

ITEM NO. 29 (B-02)

1. Name of Work:

Purchase of 02 nos. microprocessor based HT cable fault locating machines suitable upto 66 kv system in buyback offer. (Tender no. 25/EE(E)S-II/2008-09)

2. Department:

ELECTRICITY DEPARTMENT

3. Brief History of the proposal:

Two nos. old/unserviceable Robotron German make 110 KV HT cable fault locating systems, one fitted on TATA 407(1990) and another fitted on imported German van (1988), were condemned by condemnation subcommittee and estimate was sanctioned for the purchase of 02 nos. machines. Accordingly, a case for purchase of 02 nos. microprocessor based HT cable fault locating machines suitable upto 66 kv system was initiated in buyback offer through call of Tenders by e-procurement.

4. Detailed proposal of the subject:

Tenders, in three covers system, were invited through e-procurement portal for the purchase of 02 nos. microprocessor based HT cable fault locating machine suitable upto 66 kv system in buyback offer by giving due publicity as per the codal provisions. In response to the Tender Enquiry, offer from only one firm was received on the due date opening i.e 05-12-2008, without EMD & Tender cost and same was not opened. Due to constraints of e-procurement portal system, the tenders were reinvited/extended, but, on the second call i.e 14-01-2009, no firm responded. The tender was again reinvited/extended .One firm M/s PCI Ltd. submitted it's offer on extended due date of opening, i.e 24-02-2009. After following prescribed procedure for Tender Evaluation, the Price Bid of the only tendering firm M/s PCI Ltd. was opened on 01-05-2009, in which the firm had quoted at a basic rate of Rs . 1,28,70,000/- , plus CST/VAT @12.5% for each van and a total computed cost for supply of 02 no. of vans on Rs.2,89,57,500/- (Rupees two crores eighty nine lakhs fifty seven thousand five hundred only) and Rs. 32,000/- (plus CST/VAT @12.36%) to be credited against the condemned Robotron German make 110 KV HT cable fault locating system with imported German van and reject credit offer for second condemned Robotron German make 110 KV HT cable fault locating system with van TATA 407 as the firm has quoted Rs. 44,946/- (including CST/VAT @12.36%), which is 40.07% lower than the reserve price of Rs.75,000/ -(nett) as decided by the Condemnation Subcommittee.

The case has been examined by the Planning department and subsequently concurred by the Finance Department on 15-05-2009 for the above.

5. Financial Implications: Rs.2,89,57,500/- (Gross) & Rs.2,89,21,545/- (Nett) .

6. Implementation Schedule:

The material shall be supplied within 03 months from the date of issue of Supply Order.

7. Comments of the Finance Department:

Finance vide diary no. FA-1042 dated 15-05-2009 has concurred the proposal of Department to place Supply Order on "M/s PCI Ltd." for purchase of 2 nos. Microprocessor based HT cable fault locating machine suitable upto 66 KV system at their quoted amount of Rs.2,57,40,000/- (Plus VAT/CST).

Further, the rates quoted by the firm in buyback offer for old German make 110 HT CFL machine with imported German van is more than reserve price, we also agree in the proposal of department to sold the same in Buyback offer of Rs.32,000/- (plus VAT/CST) to M/s PCI Ltd., subject to the following:-

1. Approval of Competent Authority.
2. Availability of funds
3. Certification by the department that the rates are just, reasonable and justification of rates have been worked out on the basis of machine, having same specifications.
4. Codal formalities and guidelines of CVC have been adhered to.
5. Rates have been compared with the rates mentioned in the Supply Order dated 17-12-2007 issued by Central Power Distribution Company of AP Ltd.. It has been seen that in our case CST/VAT @12.36% is being asked for whereas in case of A.P.C.P.D.C.L; CST is 3%. Department may obtain clarification why concessional CST @3% is not levied on NDMC.
6. In the justification, while assessing the reasonability of rates; department has increased the cost of machine in Indian currency taking into account the rates of EURO. Department must ensure and certify that that the manufacturer has not decreased the cost of the machines in EURO currency,since,17-12-2007.

