

**MINUTES OF THE 9<sup>th</sup> MEETING OF THE BOARD OF DIRECTORS OF THE CESC ON SATURDAY, 7<sup>TH</sup> OCTOBER, 2006 AT 3.00 PM AT THE BOARD ROOM, KARNATAKA POWER TRANSMISSION CORPORATION LIMITED, 1<sup>ST</sup> FLOOR, KAVERI BHAVAN, BANGALORE-560 009**

**Present:**

Shriyuths:

- |                         |    |                      |
|-------------------------|----|----------------------|
| 1. Bharat Lal           | .. | Chairman             |
| 2. Vijayanarasimha      | .. | Managing Director    |
| 3. KV Srinivasamurthy   | .. | Director (Technical) |
| 4. Dr.Aditi Raja        | .. | Director             |
| 5. S Pratapkumar        | .. | Director             |
| 6. MV Murthy            | .. | Director             |
| 7. Vishvanath Hiremath  | .. | Director             |
| 8. M Lokraj             | .. | Director             |
| 9. BN Sathyaprema Kumar | .. | Director             |

**By invitation**

- |               |    |                               |
|---------------|----|-------------------------------|
| 1. UR Badiger | .. | Chief Engineer ( Mysore Zone) |
| 2. RR Joshi   | .. | Financial Adviser             |

**In attendance:**

R Balasubramanian .. Authorised Signatory

*Leave of absence was granted to Shriyuths VM Chandre Gowda & Darpan Jain, Directors*

**Item No 9/1: Confirmation of the minutes of the meetings.**

The Board confirmed the minutes of the 7<sup>th</sup> and 8<sup>th</sup> meetings of the Board held on 7.7.06 and 16.08.2006 respectively as circulated.

**Item No 9/2: Follow up action on the Minutes of the 7<sup>th</sup> meeting of the Board of Directors of the Corporation held on 07.07.06**

9/2.1 While noting the action taken on the minutes of the 7<sup>th</sup> Board meeting, the observations made by the Directors along with the clarification provided were as under:

- i) To apprise the latest status on computerization in cases where the service providers have gone to Court - *Shri BN Sathyaprema Kumar- Efforts are on to defend the cases. Work is continuing without being affected.*
- ii) Need to lay down guidelines/procedures regarding appointment of consultants both in respect of availing the services of retired employees and outsourcing of work on assignment basis – *Dr. Aditi Raja – The Board desired that while availing the services of retired employees could be delegated to the Managing Director, guidelines if any issued in this regard could be examined. Regarding outsourcing, it may be desirable to obtain competitive offers even for assignments less than Rs.5.00 lakhs unless the nature of the work is highly specialized and there are no competitive firms.*
- iii) Item No. 7/16 – RGGY Works – Need to tie up fund before issue of DWE – *Shri MV Murthy – Managing Director clarified that bridge loan is being availed from REC to fund the works pending formal tie up.*
- iv) RGGY Works of Madikere - Since tenders processed by MESCOM for these works are cancelled, it would be necessary for CESC to issue short term tender - *.- Managing Director agreed to issue short term tender.*

**Item No. 9/3: Procurement of 800 Nos. 11KV/415 V, 25KVA distribution transformers to O&M circle, Mysore for a period of one year on rate contract**

*Tender enquiry No: CESC/SEE(P)/T-01/C2-3040/06-07.dtd 8-06-2006*

9/3.1 At the outset, the Chairman observed that utilities like MSEB were specifying five year guarantee for transformers. The Board noted that one year guarantee was adequate. What was more important was to attend to the causes for transformer failure. Manufacturers may have valid reasons regarding transformer failure if utilities are not able to ensure the required operating environment. It was however decided that the Managing Director could form an internal Committee to look at this feasibility. Shri BN Sathyaprema Kumar stated that the purpose of calling for tenders circle wise has not been achieved since most of the firms have quoted the same rate and the same firms have quoted in all the tenders. There could be issues in black listing. He also felt that the PV clause and the recommendations of the Tender Scrutiny Committee should be incorporated in the agenda notes. Further, the assessment of quantity has to be explained. It was clarified that the concept of circle wise procurement was adopted to ensure that in the event of delay in finalization of any tender for whatsoever reasons, the entire company would not suffer. The tender quantity now specified is basically to rectify the situation arising out of an estimated around 3000 numbers of over loaded transformers.

9/3.02 The Board was informed that:

- i) The 11KV/415 V, 25KVA distribution transformers are required for carrying out system improvement works, providing dedicated transformers to water supply installations and regularization of IP sets and service connection works at various places of O&M circle, Mysore planned for the year 2006-07;
- ii) A total requirement of 4674 Nos. 25KVA distribution transformers is estimated for the works planned. LOI has been issued on M/s. KAVIKA, Bangalore for supply of 1750 Nos. 25KVA transformers to CESC. In order to maintain the continuous flow of transformers for completion of targeted works, tender notification has been issued by SE (*Procurement*) for procurement of 800 Nos. 25KVA transformers to O&M circle, Mysore;

- iii) 700 Nos. & 100 Nos. each are envisaged for system improvement works under Annual Programme of works and service connection works planned for 2nd & 3rd quarter FY-07;
- iv) The tender notification for supply of the subject material for a period of one year was issued in leading newspapers Prajavani Kannada daily and New Indian Express all India publication inviting bidders to submit their offer on or before 19-07-2006 through two part e-tender through CESC website;
- v) Corrigendum to tender notification was issued on 27-6-06 with regard to the change in PQR conditions. The technical bid was opened on 19-7-06 and price bid opened on 02-09-06;
- vi) The specification covers manufacture and supply of 11KV/415 V, 25KVA, aluminum wound distribution transformers conforming to relevant IS and technical specification adopted by KPTCL/ESCOMs.

**vii) Qualifying requirements:**

**a. General:**

1. Bidder should have designed, manufactured, type tested & supplied the materials mentioned in the bid document.
2. Bidder shall be financially sound and shall submit audited financial reports for last three years preceding the date of bid submission i.e., for the year 2002-03, 2003-04 & 2004-05.

**b. Additional requirements:**

- ◆ Only manufacturers of the tender material shall quote.
- ◆ The bidder must have supplied at least 50% of the tendered quantity, i.e., 25 KVA rating or higher capacity transformer in any one calendar year during last three years.
- ◆ As a proof of above, the bidders shall submit the order completion cum performance certificate specific for this enquiry from electrical utility to whom the supplies are made.
- ◆ The bidder participating in this particular enquiry shall have the manufacturing / delivering capacity of 210 Nos. transformers per month for that enquiry.
- ◆ Tenders with offer quantity less than the manufacturing / delivering capacity mentioned in 2.04 b. iv are liable for rejection.
- ◆ Bidder must not have defaulted in supplies against POs placed by KPTCL/any ESCOMs in Karnataka and should not to have been black listed by KPTCL / any ESCOM. The bidder should furnish a declaration in this regard.

**c. Financial Capabilities:**

For the purpose of this particular bid, bidders shall meet the following minimum criteria:

- i. Average annual turnover for the best one year out of the last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to Rs. 300 lakhs (*For state SSI units this shall be Rs.150 lakhs*).
- ii. Liquid assets and/ or evidence of asset or availability of credit facilities from balance sheet or credit offer letter from schedule bank for the current year should be Rs.150 lakhs. (*For state SSI units this shall be Rs.75 lakhs*).

*Note: - For SSI established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.*

- viii) Prices: The ex-works prices are variable as per IEEMA Price variation will be allowed as per IEEMA price variation circular for Aluminum wound distribution transformer IEEMA/PVC/DIST-TRF/AL with base price of raw material as on first day of calendar month prior to date of opening of techno commercial bid.

Price variation Formula:

$$P=[PO/100\{13+17(AL/ALO)+33(ES/ESO)+9(IS/ISO)+5(IM/IMO)+11(TB/TBO)+12(W/WO)\}]$$

- ix) The firms have stated in the tender document that they have not taken any technical and commercial deviations;
- x) Bidders were asked to quote the prices inclusive of all applicable taxes and duties and F & I and entry tax for this particular tendered material;
- xi) The tender in two part for supply of subject material is invited through Electronic Mode. The following Twelve firms have purchased the tender forms by paying requisite tender document cost.

- 1 Standard Transformers, MG road, Manipal
- 2 Adhishathi Transformers, Gadag
- 3 Techno Fabs, Bangalore
- 4 Basaveshwara Engineering works, Bangalore
- 5 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 6 Maruthi transformer Mfg. co, Bangalore
- 7 EMCO Ltd., Jalgaon, Maharashtra
- 8 Kailash Transformers, Gulbarga
- 9 VT switchgear & Transformers, Bangalore.
- 10 Shanthaveera transformers, Bangalore.
- 11 Classic Techno lines, Bangalore
- 12 Associated Electrical Industries, Bangalore

- xii) Following Ten firms have submitted the bids in e-mode. The techno-commercial bids were opened at 16.00 hrs. on 19.07.06.

- 1 Standard Transformers, MG road, Manipal
- 2 Adhishathi Transformers, Gadag
- 3 Techno Fabs, Bangalore
- 4 Basaveshwara Engineering works, Bangalore
- 5 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 6 EMCO Ltd., Jalgaon, Maharashtra
- 7 Kailash Transformers, Gulbarga
- 8 VT switchgear & Transformers, Bangalore.
- 9 Shanthaveera transformers, Bangalore.
- 10 Classic Techno lines, Bangalore

xiii) All the above firms have paid the requisite EMD / PEMD or PEMD holders in CESC. The techno commercial bids of 10 firms were opened on 19-7-06;

xiv) The 2 firms listed below have not submitted their bid in e-mode within the due date:

1. Associated Electrical Industries, Bangalore
2. Maruthi transformer Mfg. co, Bangalore

xv) The following eight firms are found responsive to the techno-commercial conditions stipulated in the tender:

- 1 Standard Transformers, MG road, Manipal
- 2 Techno Fabs, Bangalore
- 3 Basaveshwara Engineering works, Bangalore
- 4 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 5 EMCO Ltd., Jalgaon, Maharashtra
- 6 Kailash Transformers, Gulbarga
- 7 VT switchgear & Transformers, Bangalore.
- 8 Shanthaveera transformers, Bangalore.

xvi) All the above listed responsive firms are manufacturers of transformers only. All the firms are regular suppliers of the tendered materials to KPTCL / ESCOMS / Other electricity utilities and / or of private turn-key agencies executing works of ESCOMs.

xvii) The following firms were found non-responsive, and have not complied the techno-commercial conditions of the tender. The reasons are noted here under.

