

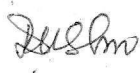
MINUTES OF CWC-I HELD ON 05-12-2025 FOR FOR THE CIVIL WORK – CONSTRUCTION OF EMPLOYEES DRESS CHANGING ROOM FOR OH AUGMENTATION PROJECT AT HVF, AVADI

ENGINEERING OFFICE - CIVIL

The following officers were present in the meeting.

1	SHRI. HAREKRISHNA BEHERA	CGM / FMU - HVF & IOLAV	CHAIRMAN / CWC-I
2	SHRI. ANIL PRASAD SRIVASTAVA	GM / FIN	MEMBER / FINANCE
3	SHRI. GIREESH BABU P K	GM / PROD & PLD	MEMBER / USER
4	SHRI. K. TULASI RAO	GM / IMS	MEMBER / ENGG
5	SMT. VANISHREE D	AWM / EO	MEMBER / SECRETARY

- 01 e-Tender Enquiry No. & Date : HVF/TE/13025/CEO/2025-26/24, Dt. 08-07-2025.
e-Procurement Tender ID : 2025_AVNL_240686_1
- 02 Name of the Work : CONSTRUCTION OF EMPLOYEES DRESS CHANGING ROOM FOR OH AUGMENTATION PROJECT AT HVF, AVADI
- 03 Type of Tender : Open Tender under Two Bid System (e-Tendering)
- 04 Grant & Code Head : 920 / 34 (Capital Grant) - (ND/OH PROJECT/02)
- 05 User Section : IMS / CE (Fy) – OH Shop
- 06 Estimated cost of Work (Approx) Rs.3,93,49,000 /= (As per delegation of Financial Powers issued by AVNL as on January 2025, Point Sl. No. 50. (For Capital Civil works for Production buildings including Production Buildings including, buildings / installations required for support services etc. which are directly related to production activities Sub clause "b", CGM is empowered for Issue of Acceptance of Necessity & Administrative Approval and placement of contract for Departmental Works up to Rs.07 Crores. Hence the subject case falls under the financial powers of CWC-I).
- 07 Approval & Financial Concurrence
- i) CGM Approval vide IMS Factory Note No.13025/HVF/2024-25/CAP, dt. 03-06-2025.
 - ii) F&A Concurrence vide Letter No. 12501/HVF/ FIN&ACCT /86/2025, dt. 28-06-2025.
 - iii) PFC/AVNL Approval for NC Project (DPR) 2025-26 (Augmentation of Overhaul Capacity of T-Series Tanks at HVF from 120 to 150 tanks per annum at HVF) (Re-Appropriation / Amendment of DPR Version 1.3) against HVF Demand NC project No.2401 at an estimated cost of Rs.15274.80 Lakhs) vide AVNL CO/ENGG/PFC/HVF (NC Project – 2401) AVNL/2024-25, Dt.19-06-2025.
- 08 e-Tender published in CPPP e-proc website on : 09-07-2025
- 09 Scheduled Bid Submission Closing date& Tender Opening date : Original Bid Submission Closing Date : 24-07-2025
Original Technical Tender Opening Date : 26-07-2025
- 10 No. of T.O.D Postponements (System configured for Bid Auto Extension corrigendum in case of non receipt of minimum configured bids) 01 TOD Extension;
01st Auto Extension (BSCD: 07-08-2025 & TOD: 09-08-2025)
- 11 e-Tender Technical /Eligibility Bid opened on : 09-08-2025
- 12 No. of Responses received online : 02 Responses / Bids were received online.



13 Names of Contractors who has responded and EMD Details

Sl. No.	NAME OF THE CONTRACTOR	EMD VALIDITY	OFFER VALIDITY (90 Days from Actual Technical Bid Opening Date)
01	M/s. P S G Constructions, Chennai	FDR, Date of Maturity - 21-01-2026.	Confirmed. Offer Validity till 09-11-2025
02	M/s. MNM Construction, Trichy	FDR, Date of Maturity - 22-07-2026.	Confirmed. Offer Validity till 09-11-2025

14. CWC – I held on 29-08-2025 deliberated the case and observed that the following two contractors have fulfilled the eligibility conditions of the tender and their offers are technically acceptable. Hence CWC – I approved opening of e-price bids of the following two eligible contractors viz.,

