Sub: Minutes of the Procurement Evaluation Committee Meeting

Procurement Evaluation Committee consisting of the following officers met on 08.01.2025, and 10.01.2025 to consider the rates received against **Tender No. W35DC24002 for Procurement of Carrier Gases (Nitrogen, Zero Air, Hydrogen, Helium & Argon) on Rate Contract Basis for Three Years.**

1) A. Bhatttacharjee, GM (MM)-Head, PO
2) Akshay Kumar, GM (F&A)-Head, F&A

Note: PEC has been constituted in accordance with amended provisions of Para 14.1.8 of IMMM. Procurement Evaluation Committee was assisted by Deepak Phagna, MMO.

A. BACKGROUND:

A.1) Tender No. W35DC24002 was floated / published on GePNIC-CPPP portal on 08.10.2024 for procurement of carrier gases (Nitrogen, Zero Air, Hydrogen, Helium & Argon) on rate contract basis for three years. Techno-Commercial Un-priced bids were opened on 30.10.2024. Total 4 Nos. of Offers have been received on 30.10.2024 on GePNIC-CPPP Portal. The original CPA is 3rd level Officer of MM.

A.2) Procurement Evaluation Committee was informed the following brief of the case: -

1.	Tender No.	W35DC24002
2.	Description	Procurement Of Carrier Gases (Nitrogen, Zero Air, Hydrogen, Helium & Argon) on Rate Contract Basis for three years.
3.	Type Of Tender	Open Indigenous E-Tender Under Two Bid System
4.	Estimated Value	Rs.21,50,691.60
5.	Tender Participation Period	08.10.2024 To 29.10.2024
6.	Tender Closing Date & Time	29.10.2024 & 15.00 Hrs.

7.	Tender Opening Date & Time	30.10.2024 15.30 Hrs.
8.	Sent For Technical Comments On	30.10.2024
9.	Received Technical Comments On	06.11.2024
10.	1st Round Clarification Letter Uploaded On GePNIC-CPPP Portal On	22.11.2024 With Cut-Off Date 27.11.2024
11.	Sent For Technical Comments On	28.11.2024
12.	Received Final Technical Comments On	04.12.2024
13.	2nd Round Clarification Letter Uploaded On GePNIC-CPPP Portal On	05.12.2024 With Cut-Off Date 09.12.2024
14.	Sent For Technical Comments On	10.12.2024
15.	Received Technical Comments On	11.12.2024
16.	the lone offer of M/s. Sam Air Product Equipments short-listed for price-bid opening on	20.12.2024
17.	Intimation to rest of the bidders regarding non acceptance of their offer sent on	20.12.2024 with 2 days time for representation.
18.	Representation received from M/s. Ajay air products pvt. Ltd on	21.12.2024
19.	Indenting Section rejected the Representation received from M/s. Ajay air products pvt. Ltd on	24.12.2024

A.3) Thereafter, price-bid of the lone shortlisted bidder i.e. M/s. Sam Air Product Equipments was opened on 03.01.2025.The Price Bid of the lone TA-CA bidder is attached herewith (annexure-32 & 33).Price CS vetted by Finance on 03.01.2025.

The total amount with taxes quoted by the lone TA-CA bidder for ‘Procurement Of Carrier Gases (Nitrogen, Zero Air, Hydrogen, Helium & Argon) on rate contract basis for three years’ is Rs.17,82,390.00.

A.4) Price quoted by TA-CA bidder i.e. M/s. Sam Air Product Equipments, Dhanbad in GePNIC-CPPP portal is as under: -