Sl. No	Name of the firm	Reason for non-responsiveness
1	Adhishathi Transformers, Gadag	Inadequate supplies, not complied the minimum supply requirement of CESC 210 Nos. per month, Insufficient annual turnover and liquid assets
2	Classic	Insufficient liquid asset /credit facility

.	Technolines, Bangalore	from current year balance sheet /schedule bank
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- xviii) The price bids of the 8 responsive firms were opened on 02-09-06;
- xix) The procurement has been carried out in compliance with the provisions of the KTPP Act;
- xx) The entire tender document and technical specifications along with procurement proposal has been verified by tender scrutiny committee of Corporation meeting held on 5-9-06. The committee has recommended placing orders on L-1 firms at the negotiated rate;
- xxi) The bidders were asked to quote unit ex-works price, applicable taxes, duties, F & I and entry tax as per the bid specification. As such the total evaluated unit FORD price including taxes, duties, F & I charges and entry tax is considered for the purpose of evaluation;
- xxii) The total Negotiated unit FORD price has been compared with respect to the CESC SR-2005 rate updated to June-06 & present procurement rate of CESC updated to June-06 for analysis, since the tenders are quoted during June-06;
- xxiii) The Financial Advisor has indicated the need to tie up funds from Financial institutions for this procurement proposal. The store budget provision for this procurement is to be allocated out of Rs. 130.71 crores approved to CESC for the year 2006-07. The balance budget available as on this date is Rs 8515 lakhs;
- xxiv) The preliminary queries of internal audit have also been replied.
- xxv) The L1 firms listed in Serial No. 1 to 7 below, have been invited for price negotiation on 11.09.06. The firms have agreed to reduce the unit Exworks price quoted by them from Rs. 48,800/- to Rs.45,850/-. The comparative position of negotiated FORD price inclusive of all taxes, duties and F & I is here under:

Sl No	Name of the firms	Unit Ex-works price quoted by the firms in Rs.	Total evaluated unit price inclusive of all taxes quoted by the firms in Rs.	Negotiated unit Ex works price in Rs.	Negotiated FORD price inclusive of all taxes , duties and F & I	% excess of Negotiated unit FORD price w.r.t updated CESC SR - 05 of Rs. 44282.74	% excess of Negotiated price w.r.t CESC Procurement rate updated to June-06 of Rs. 60503.97	Ranking
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1	Standard Transformers, Manipal	48800	64659.68	45850	60799.31	37.30	0.49	1
2	Techno Fabs, Bangalore	48800	64659.68	45850	60799.31	37.30	0.49	1
3	Basaveshwara Engineering works, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
4	Southern Power Equipment Co. P. Ltd., B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
5	Kailash Transformers, Gulbarga	48800	64659.68	45850	60799.31	37.30	0.49	1
6	VT switchgear & Trfrs, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
7	Shanthaveera Trfrs, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
8	EMCO Ltd., Maharastra	55300	74796.58	-	-	68.91	23.62	2

9/3.03 The Board noted that:

- i) All the seven firms listed in SL No. 1-7 have quoted the L1 evaluated unit FORD price of Rs. 64659.68/- However, after negotiation, the unit FORD price inclusive of all taxes, duties and F & I is Rs. 60799.31 which is 37.30% excess over the updated rate of CESC SR 2005 for June-06. The negotiated FORD price is 0.49% excess over the updated rate of CESC procurement for June 06;
- ii) All the Seven firms are state SSI units and manufacturers of transformers. The firms are regular suppliers of transformers to KPTCL/ESCOMs and supplied the ordered quantities against CESC P.O. The firms have offered to supply the full tendered quantity and agreed for CESC monthly delivery schedule mentioned in the tender. The firms have furnished the type test reports for the tests conducted at CPRI/ recognized laboratories;
- iii) Approximate cost of material put to tender as per CESC SR 2005 base Mar-05 is Rs. 284.48 lakhs;
- iv) Total amount required for procurement of above material at Negotiated rate in the present tender is Rs. 486.39 lakhs;
- v) The Purchase Committee in its adjourned 16<sup>th</sup> meeting held on 13<sup>th</sup> Sept.'06 has noted the present negotiated L1 offer of Rs.60,799.31



and recommended placing of purchase order on L1 firms at the negotiated price

9/3.04 The Board noted that the prices were comparable and could be considered. The Board, therefore,

**Resolved that the proposals to place orders on the following L1 firms at the negotiated unit FORD price of Rs. 60,799.31 be and is hereby approved:**

Sl No	Name of the L1 firms	Quantity
1	Standard Transformers, Manipal	115
2	Techno Fabs, Bangalore	115
3	Basaveshwara Engineering works, B'lore	114
4	Southern Power Equipment Co. Pvt. Ltd., B'lore	114
5	Kailash Transformers, Gulbarga	114
6	VT switchgear & Transformers, Bangalore.	114
7	Shanthaveera transformers, Bangalore.	114

**Further, strict delivery schedules be stipulated and in the event of default, the shortfall be reallocated to other firms**

**The Managing Director be and is also hereby authorized to place extension orders upto 25 % on need basis at the appropriate time. MD was authorized to reallocate the quantity firm failed to deliver transformers.**

**Item No. 9/4: Procurement of 650 Nos. 11KV/415 V, 25KVA distribution transformers to O&M circle, Hassan for a period of one year on rate contract.**

*Tender enquiry No: CESC/SEE(P)/T-01/C2-3041/06-07.dtd 8-06-2006*

9/4.01 The Board was informed that:

- i) The 11KV/415 V, 25KVA distribution transformers are required for carrying out system improvement works, providing dedicated transformers to water supply installations and regularization of IP sets and service connection works at various places of O&M circle, Hassan planned for the year 2006-07;
- ii) A total requirement of 4674 Nos. 25KVA distribution transformers is estimated for the works planned. LOI has been issued on M/s. KAVIKA, Bangalore for supply of 1750 Nos. 25KVA transformers to CESC. In order to maintain the continuous flow of transformers for completion of targeted works, tender notification has been issued by SE (*Procurement*) for procurement of 650 Nos. 25KVA transformers to O&M circle, Hassan;
- iii) 550 Nos. & 100 Nos. each are envisaged for system improvement works under Annual Programme of works and service connection works planned for 2nd & 3rd quarter FY-07;
- iv) The tender notification for supply of the subject material for a period of one year was issued in leading newspapers Prajavani Kannada daily and New Indian Express all India publication inviting bidders to submit their offer on or before 19-07-2006 through two part e-tender through CESC website;
- v) Corrigendum to tender notification was issued on 27-6-06 with regard to the change in PQR conditions. The technical bid was opened on 19-7-06 and price bid opened on 02-09-06;
- vi) The specification covers manufacture and supply of 11KV/415 V, 25KVA, aluminium wound distribution transformers conforming to relevant IS and technical specification adopted by KPTCL/ESCOMs.
- vii) **Qualifying requirements:**
  - a. **General:**
    1. Bidder should have designed, manufactured, type tested & supplied the materials mentioned in the bid document.

2. Bidder shall be financially sound and shall submit audited financial reports for last three years preceding the date of bid submission i.e., for the year 2002-03, 2003-04 & 2004-05.

**b. Additional requirements:**

- ◆ Only manufacturers of the tender material shall quote.
- ◆ The bidder must have supplied at least 50% of the tendered quantity, i.e., 25 KVA rating or higher capacity transformer in any one calendar year during last three years.
- ◆ As a proof of above, the bidders shall submit the order completion cum performance certificate specific for this enquiry from electrical utility to whom the supplies are made.
- ◆ The bidder participating in this particular enquiry shall have the manufacturing / delivering capacity of 210 Nos. transformers per month for that enquiry.
- ◆ Tenders with offer quantity less than the manufacturing / delivering capacity mentioned in 2.04 b. iv are liable for rejection.
- ◆ Bidder must not have defaulted in supplies against POs placed by KPTCL/any ESCOMs in Karnataka and should not to have been black listed by KPTCL / any ESCOM. The bidder should furnish a declaration in this regard.

**c. Financial Capabilities:**

For the purpose of this particular bid, bidders shall meet the following minimum criteria:

- i. Average annual turnover for the best one year out of the last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to Rs. 300 lakhs (*For state SSI units this shall be Rs.150 lakhs*).
- ii. Liquid assets and/ or evidence of asset or availability of credit facilities from balance sheet or credit offer letter from schedule bank for the current year should be Rs.150 lakhs. (*For state SSI units this shall be Rs.75 lakhs*).

*Note: - For SSI established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.*

viii) Prices: The ex-works prices are variable as per IEEMA Price variation will be allowed as per IEEMA price variation circular for Aluminum wound distribution transformer IEEMA/PVC/DIST-TRF/AL with base price of raw material as on first day of calendar month prior to date of opening of techno commercial bid.

Price variation Formula:

$$P=[PO/100\{13+17(AL/ALO)+33(ES/ESO)+9(IS/ISO)+5(IM/IMO)+11(TB/TBO)+12(W/WO)\}]$$

- ix) The firms have stated in the tender document that they have not taken any technical and commercial deviations;
- x) Bidders were asked to quote the prices inclusive of all applicable taxes and duties and F & I and entry tax for this particular tendered material;
- xi) The tender in two part for supply of subject material is invited through Electronic Mode. The following Twelve firms have purchased the tender forms by paying requisite tender document cost.
  - 1 Standard Transformers, MG road, Manipal
  - 2 Adhishathi Transformers, Gadag
  - 3 Techno Fabs, Bangalore
  - 4 Basaveshwara Engineering works, Bangalore
  - 5 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 6 Maruthi transformer Mfg. co, Bangalore
  - 7 EMCO Ltd., Jalgaon, Maharashtra
  - 8 Kailash Transformers, Gulbarga
  - 9 VT switchgear & Transformers, Bangalore.
  - 10 Shanthaveera transformers, Bangalore.
  - 11 Classic Techno lines, Bangalore
  - 12 Modern Electrical Engineers, Bangalore
- xii) Following Ten firms have submitted the bids in e-mode. The techno-commercial bids were opened at 16.00 hrs. on 19.07.06.
  - 1 Standard Transformers, MG road, Manipal
  - 2 Adhishathi Transformers, Gadag
  - 3 Techno Fabs, Bangalore
  - 4 Basaveshwara Engineering works, Bangalore
  - 5 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 6 EMCO Ltd., Jalgaon, Maharashtra
  - 7 Kailash Transformers, Gulbarga
  - 8 VT switchgear & Transformers, Bangalore.
  - 9 Shanthaveera transformers, Bangalore.
  - 10 Classic Techno lines, Bangalore
- xiii) All the above firms have paid the requisite EMD / PEMD or PEMD holders in CESC. The techno commercial bids of 10 firms were opened on 19-7-06;
- xiv) The 2 firms listed below have not submitted their bid in e-mode within the due date:
  - 1. Modern Electrical Engineers, Bangalore
  - 2. Maruthi transformer Mfg. co, Bangalore

- xv) The following eight firms are found responsive to the techno-commercial conditions stipulated in the tender:
- 1 Standard Transformers, MG road, Manipal
  - 2 Techno Fabs, Bangalore
  - 3 Basaveshwara Engineering works, Bangalore
  - 4 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 5 EMCO Ltd., Jalgaon, Maharashtra
  - 6 Kailash Transformers, Gulbarga
  - 7 VT switchgear & Transformers, Bangalore.
  - 8 Shanthaveera transformers, Bangalore.
- xvi) All the above listed responsive firms are manufacturers of transformers only. All the firms are regular suppliers of the tendered materials to KPTCL / ESCOMS / Other electricity utilities and / or of private turn-key agencies executing works of ESCOMs.
- xvii) The following firms were found non-responsive, and have not complied the techno-commercial conditions of the tender. The reasons are noted here under.

