



**GOVERNMENT OF KERALA**

**Abstract**

WRD - Accepting the single bid submitted by M/s Cheeran Structural, IV/213, Challisserry P.O, Palakkad in connection with the work "KWA Sewerage line connection, Side Protection works and Dredging & conveyance of silt to the disposal site including all allied machines for dredging" as part of "Desilting and Reconstruction of Amayizhanjan Thodu from Kannammoola to Akkulam" - Sanction accorded - Orders Issued

**WATER RESOURCES (IR) DEPARTMENT**

G.O.(Ms)No.26/2021/WRD

Dated,Thiruvananthapuram, 09/07/2021

Read 1 GO(Rt)No.136/2019/WRD dated 01.03.2019

2 GO(Rt) No.187/2020/WRD dated 27/02/2020

3 Letter No.W3-26644/2020/PQ/DB3 dated 09/02/2021 from the Chief Engineer, Irrigation & Administration, Thiruvananthapuram.

4 Letter No.W3-26644/2020/DB3 dated 25/06/2021 from the Chief Engineer, Irrigation & Administration, Thiruvananthapuram.

**ORDER**

As per Government Order read 1<sup>st</sup> paper above Administrative Sanction was accorded for the work "Desilting and Reconstruction of Amayizhanjan Thodu from Kannammoola to Akkulam" for an amount of ₹25 Crores.

2. Revised Administrative Sanction was accorded for the above work for ₹24,99,96,764/- as per the Government Order read 2<sup>nd</sup> paper above against the following components:

Sl.No.	Component	Amount
1	KWA Sewerage line connection (including GST)	10,78,00,000
2	Side Protection works	6,57,54,574
3	Purchase of Silt pusher including its O & M for 2 years	3,00,00,000
4	Dredging and conveyance of silt to the disposal site including all allied machines for dredging (LS)	2,71,06,822
5	Installation of screen and its O & M for 2 years	26,00,000

6	Laying boundary stones for demarcating the boundary (LS)	10,00,000
7	Unforseen (LS)	5,00,000
8	GST @ 12%	1,52,35,368
	<b>Total</b>	<b>24,99,96,764</b>

3) The Chief Engineer, Irrigation & Administration, Thiruvananthapuram as per the letter read 3<sup>rd</sup> paper above has reported that the estimated PAC for the works "KWA Sewerage line connection, Side Protection works and Dredging & conveyance of silt to the disposal site including all allied machines for dredging," as specified in Sl. Nos. 1, 2 & 4 respectively, comes to ₹18,13,13,666.60/-. Technical Sanction for the work was issued by the Chief Engineer, Irrigation & Administration on 27/05/2020 for ₹24,86,00,000/-. Subsequently, the work comprising the three components was e-Tendered on 29/05/2020. Since no response received from the contractors, the work was again e-tendered on 27.07.2020. But only one bidder, M/S Cheeran Structurals, IV/213, Challisserry P.O, Palakkad participated and pre-qualified. The quoted amount was ₹24,82,76,402.166/- which was 36.93% above estimate prepared by Executive Engineer, Irrigation Division, Thiruvananthapuram. Though negotiations were made by the Superintending Engineer, Irrigation South Circle, Thiruvananthapuram the contractor informed his unwillingness to reduce the quoted amount.

4) As the quoted amount was exorbitantly high with respect to the estimate, the work was re-tendered again on 11.12.2020. Again the same bidder was the only participant. The lone bidder M/S Cheeran Structurals, IV/213, Challisserry P.O, Palakkad quoted an amount of ₹25,05,34,849.62/- (ie. 38.178% above estimate rate). Subsequently negotiation was made from the Superintending Engineer and the contractor did not reduce his quoted amount.

5) As per the letter read 4th paper above the Chief Engineer, Irrigation & Administration, Thiruvananthapuram has reported that the estimate for the work under Irrigation Department was prepared after giving due consideration to the specific site conditions and as per the present DSR (2016) and latest cost index (2018). Hence reworking the estimate may not fetch any advantage as far as irrigation components are concerned. The Chief Engineer has also reported that on repeated negotiation by the Superintending Engineer, the contractor reduced the amount to

₹24,80,29,501.29/-, reducing 1% of previous quoted amount and extended the firm period upto 22.08.2021.