Sl. No.	Item	Quantity (No. of Cylinders)	Units	Quoted Currency in INR / Other Currency	BASIC RATE PER UNIT In Figures To be entered by the Bidder	GST
1	Nitrogen Gas Cylinder Purity- 99.999%, Cap-47L (gas volume~7m3), Pressure-140-150 KSC	21.00	Nos	**INR**	**4150.00**	**18.0**
2	Zero Air Gas Cylinder Purity- 99.999%,Cap-47L (gas volume~7m3), Pressure-140-150 KSC	21.00	Nos	**INR**	**4250.00**	**18.0**
3	Hydrogen Gas Cylinder Purity- 99.999%,Cap-47L (gas volume~7m3), Pressure-140-150 KSC	12.00	Nos	**INR**	**4550.00**	**18.0**
4	Helium Gas Cylinder Purity- 99.999%, Cap-47L (gas volume~7m3), Pressure-140-150 KSC	45.00	Nos	**INR**	**27800.00**	**18.0**
5	Argon Gas Cylinder Purity- 99.999%,Cap-47L (gas volume~7m3),Pressure-140-150 KSC	6.00	Nos	**INR**	**4750.00**	**18.0**
Total in Figures						
Quoted Rate in Words	**INR Seventeen Lakh Eighty Two Thousand Three Hundred & Ninety Only**					

B. <u>OBSERVATIONS AND DELIBERATIONS</u>: -

B.1) Para 14.1.8 of IMMM, inter-alia, reads as under: -

Quote:

Further, when Techno-commercial evaluation ends up with only one technically acceptable offer (at the overall tender level as a whole) the concerned Tender Processing Group should seek the specific reasons from the same authority who had approved technical BEC and Tender Processing Group/ PEC shall deliberate (wherever applicable) on the issue before submitting the proposal for approval.

Unquote:

In view of above, technical BEC approving authority vide note dtd.16.12.2024 was requested to specify reasons behind bids ending up with only one technically acceptable offer.

B.1.1) Technical BEC approving authority i.e. GM (Production) vide note dtd.19.12.2024 replied as under:

<u>Quote</u>

*1. BID documents submitted by **M/s. Ikon Instruments** did not comply with the entire scope of supply and experience of supply/manufacturing of Carrier Gases (nitrogen, zero air, hydrogen, helium & argon). Clarification sought from the bidder. Bidder did not respond to 1st round clarification. Again clarification sought from the bidder for 2nd time. Submitted documents from bidder after 2nd round of clarification, the bidder did not comply with the entire scope of supply and experience of supply/manufacturing of Zero Air gas.*

*With reference to the documents submitted after 2nd round of clarification, **M/s. Ikon Instruments** is **technically not acceptable.***

*2. BID documents submitted by **M/s. Sam Air Product and Equipments** comply with all the BEC clauses except Clause No. 3.0 (certificate from the manufacturer regarding testing facility of all five gases in their premises). Clarification sought from the bidder. Bidder submitted deficient document and comply with all the clauses of BEC and SCC.*

*With reference to the documents submitted, **M/s. Sam Air Product and Equipments is technically acceptable.***

*3. BID documents submitted by **M/s. Chhabra Industrial Gases** did not comply with the entire scope of supply and experience of supply/manufacturing of Carrier Gases (nitrogen, zero air, hydrogen, helium & argon). As the bidder is commercially deficient, the BID rejected outright.*

*4. BID documents submitted by **M/s. Ajay Air Products Pvt Ltd** did not comply with the BEC clause 2.1 (experience of supply/manufacturing of Carrier Gases zero air, hydrogen & helium), clause 3.0 (certificate for testing facility) and point no. 8 (regarding rental charges) of SCC. Clarification sought* *from the bidder. Documents submitted after 1st round of clarification the bidder complied with all the BEC clause except point no. 8 of SCC. Again clarification sought from the bidder for 2nd time. Bidder did not reply to the 2nd round clarification.*

*With reference to the documents submitted after 1st round of clarification, **M/s. Ajay Air Products Pvt Ltd** is **technically not acceptable.***

Final Remarks:

*However, qualification criteria were not restrictive and sufficient time was given for submission of bid and also two rounds of clarification sought for submission of deficient documents, one bidder **M/s Sam Air Products and Equipments** have been submitted all the relevant documents as per BEC and **technically acceptable***