Sl. No	Name of the firm	Reason for non-responsiveness
1.	Adhishathi Transformers, Gadag	Inadequate supplies, not complied the minimum supply requirement of CESC 210 Nos. per month, Insufficient annual turnover and liquid assets
2.	Classic Technolines, Bangalore	Insufficient liquid asset /credit facility from current year balance sheet /schedule bank

- xviii) The price bids of the 8 responsive firms were opened on 02-09-06;
- xix) The procurement has been carried out in compliance with the provisions of the KTPP Act;
- xx) The entire tender document and technical specifications along with procurement proposal has been verified by tender scrutiny committee of Corporation meeting held on 5-9-06. The committee has recommended placing orders on L-1 firms at the negotiated rate;
- xxi) The bidders were asked to quote unit ex-works price, applicable taxes, duties, F & I and entry tax as per the bid specification. As such the total evaluated unit FORD price including taxes, duties, F & I charges and entry tax is considered for the purpose of evaluation;

- xxii) The total Negotiated unit FORD price has been compared with respect to the CESC SR-2005 rate updated to June-06 & present procurement rate of CESC updated to June-06 for analysis, since the tenders are quoted during June-06;
- xxiii) The Financial Advisor has indicated the need to tie up funds from Financial institutions for this procurement proposal. The store budget provision for this procurement is to be allocated out of Rs. 130.71 crores approved to CESC for the year 2006-07. The balance budget available as on this date is Rs 8515 lakhs;
- xxiv) The preliminary queries of internal audit have also been replied.
- xxv) The L1 firms listed in Serial No. 1 to 7 below, have been invited for price negotiation on 11.09.06. The firms have agreed to reduce the unit Exworks price quoted by them from Rs. 48,800/- to Rs.45,850/-. The comparative position of negotiated FORD price inclusive of all taxes, duties and F & I is here under:

Sl No	Name of the firms	Unit Ex-works price quoted by the firms in Rs.	Total evaluated unit price inclusive of all taxes quoted by the firms In Rs.	Negotiated unit Ex works price in Rs.	Negotiated FORD price inclusive of all taxes , duties and F & I	% excess of Negotiated unit FORD price w.r.t updated CESC SR - 05 of Rs. 44282.74	% excess of Negotiated price w.r.t CESC Procurement rate updated to June-06 of Rs. 60503.97	Ranking
1	Standard Trfrs, Manipal	48800	64659.68	45850	60799.31	37.30	0.49	1
2	Techno Fabs, Bangalore	48800	64659.68	45850	60799.31	37.30	0.49	1
3	Basaveshwara Engineering works, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
4	Southern Power Equipment Co. Pvt. Ltd., B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
5	Kailash Trfrs, Gulbarga	48800	64659.68	45850	60799.31	37.30	0.49	1
6	VT switchgear & Trfrs, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
7	Shanthaveera Trfrs, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
8	EMCO Ltd., Maharastra	55300	74796.58	-	-	68.91	23.62	2

9/4.02 The Board noted that:

- vi) All the seven firms listed in SL No. 1-7 have quoted the L1 evaluated unit FORD price of Rs. 64659.68/- . However, after negotiation, the unit FORD price inclusive of all taxes, duties and F & I is Rs. 60799.31 which is 37.30% excess over the updated rate of CESC SR 2005 for June-06. The negotiated FORD price is 0.49% excess over the updated rate of CESC procurement for June 06;
- vii) All the Seven firms are state SSI units and manufacturers of transformers. The firms are regular suppliers of transformers to KPTCL/ESCOMs and supplied the ordered quantities against CESC P.O. The firms have offered to supply the full tendered quantity and agreed for CESC monthly delivery schedule mentioned in the tender. The firms have furnished the type test reports for the tests conducted at CPRI/ recognized laboratories;
- viii) Approximate cost of material put to tender as per CESC SR 2005 base Mar-05 is Rs. 231.14 lakhs;
- ix) Total amount required for procurement of above material at Negotiated rate in the present tender is Rs. 395.20 lakhs;
- x) The Purchase Committee in its adjourned 16<sup>th</sup> meeting held on 13<sup>th</sup> Sept.'06 has noted the present negotiated L1 offer of Rs.60,799.31 and recommended placing of purchase order on L1 firms at the negotiated price

9/4.03 The Board noted that the prices were comparable and could be considered. The Board, therefore,

**Resolved that the proposals to place orders on the following L1 firms at the negotiated unit FORD price of Rs. 60,799.31 be and is hereby approved:**

Sl No	Name of the L1 firms	Quantity
1	Standard Transformers, Manipal	92
2	Techno Fabs, Bangalore	93
3	Basaveshwara Engineering works, B'lore	93
4	Southern Power Equipment Co. Pvt. Ltd., B'lore	93
5	Kailash Transformers, Gulbarga	93
6	VT switchgear & Transformers, Bangalore.	93
7	Shanthaveera transformers, Bangalore.	93

**Further, strict delivery schedules be stipulated and in the event of default, the shortfall be reallocated to other firms**

**The Managing Director be and is also hereby authorized to place extension orders upto 25 % on need basis at the appropriate time. MD was authorized to reallocate the quantity if any firm failed to deliver transformers.**

**Item No. 9/5: Procurement of 650 Nos. 11KV/415 V, 25KVA distribution transformers to O&M circle, Mandya for a period of one year on rate contract**

*Tender enquiry No: CESC/SEE(P)/T-01/C2-3042/06-07.dtd 8-06-2006*

9/5.01 The Board was informed that:

- i) The 11KV/415 V, 25KVA distribution transformers are required for carrying out system improvement works, providing dedicated transformers to water supply installations and regularization of IP sets and service connection works at various places of O&M circle, Mandya planned for the year 2006-07;
- ii) A total requirement of 4674 Nos. 25KVA distribution transformers is estimated for the works planned. LOI has been issued on M/s. KAVIKA, Bangalore for supply of 1750 Nos. 25KVA transformers to CESC. In order to maintain the continuous flow of transformers for completion of targeted works, tender notification has been issued by SE (*Procurement*) for procurement of 650 Nos. 25KVA transformers to O&M circle, Mandya;
- iii) 550 Nos. & 100 Nos. each are envisaged for system improvement works under Annual Programme of works and service connection works planned for 2nd & 3rd quarter FY-07;
- iv) The tender notification for supply of the subject material for a period of one year was issued in leading newspapers Prajavani Kannada daily and New Indian Express all India publication inviting bidders to submit their offer on or before 19-07-2006 through two part e-tender through CESC website;



- v) Corrigendum to tender notification was issued on 27-6-06 with regard to the change in PQR conditions. The technical bid was opened on 19-7-06 and price bid opened on 02-09-06;
- vi) The specification covers manufacture and supply of 11KV/415 V, 25KVA, aluminium wound distribution transformers conforming to relevant IS and technical specification adopted by KPTCL/ESCOMs.
- vii) **Qualifying requirements:**
- a. General:**
1. Bidder should have designed, manufactured, type tested & supplied the materials mentioned in the bid document.
  2. Bidder shall be financially sound and shall submit audited financial reports for last three years preceding the date of bid submission i.e., for the year 2002-03, 2003-04 & 2004-05.
- b. Additional requirements:**
- ◆ Only manufacturers of the tender material shall quote.
  - ◆ The bidder must have supplied at least 50% of the tendered quantity, i.e., 25 KVA rating or higher capacity transformer in any one calendar year during last three years.
  - ◆ As a proof of above, the bidders shall submit the order completion cum performance certificate specific for this enquiry from electrical utility to whom the supplies are made.
  - ◆ The bidder participating in this particular enquiry shall have the manufacturing / delivering capacity of 210 Nos. transformers per month for that enquiry.
  - ◆ Tenders with offer quantity less than the manufacturing / delivering capacity mentioned in 2.04 b. iv are liable for rejection.
  - ◆ Bidder must not have defaulted in supplies against POs placed by KPTCL/any ESCOMs in Karnataka and should not to have been black listed by KPTCL / any ESCOM. The bidder should furnish a declaration in this regard.
- c. Financial Capabilities:**
- For the purpose of this particular bid, bidders shall meet the following minimum criteria:
- i. Average annual turnover for the best one year out of the last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to Rs. 300 lakhs (*For state SSI units this shall be Rs.150 lakhs*).
  - ii. Liquid assets and/ or evidence of asset or availability of credit facilities from balance sheet or credit offer letter from schedule bank for the current year should be Rs.150 lakhs. (*For state SSI units this shall be Rs.75 lakhs*).

*Note: - For SSI established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.*

- viii) Prices: The ex-works prices are variable as per IEEMA Price variation will be allowed as per IEEMA price variation circular for Aluminum wound distribution transformer IEEMA/PVC/DIST-TRF/AL with base price of raw material as on first day of calendar month prior to date of opening of techno commercial bid.

Price variation Formula:

$$P=[PO/100\{13+17(AL/ALO)+33(ES/ESO)+9(IS/ISO)+5(IM/IMO)+11(TB/TBO)+12(W/WO)\}]$$

- ix) The firms have stated in the tender document that they have not taken any technical and commercial deviations;
- x) Bidders were asked to quote the prices inclusive of all applicable taxes and duties and F & I and entry tax for this particular tendered material;
- xi) The tender in two part for supply of subject material is invited through Electronic Mode. The following Ten firms have purchased the tender forms by paying requisite tender document cost.

- 1 Standard Transformers, MG road, Manipal
- 2 Techno Fabs, Bangalore
- 3 Basaveshwara Engineering works, Bangalore
- 4 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 5 Maruthi transformer Mfg. co, Bangalore
- 6 EMCO Ltd., Jalgaon, Maharashtra
- 7 Kailash Transformers, Gulbarga
- 8 VT switchgear & Transformers, Bangalore.
- 9 Shanthaveera transformers, Bangalore.
- 10 Classic Techno lines, Bangalore

- xii) Following nine firms have submitted the bids in e-mode. The techno-commercial bids were opened on 19.07.06.

- 1 Standard Transformers, MG road, Manipal
- 2 Techno Fabs, Bangalore
- 3 Basaveshwara Engineering works, Bangalore
- 4 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 5 EMCO Ltd., Jalgaon, Maharashtra
- 6 Kailash Transformers, Gulbarga
- 7 VT switchgear & Transformers, Bangalore.
- 8 Shanthaveera transformers, Bangalore
- 9 Classic Techno lines, Bangalore

- xiii) All the above firms have paid the requisite EMD / PEMD or PEMD holders in CESC. The techno commercial bids of 9 firms were opened on 19-7-06;
- xiv) The following firm has not submitted its bid in e-mode within the due date:
1. Maruthi transformer Mfg. co, Bangalore
- xv) The following eight firms are found responsive to the techno-commercial conditions stipulated in the tender:
- 1 Standard Transformers, Manipal
  - 2 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 3 Techno Fabs, Bangalore
  - 4 Basaveshwara Engineering works, Bangalore
  - 5 EMCO Ltd., Jalgaon, Maharastra
  - 6 Kailash Transformers, Gulbarga
  - 7 VT switchgear & Transformers, Bangalore.
  - 8 Shanthaveera transformers, Bangalore.
- xvi) All the above listed responsive firms are manufacturers of transformers only. All the firms are regular suppliers of the tendered materials to KPTCL / ESCOMS / Other electricity utilities and / or of private turn-key agencies executing works of ESCOMs.
- xvii) The following firms were found non-responsive, and have not complied the techno-commercial conditions of the tender. The reasons are noted here under.