1.) M/s. P S G Constructions, Chennai 2.) M/s. MNM Construction, Trichy

15. Accordingly e-Price Bid of the eligible contractors were Opened on:- 02-09-2025.

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. MNM Construction, Trichy	L1	Rs.3,71,64,056.00	(-) 05.55%
02	M/s. P S G Constructions, Chennai	L2	Rs.4,03,76,279.00	(+) 02.61%

17. INITIAL OBSERVATIONS:

a. It is observed that M/s. MNM Construction, Trichy is the L1 contractor and has quoted the total amount of Rs.3,71,64,056.00 (Rupees Three Crores Seventy One Lakhs Sixty Four Thousand Fifty Six Only). The quoted amount is lower by (-) 05.55 % than department estimate of Rs.3,93,49,000.00 /-.

b.. The Original Departmental Estimate is prepared based on SSR 2020 with MV of { (+)15% Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & { (+) 20% Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area]. For Some items LPR, MR / BQ has been taken. As per clause No.15 of the tender enquiry (in e-proc portal) the contractors quoted rates are inclusive of GST. It is submitted that the present market variation as per CE, Chennai letter Dt.30-10-2024 for Quarter ending December 2024 is { (+)15% Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area] }. As per clause No.15 of the tender enquiry (in e-proc portal) the contractor's quoted rates are inclusive of GST.

c. It is submitted that there are 18 items (items at Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182) wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%.

d. It is submitted that there are 17 items (items at Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184) wherein the rates quoted by the L1 Contractor are freakishly high.

e. It is submitted that there are 24 items (items at Sl.Nos.1, 63, 64, 69, 78, 84, 94, 95, 96, 108, 114, 129, 136, 137, 140, 143, 146, 155, 159, 163, 165, 168, 198, 199.) wherein the rates quoted by the L1 Contractor are freakishly low.

f. It is submitted that the estimates have been checked and it is certified that the quantity indicated in the tender for freakishly low item is not substantially over estimated and for freakishly high items is not substantially under estimated.

18. OBSERVATIONS OF CWC-I HELD ON 08-09-2025:

a. CWC-I observed that M/s. MNM Construction, Trichy is the L1 contractor and has quoted the total amount of Rs.3,71,64,056.00 (Rupees Three Crores Seventy One Lakhs Sixty Four Thousand Fifty Six Only). The quoted amount is lower by (-) 05.55 % than department estimate of Rs.3,93,49,000.00 /-.

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b. CWC-I also observed that the Original Departmental Estimate is prepared based on SSR 2020 with MV of {(+)15% Civil SSR Items [(5% MV Plus (+)10% for Factory Areas] & {(+) 20% Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area]. For Some items LPR, MR / BQ has been taken. As per clause No.15 of the tender enquiry (in e-proc portal) the contractors quoted rates are inclusive of GST. It is submitted that the present market variation as per CE, Chennai letter Dt.30-10-2024 for Quarter ending December 2024 is { (+)15% Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area] }. As per clause No.15 of the tender enquiry (in e-proc portal) the contractor's quoted rates are inclusive of GST.

c. CWC-I noted that there are 18 items (items at Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182) wherein the rates quoted by the L1 Contractor are higher than departmental estimate by more than 10%.

d. CWC-I also noted that there are 17 items (items at Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184) wherein the rates quoted by the L1 Contractor are freakishly high.

e. CWC-I further noted that there are 24 items (items at Sl.Nos.1, 63, 64, 69, 78, 84, 94, 95, 96, 108, 114, 129, 136, 137, 140, 143, 146, 155, 159, 163, 165, 168, 198, 199.) wherein the rates quoted by the L1 Contractor are freakishly low.

f. CWC-I also observed that the estimates have been checked and it is certified that the quantity indicated in the tender for freakishly low item is not substantially over estimated and for freakishly high items is not substantially under estimated.

19. DECISION OF CWC-I HELD ON 08-09-2025:

a. In view of the aforesaid observations, CWC – I decided to refer the rates for the freakishly high items at (Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184) to the L1 contractor M/s. MNM Construction, Trichy for their consideration and downward revision of their quoted rates.

b. CWC – I also decided to refer the rates for items at (Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182) (wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%)to the L1 Contractor, M/s. MNM Construction, Trichy for their consideration and downward revision of their quoted rates.

c. CWC – I further decided to obtain quality confirmation from the L1 contractor, M/s. MNM Construction, Trichy that good quality of material and workmanship will be maintained by the contractor while executing the work for items at (Sl.No.1, 63, 64, 69, 78, 84, 94, 95, 96, 108, 114, 129, 136, 137, 140, 143, 146, 155, 159, 163, 165, 168, 198, 199.) wherein the rates quoted are freakishly on the lower side.

