

ITEM NO. 1 (B-6)

1. NAME OF THE SUBJECT/ PROJECT: Purchase of One 66/33 KV (40/50) MVA and 2 Nos. 66/11KV (20 MVA) Power Transformers

2. NAME OF THE DEPARTMENT: Electricity Department.

3. BRIEF HISTORY OF THE SUBJECT :

A decision to purchase 2 Nos. 50 MVA, 66/33KV and 2 Nos. 66/11KV, 20 MVA Power Transformer was taken in a meeting held on 12.12.06 in the room of Engineer-in-Chief, attended by ACE (E-I), ACE (E-II) and SE (E-Planning) based on the following requirement

- (i) A provision of One No. 50 MVA and One No. 20 MVA Power Transformer exists in the sanctioned estimate for 66KV Electric Sub-Station, Bapu Dham.
- (ii) A provision of One 20 MVA Power Transformer exists in the sanctioned estimate for 66KV ESS State Guest House.
- (iii) One 50 MVA Power Transformer purchased for 66KV ESS State guest house has been utilized at School Lane Sub-Station.

Tenders were accordingly invited with due approval of Chairperson.

Subsequently, the requirements of above Power Transformer in the department was reassessed by CE (E-II) and Sh. Y.P. Singh, Advisor (Power), as the work of 66KV, ESS at Bapu Dham State Guest House and B.D. Marg were out sourced to M/s PGCIL on turnkey basis.

Shri Y.P. Singh Advisor (Power) in his observations on the note of CE (E-II), for the requirement of power transformers, has confirmed that availability of proposed power transformers (i.e. one No.66/33 KV, 40/50 MVA and 2 Nos. 66/11 KV, 20 MVA Power transformers) for future use is essential.

4. DETAILED PROPOSAL ON THE SUBJECT:

Sealed tender were invited for the purchase of 2 Nos. 66/11 KV, 20 MVA and 2 Nos. 66/33 KV, 40/50 MVA Power Transformer. The first cover containing the Techno-commercial offers of the three participating firms namely: 1) M/s Areva T & D Ltd., 2) Bharat Bijlee Ltd, and 3) M/s ABB Ltd., were opened on the due date. The deviations in the offers of the firms were discussed by a Standing Technical Evaluation Sub-committee on 11.10.07 & 16.11.07 & M/s Areva T & D Ltd., M/s Bharat Bijlee were found eligible firms as under: -

- (a) M/s Areva T & D Ltd and M/s Bharat Bijlee Ltd. eligible for 66/11 KV, 20 MVA Power Transformer.
- (b) M/s Bharat Bijlee Ltd., only eligible firm for 66/33 KV, 40/50 MVA, Power Transformer.

The recommendations of the Standing Technical Evaluation Sub-committee were approved by Chairperson on 30.11.07. Subsequently price bids of eligible firms were opened on 11.12.07 and M/s Bharat Bijlee Ltd. emerged the lowest firm for both the Power Transformer as under: -

(i) For 66/33 KV, 40/50 MVA Power Transformer.

Basic Cost per transformer	Rs. 1,73,30,000.00
[Variable with IEEMA PVC with base date 01.06.07 with out ceiling]	
Excise Duty @ 16.48%	Rs. 28,55,984.00
CST @3% against form 'C'	Rs. 6,05,579.52
Freight & Insurance + 90 days	
Insurance per Transformer	Rs. 7,25,000.00
Unloading per transformer	Rs. 1,00,000.00
Computed cost Per Transformer	= <u>@Rs. 2,16,16,563.52</u>

(ii) For 66/11, 20 MVA, Power Transformer.

Basic Cost per transformer	Rs. 1,19,80,000.00
[Variable with IEEMA PVC with base date 01.06.07 with out ceiling]	
Excise Duty @ 16.48%	Rs. 19,74,304.00
CST @3% against form 'C'	Rs. 4,18,629.12
Freight & Insurance + 90 days	
Insurance per Transformer	Rs. 4,85,000.00
Unloading per transformer	Rs. 85,000.00
Computed cost Per Transformer	= <u>@ Rs. 1,49,42,933.12 each</u>

Since the rates quoted by lowest firm were found to be more than the justified rates, negotiations were proposed with lowest firm and the case was also seen by planning. On the observation of planning regarding the requirement of Power Transformers, the same was reassessed by CE (E-II) and Sh. Y.P. Singh, Advisor (Power), as the work of 66KV, ESS at Bapu Dham State Guest House and B.D. Marg were out sourced to M/s PGCIL on turnkey basis during the intervening period.

Shri Y.P. Singh Advisor (Power) in his observations on the note of CE (E-II), for the requirement of power transformers, has confirmed that availability of proposed power transformers (i.e. one No.66/33 KV, 40/50 MVA and 2 Nos. 66/11 KV, 20 MVA Power transformers) for future use is essential.

Subsequently, with the approval of Chairman, negotiations were conducted by the Standing Negotiations Sub-committee under the Chairmanship of CE (E) on 12.05.08 at 11:00 AM with M/s Bharat Bijlee Ltd. & minutes of the meeting were signed by all the members of the Sub-committee.

Considering the discount offered by the firm, the quoted price and computed cost of purchase works out as under: -

(A) For 66/33 KV, 40/50 MVA Power Transformer (1 No.)

Quoted price	=	@ Rs. 1,73,30,000.00 each
Discount offered during negotiations	=	@ Rs. 10,000.00 each
Basic Price after negotiation	=	@ Rs. 1,73,20,000.00
[Variable with IEEMA PVC with base date 01.06.07 without ceiling]		
ED @16.48%	=	Rs. 28,54,336.00
CST @3% against form 'C'	=	Rs. 6,05,230.08
F & I + 90 days storage Insurance	=	Rs. 7,25,000.00 each
Unloading	=	Rs. 1,00,000.00 each

Total negotiated computed price per Transformer = @ Rs. 2,16,04,566.08

(B) For 66/11 KV, 20 MVA Power Transformer (2 Nos.)