Sl. No	Name of the firm	Reason for non-responsiveness
1.	Classic Technolines, Bangalore	Insufficient liquid asset /credit facility from current year balance sheet /schedule bank

- xviii) The price bids of the 8 responsive firms were opened on 02-09-06;
- xix) The procurement has been carried out in compliance with the provisions of the KTPP Act;
- xx) The entire tender document and technical specifications along with procurement proposal has been verified by tender scrutiny committee of Corporation meeting held on 5-9-06. The committee has recommended placing orders on L-1 firms at the negotiated rate;

- xxi) The bidders were asked to quote unit ex-works price, applicable taxes, duties, F & I and entry tax as per the bid specification. As such the total evaluated unit FORD price including taxes, duties, F & I charges and entry tax is considered for the purpose of evaluation;
- xxii) The total Negotiated unit FORD price has been compared with respect to the CESC SR-2005 rate updated to June-06 & present procurement rate of CESC updated to June-06 for analysis, since the tenders are quoted during June-06;
- xxiii) The Financial Advisor has indicated the need to tie up funds from Financial institutions for this procurement proposal. The store budget provision for this procurement is to be allocated out of Rs. 130.71 crores approved to CESC for the year 2006-07. The balance budget available as on this date is Rs 8515 lakhs;
- xxiv) The preliminary queries of internal audit have also been replied.
- xxv) The L1 firms listed in Serial No. 1 to 7 below, have been invited for price negotiation on 11.09.06. The firms have agreed to reduce the unit Exworks price quoted by them from Rs. 48,800/- to Rs.45,850/-. The comparative position of negotiated FORD price inclusive of all taxes, duties and F & I is here under:

Sl No	Name of the firms	Unit Ex-works price quoted by the firms in Rs.	Total evaluated unit price inclusive of all taxes quoted by the firms in Rs.	Negotiated unit Ex works price in Rs.	Negotiated FORD price inclusive of all taxes, duties and F & I	% excess of Negotiated unit FORD price w.r.t updated CESC SR - 05 of Rs. 44282.74	% excess of Negotiated price w.r.t CESC Procurement rate updated to June-06 of Rs. 60503.97	Ranking
1	Standard Transformers, Manipal	48800	64659.68	45850	60799.31	37.30	0.49	1
2	Techno Fabs, Bangalore	48800	64659.68	45850	60799.31	37.30	0.49	1
3	Basaveshwara Engineering works, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
4	Southern Power Equipment Co. Pvt. Ltd., B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
5	Kailash Trfrs, Gulbarga	48800	64659.68	45850	60799.31	37.30	0.49	1
6	VT switchgear & Trfrs, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1

7	Shanthaveera Trfrs, B'lore	48800	64659.68	45850	60799.31	37.30	0.49	1
8	EMCO Ltd., Maharashtra	55300	74796.58	-	-	68.91	23.62	2

9/5.02 The Board noted that:

- i) All the seven firms listed in SL No. 1-7 have quoted the L1 evaluated unit FORD price of Rs. 64659.68/- . However, after negotiation, the unit FORD price inclusive of all taxes, duties and F & I is Rs. 60799.31 which is 37.30% excess over the updated rate of CESC SR 2005 for June-06. The negotiated FORD price is 0.49% excess over the updated rate of CESC procurement for June 06;
- ii) All the Seven firms are state SSI units and manufacturers of transformers. The firms are regular suppliers of transformers to KPTCL/ESCOMs and supplied the ordered quantities against CESC P.O. The firms have offered to supply the full tendered quantity and agreed for CESC monthly delivery schedule mentioned in the tender. The firms have furnished the type test reports for the tests conducted at CPRI/ recognized laboratories;
- iii) Approximate cost of material put to tender as per CESC SR 2005 base Mar-05 is Rs. 231.14 lakhs;
- iv) Total amount required for procurement of above material at Negotiated rate in the present tender is Rs. 395.20 lakhs;
- v) The Purchase Committee in its adjourned 16<sup>th</sup> meeting held on 13<sup>th</sup> Sept.'06 has noted the present negotiated L1 offer of Rs.60,799.31 and recommended placing of purchase order on L1 firms at the negotiated price

9/5.03 The Board noted that the prices were comparable and could be considered. The Board, therefore,

**Resolved that the proposals to place orders on the following L1 firms at the negotiated unit FORD price of Rs. 60,799.31 be and is hereby approved:**

Sl No	Name of the L1 firms	Quantity
1	Standard Transformers, Manipal	93
2	Techno Fabs, Bangalore	93
3	Basaveshwara Engineering works, B'lore	93
4	Southern Power Equipment Co. Pvt. Ltd., B'lore	93
5	Kailash Transformers, Gulbarga	93
6	VT switchgear & Transformers, Bangalore.	93
7	Shanthaveera transformers, Bangalore.	92

**Further, strict delivery schedules be stipulated and in the event of default, the shortfall be reallocated to other firms**

**The Managing Director be and is also hereby authorized to place extension orders upto 25 % on need basis at the appropriate time. MD was authorized to reallocate the quantity if any firm failed to deliver transformers.**

**Item No. 9/6: Procurement of 300 Nos. 11KV/415 V, 63KVA distribution transformers to O&M circle, Mysore for a period of one year on rate contract**

*Tender enquiry No: CESC/SEE(P)/T-01/C2-3043/06-07.dtd 8-06-2006*

9/6.01 The Board was informed that:

- i) The 11KV/415 V, 63KVA distribution transformers are required for carrying out system improvement works, providing dedicated transformers to water supply installations and regularization of IP sets and service connection works at various places of O&M circle, Mysore planned for the year 2006-07;
- ii) A total requirement of 1110 Nos. 63 KVA distribution transformers is estimated for the works planned. LOI has been issued on M/s. KAVIKA, Bangalore for supply of 900 Nos. 63KVA transformers to CESC. In order to maintain the continuous flow of transformers for completion of targeted works, tender notification has been issued by SE (*Procurement*) for procurement of 300 Nos. 63KVA transformers to O&M circle, Mysore;
- iii) 250 Nos. & 50 Nos. each are envisaged for system improvement works under Annual Programme of works and service connection works planned for 2nd & 3rd quarter FY-07;
- iv) The tender notification for supply of the subject material for a period of one year was issued in leading newspapers Prajavani Kannada daily and New Indian Express all India publication inviting bidders to submit their offer on or before 19-07-2006 through two part e-tender through CESC website;

- v) Corrigendum to tender notification was issued on 27-6-06 with regard to the change in PQR conditions. The technical bid was opened on 19-7-06 and price bid opened on 02-09-06;
- vi) The specification covers manufacture and supply of 11KV/415 V, 63KVA, aluminum wound distribution transformers conforming to relevant IS and technical specification adopted by KPTCL/ESCOMs.
- vii) Qualifying requirements:**
- a. General:**
1. Bidder should have designed, manufactured, type tested & supplied the materials mentioned in the bid document.
  2. Bidder shall be financially sound and shall submit audited financial reports for last three years preceding the date of bid submission i.e., for the year 2002-03, 2003-04 & 2004-05.
- b. Additional requirements:**
- ◆ Only manufacturers of the tender material shall quote.
  - ◆ The bidder must have supplied at least 50% of the tendered quantity, i.e., 25 KVA rating or higher capacity transformer in any one calendar year during last three years.
  - ◆ As a proof of above, the bidders shall submit the order completion cum performance certificate specific for this enquiry from electrical utility to whom the supplies are made.
  - ◆ The bidder participating in this particular enquiry shall have the manufacturing / delivering capacity of 150 Nos. transformers per month for that enquiry.
  - ◆ Tenders with offer quantity less than the manufacturing / delivering capacity mentioned in 2.04 b. iv are liable for rejection.
  - ◆ Bidder must not have defaulted in supplies against POs placed by KPTCL/any ESCOMs in Karnataka and should not to have been black listed by KPTCL / any ESCOM. The bidder should furnish a declaration in this regard.
- c. Financial Capabilities:**
- For the purpose of this particular bid, bidders shall meet the following minimum criteria:
- i. Average annual turnover for the best one year out of the last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to Rs. 300 lakhs (*For state SSI units this shall be Rs.150 lakhs*).
  - ii. Liquid assets and/ or evidence of asset or availability of credit facilities from balance sheet or credit offer letter from schedule bank for the current year should be Rs.150 lakhs. (*For state SSI units this shall be Rs.75 lakhs*).

*Note: - For SSI established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.*

- viii) Prices: The ex-works prices are variable as per IEEMA Price variation will be allowed as per IEEMA price variation circular for Aluminum wound distribution transformer IEEMA/PVC/DIST-TRF/AL with base price of raw material as on first day of calendar month prior to date of opening of techno commercial bid.

Price variation Formula:

$$P=[PO/100\{13+17(AL/ALO)+33(ES/ESO)+9(IS/ISO)+5(IM/IMO)+11(TB/TBO)+12(W/WO)\}]$$

- ix) The firms have stated in the tender document that they have not taken any technical and commercial deviations;
- x) Bidders were asked to quote the prices inclusive of all applicable taxes and duties and F & I and entry tax for this particular tendered material;
- xi) The tender in two part for supply of subject material is invited through Electronic Mode. The following eleven firms have purchased the tender forms by paying requisite tender document cost.

- 1 Vijay Electricals Ltd., Hyderabad
- 2 Associated Electrical Industries, Bangalore
- 3 Techno Fabs, Bangalore
- 4 Basaveshwara Engineering works, Bangalore
- 5 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 6 Maruthi transformer Mfg. co, Bangalore
- 7 EMCO Ltd., Jalgaon, Maharashtra
- 8 Kailash Transformers, Gulbarga
- 9 VT switchgear & Transformers, Bangalore.
- 10 Shanthaveera transformers, Bangalore.
- 11 Classic Techno lines, Bangalore

- xii) Following nine firms have submitted the bids in e-mode. The techno-commercial bids were opened on 19.07.06.

- 1 Vijay Electricals Ltd., Hyderabad
- 2 Techno Fabs, Bangalore
- 3 Basaveshwara Engineering works, Bangalore
- 4 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 5 EMCO Ltd., Jalgaon, Maharashtra
- 6 Kailash Transformers, Gulbarga
- 7 VT switchgear & Transformers, Bangalore
- 8 Shanthaveera transformers, Bangalore
- 9 Classic Techno lines, Bangalore



- xiii) All the above firms have paid the requisite EMD / PEMD or PEMD holders in CESC. The techno commercial bids of 9 firms were opened on 19-7-06;
- xiv) The 2 firms listed below have not submitted their bid in e-mode within the due date:
1. Associated Electrical Industries, Bangalore
  2. Maruthi transformer Mfg. co, Bangalore
- xv) The following seven firms are found responsive to the techno-commercial conditions stipulated in the tender:
- 1 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 2 Shanthaveera transformers, Bangalore
  - 3 Techno Fabs, Bangalore
  - 4 Basaveshwara Engineering works, Bangalore
  - 5 EMCO Ltd., Jalgaon, Maharashtra
  - 6 Kailash Transformers, Gulbarga
  - 7 VT switchgear & Transformers, Bangalore.
- xvi) All the above listed responsive firms are manufacturers of transformers only. All the firms are regular suppliers of the tendered materials to KPTCL / ESCOMS / Other electricity utilities and / or of private turn-key agencies executing works of ESCOMs.
- xvii) The following firms were found non-responsive, and have not complied the techno-commercial conditions of the tender. The reasons are noted here under.

Sl. No	Name of the firm	Reason for non-responsiveness
1.	Classic Technolines, B'lore	Insufficient liquid asset /credit facility from current year balance sheet /schedule bank
2.	Vijay Electricals, Hyderabad	Firm has not agreed the CESC delivery schedule specified in the bid. The firm has stated that delivery commences within 60 days from the date of receipt of drawing approval. Minimum acceptable quantity is 100 Nos. the firm has taken technical deviations.