6) Government have examined the matter in detail. The unhygienic and filthy contents of the Amayizhanjan Thodu are causing serious health issues to the public. Most of the contractors are reluctant to take the work. Though Government issued Administrative Approval more than 15 months ago nothing happened on the ground level due to several reasons. Since this is a very urgent work, for long Government have been drawing criticism for lack of effective action in mitigating the causes for city floods, that too in the capital city. Besides the quoted rate is only 12 % above the Local Market Rate.

7) Under the circumstance Government are pleased to accord sanction to accept the single bid submitted by M/S Cheeran Structural, IV/213, Challisserry P.O, Palakkad in connection with the works "KWA Sewerage line connection, Side Protection works and Dredging & conveyance of silt to the disposal site including all allied machines for dredging" as part of "Desilting and Reconstruction of Amayizhanjan Thodu from Kannammoola to Akkulam" for an amount ₹24,80,29,501.29/- (Rupees Twenty Four Crore Eighty Lakhs Twenty Nine Thousand Five Hundred and One and Paise Twenty Nine Only) which is 36.795% higher than the estimated PAC and 24.36% higher than the admissible rate.

(By order of the Governor)

TK Jose

Additional Chief Secretary

To:

The Chief Engineer, Irrigation & Administration, Thiruvananthapuram  
The Principal Accountant General(Audit/A&E),Kerala, Thiruvananthapuram  
Finance Department (vide note no.1112898/I&PW-B3/25/2019)  
General Administration (SC) Department (vide item no.102 dt.08/07/2021)  
Office Copy / Stock File

Forwarded /By order

  
Section Officer



കേരള സർക്കാർ

മന്ത്രിസഭായോഗത്തിന്റെ നടപടിക്കുറിപ്പുകൾ

തീയതി : 08-07-2021

ഫയൽ നം. ഐ.ആർ.2/68/2021/ജുവിവ.

ഇനം നം: 102

വിഷയം : ജലവിഭവവകുപ്പ് - ആമയിഗുഞ്ചാൻ തോടിന്റെ കണ്ണമൂല മുതൽ ആക്കുളം വരെയുള്ള ഭാഗത്തെ പുനർനിർമ്മാണത്തിനും ചെളി നീക്കുന്നതിനുമുള്ള പ്രവർത്തിക്കുള്ള സിംഗിൾ ബിഡ് അംഗീകരിക്കുന്നത്.

തീരുമാനം : കുറിപ്പിലെ നിർദ്ദേശം അംഗീകരിച്ചു.

AS (IR)  
Pl: issue orders.  
*[Signature]*  
9/7/2021

(ഒപ്പ്)  
പിണറായി വിജയൻ  
മുഖ്യമന്ത്രി  
(ശരിപ്പകർപ്പ്)

ഡോ. വി പി ജോയ്  
ചീഫ് സെക്രട്ടറി

അഡീഷണൽ ചീഫ് സെക്രട്ടറി, ജലവിഭവവകുപ്പ്.

- |     |  |   |
|-----|--|---|
| 1.  | File No.   | IR2/68/2021/WRD   |
| 2.  | Department   | Water Resources (IR) Department   |
| 3.  | Subject  | Accepting the single bid for the work Desiltation and Reconstruction of Amayizhanjan Thode <sup>4</sup> from Kannammoola to Akkulam |
| 4.  | Date of Chief Minister's order for placing before the Council  | 29/06/2021  |
| 5   | (i) Does the case involve financial commitments/ implications  | Yes   |
|     | (ii) If the answer to the above is in the affirmative, whether Finance Dept. been consulted and their remarks incorporated in the Council Note.  | Yes   |
| 6.  | Are any other departments concerned with the case and if so, have they been consulted and their remarks incorporated in the Note for the Council | No  |
| 7.  | Name of Deputy Secretary who submitted the Draft Note.   | P.S.Beena   |
| 8.  | Name of Additional Chief Secretary who approved the Draft Note.  | T.K.Jose  |
| 9.  | Date of approval of the Draft note for the Council by the Additional Chief Secretary.  | 01/7/2021   |
| 10. | Name of Chief Secretary who approved the Draft Note.   | Dr. V.P.Joy   |
| 11. | Date of approval of the Draft Note for the Council by the Chief Secretary.   | 2/7/21  |
| 12. | Name of Minister who approved the Draft note.  | Roshy Augustine   |
| 13. | Date of approval of the Draft Note for the Council by the Minister   |   |
| 14. | Date of Submission of Fair Copies  |   |
| 15. | Date of decision by the Council of Ministers.  |   |
| 16. | Number and date of the G.O./letter communicating the decision.   |   |