*Other bidders **like M/s Chabbra Industrial gases** is commercially rejected, **M/s Ikon Instruments** did not submit experience certificate and **M/s Ajay Air Products** does not meet SCC clause no 8.0 and technically not acceptable.*

Unquote

B.2) REASONABILITY OF RATES: -

B.2.1) With regard to ascertaining rate reasonability Para 14.1.1 of IMMM reads as under: -

Quote

Rate reasonability will be applicable in cost only or L-1 selection/evaluation methodology. Procurement Evaluation Committee shall be required to establish and certify the reasonability of rates of L-1 bidder received in a tender. Rate reasonability can be established in comparison to cost estimates and / or last purchase rate (if available) and / or price trends prevailing in the market (if the same can be determined depending on either the type of items being purchased or if there is any published documents / data reflecting the price trends or if there is relationship between raw material being used in manufacture of items like steel is used for manufacture of tubular goods). When purchase does not fall under purview of Procurement Evaluation Committee, dealing officer of MM in consultation with Indentor and Finance shall ascertain the rate reasonability and put up the proposals for approval of CPA. For cases dealt by departments other than MM but MM support is required as per BDP, rate reasonability shall be ascertained by dealing officer in consultation with finance and MM. In such cases minimum E-2 level of executives shall be consulted. While ascertaining the reasonability of rates, comparison should be first done with Cost Estimates/LPR (wherever available) without applying any escalation factor. Thereafter, suitable escalation factor, if any, needs to be considered for ascertaining the reasonability of rates. Accordingly, the case shall be processed for finalisation, if the rates of L-1 bidder are considered to be reasonable on the basis of above analysis. Wherever the rates of L-I bidder are substantially high as compared to cost estimates / or LPR or not in line with the price trend prevailing in the market, a decision shall be taken as to whether price negotiation need to be conducted.

Unquote

In accordance with the provisions of Para 14.1.1 of IMMM, reasonability of rates was sought from the Indenting Section on 03.01.2025. Procurement Evaluation Committee perused the comments on rate reasonability received from the Indenting Section on 07.01.2025, which is reproduced below for ready reference: -

Quote

Rate reasonability for Procurement of Carrier Gases (nitrogen, zero air, hydrogen, helium & argon) on rate contract for three years at CBM Asset Bokaro against tender no. W35DC24002 based on cost estimate done through BQ taken in the month of August 2024 (LPR is not available as there is no such type of rate contract presently exists in CBM Asset) is established as below:

Sl No	*Vendor*	*Gases*	*Quoted Price (including GST, freight & rental charges) (INR)*	*Sanctioned price (including GST, freight & rental charges) (INR)*	*Change w.r.t. estimation*
1	*SAM AIR PRODUCT & EQUIPMENTS*	*Nitrogen Gas*	*102837.00*	*150736.74*	*-31.78 %*
2		*Zero Air Gas*	*105315.00*	*155940.54*	*-32.46 %*
3		*Hydrogen Gas*	*64428.00*	*96542.88*	*-33.26 %*
4		*Helium Gas*	*1476180.00*	*1699200.00*	*-13.13 %*
5		*Argon Gas*	*33630.00*	*48271.44*	*-30.33 %*
Total			***17,82,390.00***	***21,50,692.95***	***- 17.12 %***

Quoted price for the Procurement of Carrier Gases (nitrogen, zero air, hydrogen, helium & argon) on rate contract for three years is 17.12 % less than estimated cost.

In view of the above, rate quoted by L1 bidder is reasonable.

Unquote

PEC examined the above comments of the Indenting Section i.e. Regional Lab and noted the bidder has quoted 17.12 % lower with respect to expenditure sanction. Indenting Section has also stated that LPR is not available as there is no such Rate Contract presently available in CBM Asset.

Also, it may not be feasible to compare the L-1 quoted rates against the instant tender with other work center’s rate contract since the conditions of those RCs may be different in the following ways:

1. The instant tender is for three-year duration. Whereas, the RCs being followed in other Work-Centres are generally of one-year duration.