- xviii) The price bids of the 7 responsive firms were opened on 02-09-06;
- xix) The procurement has been carried out in compliance with the provisions of the KTPP Act;
- xx) The entire tender document and technical specifications along with procurement proposal has been verified by tender scrutiny committee of Corporation meeting held on 5-9-06. The committee has recommended placing orders on L-1 firms at the negotiated rate;

- xxi) The bidders were asked to quote unit ex-works price, applicable taxes, duties, F & I and entry tax as per the bid specification. As such the total evaluated unit FORD price including taxes, duties, F & I charges and entry tax is considered for the purpose of evaluation;
- xxii) The total Negotiated unit FORD price has been compared with respect to the CESC SR-2005 rate updated to June-06 & present procurement rate of CESC updated to June-06 for analysis, since the tenders are quoted during June-06;
- xxiii) The Financial Advisor has indicated the need to tie up funds from Financial institutions for this procurement proposal. The store budget provision for this procurement is to be allocated out of Rs. 130.71 crores approved to CESC for the year 2006-07. The balance budget available as on this date is Rs 8515 lakhs;
- xxiv) The preliminary queries of internal audit have also been replied.
- xxv) The L1 firms listed in Serial No. 1 to 6 below, have been invited for price negotiation on 11.09.2006. The firms have agreed to reduce the unit Ex works price quoted by them from Rs. 73000 to 72500. The comparative of negotiated FORD price inclusive of all taxes, duties and F & I is here under:

Sl No	Name of the firms	Unit Ex-works price quoted by the firms in Rs.	Total evaluated unit price inclusive of all taxes quoted by the firms in Rs.	Negotiated unit Ex works price in Rs.	Negotiated FORD price inclusive of all taxes, duties & F & I	% excess of Negotiated unit FORD price compared to updated CESC SR - 05 in Rs. 63846.08	% excess of Negotiated unit FORD price w.r.t CESC Procurement rate updated to June-06 of Rs. 89564.42	Ranking
1	Techno Fabs, Bangalore	73000	96527.80	72500	95873.50	50.16	7.04	1
2	Basaveshwara Engg works, Bangalore	73000	96527.80	72500	95873.50	50.16	7.04	1
3	Southern Power Equipment Co. Pvt. Ltd., B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
4	Kailash Trfrs Gulbarga	73000	96527.80	72500	95873.50	50.16	7.04	1
5	VT switchgear & Trfrs, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
6	Shanthaveera Trfrs, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
7	EMCO Ltd., Maharashtra	84200	113205.00	-	-	77.31	26.40	2

9/6.02 The Board noted that:

- i) All the Six firms listed in SL No. 1-6 have quoted the L1 evaluated unit FORD price of Rs. 96527.80/-. However, after negotiation the unit FORD price inclusive of all taxes, duties and F & I is Rs. 95873.50 which is 50.16% excess over the updated rate of CESC SR 2005 for June-06. The negotiated FORD price is 7.04% excess over the updated rate of CESC procurement for June 06;
- ii) All the Six firms are state SSI units and manufacturers of transformers. The firms are regular suppliers of transformers to KPTCL/ESCOMs and supplied the ordered quantities against CESC P.O. The firms have offered to supply the full tendered quantity and agreed for CESC monthly delivery schedule mentioned in the tender. The firms have furnished the type test reports for the tests conducted at CPRI/ recognized laboratories;
- xi) Approximate cost of material put to tender as per CESC SR 2005 base Mar-05 is Rs. 153.81 lakhs;
- xii) Total amount required for procurement of above material at Negotiated rate in the present tender is Rs. 287.62 lakhs;
- xiii) The Purchase Committee in its adjourned 16<sup>th</sup> meeting held on 13<sup>th</sup> Sept.'06 has noted the present negotiated L1 offer of Rs. 95873.50 and recommended placing of purchase order on L1 firms at the negotiated price

9/6.03 The Board noted that there was scope for further price reduction and could be considered at the reduced price. The Board, therefore,

**Resolved that further price reduction be negotiated with the following L1 firms on the unit FORD price of Rs. 95873.50 and thereafter orders be placed on them as below:**

Sl No	Name of the L1 firms	Quantity
1	Techno Fabs, Bangalore	50
2	Basaveshwara Engg works, Bangalore	50
3	Southern Power Equipment Co. Pvt. Ltd., B'lore	50
4	Kailash Transformers, Gulbarga	50
5	VT switchgear & Transformers, Bangalore.	50
6	Shanthaveera Transformers, Bangalore.	50

**Further, strict delivery schedules be stipulated and in the event of default, the shortfall be reallocated to other firms**

**The Managing Director be and is also hereby authorized to place extension orders upto 25 % on need basis at the appropriate time. MD was authorized to reallocate the quantity if any firm failed to deliver transformers.**

**Item No. 9/7: Procurement of 250 Nos. 11KV/415 V, 63KVA distribution transformers to O&M circle, Hassan for a period of one year on rate contract**

*Tender enquiry No: CESC/SEE(P)/T-01/C2-3044/06-07.dtd 8-06-2006*

9/7.01 The Board was informed that:

- i) The 11KV/415 V, 63KVA distribution transformers are required for carrying out system improvement works, providing dedicated transformers to water supply installations and regularization of IP sets and service connection works at various places of O&M circle, Hassan planned for the year 2006-07;
- ii) A total requirement of 1110 Nos. 63 KVA distribution transformers is estimated for the works planned. LOI has been issued on M/s. KAVIKA, Bangalore for supply of 900 Nos. 63KVA transformers to CESC. In order to maintain the continuous flow of transformers for completion of targeted works, tender notification has been issued by SE (*Procurement*) for procurement of 250 Nos. 63KVA transformers to O&M circle, Hassan;
- iii) 250 Nos. & 50 Nos. each are envisaged for system improvement works under Annual Programme of works and service connection works planned for 2nd & 3rd quarter FY-07;
- iv) The tender notification for supply of the subject material for a period of one year was issued in leading newspapers Prajavani Kannada daily and New Indian Express all India publication inviting bidders to submit their offer on or before 19-07-2006 through two part e-tender through CESC website;

- v) Corrigendum to tender notification was issued on 27-6-06 with regard to the change in PQR conditions. The technical bid was opened on 19-7-06 and price bid opened on 02-09-06;
- vi) The specification covers manufacture and supply of 11KV/415 V, 63KVA, aluminum wound distribution transformers conforming to relevant IS and technical specification adopted by KPTCL/ESCOMs.
- vii) Qualifying requirements:**
- a. General:**
1. Bidder should have designed, manufactured, type tested & supplied the materials mentioned in the bid document.
  2. Bidder shall be financially sound and shall submit audited financial reports for last three years preceding the date of bid submission i.e., for the year 2002-03, 2003-04 & 2004-05.
- b. Additional requirements:**
- ◆ Only manufacturers of the tender material shall quote.
  - ◆ The bidder must have supplied at least 50% of the tendered quantity, i.e., 25 KVA rating or higher capacity transformer in any one calendar year during last three years.
  - ◆ As a proof of above, the bidders shall submit the order completion cum performance certificate specific for this enquiry from electrical utility to whom the supplies are made.
  - ◆ The bidder participating in this particular enquiry shall have the manufacturing / delivering capacity of 150 Nos. transformers per month for that enquiry.
  - ◆ Tenders with offer quantity less than the manufacturing / delivering capacity mentioned in 2.04 b. iv are liable for rejection.
  - ◆ Bidder must not have defaulted in supplies against POs placed by KPTCL/any ESCOMs in Karnataka and should not to have been black listed by KPTCL / any ESCOM. The bidder should furnish a declaration in this regard.
- c. Financial Capabilities:**
- For the purpose of this particular bid, bidders shall meet the following minimum criteria:
- i. Average annual turnover for the best one year out of the last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to Rs. 300 lakhs (*For state SSI units this shall be Rs.150 lakhs*).
  - ii. Liquid assets and/ or evidence of asset or availability of credit facilities from balance sheet or credit offer letter from schedule bank for the current year should be Rs.150 lakhs. (*For state SSI units this shall be Rs.75 lakhs*).

*Note: - For SSI established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.*

- viii) Prices: The ex-works prices are variable as per IEEMA Price variation will be allowed as per IEEMA price variation circular for Aluminum wound distribution transformer IEEMA/PVC/DIST-TRF/AL with base price of raw material as on first day of calendar month prior to date of opening of techno commercial bid.

Price variation Formula:

$$P=[PO/100\{13+17(AL/ALO)+33(ES/ESO)+9(IS/ISO)+5(IM/IMO)+11(TB/TBO)+12(W/WO)\}]$$

- ix) The firms have stated in the tender document that they have not taken any technical and commercial deviations;
- x) Bidders were asked to quote the prices inclusive of all applicable taxes and duties and F & I and entry tax for this particular tendered material;
- xi) The tender in two part for supply of subject material is invited through Electronic Mode. The following ten firms have purchased the tender forms by paying requisite tender document cost.

- 1 Vijay Electricals Ltd., Hyderabad
- 2 Techno Fabs, Bangalore
- 3 Basaveshwara Engineering works, Bangalore
- 4 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 5 Maruthi transformer Mfg. co, Bangalore
- 6 EMCO Ltd., Jalgaon, Maharashtra
- 7 Kailash Transformers, Gulbarga
- 8 VT switchgear & Transformers, Bangalore
- 9 Shanthaveera transformers, Bangalore
- 10 Classic Techno lines, Bangalore

- xii) Following eight firms have submitted the bids in e-mode. The techno-commercial bids were opened on 19.07.06.

- 1 Southern Power Equipment Co. Pvt. Ltd., Bangalore
- 2 Classic Techno lines, Bangalore
- 3 Techno Fabs, Bangalore
- 4 Basaveshwara Engineering works, Bangalore
- 5 EMCO Ltd., Jalgaon, Maharashtra
- 6 Kailash Transformers, Gulbarga
- 7 VT switchgear & Transformers, Bangalore.
- 8 Shanthaveera transformers, Bangalore.

- xiii) All the above firms have paid the requisite EMD / PEMD or PEMD holders in CESC. The techno commercial bids of 8 firms were opened on 19-7-06;

- xiv) The 2 firms listed below have not submitted their bid in e-mode within the due date:
1. Vijay Electricals Ltd., Hyderabad
  2. Maruthi transformer Mfg. co, Bangalore
- xv) The following seven firms are found responsive to the techno-commercial conditions stipulated in the tender:
- 1 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 2 Shanthaveera transformers, Bangalore
  - 3 Techno Fabs, Bangalore
  - 4 Basaveshwara Engineering works, Bangalore
  - 5 EMCO Ltd., Jalgaon, Maharashtra
  - 6 Kailash Transformers, Gulbarga
  - 7 VT switchgear & Transformers, Bangalore.
- xvi) All the above listed responsive firms are manufacturers of transformers only. All the firms are regular suppliers of the tendered materials to KPTCL / ESCOMS / Other electricity utilities and / or of private turn-key agencies executing works of ESCOMs.
- xvii) The following firms were found non-responsive, and have not complied the techno-commercial conditions of the tender. The reasons are noted here under.