20. As directed by CWC – I, online price negotiation was initiated with the L1 Contractor, M/s. MNM Constructions, Trichy through the e-Procurement portal (CPPP) seeking downward revision for the freakishly higher rates (items Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184) and for the items wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%.(items Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182).

21. It is submitted that the negotiated e-Price bid of L1 Contractor M/s. MNM Constructions, Trichy was opened on 15-09-2025 and it is observed that the L1 contractor has 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		
01	Item Sl. No. 03	Rs.	709.00	(-) 01.14 %	Rs.	685.00	(-) 04.48 %
02	Item Sl. No. 09	Rs.	436.00	(-) 0.60 %	Rs.	415.00	(-) 05.38 %
03	Item Sl. No. 26	Rs.	763.00	(-) 03.09 %	Rs.	750.00	(-) 04.74%
04	Item Sl. No. 29	Rs.	872.00	(+) 06.18 %	Rs.	780.00	(-) 05.02 %
05	Item Sl. No. 56	Rs.	300.00	(+) 10.54 %	Rs.	282.00	(-) 04.55 %
06	Item Sl. No. 147	Rs.	3815.00	(-) 01.20 %	Rs.	3680.00	(-) 04.73 %

[Signature]

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. MNM Constructions, Trichy	Rs. 3,93,49,000.00	Rs. 3,71,64,056.00	Rs. 3,71,61,685.00	(-) 05.56 % (Lower)
Total Amount Reduced by the L1 Contractor: Rs. 2,371/-				

22. OBSERVATIONS AFTER PRICE REVISION:

It is observed that after the Price Revision / Reduction offered by the L1 Contractor M/s. MNM Constructions, Trichy, the revised quoted total amount works out to Rs.3,71,61,685.00 (Rupees Three Crores Seventy One Lakhs Sixty One Thousand Six Hundred Eighty Five Only) for the work. The revised quoted total amount is Lower by (-) 05.56 % than the department estimate of Rs. 3,93,49,000.00/-. {Prepared based on SSR 2020 with MV of {(+)15% for Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% for Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area].} For Some items LPR, MR / BQ has been taken. It is observed that no market variation letter has been received from CE/Hyderabad for MES SSR2020 rates. Hence the MV letter issued by CE/Chennai Zone is being referred. It is submitted that the present market variation as per CE, Chennai letter Dt.30-10-2024 for Quarter ending December 2024 is { (+)15% Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area] }. As per clause No.15 of the tender enquiry (in e-proc portal) the contractor's quoted rates are inclusive of GST.

It is submitted that the L1 contractor has offered Price Reduction for items at Sl.No.03,09,26,29,56 & 147 on his own.

It is submitted that the L1 contractor has not offered any Price Reduction for the Freakishly High items at Sl. No. 6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184 and their status remains unchanged.

Further it is submitted that the L1 Contractor has not offered any Price Reduction for the above 10% items at Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182 and their status also remains unchanged.

It is also submitted that the L1 Contractor vide e-mail dated 15-09-2025 has confirmed that they will ensure the use of good quality of materials and maintain a high standard of workmanship while executing the work for items wherein the rate quoted by them is freakishly on the lower side, as well as for all the items covered under the agreement.

Further it is submitted that the L1 Contractor vide e-mail dated 16-09-2025 has given Justification for quoted rates that "with reference to the tender for the subject work, we are writing to provide a detailed justification for our quoted rates. We understand that our bids has been awarded, and wish to clarify the factors that contribute to our competitive pricing.

Commitment and Cost Justification:

This project represents our first opportunity to work with the Heavy Vehicles factory (HVF). To demonstrate our commitment and build a strong, long-term working relationship, we have strategically reduced our profit margin to its lowest possible level. Our pricing reflects this initial investment in earning your trust and confidence. Furthermore, our quoted rates fully account for several unique and necessary costs associated with the project's specific conditions, as outlined in the tender documents. These include:

Logical Challenges:

The strict security protocols, including the daily gate pass system and limitations on working hours, necessitate additional expenses. We must arrange for off-site rental space for a labour hutment and provide daily transportation for our workforce, which are not standard project costs.