2. The quantity in the instant tender is substantially lower than other RCs of other Work-Centres. As a result, bidders might have refrained from providing the lower rates offered on bigger volume or larger quantities for such rate contracts.

3. The unit price for the instant tender includes all charges, i.e. freight, insurance, packaging & forwarding and rental charges for cylinders. However, not all charges may be included in the unit price of RCs concluded in other Work-Centres.

In view of the above circumstances, PEC could not make like-to-like comparison with the rates available in RCs of other Work-Centres.

As such, the rates quoted by the lone bidder is considered as reasonable for award of contract.

B.3 Also, provisions of Para 14.1.8 of IMMM, inter-alia, states as under: -

Quote

Placement of order when one offer is received or Techno Commercial evaluation ends up with only one TACA offer (at the overall tender level as a whole).

If after inviting Open/Limited tenders, only one offer is received against the tender or Techno Commercial evaluation ends up with only one TACA offer, the order may be placed on the bidder provided following conditions are satisfied:-

i) The procurement was satisfactorily advertised and sufficient time was given for submission of bids.

ii) The qualification criteria were not unduly restrictive; and

iii) Prices are reasonable in comparison to market values or if the requirement is urgent.

The urgency of the requirement would be certified and approved, as per provisions under para 14.1.7(iv).

However in such cases Competent Purchase Authority shall be as prescribed in BDP for nomination cases under item No. 24.1(c), (d),(e) or (h) depending upon nature of procurement. In case of price not being reasonable, negotiations or retender may be considered as justifiable. Aforesaid cases will not come under the ambit of reporting mechanism prescribed for nomination cases.

As and when a single offer situation gets triggered against a tender after opening of Price bid, the Procurement Evaluation Committee shall need to be re-constituted at appropriate level in relation to the level of revised CPA. The Procurement Evaluation Committee shall deliberate and give the required confirmation that conditions as per (i), (ii) and (iii) above are satisfied.

<u>Unquote</u>

In the present tender following emerges:-

Sl.	Conditions	PEC Deliberations
i.	The procurement was satisfactorily advertised and sufficient time was given for submission of bids.	Tender was floated on GePNIC-CPPP Portal which is a Govt. Portal and is widely used by Sellers & Buyers for procurement of Goods & Services. As per IMMM guidelines, 21 days time was given for submission of bids.
ii.	The qualification criteria were not unduly restrictive; and	BEC was duly approved by the sanctioning authority. Vide Note dtd.16.12.2024 in the DISHA File, Indenting Section was requested to specify reasons behind bids ending up with only one technically acceptable offer. Reply to the above query is reproduced at para B.1.1. Indenting Section has stated that qualification criteria were not restrictive and sufficient time was given for submission of bid and also two rounds of clarification sought for submission of deficient documents. Hence, qualification criteria was not restrictive and was open for fair & wide competition.
iii.	Prices are reasonable in comparison to market values or if the requirement is urgent.	The quoted rate is reasonable as compared to expenditure sanction, as brought out at para B.1 above. Quoted rates of M/s. Sam Air Product Equipments, is found to be 17.12% lower than the expenditure sanction. Indenting Section has also stated that LPR is not available as there is no such Rate Contract presently available in CBM Asset.Also, it may not be feasible to compare the L-1 quoted rates against the instant tender with other work center's rate contract since the conditions of those RCs may be different in the following ways: 1. The instant tender is for three-year duration. Whereas, the RCs being followed in other Work-Centres are generally of one-year duration.

		2. The quantity in the instant tender is substantially lower than other RCs of other Work-Centres. As a result, bidders might have refrained from providing the lower rates offered on bigger volume or larger quantities for such rate contracts. 3. The unit price for the instant tender includes all charges, i.e. freight, insurance, packaging & forwarding and rental charges for cylinders. However, not all charges may be included in the unit price of RCs concluded in other Work-Centres.

