, 40, 43, 44, 48, 50, 53, 54, 55, 56, 58, 59, 60, 61, 64, 65, 66, 68, 71, 72, 73, 74, 77, 80, 81, 82, 83, 84, 87, 88, 90, 97, 98, 99, 106, 109, 116 and 117 (52 items) remains higher than the departmental estimate by more than 10%.
- i. It is submitted that the L1 contractor vide Letter dated 27.05.2024 has stated that "We are the L1 Bidder for the above said work. We quoted the amount up to 5.22% lesser than the estimated amount. However, this regard I received the mail for the individual items rate negotiation from your side, which was higher than the tender rate. In this regard, I wish to give my clarification for your kind perusal. I am already quoted 5.22% lesser than the tender amount. To tell you the fact, it is huge impact for executing the work. However we already reduced up to 0.73% in first negotiation. And this time we can reduce only one item (item No. 39.00). Moreover we unable to reduce all items which was higher than the estimate rate is not at all possible, because many items other than the higher cost is lower than the estimate rate. Hence, we are sorry for inability to give further negotiations. If I give further negotiation will lead to very difficult to execute the work".
- j. As per clause No.15 of the tender enquiry (in e-procurement portal) the contractors quoted rates are inclusive of GST.

28. OBSERVATIONS OF CWC- I HELD ON 31-05-2024:

- f. CWC - I Observed that In reply to the 2nd price negotiation request the L1 Contractor, M/s. MSK Construction, Thiruvannamalai has reduced and revised his offer rate from Rs. 1,29,00,000.00 /-to Rs. 1,28,95,000.00 /- (Rupees One Crore Twenty Eight Lakhs Ninety Five Thousand Only). The revised rate is **Lower** than the department estimate of Rs. 1,37,17,000.00 /- **by (-) 5.99 %**. (prepared based on MES SSR 2020 rates for SSR Items with market variation of 15% for civil SSR items (+) 5% MV Plus (+) 10% for Factory Restricted Area) and (+)20% ((+)10% MV Plus (+) 10% for Factory Restricted Area) for Electrical items and for some items LPR / MR / BQ has been taken).
- g. CWC - I Observed that the L1 Contractor has not offered any Price revision for freakishly high items Sl. No. 12, 15, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (20 Items) and the rates for these items still remains freakishly higher.
- h. CWC - I Observed that for the items where in the rates quoted by the L1 Contractor are higher than 10%, the L1 Contractor has offered Price revision for item Sl. No. 39 (01 item), even after price revision the item still remains higher than the departmental estimate by more than 10%. The contractor has not offered any price revision for other items Sl. No. 01, 02, 07, 08, 17, 18, 20, 22, 27, 29, 30, 31, 35, 36, 38, 40, 43, 44, 48, 50, 53, 54, 55, 56, 58, 59, 60, 61, 64, 65, 66, 68, 71, 72, 73, 74, 77, 80, 81, 82, 83, 84, 87, 88, 90, 97, 98, 99, 106, 109, 116 and 117 (52 items) remains higher than the departmental estimate by more than 10%.



- i. CWC - I Observed that the L1 contractor vide Letter dated 27.05.2024 has stated that "We are the L1 Bidder for the above said work. We quoted the amount up to 5.22% lesser than the estimated amount. However, this regard I received the mail for the individual items rate negotiation from your side, which was higher than the tender rate. In this regard, I wish to give my clarification for your kind perusal. I am already quoted 5.22% lesser than the tender amount. To tell you the fact, it is huge impact for executing the work. However we already reduced up to 0.73% in first negotiation. And this time we can reduce only one item (item No. 39.00). Moreover we unable to reduce all items which was higher than the estimate rate is not at all possible, because many items other than the higher cost is lower than the estimate rate. Hence, we are sorry for inability to give further negotiations. If I give further negotiation will lead to very difficult to execute the work".
- j. 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.

29 DECISION OF CWC-I HELD ON 31-05-2024 :-

CWC - I noted that the rates for the items at Sl. No. 12, 15, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (20 items) are freakishly higher.

CWC-I also noted that the rates for items at Sl.No. 01, 02, 07, 08, 17, 18, 20, 22, 27, 29, 30, 31, 35, 36, 38, 39, 40, 43, 44, 48, 50, 53, 54, 55, 56, 58, 59, 60, 61, 64, 65, 66, 68, 71, 72, 73, 74, 77, 80, 81, 82, 83, 84, 87, 88, 90, 97, 98, 99, 106, 109, 116 and 117 (53 items) are higher than departmental estimate by more than 10%.

In view of the above, CWC-I decided to call the L1 contractor viz., M/s. MSK Construction, Thiruvannamalai to hold techno commercial negotiations in the next CWC-I meeting.

30 OBSERVATIONS OF CWC-I HELD ON 07-06-2024 :-

The L1 Contactor M/s. MSK Constructions, Thiruvannamalai has participated in the techno commercial negotiations. CWC - I has negotiated with the L1 contractor to reduce the rates for the items at Sl. No. 12, 15, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (20 items) which are freakishly higher.