Rising Labour Costs:

Our rates have been carefully calculated to reflect the current market increases in labour costs, ensuring we can secure and retain the skilled workforce required to complete this project to our satisfaction.

We are confident in our ability to complete this project to the highest standards of quality and within the stipulated timeline.

Given our strategic pricing and the inclusion of all project-specific costs, we are not in a position to reduce our rates any further.

We kindly request your acceptance of this justification and look forward to receiving the work order at your earliest convenience.

Thank you for your time and consideration."

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23. OBSERVATIONS OF CWC-I HELD ON 19-09-2025:

CWC-I observed that after Price Revision / Reduction offered by the L1 Contractor M/s. MNM Constructions, Trichy, the revised quoted total amount works out to Rs.3,71,61,685.00 (Rupees Three Crores Seventy One Lakhs Sixty One Thousand Six Hundred Eighty Five Only) for the work. The revised quoted total amount is Lower by (-) 05.56 % than the department estimate of Rs. 3,93,49,000.00/-. {Prepared based on SSR 2020 with MV of {(+)15% for Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% for Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area].} For Some items LPR, MR / BQ has been taken. It is observed that no market variation letter has been received from CE/Hyderabad for MES SSR2020 rates. Hence the MV letter issued by CE/Chennai Zone is being referred. It is submitted that the present market variation as per CE, Chennai letter Dt.30-10-2024 for Quarter ending December 2024 is { (+)15% Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area] }. As per clause No.15 of the tender enquiry (in e-proc portal) the contractor's quoted rates are inclusive of GST.

CWC-I observed that the L1 contractor has offered Price Reduction for items at Sl.No.03, 09, 26, 29, 56 & 147 on his own.

CWC-I also observed that the L1 contractor has not offered any Price Reduction for the Freakishly High items at Sl. No. 6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184 and their status remains unchanged.

CWC-I also observed that the L1 Contractor has not offered any Price Reduction for the above 10% items at Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182 and their status also remains unchanged.

CWC-I also observed that the L1 Contractor vide e-mail dated 15-09-2025 has confirmed that they will ensure the use of good quality of materials and maintain a high standard of workmanship while executing the work for items wherein the rate quoted by them is freakishly on the lower side, as well as for all the items covered under the agreement.

CWC-I further observed that the L1 Contractor vide e-mail dated 16-09-2025 has given Justification for quoted rates that "with reference to the tender for the subject work, we are writing to provide a detailed justification for our quoted rates. We understand that our bids has been awarded, and wish to clarify the factors that contribute to our competitive pricing.

Commitment and Cost Justification:

This project represents our first opportunity to work with the Heavy Vehicles factory (HVF). To demonstrate our commitment and build a strong, long-term working relationship, we have strategically reduced our profit margin to its lowest possible level. Our pricing reflects this initial investment in earning your trust and confidence. Furthermore, our quoted rates fully account for several unique and necessary costs associated with the project's specific conditions, as outlined in the tender documents. These include:

Logical Challenges:

The strict security protocols, including the daily gate pass system and limitations on working hours, necessitate additional expenses. We must arrange for off-site rental space for a labour hutment and provide daily transportation for our workforce, which are not standard project costs.

Rising Labour Costs:

Our rates have been carefully calculated to reflect the current market increases in labour costs, ensuring we can secure and retain the skilled workforce required to complete this project to our satisfaction.

We are confident in our ability to complete this project to the highest standards of quality and within the stipulated timeline.

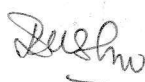
Given our strategic pricing and the inclusion of all project-specific costs, we are not in a position to reduce our rates any further.

We kindly request your acceptance of this justification and look forward to receiving the work order at your earliest convenience.

Thank you for your time and consideration."

24. DECISION OF CWC-I HELD ON 08-09-2025:

- a. In view of the aforesaid observations, CWC – I decided to refer the rates for the freakishly high items at (Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184) to the L1 contractor M/s. MNM Construction, Trichy for their consideration and downward revision of their quoted rates.
- b. CWC – I also decided to refer the rates for items at (Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182) (wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%)to the L1 Contractor, M/s. MNM Construction, Trichy for their consideration and downward revision of their quoted rates.