8. Comments of the Department on comments of Finance Deptt.:

1. Approval of Competent Authority i.e the Council is being obtained .
2. Funds are available under the Budget Head "E-11, Purchase of Stores" during the current financial year.
3. Certified that the rates are just, reasonable and justification of rates have been worked out on the basis of derived cost of machine with similar features and specifications.
4. Codal formalities and guidelines of CVC have been adhered.
5. In our case, being a local sale, VAT @12.5% or if applicable on the production of documentary evidence, would be charged as per actual, whereas in case of A.P.C.P.D.C.L; CST @ 3% is charged being an interstate sale.
6. The firm has certified that that the cost of the machines in EURO currency has not been decreased, since,17-12-2007.Further, the firm has confirmed that they have not supplied cable fault locating equipment with similar specifications recently to any organization at the price lower than the offered to NDMC.

9. Legal implication of the subject: NIL

10. Details of previous Council Resolution: N/A

11. Comments of Law Department: NIL

12. Comments of the department on the comments of Law Department:
N/A

13. Certification by the Department:

All Central Vigilance Commission (CVC) guidelines have been followed.

14. Recommendations of the department:

The case may be placed before the Council for approval to purchase of 02 nos. microprocessor based HT cable fault locating machine suitable upto 66 kv system in buyback offer from M/s PCI Ltd., New Delhi, at a quoted rate of Rs . 1,28,70,000/- , plus VAT @12.5% for each van and at a total computed cost of Rs. 2,89,57,500/- (Rupees two crores eighty nine lakhs fifty seven thousand five hundred only) on the terms & conditions of NIT and Rs. 32,000/- (plus VAT @12.36%) to be credited against the credit offer for the condemned Robotron German make 110 KV HT cable fault locating system with imported German van and reject credit offer for second condemned Robotron German make 110 KV HT cable fault locating system installed on van TATA 407 as the firm has quoted Rs. 44,946/- including CST/VAT @12.36%), which is 40.07% lower than the reserve price of Rs.75,000/- (nett) as decided by the Condemnation Subcommittee. The requirement is of critical and urgent nature, approval is also solicited to place the Supply Order on the firm, in anticipation to the confirmation of minutes of the Council meeting.

15. Draft Resolution :

Resolved by the Council that approval is accorded to purchase 02 nos. microprocessor based HT cable fault locating machine suitable upto 66 kv system in buyback offer from M/s PCI Ltd., New Delhi , at a quoted rate of Rs.1,28,70,000/- , plus VAT @12.5% for each van and at a total computed cost of Rs.2,89,57,500/- (Rupees two crores eighty nine lakhs fifty seven thousand five hundred only) on the terms & conditions of NIT and Rs. 32,000/- (plus VAT @12.36%) to be credited against the credit offer for the condemned Robotron German make 110 KV HT cable fault locating system with imported German van and reject credit offer for second condemned Robotron German make 110 KV HT cable fault locating system installed on TATA 407 as the firm has quoted Rs.44,946/- (including CST/VAT @12.36%), which is 40.07% lower than the reserve

price of Rs.75,000/- (nett) as decided by the Condemnation Subcommittee. Further, approval is also accorded to place the Supply Order on the firm, in anticipation to the confirmation of minutes of the Council meeting.

COUNCIL'S DECISION

Resolved by the Council to accord approval for purchase of 02 nos. microprocessor based HT cable fault locating machine, suitable upto 66 kv system, in buyback offer, from M/s PCI Ltd., New Delhi, at a quoted rate of Rs.1,28,70,000/-, plus VAT @12.5% for each van ; and at a total computed cost of Rs.2,89,57,500/- on the terms & conditions of NIT and Rs.32,000/- (plus VAT @12.36%) to be credited against the credit offer for the condemned Robotron German make 110 KV HT cable fault locating system with imported German van and reject credit offer for second condemned Robotron German make 110 KV HT cable fault locating system installed on TATA 407 as the firm has quoted Rs.44,946/- (including CST/VAT @12.36%), which is 40.07% lower than the reserve price of Rs.75,000/- (nett) as decided by the Condemnation Subcommittee.

It was also resolved that further action in the matter be taken in anticipation of confirmation of the minutes by the Council.