Sl. No	Name of the firm	Reason for non-responsiveness
1.	Classic Technolines, Bangalore	Insufficient liquid asset /credit facility from current year balance sheet /schedule bank

- xviii) The price bids of the 7 responsive firms were opened on 02-09-06;
- xix) The procurement has been carried out in compliance with the provisions of the KTPP Act;
- xx) The entire tender document and technical specifications along with procurement proposal has been verified by tender scrutiny committee of Corporation meeting held on 5-9-06. The committee has recommended placing orders on L-1 firms at the negotiated rate;
- xxi) The bidders were asked to quote unit ex-works price, applicable taxes, duties, F & I and entry tax as per the bid specification. As such the total evaluated unit FORD price including taxes, duties, F & I charges and entry tax is considered for the purpose of evaluation;

- xxii) The total Negotiated unit FORD price has been compared with respect to the CESC SR-2005 rate updated to June-06 & present procurement rate of CESC updated to June-06 for analysis, since the tenders are quoted during June-06;
- xxiii) The Financial Advisor has indicated the need to tie up funds from Financial institutions for this procurement proposal. The store budget provision for this procurement is to be allocated out of Rs. 130.71 crores approved to CESC for the year 2006-07. The balance budget available as on this date is Rs 8515 lakhs;
- xxiv) The preliminary queries of internal audit have also been replied.
- xxv) The L1 firms listed in Serial No. 1 to 6 below, have been invited for price negotiation on 11.09.2006. The firms have agreed to reduce the unit Ex works price quoted by them from Rs. 73000 to 72500. The comparative of negotiated FORD price inclusive of all taxes, duties and F & I is here under:

Sl No	Name of the firms	Unit Ex-works price quoted by the firms in Rs.	Total evaluated unit price inclusive of all taxes quoted by the firms in Rs.	Negotiated unit Ex works price in Rs.	Negotiated FORD price inclusive of all taxes, duties & F & I	% excess of Negotiated unit FORD price compared to updated CESC SR - 05 in Rs. 63846.08	% excess of Negotiated unit FORD price w.r.t CESC Procurement rate updated to June-06 of Rs. 89564.42	Ranking
1	Techno Fabs, Bangalore	73000	96527.80	72500	95873.50	50.16	7.04	1
2	Basaveshwara Engg works, Bangalore	73000	96527.80	72500	95873.50	50.16	7.04	1
3	Southern Power Eqmt Co. Pvt. Ltd., B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
4	Kailash Trfrs, Gulbarga	73000	96527.80	72500	95873.50	50.16	7.04	1
5	VT switchgear & Trfrs, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
6	Shanthaveera Trfrs, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
7	EMCO Ltd., Maharastra	84200	113205.00	-	-	77.31	26.40	2

9/7.02 The Board noted that:

- i) All the Six firms listed in SL No. 1-6 have quoted the L1 evaluated unit FORD price of Rs. 96527.80/-. However, after



negotiation the unit FORD price inclusive of all taxes, duties and F & I is Rs. 95873.50 which is 50.16% excess over the updated rate of CESC SR 2005 for June-06. The negotiated FORD price is 7.04% excess over the updated rate of CESC procurement for June 06;

- ii) All the Six firms are state SSI units and manufacturers of transformers. The firms are regular suppliers of transformers to KPTCL/ESCOMs and supplied the ordered quantities against CESC P.O. The firms have offered to supply the full tendered quantity and agreed for CESC monthly delivery schedule mentioned in the tender. The firms have furnished the type test reports for the tests conducted at CPRI/ recognized laboratories;
- iii) Approximate cost of material put to tender as per CESC SR 2005 base Mar-05 is Rs. 128.17 lakhs;
- iv) Total amount required for procurement of above material at Negotiated rate in the present tender is Rs. 239.68 lakhs;
- v) The Purchase Committee in its adjourned 16<sup>th</sup> meeting held on 13<sup>th</sup> Sept.'06 has noted the present negotiated L1 offer of Rs. 95873.50 and recommended placing of purchase order on L1 firms at the negotiated price

9/7.03 The Board noted that there was scope for further price reduction and could be considered at the reduced price. The Board, therefore,

**Resolved that further price reduction be negotiated with the following L1 firms on the unit FORD price of Rs. 95873.50 and thereafter orders be placed on them as below:**

Sl No	Name of the L1 firms	Quantity
1	Techno Fabs, Bangalore	41
2	Basaveshwara Engg works, Bangalore	41
3	Southern Power Equipment Co. Pvt. Ltd., B'lore	42
4	Kailash Transformers, Gulbarga	42
5	VT switchgear & Transformers, Bangalore.	42
6	Shanthaveera Transformers, Bangalore.	42

**Further, strict delivery schedules be stipulated and in the event of default, the shortfall be reallocated to other firms**

**The Managing Director be and is also hereby authorized to place extension orders upto 25 % on need basis at the appropriate time. MD was authorized to reallocate the quantity if any firm failed to deliver transformers.**

**Item No. 9/8: Procurement of 250 Nos. 11KV/415 V, 63KVA distribution transformers to O&M circle, Mandya for a period of one year on rate contract.**

*Tender enquiry No: CESC/SEE(P)/T-01/C2-3045/06-07.dtd 8-06-2006*

9/8.01 The Board was informed that:

- i) The 11KV/415 V, 63KVA distribution transformers are required for carrying out system improvement works, providing dedicated transformers to water supply installations and regularization of IP sets and service connection works at various places of O&M circle, Mandya planned for the year 2006-07;
- ii) A total requirement of 1110 Nos. 63 KVA distribution transformers is estimated for the works planned. LOI has been issued on M/s. KAVIKA, Bangalore for supply of 900 Nos. 63KVA transformers to CESC. In order to maintain the continuous flow of transformers for completion of targeted works, tender notification has been issued by SE (*Procurement*) for procurement of 250 Nos. 63KVA transformers to O&M circle, Mandya;
- iii) 250 Nos. & 50 Nos. each are envisaged for system improvement works under Annual Programme of works and service connection works planned for 2nd & 3rd quarter FY-07;
- iv) The tender notification for supply of the subject material for a period of one year was issued in leading newspapers Prajavani Kannada daily and New Indian Express all India publication inviting bidders to submit their offer on or before 19-07-2006 through two part e-tender through CESC website;
- v) Corrigendum to tender notification was issued on 27-6-06 with regard to the change in PQR conditions. The technical bid was opened on 19-7-06 and price bid opened on 02-09-06;

- vi) The specification covers manufacture and supply of 11KV/415 V, 63KVA, aluminum wound distribution transformers conforming to relevant IS and technical specification adopted by KPTCL/ESCOMs.

**vii) Qualifying requirements:**

**a. General:**

1. Bidder should have designed, manufactured, type tested & supplied the materials mentioned in the bid document.
2. Bidder shall be financially sound and shall submit audited financial reports for last three years preceding the date of bid submission i.e., for the year 2002-03, 2003-04 & 2004-05.

**b. Additional requirements:**

- ◆ Only manufacturers of the tender material shall quote.
- ◆ The bidder must have supplied at least 50% of the tendered quantity, i.e., 25 KVA rating or higher capacity transformer in any one calendar year during last three years.
- ◆ As a proof of above, the bidders shall submit the order completion cum performance certificate specific for this enquiry from electrical utility to whom the supplies are made.
- ◆ The bidder participating in this particular enquiry shall have the manufacturing / delivering capacity of 150 Nos. transformers per month for that enquiry.
- ◆ Tenders with offer quantity less than the manufacturing / delivering capacity mentioned in 2.04 b. iv are liable for rejection.
- ◆ Bidder must not have defaulted in supplies against POs placed by KPTCL/any ESCOMs in Karnataka and should not to have been black listed by KPTCL / any ESCOM. The bidder should furnish a declaration in this regard.

**c. Financial Capabilities:**

For the purpose of this particular bid, bidders shall meet the following minimum criteria:

- i. Average annual turnover for the best one year out of the last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to Rs. 300 lakhs (*For state SSI units this shall be Rs.150 lakhs*).
- ii. Liquid assets and/ or evidence of asset or availability of credit facilities from balance sheet or credit offer letter from schedule bank for the current year should be Rs.150 lakhs. (*For state SSI units this shall be Rs.75 lakhs*).

*Note: - For SSI established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.*

- viii) Prices: The ex-works prices are variable as per IEEMA Price variation will be allowed as per IEEMA price variation circular for Aluminum wound distribution transformer IEEMA/PVC/DIST-TRF/AL with base price of raw material as on first day of calendar month prior to date of opening of techno commercial bid.  
Price variation Formula:  
$$P=[PO/100\{13+17(AL/ALO)+33(ES/ESO)+9(IS/ISO)+5(IM/IMO)+11(TB/TBO)+12(W/WO)\}]$$
- ix) The firms have stated in the tender document that they have not taken any technical and commercial deviations;
- x) Bidders were asked to quote the prices inclusive of all applicable taxes and duties and F & I and entry tax for this particular tendered material;
- xi) The tender in two part for supply of subject material is invited through Electronic Mode. The following ten firms have purchased the tender forms by paying requisite tender document cost.
- 1 Vijay Electricals Ltd., Hyderabad
  - 2 Techno Fabs, Bangalore
  - 3 Basaveshwara Engineering works, Bangalore
  - 4 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 5 Maruthi transformer Mfg. co, Bangalore
  - 6 EMCO Ltd., Jalgaon, Maharastra
  - 7 Kailash Transformers, Gulbarga
  - 8 VT switchgear & Transformers, Bangalore
  - 9 Shanthaveera transformers, Bangalore
  - 10 Classic Techno lines, Bangalore
- xii) All the above ten firms have submitted the bids in e-mode. The techno-commercial bids were opened on 19.07.06.
- xiii) All the above firms have paid the requisite EMD / PEMD or PEMD holders in CESC. The techno commercial bids of these firms were opened on 19-7-06;
- xiv) The 2 firms listed below have not submitted their bid in e-mode within the due date:
1. Vijay Electricals Ltd., Hyderabad
  2. Maruthi transformer Mfg. co, Bangalore
- xv) The following eight firms are found responsive to the techno-commercial conditions stipulated in the tender:
- 1 Southern Power Equipment Co. Pvt. Ltd., Bangalore
  - 2 Shanthaveera transformers, Bangalore.
  - 3 Techno Fabs, Bangalore

- 4 Basaveshwara Engineering works, Bangalore
- 5 EMCO Ltd., Jalgaon, Maharashtra
- 6 Kailash Transformers, Gulbarga
- 7 VT switchgear & Transformers, Bangalore.
- 8 Maruthi transformer Mfg. co, Bangalore

- xvi) All the above listed responsive firms are manufacturers of transformers only. All the firms are regular suppliers of the tendered materials to KPTCL / ESCOMS / Other electricity utilities and / or of private turn-key agencies executing works of ESCOMS.
- xvii) The following two firms were found non-responsive for the reasons noted here under:

Sl. No	Name of the firm	Reason for non-responsiveness
1.	Classic Technolines, Bangalore	Insufficient liquid asset /credit facility from current year balance sheet /schedule bank
2.	Vijay Electricals, Hyderabad	Firm has not agreed the CESC delivery schedule specified in the bid. The firm has stated that delivery commences within 60 days from the date of receipt of drawing approval. Minimum acceptable quantity as 100 Nos. the firm has taken technical deviations.