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Note for Council of Ministers

This note deals with accepting the single bid submitted by M/s Cheeran Structurals, IV/213, Challisserry P.O, Palakkad in connection with the work "KWA Sewerage line connection, Side Protection works and Dredging & conveyance of silt to the disposal site including all allied machines for dredging" as part of "Desilting and Reconstruction of Amayizhanjan Thodu from Kannammoola to Akkulam"

2) The above work was included in the budget 2018-19 (Vol 2 page 166) for an estimate of Rs.25 crores. Administrative Sanction for the work was issued as per GO(Rt)No.136/2019/WRD dated 01/03/2019. Subsequently a meeting was convened by Hon'ble Minister (Tourism) on 15/03/2019 and it was decided to have a site inspection comprising the officials of Irrigation, KWA, Revenue & Thiruvananthapuram Corporation and to held a meeting comprising the officials of Irrigation , KWA and Barton Hill Engineering College.

3) On 02/09/2019 another <sup>meeting</sup> meeting was held by Hon'ble Minister (Tourism) and decided to include the works of laying of KWA sewerage line , desiltation, purchase of Multifunctional Amphibious Excavator, installation of screen for removing floating materials and side protection works in the project and entrusted Barton Hill Engineering College to prepare DPR. Thereafter the Chief Engineer (Irrigation & Administration) had submitted the DPR prepared by Barton Hill Engineering College for obtaining the Revised Administrative Sanction.

4) In continuation to this, another meeting was conducted in the chamber of the Hon'ble Minister (Tourism) on 17/02/2020 and based on the deliberations during the meeting, directions were given to various department heads to tender their concerned work components as early as possible. Also it was suggested to use Silt pusher for the work for dredging instead of Multifunctional Amphibious Excavator. Subsequently a meeting was convened on 18/02/2020 with concerned officers of various departments and Barton Hill Engineering College who were the consultants for the project to discuss the selection of machine for silt removal and combined site visit was made by the attendees after the meeting. As per the expert opinion in the meeting, the site condition does not favour for the use of Multi Functional Amphibious machine and hence it was decided to include Rs.3.00 Crore in the estimate <sup>for two years.</sup> (is) for the purchase of the <sup>Silt Pusher</sup> machine and its operational and maintenance. As decided in the meeting the Chief Engineer (Mechanical) had recommended the use of Silt pusher instead of Multi functional Amphibious machine.

5) Accordingly revised Administrative Sanction was issued as per GO(Rt) No.187/2020-WRD dated 27/02/2020 for an amount of Rs.24,99,96,764/- (Twenty Four Crores Ninety Nine Lakhs Ninety six Thousand Seven Hundred and Sixty Four Only) under the head of account 4711-01-103-99(P) against the following components:

Sl.No.	Component	Amount
1	KWA Sewerage line connection (including GST)	10,78,00,000
2	Side Protection works	6,57,54,574
3	Purchase of Silt pusher including its O & M for 2 years	3,00,00,000

4	Dredging and conveyance of silt to the disposal site including all allied machines for dredging (LS)	2,71,06,822
5	Installation of screen and its O & M for 2 years	26,00,000
6	Laying boundary stones for demarcating the boundary (LS)	10,00,000
7	Unforeseen (LS)	5,00,000
8	GST @ 12%	1,52,35,368
<b>Total</b>		<b>24,99,96,764</b>

6) The Departmental Purchase Committee held on 02/03/2021 had decided to approve the tender submitted by M/s Matprop Technical Services Pvt Ltd for an amount of Rs.2,80,36,671/-. The Chief Engineer (Mechanical) was directed to submit details on the operation and AMC of the machine.. The report has not received. ?