In reply, the L1 contractor has explained about increase in present market rates and his overall quoted rates are below estimated rates. CWC-I has directed the contractor to justify the freakishly higher rates of the aforesaid 20 items.

CWC - I Observed that the L1 contractor vide Letter dated 07.06.2024 has stated that "We have already quoted the amount up to (-) 5.22% lesser than the estimated amount in original tender. Again we have reduced our offer to (-) 5.99% lesser than the estimated amount in first online negotiation. Considering present market rates of material and labour, its very difficult for us to reduce further. However, as goodwill gesture for calling us for negotiation meeting, we hereby offer to reduce the rate at Sl.No.67 to Rs.200/- (from Rs.300/-). Moreover we are not in a position to reduce all items which was freakishly higher than the estimate rates, because many items other than the higher cost is lower than the estimate rate. Further, we humbly request you to consider our present offer after 2nd price negotiation of (-) 6.04% less than the estimated amount".

CWC-I observed that the L1 contractor has offered price revision of for item at Sl.67 from Rs.300.00/- to Rs.200.00/- and has not offered price revision for the remaining items. CWC-I observed that the L1 contractor has offered price reduction of Rs.6500/- in the price negotiation meeting held on 07.06.2024.

CWC-I observed that the overall revised total amount quoted by the L1 contractor is (-) 6.04% lower than that of departmental estimate.



31 DECISION OF CWC- I HELD ON 07-06-2024 :-

In view of the above observations, CWC – I decided to place Contract Agreement on the L1 Contractor, viz., M/s. MSK Contractor, Thiruvanamalai, at their revised amount of Rs. 1,28,88,500.00/- (Rupees One Crore twenty eight Lakhs eighty eight thousand five hundred only) for the subject work.

CWC – I authorized to operate up to (+) or (-) 10% deviation over the CA amount. CWC – I directed the executing agency to ensure the quality of the items SI.No. 05,33,92,112 and 118 (05 items) for which the rates quoted are freakishly low.

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 SI.No. 05, 33,92,112 and 118 (05 items) shall not be executed less than 05% of the estimated quantity and the item having freakishly higher rate SI. No. 12, 15, 23, 25, 26, 28, 37, 41, 46, 47, 51, 52, 57, 62, 63, 67, 75, 85, 103 and 115 (20 items) shall not be executed more than 05% of the estimated quantity.

32. **Security Deposit:-** The Contractor has to submit Security Deposit of Rs. 2,55,000.00 /- (Rupees Two Lakh Fifty five Thousand Only) in the form of Fixed Deposit / Term Deposit / BG in favour of The Chief General Manager, HVF, Avadi from any Commercial Bank for the maintenance period which will be releasable on satisfactory completion of the defects liability period.

33. **Completion time:** 12 Months from the date of handing over of site.

34. **Payment :-** 1) As per IAFW 2249. 2) Cost debitable to:- Code Head No. 920/34 (Under Capital Grant)

P.L.

(SHRI. PAIDI ANNAJEE RAO)
GM / EO, STORES & GS
MEMBER / USER

K. Tulasi Rao

(K. TULASI RAO)
JT.GM / IMS
MEMBER SECRETARY

M. Sivakumar
7/6/24

(M. SIVAKUMAR)
GM / HR, F&A, IMS
MEMBER / FINANCE

V.R. Rambhad

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

Date : 07.06.2024

**To
The Chief General Manager,
HVF, Avadi,
Chennai – 54.**

(Kind Attn. Shri. Tulasi Rao, Jt.GM)

Respected Sir,

Sub : Special repairs to Toilet, Office Room, Main Garage, Vehicle shed and
Pathway in TPT Section at Old Facility in HVF Avadi

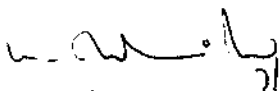
Ref : 1. HVF/TE/13025/CEO/2023-24/77, Dt. 05-03-2024.
2. Price Negotiation on 07.06.2025.

We thank you for calling us for considering our offer and calling us for price negotiation. In this connection, we would like to submit few lines for your kind consideration.

We have already quoted the amount up to **(-) 5.22%** lesser than the estimated amount in original tender. Again we have reduced our offer to **(-) 5.99%** lesser than the estimated amount in first online negotiation. Considering present market rates of material and labour, its very difficult for us to reduce further. However, as goodwill gesture for calling us for negotiation meeting, we hereby offer to reduce the rate at **Sl.No.67 to Rs.200/- (from Rs.300/-)**. Moreover we are not in a position to reduce all items which was freakishly higher than the estimate rates, because many items other than the higher cost is lower than the estimate rate.

Further, we humbly request you to consider our present offer after **2nd price negotiation of (-) 6.04% less than the estimated amount.**

Thanking You


Jf Am/2ms 7/6/24