- xviii) The price bids of the 8 responsive firms were opened on 02-09-06;
- xix) The procurement has been carried out in compliance with the provisions of the KTPP Act;
- xx) The entire tender document and technical specifications along with procurement proposal has been verified by tender scrutiny committee of Corporation meeting held on 5-9-06. The committee has recommended placing orders on L-1 firms at the negotiated rate;
- xxi) The bidders were asked to quote unit ex-works price, applicable taxes, duties, F & I and entry tax as per the bid specification. As such the total evaluated unit FORD price including taxes, duties, F & I charges and entry tax is considered for the purpose of evaluation;
- xxii) The total Negotiated unit FORD price has been compared with respect to the CESC SR-2005 rate updated to June-06 & present procurement rate of CESC updated to June-06 for analysis, since the tenders are quoted during June-06;

- xxiii) The Financial Advisor has indicated the need to tie up funds from Financial institutions for this procurement proposal. The store budget provision for this procurement is to be allocated out of Rs. 130.71 crores approved to CESC for the year 2006-07. The balance budget available as on this date is Rs 8515 lakhs;
- xxiv) The preliminary queries of internal audit have also been replied.
- xxv) The L1 firms listed in Serial No. 1 to 7 below, have been invited for price negotiation on 11.09.2006. The firms have agreed to reduce the unit Ex works price quoted by them from Rs. 73000 to 72500. The comparative of negotiated FORD price inclusive of all taxes, duties and F & I is here under:

Sl No	Name of the firms	Unit Ex-works price quoted by the firms in Rs.	Total evaluated unit price inclusive of all taxes quoted by the firms in Rs.	Negotiated unit Ex works price in Rs.	Negotiated FORD price inclusive of all taxes, duties & F & I	% excess of Negotiated unit FORD price compared to updated CESC SR - 05 in Rs. 63846.08	% excess of Negotiated unit FORD price w.r.t CESC Procurement rate updated to June-06 of Rs. 89564.42	Ranking
1	Maruthi Trfrs Mfg Comp, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
2	Techno Fabs, Bangalore	73000	96527.80	72500	95873.50	50.16	7.04	1
3	Basaveshwara Engineering works, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
4	Southern Power Equipment Co. Pvt. Ltd., B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
5	Kailash Trfrs, Gulbarga	73000	96527.80	72500	95873.50	50.16	7.04	1
6	VT switchgear & Trfrs, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
7	Shanthaveera Trfrs, B'lore	73000	96527.80	72500	95873.50	50.16	7.04	1
8	EMCO Ltd., Maharastra	84200	113205.00	-	-	77.31	26.40	2

9/8.02 The Board noted that:

- i) All the Six firms listed in SL No. 1-7 have quoted the L1 evaluated unit FORD price of Rs. 96527.80/-. However, after negotiation the unit FORD price inclusive of all taxes, duties and F & I is Rs. 95873.50 which is 50.16% excess over the updated

rate of CESC SR 2005 for June-06. The negotiated FORD price is 7.04% excess over the updated rate of CESC procurement for June 06;

- ii) All the Seven firms are state SSI units and manufacturers of transformers. The firms are regular suppliers of transformers to KPTCL/ESCOMs and supplied the ordered quantities against CESC P.O. The firms have offered to supply the full tendered quantity and agreed for CESC monthly delivery schedule mentioned in the tender. The firms have furnished the type test reports for the tests conducted at CPRI/ recognized laboratories;
- iii) Approximate cost of material put to tender as per CESC SR 2005 base Mar-05 is Rs. 128.17 lakhs;
- iv) Total amount required for procurement of above material at Negotiated rate in the present tender is Rs. 239.68 lakhs;
- v) The Purchase Committee in its adjourned 16<sup>th</sup> meeting held on 13<sup>th</sup> Sept.'06 has noted the present negotiated L1 offer of Rs. 95873.50 and recommended placing of purchase order on L1 firms at the negotiated price

9/8.03 The Board noted that there was scope for further price reduction and could be considered at the reduced price. The Board, therefore,

**Resolved that further price reduction be negotiated with the following L1 firms on the unit FORD price of Rs. 95873.50 and thereafter orders be placed on them as below:**

Sl No	Name of the L1 firms	Quantity
1	Maruthi Transformers Mfg Comp, B'lore	35
2	Techno Fabs, Bangalore	35
3	Basaveshwara Engineering works, B'lore	36
4	Southern Power Equipment Co. Pvt. Ltd., B'lore	36
5	Kailash Transformers, Gulbarga	36
6	VT switchgear & Transformers, Bangalore.	36
7	Shanthaveera Transformers, Bangalore	36

**Further, strict delivery schedules be stipulated and in the event of default, the shortfall be reallocated to other firms**

**The Managing Director be and is also hereby authorized to place extension orders upto 25 % on need basis at the appropriate time. MD was authorized to reallocate the quantity if any firm failed to deliver transformers.**

**Item No.9/9: Procurement of 3000 Kms, Rabbit ACSR conductor to Hassan circle on rate contract for one year**

*Tender enquiry No: CESC/SEE(P)/T-01/C2-3054/06-07 dt: 1.7.06.*

9/9.01 The Board was informed that rabbit ACSR conductor is required in the CESC area for providing dedicated transformers to water supply installations, providing infrastructure to regularized unauthorized IP sets, arranging power supply to targeted IP sets, water works, service connection works and system improvement works for FY -07. The Chief Engineer (Mysore Zone) had estimated the requirement of 9000 Kms of Rabbit ACSR conductor for FY-07. The annual requirement of rabbit conductor is estimated as 20,000 kms to complete annual programme of works.

9/9.02 The Board was further informed that:

- i) the Superintending Engineer Elec., Purchase, CESC has assessed 3000kms of Rabbit conductor for arranging power supply to targeted IP sets, service connection works and system improvement works for the balance period of FY-07 in O&M circle, Hassan;
- ii) tender notification was issued by SE (Procurement) in leading newspapers vide enquiry No CESC/SEE(P)/T-01/C2-3036/06-07 dtd.02.05.2006 inviting prospective bidders for supply of Rabbit ACSR conductor under rate contract for One year and technical bid was opened on 9.6.06. The tender was cancelled, as only one firm submitted the offer on or before the due date of opening. Again the fresh tender notification was issued vide enquiry No. CESC/SEE(P)/T-01/C-2/3054 dt: 01.07.2006 inviting prospective bidders to submit their offers on or before 4.8.2006 through two part e-tender mode using CESC website.



iii) The specification covers manufacture, stage testing and supply of Rabbit ACSR conductor conforming to IS-298 (Part- II) 1976 with latest amendments and technical specification adopted by KPTCL/ ESCOMs;

iv) Qualifying requirements:

**a. General**

- i. Bidder should have designed, manufactured, type tested & supplied the materials mentioned in the bid document.
- ii. Bidder shall be financially sound and shall submit audited financial reports for last three years preceding the date of bid submission for the year 02-03, 03-04 and 04-05.

**b. Additional requirements:**

- i. Only manufacturer of the material specified in the tender shall quote.
- ii. The bidder must have supplied at least 20% of the tendered quantity in any one calendar year during last three years to reputed organizations like KPTCL/ESCOMs and other state Electricity Boards.
- iii. As proof of the above, the bidder shall submit the order completion cum performance certificate specific for this enquiry form Electrical utilities to which the supplies are made.
- iv. The bidder shall offer the full quantity of tendered material. Tenders with offered quantities less than the tendered quantity will be liable for rejection.
- v. The bidder participating in this tender shall agree to commence the supplies within 30 days from the date of the purchase order and complete the total supplies within 12 months from the date of the purchase order at a minimum manufacturing /delivering capacity of 250 kms of Rabbit conductor per month.
- vi. The bidder must not have defaulted in supplies against PO's placed by KPTCL / any ESCOM in Karnataka and should not have been blacklisted by KPTCL/ESCOM in Karnataka. The bidder should furnish a declaration in this regard.

**c. Financial Capabilities:**

- i. Average annual turnover for the best one year out of last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to Rs.400 lakhs.
- ii. Liquid assets and / or evidence of asset or an availability of credit facilities should be 50% of the quantity offered.

Note:- For SSIs established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.

v) The Ex-works prices are variable as per price variation stipulations of tender;

- vi) The firms have stated in the tender document that they have not taken any technical and commercial deviations;
- vii) The prices have been quoted by bidders inclusive of all applicable taxes and duties and F & I for the tendered material and evaluation has been done;
- viii) The following nine firms have purchase the tender document through internet by paying the prescribed tender cost and submitted their offers on the due date of submission 4.8.06;
- 1 Bhaskar Electricals, Perungudi, Chennai
  - 2 Bhuvan Enterprises Perungudi, Chennai
  - 3 Deepak Cables (India) Ltd., Bangalore
  - 4 Dynamic Engineers VKI Area, Jaipur
  - 5 KJV Alloy Conductors Pvt. Ltd., Dharampeth, Nagpur
  - 6 Mohan Aluminium Pvt. Ltd., Bangalore
  - 7 Ranisha Conductor Co, Chokkanahalli, Hoskote Tlk, B'lore Rural Dt
  - 8 Sharavathy Conductors Pvt Ltd., Bangalore
  - 9 Sharavathy Steel Products Pvt. Ltd., Bangalore
- ix) All the firms have paid the requisite EMD / PEMD stipulated in the tender;
- x) The technical bids of the above firms were opened on 4.8.2006 and evaluated. The offers of the following Seven firms are found responsive to the technical and commercial conditions of tender;
- 1 Bhaskar Electricals, Perungudi, Chennai
  - 2 Bhuvan Enterprises, Perungudi Chennai
  - 3 Deepak Cables (India) Ltd., Bangalore
  - 4 Dynamic Engineers VKI Area, Jaipur
  - 5 KJV Alloy Conductors Pvt. Ltd., Dharampeth, Nagpur
  - 6 Sharavathy Conductors Pvt Ltd., Bangalore
  - 7 Sharavathy Steel Products Pvt. Ltd., Bangalore
- xi) After seeking clarification regarding delivery schedule, the firms listed in serial No. 6& 7 above are treated as responsive duly intimating audit and placing the same before tender scrutiny committee on 8.9.06 ;
- xii) The following firms are found non responsive to the Techno – commercial conditions of tender.

	<b>Name of the firm</b>	<b>Reason</b>
1	Mohan Aluminum Pvt. Ltd., Bangalore (Karnataka)	No proof of supplies. Declaration regarding non-defaulting in supplies non-black listing not furnished. Block listed by BESCO vide OM No. BC

		10/F 395 /02-03/7916-56/1.8.06
2	Ranisha Conductor Company, Chokkanahalli, Hoskote Taluk, Bangalore Rural District (Karnataka)	Delivery schedule not in conformity with the stipulated delivery schedule and insufficient liquid assets.

- xiii) The price bids of technically and commercially responsive firms was opened on 8.9.2006 and evaluated;
- xiv) All the responsive firms are regular suppliers of tendered material to KPTCL/ESCOMs and other state Electrical utilities;
- xv) The procurement process has been carried out in compliance with the provisions of the KTPP Act;
- xvi) The bidders were asked to quote rate per KM and applicable taxes, F & I charges as per bid specification. As such the total evaluated unit FORD price including taxes, duties and F & I charges is considered for the purpose of evaluation;
- xvii) The total evaluated amount has been compared with respect to updated CESC procurement prices and updated prevailing SR-2005 for analysis;
- xviii) VAT will be allowed subject to furnishing of VAT registration number. The firm will be asked to supply materials at agreed rate as per the requirement / approved design adopted by KPTCL & other ESCOMs.
- xix) Financial Adviser has indicated the need to tie up of funds from financial institutions. The store budget provision for this procurement is to be allocated out of Rs.130.71 cores approved to CESC for the year 06-07. The balance budget available as on this date is Rs. 82.27 Crores;
- xx) The preliminary queries of internal audit have also been replied.
- xxi) The details of the offers of the various responsive firms is as under:

Sl No	Name of the firm	Ex-works price quoted by the firms per Km	Total evaluated unit price including all taxes, duties & F & I in Rs/Km	% excess of evaluated unit price w.r.t updated SR 2005 per Km. Rs. 33042.80	% excess of evaluated unit price w.r.t updated present procurement rate of CESC Rs. 34188.06	Ranking
1	Deepak Cables (India) Ltd., B'lore	26000	31752.93	-3.90	-7.12	1

2	Dynamic Engineers VKI Area, Jaipur	25600	31800.96	-3.76	-6.98	2
3	Bhaskar Electricals perungudi, Chennai	26595	32222.21	-2.48	-5.75	3
4	Bhuvan Enterprises Perungudi Chennai	26595	32222.21	-2.48	-5.75	

xxii) On evaluation, it is found that **M/s. Deepak Cables (India) Ltd., Bangalore**, a state SSI unit has quoted L-1 unit FORD price of **Rs. 31752.93** which is **3.90% less** over updated SR 2005 and **7.12 % less** over updated CESC procurement price;

xxiii) Approximate cost of material put to tender, as per prevailing SR 2005 is Rs.764.70 lakhs;

xxiv) Total amount required for procurement of above material at L1 rate quoted in the present tender is Rs.952.59 lakhs;

xxv) The Purchase Committee at its adjourned 16<sup>th</sup> meeting held on 13<sup>th</sup> Sept. '06 has noted that the present L1 offer of Rs. 31,752.93 is 3.90% less over updated SR 2005 and 7.12 % less over updated CESC procurement price and could be accepted.