25. As directed by CWC – I, online price negotiation was initiated with the L1 Contractor, M/s. MNM Constructions, Trichy through the e-Procurement portal (CPPP) seeking downward revision for the freakishly higher rates (17 items - SI.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184) and for the items wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%.(18 items - SI.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182).

26. It is submitted that the L1 Contractor M/s. MNM Constructions, Trichy has not replied to negotiation price bid in the e-Procurement portal (CPPP) and submitted a representation letter dated 29-09-2025 through e-mail stating

"We respectfully submit that we have already quoted our most competitive rate after due consideration of the prevailing market conditions. The quoted rate has been carefully worked out to ensure the timely and successful execution of the work.

In view of the above, we kindly request you to treat our quoted price as final, since any further reduction may result in financial losses and may also affect the timely completion of the project.

We sincerely seek your kind understanding and favorable consideration in this regard."

27. OBSERVATION AFTER PRICE REVISION CORRESPONDENCE

It is submitted that the L1 Contractor has not replied to the online price revision request raised by HVF. Hence the L1 quoted rates/ total amount remains unchanged at Rs.3,71,61,685.00 (Rupees Three Crores Seventy One Lakhs Sixty One Thousand Six Hundred Eighty Five Only) for the work.

28. OBSERVATION OF CWC-I HELD ON 10-10-2025:

CWC – I observed that the L1 Contractor M/s. MNM Constructions, Trichy has not replied to negotiation price bid in the e-Procurement portal (CPPP) and submitted a representation letter dated 29-09-2025 through e-mail stating

"We respectfully submit that we have already quoted our most competitive rate after due consideration of the prevailing market conditions. The quoted rate has been carefully worked out to ensure the timely and successful execution of the work.

In view of the above, we kindly request you to treat our quoted price as final, since any further reduction may result in financial losses and may also affect the timely completion of the project.

We sincerely seek your kind understanding and favorable consideration in this regard."

CWC-I also observed that the L1 Contractor has not replied to the online price revision request raised by HVF. Hence the L1 quoted rates/ total amount remains unchanged at Rs.3,71,61,685.00 (Rupees Three Crores Seventy One Lakhs Sixty One Thousand Six Hundred Eighty Five Only) for the work.

29. DECISION OF CWC – I HELD ON 10-10-2025:

CWC – I deliberated the case and opined that scope exists for further reduction in rates for the items at (SI.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158 & 182) wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%.

CWC-I also opined that scope exists for reduction in rates for the freakishly high items at (SI.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162 & 184) and no price revision was offered by the L1 Contractor in the online Price Negotiation. Hence CWC-I decided to invite the L1 contractor, M/s. MNM Construction, Trichy for Price Revisions at HVF, to discuss the downward revision / reduction of rates, for the aforesaid items.

30. As directed by CWC-I, CEO vide email dated 14-10-2025 has invited the L1 Contractor M/s. MNM Constructions, Trichy for attending the price negotiation meeting at HVF on 17-10-2025. M/s. MNM Constructions, Trichy has replied vide email dated 15-10-2025 and confirmed that they will attend the Price Revision meeting on 17-10-2025.

31. It is submitted that the L1 Contractor M/s. MNM Constructions, Chennai has attended the price negotiation meeting at HVF and submitted letter Dt.17.10.2025.

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32 PRICE NEGOTIATION MEETING HELD AT HVF ON 17-10-2025

- a Price Negotiation was held at HVF on 17-10-2025 with L1 Contractor viz., M/s. MNM Constructions, Trichy for downward revision of rates for Items at Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158 & 182 wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%. and also for downward revision of rates for freakishly high items at Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162 & 184 and no price revision was offered by the L1 contractor in the First Online Price negotiation).
- b During the price negotiation meeting the L1 Contractor, M/s. MNM Constructions, Trichy has stated that the overall total amount quoted by them is more than % lower than the departmental estimate and very reasonable. After protracted price negotiations the L1 Contractor M/s. has regretted to offer any price reductions / revision and submitted letter Dt. 17-10-2025 for the same and intimated as below ;
"Thank you for reviewing our proposal and inviting us to the Price Revision Meeting. We understand your request for a reduction in our quoted rates. However, after carefully reviewing all project costs, we are unable to reduce the prices further. This is mainly due to the continuous increase in the cost of materials and labour. To maintain the required quality and complete the work on time, our quoted rates are necessary. Reducing the price further would affect the quality and timely completion of the project. We therefore request you to kindly consider proceeding with our original quoted rates."
- 33 It is submitted that MES Manual of Contractors 2020, Cl.NO.3.16.5 states that "If the lowest tenderer offers reduction, the same shall be accounted for in acceptance and if lowest tenderer declines to reduce the rates, tender may be accepted with freak high rates considering the overall quotation.

