

Minutes of the tender committee meeting held on 03.02.2025 to deliberate negotiated offer received from L1 bidder M/S. Fareast Engineering and Construction Company Pvt Ltd against GePNIC tender QH1SL24013 floated for “Refurbishment of BCP-B1 PGC B, KHI compressor model no RB5B rotor from impetus empanelled vendor via e-Procurement site GePNIC-CPPP (<https://etenders.gov.in>).”

1.0 SAILENT FEATURES:

1.1	Description	Refurbishment of BCP-B1 PGC B, KHI compressor model no RB5B rotor
1.2	Tender No.	QH1SS24013
1.3	PR No. & Value	PR No. 2010161483 for Rs. 23,78,880.00
1.4	Mode of Tendering adopted	Limited Indigenous (NCB) Limited GePNIC tender (Two Bid System)
1.5	Date of Issue of tender enquiry	27.11.2024
1.6	Date of Un-priced bid opening	10.12.2024
1.7	Received offers from techno-commercial successful bidders	1. JPC enterprises 2. FAREAST ENGINEERING AND CONSTRUCTION COMPANY PVT LTD. 3. AADISH INDUSTRIES 4. Rupam Fabricators and Engineers Limited 5. SHREYAS ENGINEERS & CONTRACTORS
1.8	Date of price bid opening	06.01.2025
1.9	Date of negotiation	30.01.2025

2.0 Background of the case:

2.1 This case pertains to Refurbishment of BCP-B1 PGC B, KHI compressor model no RB5B rotor. Sanction amounting to INR 23,78,880.00/- has already been obtained through PR no. 2010161483. (Refer note sheet -)

2.2 Limited GePNIC tender QH1SL24013 (Two Bid System) was floated on 27.11.2024 for **Refurbishment of BCP-B1 PGC B, KHI compressor model no RB5B rotor**. Thereupon techno-commercial comparative statement was prepared and same was vetted by finance (refer note sheet....)

2.3 Unpriced techno commercial bid was opened on 06.01.2025 and after first stage clarification, following bidders offer were shortlisted for price bid opening upon due approval of CPA. **(Refer note sheet....)**

- i. JPC enterprises
- ii. FAREAST ENGINEERING AND CONSTRUCTION COMPANY PVT LTD.
- iii. AADISH INDUSTRIES
- iv. SHREYAS ENGINEERS & CONTRACTORS

2.4 Price bid was opened on 06.01.2025 and comparative statement prepared on the basis of submitted bid was already vetted by finance. **(Refer note sheet...)**

2.5 M/S Fareast Engineering and Construction Company Pvt Ltd has quoted lowest Lump-sum amount INR 23,78,880.00/- including IGST@18% for refurbishment of BCP-B1 PGC B, KHI compressor model no RB5B rotor as per scope of work agreed vide tender document QH1SL24013.

2.6 Upon evaluation of lump sum offered rate by M/s Fareast Engineering and Construction Company Pvt Ltd, It was noted that total lump sum offered rate is similar to sanctioned rate based on BQ dtd 03.10.2024.

2.7 Comparison between offered rates and sanction price is presented as under:

Sr. No	Items description	Qty	Offered rate by bidder M/S Fareast	Sanctioned rate	Variation between offered rate and
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			Engineering (Excluding IGST)	(excluding IGST)	sanction rate (in percentage)
1	Lump sum price for "refurbishment of KHI compressor (model RB5B) BPB BC-B rotor (removed one) as per scope of work outlined in Annexure III A. The lump sum price shall be inclusive of all taxes, duties, levies, insurance, cesses etc., including but not limited to applicable GST, to & fro transportation charges, Sea-worthy packing of materials, as applicable to complete the job.	1 AU	20,16,000.00	20,16,000.00	Offered rate is matching with sanctioned rate
2	IGST rates	1 AU	3,62,880.00	3,62,880.00	Accounted IGST rates are matching with sanctioned rate

2.8 Subsequently, vide **MOM dtd**, since no LPR is available and moreover BQ is just three old, it was decided to conduct negotiation with L1 bidder M/s M/s Fareast Engineering and Construction Company Pvt Ltd, and approval of the same was obtained from ED-AM B&S **Asset.....**

2.9 A negotiation meeting was held between L1 bidder M/s Fareast Engineering and Construction Company Pvt Ltd, and the PEC members. The discussions included the following points:

- I. Since no LPR PO is available with ONGC, Informing the bidder to provide any contract of similar nature executed by him to justify the offered rate.
- II. Noting that the BQ is only three months old, the PEC encouraged the bidder to offer discounts for service line item 01 above.