9/9.04 The Board noted that the rate offered by the L1 firm, M/s. Deepak Cables (India) Ltd., was competitive and could be considered. As the Board has already decided that the firm could not be considered as a defaulter regarding the previous tender, there was no bar in placing orders on it. The Board, therefore

10.0 Approval of the Board is therefore sought to place orders on the L1 firm,

**Resolved that the proposal to place orders on the L1 firm, on M/s Deepak cables (India) Ltd. Bangalore, for procurement of 3000 kms of Rabbit ACSR conductor at L1 FORD price of Rs. 31,752.93 per Km on rate contract for one year be and is hereby approved;**

**The Managing Director be and is also hereby authorized to place extension orders up to 25 % on need basis at the appropriate time.**

**Item No.9/10: Procurement of ACSR Rabbit conductor from M/s Deepak Cables (India) Ltd.-extension of time to complete balance supplies & waiver of LD**

9/10.01 The Board was apprised of the background regarding the decision to place orders for 125% over the tender quantity on the L1 bidder, the bidders response to limit supplies to the offer quantity of 2250 Kms, the present response to complete the balance supplies to the extent of tender quantity and waiver of LD levied in respect of the deliveries made so far.

9/10.02 The Board observed that it was decided to limit the procurement to the extent offered as per the tender conditions. Since the firm has agreed to complete the supply of the tender quantity and as the same is advantageous to the Corporation, it would be prudent to avail the same. In the light of the earlier decision of the Board, the question of levy of LD for short fall in quantity would not arise. The Board noted that there would be a savings of about Rs. 102.55 lakhs by procuring the balance quantity of 2750 Kms at the same rate as compared to the new tender rates. With this quantity 916 Kms of 11 Kv lines could be converted to Rabbit conductor resulting in a possible savings in losses of about 35.52 Mu. per annum.

**Item No.9/11: Procurement of 50,000 Nos. (Five lakhs) Compact Fluorescent lamps 5W/8W/11W on Rate Contract basis for RGGVY works**

*Tender enquiry No: CESC/CEE/EE(O)/AEE-1/RC/07/06-07 dtd 01-07-2006.*

9/11.01 The Managing Director explained the background for inviting the said tender on behalf of all ESCOMs and the salient features of the tender.

9/11.02 The Board noted that the stipulations in the pre-qualification that bidder shall provide *completion-cum-performance* certificate may not be appropriate given the fact that it would not be feasible to obtain such performance certificates from all the users. Further, a basic decision has to be taken regarding the wattage of the CFL lamp to be specified to avoid issues in evaluation.

9/11.03 Taking into account all the above aspects, the Board desired that the tender be re-invited with modified PQR for 11 watts CFL lamps and with short notice of about 15 days time.

**Item No. 9/12 Purchase of meters from retail outlet through revolving fund for replacing MNR meters –**

9/12/01 The Managing Director informed the Board that the EEs have been authorized to procure meters from retail outlet for replacement of MNR meters as desired by the Board. The financial limit for placing Purchase Order for this purpose is enhanced to Rs. 1.00 lakhs Action would be taken to expedite this process through this empowerment.

**Item No. 9/14: Financial Performance**

9/14.01 The Board noted the financial performance statements and observed that efforts had to be stepped up to collect the outstandings from the LT categories. In regard to water supply installations, there has to be rigorous follow up with the RDPR Department. The following measures were suggested.

- i) to list out villages with 100% non-payment and to disconnect STL, Offices of local bodies – *MV Murthy*
- ii) DCB – to verify figures of unmetered/nonread installations - *MV Murthy and BN Sathyaprem Kumar*
- iii) to compile list of recoverable arrears and to furnish the same to the Officials for expediting recovery. Officials to monitor recovery – DCA / CA to monitor and report to FA regarding amounts less than Rs.10,000/- and FA to monitor from Corporate Office regarding amounts more than Rs.10,000/-. Outstanding dues to be liquidated in the next 3 months; Chairman and Board to review on daily, weekly and monthly basis respectively. Suitable instructions to be communicated to all concerned officials. Status report to be furnished as under- *Chairman:*

Sl.no.	Name of Sub-division	No. >Rs.10,000	No. >Rs.5,000	No. < Rs.5,000 & >Rs.1000
1				
..				

- iv) MD and other officers should take all measures to improve performance.

### **Item No. 9/15: Incentive to Load Despatch centre**

9/15.01 The Managing Director explained the need and basis for extending an incentive to the Load Despatch Centre for having sold 110 lakhs of energy at the rate of Rs.5.12 during the period from 04-09-2006 to 10-09-2006.

9/15.02 The Board felt as LDC was acting on behalf of all ESCOMs, the concept could be discussed in the coordination forum and a decision taken.

### **Item No. 9/16: Payment of Power Purchase Cost – Opening of ESCROW Account**

9/16.01 The Board was informed about the LCs opened in regard to Power Purchase from the following Central Government Undertakings by depositing 100% margin amount against the L.C. limit.

Sl. No.	Name of Power Supplies	L.C. No. and Limit	F.D. Amount	Name of the bank	Valid from
1.	NTPC	ICNG/4441/ILC/001/2006-07 dt1-7-06-Rs.7.13 crs	Rs.7.13 crores	S.B.M. Kuvempunagar Branch, Mysore	1-7-06 to 30-6-07
2	NPCIL	009806/ 1-7-06 Rs.1.92 crs	Rs.1.92 crores	Corporation Bank, Ashoka Road, Mysore	1-7-06 to 30-6-07
3	NLC	2 / 06 dt 23- 3-06 Rs.4.10 crs	Rs.4.10 crores	Canara Bank Kuvempunagar Mysore	23-3-06 to 22-3-07
4	PGCIL	1/06 dt 23-3-06 Rs. 1.40 crs	Rs.1.40 cores	Canara Bank Kuvempunagar Mysore	23-3-06 to 22-3-07

9/16.02 The Board noted and took on record the same.

**Item No. 9/17: Special Pay and Personal Allowance for the officers / employees working in corporate office**

9/17.01 The Board was apprised about the proposal to pay special pay and personal allowance as stated in BO No. KPTCL/B16/4679/2006-07 dated 27.09.2006 to the categories of officers/employees who are working at CESC, Corporate Office, Mysore on the same lines of KPTCL, Corporate Office, Bangalore as also they are discharging specialized and skillful duties

9/17.02 The Board felt that as all the employees were on deputation from KPTCL and as the allowances were being regulated as per parent department, it would be more appropriate to amend the KPTCL orders to this effect.

**Item No.9/18: Approval for borrowing by way of bridge loan from M/s REC Ltd**

9/18.01 The Board was informed that REC has sanctioned schemes under RGGVY Scheme for Mandya, Mysore and Hassan Districts and the works in these Districts are in progress, an application vide No. CESC/MYZ/EE(O)/AEE-1/06-07/11345-47 dated 25-08-2006 was made for sanctioning 2<sup>nd</sup> instalment of grants / loans, and the same is under consideration by the Govt. of India. Further the REC has communicated “**in principle**” approval for RGGVY Scheme of Chamarajanagar, but the formal approval is awaited.

9/18.02 The Board was further informed that pending the above approvals / release of grants, payments needs to be made to the contractors to maintain the momentum of works execution. Therefore REC was requested to sanction short term loan as “**Bridge Loan**” until grants are received from Central Government. Further, the awarded amounts are much higher than the sanctioned amount, the REC is yet to communicate revised approvals. REC has agreed to sanction Bridge Loans to meet immediate financial requirements for payment to the contractors for schemes taken up under the above schemes.



9/18.03 The Board noted the above and the need to avail short term loan to meet the requirements of the works taken up for execution and felt that it would be in order. Hence, the Board

**Resolved a) that pursuant to the provisions contained in Section 292(1)(c) of the Companies Act,1956 and the provisions contained in the Memorandum and Articles of Association of the Company consent of the Board be and is hereby accorded to the company to borrow from REC short term loan of Rs. 50 crores (*Rupees Fifty crores only*) on the terms and conditions indicated by them in their Sanction Letter:**

- b) that the Board hereby declares that the term Loan being availed by the Company is within the Borrowing powers and limits specified in section 293(1)(d) of the Companies Act, 1956.
- c) that the Managing Director and/ or Director (Technical) be and are hereby authorized severally to convey to REC acceptance on behalf of the Company of the said offer for financial assistance on the terms and conditions contained in their Sanction Letter aforementioned.
- d) that the company do borrow from REC a Term Loan not exceeding Rs 50 crores (*Rupees Fifty crores only*) on the terms and conditions set out in the draft of Loan Agreement (*“hereinafter referred to as the Agreement”*) as provided by REC
- e) that the Managing Director and/ or Director (Technical) be and hereby are severally authorized to sign, execute such deeds, documents and other writings as may be necessary or required for this purpose by REC on behalf of the Company and carry out such modifications / amendments /alterations therein as may be required & acceptable to REC and finalize the same.
- f) that the Common Seal of the Company be affixed to the stamped endorsement(s) of the Mortgage Deed/Deed of Hypothecation and to such other documents as may be required to be executed as per

the terms and conditions set out in the Agreement under the Common Seal of the Company in favour of REC to secure the aforesaid facilities in the presence of Managing Director and /or Director (Technical)

- g) that Managing Director and /or Director (Technical) of the Company be and are hereby severally authorized to accept amendments to such executed Agreements/ Deed of Mortgage / Deed of Hypothecation and other documents as and when become necessary and to sign letter(s) of undertakings, declarations, agreements and other papers where the Company may be required to sign for availing of the aforesaid facilities and, if so required, the Common Seal of the Company be affixed thereto in the presence of any of the said Directors or Officers, who shall also sign / countersign the same in token thereof as required by the AoA of the Company.
- h) that Managing Director and/ or Director (Technical) of the Company be and is hereby severally authorized to take such actions for registration of the said documents with the registrar of Companies and the Sub- Registrar under registration Act, and / or file the particulars of charges with the RoC under the Companies Act, 1956 within the stipulated time allowed under the Companies Act, 1956 and to take all necessary steps to give effect to the above resolution.

Sd/-  
**(Bharat Lal )**  
**Chairman**