7) The estimated PAC comes to Rs.18,13,13,666.60/- for the works "KWA Sewerage line connection, Side Protection works and Dredging & conveyance of silt to the disposal site including all allied machines for dredging" as specified, in Sl. Nos. 1, 2 & 4 respectively. Technical Sanction was issued by Chief Engineer, Irrigation & Administration on 27/05/2020 for Rs.24,86,00,000/- Subsequently, the work comprising the three components was E-Tendered on 29/05/2020. Since no response received from the contractors, the work was again E-tendered on 27.07.2020. Nevertheless, only one bidder M/S Cheeran Structurals, IV/213, Challisserry P.O, Palakkad participated and pre-qualified. The quoted amount was Rs.24,82,76,402.166/- which was 36.93% above estimate prepared by Executive Engineer, Irrigation Division, Thiruvananthapuram. Though negotiations were made by the Superintending Engineer, Irrigation South



circle, Thiruvananthapuram the contractor informed his unwillingness to reduce the quoted amount.

8) As the quoted amount was exorbitantly high with respect to the estimate, the work was again re-tendered on 11.12.2020. Again the same bidder was the only participant. The lone bidder M/S Cheeran Structurals, IV/213, Challisserry P.O, Palakkad quoted an amount of Rs. 25,05,34,849.62/- (ie. 38.178% above estimate rate). Subsequently negotiation was made from the Superintending Engineer and the contractor did not reduce his quoted amount. The Chief Engineer, Irrigation and Administration has forwarded the tender documents to Government for necessary action.

9) When consulted, the Finance Department has remarked as follows:

*"The following remarks of CTE is informed to AD.*

*The tender acceptance proposal submitted by AD seeking concurrence of FD for the single tender amounting to Rs.25,05,34,849.62/- which is 38.178% higher than the estimated PAC and 25.62% higher than the admissible rate in connection with the work of Desilting and Reconstruction of Amayizhanjan Thodu from Kannammoola to Akkulam is examined in general and the following observations are offered:*

**Details of AS/TS**

*Administrative Sanction was accorded vide order No. G.O (Rt) No. 136/2019/WRD dated 01-03-2019 for an amount of Rs. 25.00crores/-. Revised Administrative sanction was accorded for an amount of Rs.*

24,99,96.764/- . Though Technical Sanction is seen issued for the subject work by the Chief Engineer, Irrigation & Administration as per order no.IDTvm/2020-21/2020/736/IA dated 27-05-2020 for an amount of Rs.24,86,00,000/- the estimate cost of work put to tender is only Rs 18,13,13,666/-

### Call of tenders

The work was E-tendered (**First call**) by the Superintending Engineer, Irrigation South Circle, TVPM and no response was received. The work was re tendered on 27-02-2020) (**Second call**) and single bidder M/S Cheeran Structural, P//213, Challisserry P.O, Palakkad participated and was pre qualified by the PQ Committee of Chief Engineers and the quoted amount was Rs. 24,82,76,402.166/- which was 36.93% above estimate amount.

### Third call of tenders

As the quoted amount was exorbitant, the work was again re-tendered on 11-12-2020 with opening date as on 21.01.2021. During the third call also only a single bidder M/S Cheeran Structural, IV/213, Challisserry P.O, Palakkad participated. Being a re-tender the lone bidder was pre-qualified by the PQ Committee of Chief Engineers and the financial bid was opened on 30.01.2021.

The single bidder <sup>M/S</sup> MIS Cheeran Structural, IV/213, Challisserry P.O, Palakkad who already participated in the previous tender, quoted an amount of Rs. 25,05,34,849625/- (ie. 38.178% above estimate amount).

As per the prevailing G.O, the maximum admissible amount is least of LMR amount, D.S.R +10% tolerance amount and quoted amount .

- a) Quoted Amount - Rs.25,05,34,849.62/-
- b) DSR 2016 + 10% Tolerance amount - Rs. 19,94,45,033.30/-
- c) LMR - Rs.22,08,92,727.798/-

Accordingly the maximum admissible amount comes to Rs. 19,94,45,033.30/-( based on D.S.R +10% tolerance), which is significantly less than the quoted amount of Rs. 25,05,34,849.62/-.

It is informed that the contractor was unwilling to reduce the rates in the negotiation made conducted by <sup>the</sup> Superintending Engineer.