34 OBSERVATIONS OF CWC-I (Price Negotiation) HELD ON 17-10-2025

- a CWC-I observed that L1 Contractor, M/s. MNM Constructions, Trichy, has not offered any price revision / reduction during the Price Negotiation Meeting held at HVF on 17-10-2025, and regretted for the same, Hence the L1 contractor M/s. MNM Constructions, Trichy, quoted amount remains unchanged at Rs.3,71,61,685.00 (Rupees Three Crores Seventy One Lakhs Sixty One Thousand Six Hundred Eighty Five Only) for the work. The quoted amount is (-) 05.56 % Lower than the departmental estimate of Rs. 3,93,49,000.00/-. {Prepared based on SSR 2020 with MV of {(+)15% for Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% for Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area].} For Some items LPR, MR / BQ has been taken. It is observed that no market variation letter has been received from CE/Hyderabad for MES SSR2020 rates. Hence the MV letter issued by CE/Chennai Zone is being referred. It is submitted that the present market variation as per CE, Chennai letter Dt.30-10-2024 for Quarter ending December 2024 is { (+)15% Civil SSR Items [(+)05% MV Plus (+)10% for Factory Areas] & (+) 20% Electrical SSR Items [(+)10% MV Plus (+) 10% for Factory Area] }. As per clause No.15 of the tender enquiry (in e-proc portal) the contractor's quoted rates are inclusive of GST.
- b CWC-I also observed that the L1 contractor has not offered any Price Reduction for the Freakishly High items at Sl. No. 6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162, 184 and their status remains unchanged.
- c CWC-I also observed that the L1 Contractor has not offered any Price Reduction for the items at Sl.No.21, 22, 24, 28, 30, 32, 33, 34, 35, 37, 38, 39, 52, 53, 54, 112, 158, 182 wherein the rates quoted by the L1 contractor are higher than departmental estimate by more than 10%.and their status also remains unchanged.
- d CWC-I also observed that all efforts have been made to obtain rate revision / reduction for the overall total amount quoted by the L1 Contractor M/s. MNM Constructions, Trichy through online Price revision and also through Price Negotiation at HVF. CWC-I also observed that the L1 Contractor quoted rates / revised quoted unit rates for many items are still freakishly high and also higher than the departmental estimate by 10%.
- e CWC-I further observed that MES Manual of Contractors 2020, Cl.NO.3.16.5 states that "If the lowest tenderer offers reduction, the same shall be accounted for in acceptance and if lowest tenderer declines to reduce the rates, tender may be accepted with freak high rates considering the overall quotation". CWC-I also observed that the L1 Contractor M/s. MNM Constructions, Trichy has not offered any price revision / reduction and hence the rates remains unchanged. CWC-I further observed that the overall revised quoted total amount quoted by the L1 contractor is (-) 05.56% lower than the departmental estimate. Hence, CWC-I observed that the overall revised total amount quoted by the L1 contractor is competitive and reasonable.