Quoted price	=	@ Rs. 1,19,80,000.00 each
Discount offered during negotiations	=	@ Rs. 10,000.00 each
Basic Price after negotiation	=	@ Rs. 1,19,70,000.00
[Variable with IEEMA PVC with base date 01.06.07 without ceiling]		
ED @16.48%	=	Rs. 19,72,656.00
CST @3% against form 'C'	=	Rs. 4,18,279.68
F & I + 90 days storage Insurance	=	Rs. 4,85,000.00 each
Unloading	=	Rs. 85,000.00 each

Total negotiated computed price per Transformer = @ Rs. 1,49,30,935.68

Total negotiated cost of purchase for Two Transformers = Rs. 2,98,61,871.36

(C) Total (A+B) = Rs. 5,14,66,437.44

(Rupees Five Crores Fourteen Lacs Sixty Six Thousand Four Hundred Thirty Seven Only)

The prices are variable as per IEEMA price variation clause with base date 01.06.07 with out ceiling.

Since the negotiated rates of the firm were less than the current market rates, as opined by the Standing Negotiation Sub-committee, it was recommended that the order for the purchase of Two Power Transformers of 20 MVA, 66/11 KV and One of 66/33 KV, 40/50 MVA be placed on M/s Bharat Bijlee Ltd. at a total computed cost of Rs. 5,14,66,437/- (Rupees Five Crores Fourteen Lacs Sixty Six Thousand Four Hundred Thirty Seven) with IEEMA price variation clause with base date 01.06.07 without ceiling.

"Keeping in view the recommendation of Negotiation Sub-Committee, finance concurred in the proposal of the department to place the supply order for purchasing of one 66/33 KV (40/50 MVA) and two 66/11 KV(20 MVA) Power Transformers with M/s Bharat Bijlee Ltd at a total cost of Rs.5,14,66,437/- (Rupees five crore fourteen lacs sixty six thousand four hundred thirty seven only) with IEEMA base date as 1.6.07 subject to following ;

1. Approval of the competent authority.
2. Availability of funds.

3. Action for seeking Administrative Approval and Expenditure Sanction of competent authority as advised earlier may also be taken."

5. FINANCIAL IMPLICATION :

Rs.5,14,66,437/- (Rupees five crore, fourteen lacs sixty six thousand four hundred thirty seven only) Variable as per IEEMA PVC with base dated 01.06.07 without ceiling.

6. IMPLEMENTATION SCHEDULE:

Within 17 months from the date of approval of drawings commencing with one unit within 14 months and completion @ one unit per month thereafter.

7. COMMENTS OF FINANCE:

Finance concurred in the proposal of the department to place the supply order for purchasing one 66/33 KV (40/50 MVA) and two 66/11 KV (20 MVA) Power Transformers with M/s Bharat Bijlee Ltd at a total cost of Rs.5, 14,66,437/- (Rupees five crore fourteen lacs sixty six thousand four hundred thirty seven only) with IEEMA base date as 01.06.07 without ceiling subject to following ;

1. Approval of competent authority.
2. Availability of Funds
3. Action for seeking administrative approval and expenditure sanction of competent authority as advised earlier may also be taken.

8. COMMENTS OF DEPARTMENT ON COMMENTS OF FINANCE DEPARTMENT:

1. Approval of Chairperson/Council is being taken.
2. Funds are available and the purchase would be made against the budget head E.11 "Purchase of Stores" wherein a budget provision of Rs.100 crores exists during the current financial year 2008-09.
3. Administrative Approval and Expenditure Sanction of Chairperson/Council would be sought while noting the case to Council.

9. LEGAL IMPLICATIONS:

No legal implications are involved.

10. DETAILS OF PREVIOUS COUNCIL RESOLUTION EXISTING LAW OF PARLIAMENT AND ASSEMBLY ON THE SUBJECT.

NIL

11. COMMENTS OF LAW DEPARTMENT:

No law point is involved in the agenda item. However this has concurrence of Law deptt.

12. COMMENTS OF DEPARTMENT ON COMMENTS OF LAW DEPARTMENT:

Nil

13. CERTIFIED THAT ALL THE CVC GUIDELINES ON THE SUBJECT HAVE BEEN FOLLOWED WHILE PROCESSING THE CASE.

14. RECOMMENATIONS:

Department recommends to place Supply Order for purchasing one 66/33 KV (40/50 MVA) and two 66/11 KV(20 MVA) Power Transformers with M/s Bharat Bijlee Ltd at a total cost of Rs.5,14,66,437/- (Rupees five crore fourteen lacs sixty six thousand four hundred thirty seven only) with IEEMA base date as 01.06.07 without ceiling and seek administrative approval and expenditure sanction for the above purchase in anticipation of the approval of Council as the validity of the firm expires on 15.06.08.

Expenditure on this account shall be charged to the budget head E.11 “: Purchase of Stores” wherein a budget provision of Rs.100 crores exists during the current financial year 2008-09.

COUNCIL'S DECISION

Resolved by the Council to place the order for Purchase of one 66/33 kV (40/50 MVA) and two 66/11 kV (20 MVA) Power Transformer with M/s Bharat Bijlee Limited at a total cost of Rs.5,14,66,437/- at the terms and conditions of NIT with IEEMA Price Variation Clause with base date 01.06.07 without ceiling and to accord administrative approval and expenditure sanction for the above purchase.

It was further resolved by the Council that the supply order be placed in anticipation of confirmation of minutes of the Council Meeting.