2.10 After negotiation meeting, M/s Fareast Engineering and Construction Company Pvt Ltd submitted the negotiated offer via correspondence dtd 31.01.2025. On negotiated offer, Bidder has agreed to offer 5% discount for service line item 01 above. Negotiated offer has been attached to annexure.....

3.0 Procurement evaluation committee (PEC):

As per revised finance order dtd 10.01.2025, Mr. Sanjeev Kumar, CM (F&A) would be presiding officer for all level -4 PEC and thus PEC members are:

- I. Shree Sanjeev Kumar, CM (F&A), B&S Asset
- II. Shri Rohit Kumar Patel, SE (INS), B&S Asset.

PEC is being assisted by Shri Shalendra Kumar Dubey, EE (M)

4.0 OBSERVATIONS & DELIBERATIONS:

- 4.1** PEC was apprised that sanction was obtained on BQ dtd 03.10.2021 for **refurbishment of BCP-B1 PGC B, KHI compressor model no RB5B rotor**. Since No LPR PO was available, PEC opined that comparison of negotiated offered rate should be done with sanctioned cost and original offer. In line with PEC opinion, Comparison of negotiated offer with sanctioned cost and original offer is presented as under:

S No	Service Description	Quantity	Sanctioned amount	Original Offer rate	negotiated offer rate	Remarks
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1	Lump sum price for "refurbishment of KHI compressor (model RB5B) BPB BC-B rotor (removed one) as per scope of work outlined in Annexure III A. The lump sum price shall be inclusive of all taxes, duties, levies, insurance, cesses etc., including but not limited to applicable GST, to & fro transportation charges, Sea-worthy packing of materials, as applicable to complete the job.	1	20,16,000.00	20,16,000.00	19,15,200.00	1. Negotiated offer rate is 5 % less than sanctioned rate. 2. Negotiated offer rate is 5% less than original offered rate.
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- 4.2** PEC noted that bidder on negotiated offer has offered 5 % discount on original offered rate for services refurbishment of KHI compressor (model RB5B) BPB BC-B rotor. Also negotiated offer is 5% less than sanctioned amount.
- 4.3** PEC noted that post negotiation, total lump-sum cost implication shall be INR 22,59,936 which is 5% lower than total lump sum cost estimate and original offered rate INR 23,78,880.00.
- 4.4** PEC also noted the assertion articulated by L1 bidder M/s Fareast Engineering and Construction Company Pvt Ltd during negotiation meeting that negotiated offers proposed by him will be final offer and no further reduction in negotiated offer would be possible. PEC noted that that the further negotiation would not be beneficial.

5.0 Rate Reasonability:

PEC perused the IMM Manual para 14.1.1 regarding rate reasonability which is Stipulated 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 is being dealt by MM Department and 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. However, for cases dealt by departments other than MM, rate reasonability shall be ascertained by dealing officer in consultation with finance. 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:

- 5.1** The PEC was informed that the sanction for service,” refurbishment of KHI compressor (model RB5B) BPB BC-B rotor” was based on the BQ dated 03.10.2024. Since no LPR is available, the reasonableness of the rates will be assessed based on the PR expenditure sanction/sanction cost as per the provisions above. The PEC noted that the post-negotiated rates are 5% lower than the respective PR expenditure sanction and on comparing lump sum amount, total lump sum negotiated offer is 5% less than total lump sum cost estimate amount and therefore, these offered negotiated rates may be considered reasonable and may be considered best for placement of order.

6.0 Financial Implication:

Total financial implication as per negotiated rates:

Sr. No	Service description	Qty	Negotiated Offer by bidder M/S Fareast Engineering (Excluding IGST)
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1	Lump sum price for "refurbishment of KHI compressor (model RB5B) BPB BC-B rotor (removed one) as per scope of work outlined in Annexure III A. The lump sum price shall be inclusive of all taxes, duties, levies, insurance, cesses etc., including but not limited to applicable GST, to & fro transportation charges, Sea-worthy packing of materials, as applicable to complete the job.	1 AU	19,15,200.00
2	IGST rates	1 AU	3,44,736.00
	G. Total		22,59,936.00

7.0 Recommendations:

In view of the above, PEC recommends:

7.1 To place NOA to M/s Fareast Engineering and Construction Company Pvt Ltd as per the rate reasonability comments as deliberated in para 5.1 and financial implication brought out in para 6.0.

Total Expenditure Involved: INR 22,59,936.00

Total sanction Available: INR 23,78,880.00

Bid Validity up to : 06.04.2025

CPA: LIV level executive.

Submitted to PMM-BPB for approval of clause 7.1.