B.4) **Certificate by the Procurement Evaluation Committee**: -

In respect of award of contract against Tender No. W35DC24002 for Procurement of Carrier Gases (Nitrogen, Zero Air, Hydrogen, Helium & Argon) on rate contract basis for three years, the requisite certificates are hereby authorized by the Procurement Evaluation Committee Members as under:

Ø Certified that all procedural aspects have been taken care of while formulating the Recommendations.

Ø Certified that the prevailing CVC guidelines have been complied with at every stage of tender processing including the final recommendations for award of contract.

B.5) **EMD (Bid Security)**: -

B.5.1) Para 16.5.4 of IMMM reads as under:-

"*The Bid security of unsuccessful bidders will be returned within 5 days of finalization of the bid/LOA. The Bid Security of successful bidder will be returned within 5 days from the date of acceptance (after legal vetting and confirmation from the bank) of Security Deposit/Performance Security submitted by the bidder*".

EMD of all un-successful bidders will be returned within 5 days of finalization of the bid.EMD submitted by M/s. Sam Air Product Equipments will be returned within 5 days from the date of acceptance of SD / PBG submitted by M/s. Sam Air Product Equipments, in terms of Para 16.5.4 of IMMM.

B.5.2) Further, Para 16.5.4 (b) states that "*The Competent Purchase Authority (who has approved award of contract) will have powers to approve release of earnest money / Bid Bond / bid security. However, concerned Level-1 Executive will have full powers in this regard*".

Release of EMD of bidders, as per para B.4.1 above, fall within the powers of Level – I Executive, being the CPA under Item No. 24.1(e) of the BDP.

C) <u>RECOMMENDATIONS:</u>

In view of above deliberations, Procurement Evaluation Committee recommends the following for approval: -

C.1) To award a Contract to M/s. Sam Air Product Equipments for instant Tender No. W35DC24002 for Procurement of Carrier Gases (Nitrogen, Zero Air, Hydrogen, Helium & Argon) on rate contract basis for three years, on the rates quoted by the bidder, which are reproduced at para A4.

C.2) EMD of all un-successful bidders will be returned within 5 days of finalization of the bid. EMD submitted by M/s. Sam Air Product Equipments will be returned within 5 days from the date of acceptance of SD / PBG submitted by M/s. Sam Air Product Equipments, in terms of Para 16.5.4 of IMMM.

· Recommendation at Para C.1) requires approval of Level – I Executive, as deliberated at para B.1 to B.4 above, in terms of Para 24.1(e) of BDP.

· Recommendation at Para C.2) requires approval Level – I Executive, as deliberated at para B.5 above, in terms of Para 16.5.4 (b) of IMMM.

Sanction value : ₹ 21,50,691.60

Validity : 30.01.2025

CPA: - Level – I Executive i.e. ED-Asset Manager.

Submitted for kind approval please.

ARINDAM BHATTACHARJEE
(General Manager (M.M))

Recommended & Electronically Signed by:
ARINDAM BHATTACHARJEE - 71547 (General Manager (M.M))
CBM DEV PROJECT MM - BKRO
On : 10/01/2025(14:19:01)

AKSHAY KUMAR
(General Manager (F & A))

Recommended & Electronically Signed by:
AKSHAY KUMAR - 94491 (General Manager (F & A))
CBM BOKARO ASSET FINANCE - BKRO
On : 10/01/2025(15:01:57)

PEC recommendation submitted for kind approval please.

Electronically Signed & Submitted by:
DEEPAK PHAGNA - 141421 (M.M.Officer)
CBM DEV PROJECT MM - BKRO
On: 10/01/2025(15:16:50)

This File has been delegated by ADITYA JOHRI - 71237 On 10/1/2025(15:21:41) To ASIM KUMAR - 53498

Approved & Electronically Signed by:
ASIM KUMAR - 53498 (Gp.General Manager (Prodn))
CBM ASSET BOKARO SURFACE - BKRO
On: 10/01/2025(18:55:25)

Signature Not Verified
Digitally signed by DEEPAK PHAGNA
Date: 2025.01.13 11:02:06 IST
Location: eProcurement System for Central PSUs