35 DECISION OF CWC-I HELD ON 17-10-2025

- a In view of the aforesaid observations, CWC-I decided to place Contract Agreement on the L1 Contractor, M/s. MNM Constructions, Trichy, at their revised quoted total amount **Rs. 3,71,61,685.00** /- (Rupees Three Crores Seventy One Lakhs Sixty One Thousand Six Hundred Eighty Five Only) for the work.
- b CWC-I authorised to operate upto (+) or (-) 10 % deviation over the CA Amount. CWC-I directed the executing agency to ensure good quality of material and good workmanship by the contractor while executing the work for the 24 items (Sl.No.1, 63, 64, 69, 78, 84, 94, 95, 96, 108, 114, 129, 136, 137, 140, 143, 146, 155, 159, 163, 165, 168, 198, 199) for which the rate quoted by the L1 Contractor are freakishly low. CWC-I also directed the executing agency to ensure good quality of material and good workmanship by the contractor while executing the entire work (as confirmed by the contractor). CWC-I also directed the executing agency to ensure that as per SOP for Civil Works in AVNL – 2024, the item having freakishly lower rate (Items Sl.No.1, 63, 64, 69, 78, 84, 94, 95, 96, 108, 114, 129, 136, 137, 140, 143, 146, 155, 159, 163, 165, 168, 198, 199) shall not be executed less than 25 % of the estimated quantity and the items having freakishly higher rates 17 Items (Items Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162 & 184) shall not be executed more than 25% of the estimated quantity.
- c CWC-I also directed that the rate accepted for Items (Sl.No.6, 65, 76, 89, 92, 105, 106, 130, 131, 133, 134, 138, 141, 154, 161, 162 & 184) being freakishly high shall not be used for reference as LPR rate by User Sections(IMS / CE / EE) while preparing Civil / Electrical works estimates.
- d CWC-I also directed that the rate accepted for Items at (Sl.No.1, 63, 64, 69, 78, 84, 94, 95, 96, 108, 114, 129, 136, 137, 140, 143, 146, 155, 159, 163, 165, 168, 198, 199.) being freakishly low shall not be used for reference as LPR rate by User Sections(IMS / CE / EE) while preparing Civil / Electrical works estimates.

36. It is now submitted that the validity of offer of L1 contractor was expiring on 09-11-2025. Hence extension was requested to the contractor for ten more days vide letter dated 07-11-2025 through email dated 08-11-2025 as the case was taking time to finalize, and since the contractor didn't reply, a remainder mail was sent on 15-11-2025 and contractor has replied on 17-11-2025 stating

"With reference to your request for extension of the offer validity for the above mentioned tender, we regret to inform you that we are unable to extend the validity of our offer at this stage.

In recent weeks, there has been a substantial increase in market labour rates due to higher demand and limited availability of skilled manpower. The onset of the rainy season is also expected to slow down site activities and necessitate additional safety and protection measures, which will impact productivity and overall execution costs. Furthermore, the prices of key construction materials have risen significantly owing to supply-chain fluctuations and transportation challenges. These factors have collectively altered the cost assumptions under which our original offer was prepared.

In view of the above circumstances, retaining the earlier quoted rates without revision is not financially viable for us. We therefore express our inability to extend the offer validity in its current form. We kindly request your understanding of our position.

We remain open to participating again should revised requirements or fresh opportunities arise in the future. Thank you for your understanding."

37. OBSERVATIONS OF CWC-I HELD ON 05-12-2025:

CWC-I deliberated the case and observed that the validity of offer of L1 contractor was expiring on 09-11-2025. Hence extension was requested to the contractor for ten more days vide letter dated 07-11-2025 through email dated 08-11-2025 as the case was taking time to finalize, and since the contractor didn't reply, a remainder mail was sent on 15-11-2025 and contractor has replied on 17-11-2025 stating

"With reference to your request for extension of the offer validity for the above mentioned tender, we regret to inform you that we are unable to extend the validity of our offer at this stage.

[Handwritten Signature]

In recent weeks, there has been a substantial increase in market labour rates due to higher demand and limited availability of skilled manpower. The onset of the rainy season is also expected to slow down site activities and necessitate additional safety and protection measures, which will impact productivity and overall execution costs. Furthermore, the prices of key construction materials have risen significantly owing to supply-chain fluctuations and transportation challenges. These factors have collectively altered the cost assumptions under which our original offer was prepared.

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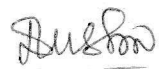
27 DECISION OF CWC-I HELD ON 05-12-2025 :

In view of the above observations, CWC-I decided that the case must be re-tendered on Open Tender basis, with Two Part Bid System through e-Procurement Portal (CPPP) and the present e-tender bearing tender ID : 2025_AVNL_240686_1 must be cancelled in the e-procurement portal (CPPP).


(GIREESH BABU P K)
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MEMBER / USER


(ANIL PRASAD SRIVASTAVA)
GM / FIN
MEMBER / FINANCE


(HAREKRISHNA BEHERA)
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(K. TULASI RAO)
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MEMBER / ENGG