#### Remarks on the tenders

The department should have explored the reasons for poor response of bidders and action to recast the estimate should have been taken , after giving due consideration to the site specific conditions and fresh tenders shall be invited based on revised estimates as per GO(P) No.16/2017/Fin dated 6/02/2017.

It is pointed out that this work involves KWA sewerage line construction which could have been tendered as a separate work.

It is also noted that AD has not submitted any recommendations on the case . The case is simply forwarded to Finance without any remarks.

#### Recommendation

In view of the above, AD is advised to consider the options as noted below

- i) CE may be advised to negotiate again with the bidder to reduce to

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the high quoted rates to bring them within DSR + 10% tolerance limit or LMR, whichever is lower.

OR

ii) Administrative Department is advised that, as per GO(P) No.16/2017/Fin dated 6/02/2017, If the quoted rate is still above allowable limit even after re-tendering, the competent authority shall rework the estimate, after giving due consideration to the site specific conditions and fresh tenders shall be invited based on revised estimates.

OR

iii) AD is advised to submit the case for approval of Government, with clear recommendations and justification for acceptance of the single tender."

10) Based on the remarks of Finance Department, CE(I&A) has reported that the estimate for the work under Irrigation Department was prepared after giving due consideration to the specific site conditions and as per the present DSR (2016) and latest cost index (2018). Hence reworking the estimate may not fetch any advantage as far as Irrigation components are concerned.

11) CE(I&A) has reported the following probable reasons for the poor response from the bidders:

- Pd. 27
- This tendered work contains components of both Irrigation and Kerala Water Authority. Hence some of the A-class contractors who are specialized in Irrigation nature works may find it difficult to respond to

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the tender call.

- On discussion with KWA officers, it was found that KWA proposal for sewerage pipe line is based on the Horizontal Direct Drilling method with HDPE pipes. The depth to which pipe lines have to be laid varies from 4m to 8m and manholes have to be provided for every 30m to 50m gap, for which open cutting have to be done. Beyond Nellikuzhi bridge, there is no road access, hence ~~for laying pipes towards D/S of Nellikuzhi bridge,~~ pipes have to be carried through the thodu itself. Also it was informed that tender excess upto 50% were quoted for KWA works of this nature.
- Amayizhanchan thodu is one of the most polluted thodu in the Corporation area. All the major thodu flowing through the Corporation area drains into the Amayizhanchan thodu. Working in the unhygienic condition of the Amayizhanchan thodu is a Herculean task.
- Due to the unavailability of land to dump the desilted waste/soil, it is envisaged in the estimate that the desilted materials are to be disposed off safely at contractors' own responsibility.

12) The Chief Engineer has reported that on negotiation by the Superintending Engineer, the contractor has now reduced the amount to ₹24,80,29,501.29/- , reducing 1% of previous quoted amount and extended the firm period up to 22.08.2021. Chief Engineer, Irrigation & Administration has also reported that there may be more chances of responses from the part of contractors' if KWA and Irrigation components are tendered separately.

13) As per the prevailing Government order GO(P)No.67/2021/Fin

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dated 28/04/2021 , the admissible rate of tender shall be the least of the following:

- a) Quoted rate of lowest bidder
- b) PWD local market rates
- c) Current DSR with latest cost index + 10% tolerance limit.

In this case, the above rates are as follows:

a) Quoted rate of lowest bidder	24,80,29,501.29
b) PWD local market rates	22,08,92,727.80
c) Current DSR with latest cost index + 10% tolerance limit.	19,94,45,033.30

The least of the above is Rs.19,94,45,033.30/- (i.e.,DSR with latest cost index + 10% tolerance limit) is the admissible rate. However the quoted amount Rs. 24,80,29,501.29 is 36.795% higher than the estimated PAC and 24.36% higher than the admissible rate.

14) The unhygienic and filthy contents of the stream are causing serious health issues to the public. Most of the contractors are reluctant to take the work. Though Government issued Administrative Approval more than 15 months ago nothing happened on the ground for several reasons. Since this is a very urgent work , for long Government have been drawing criticism for lack of effective action in mitigating the causes for city floods, that too in the capital city. Besides, the <sup>rate</sup> ~~price~~ now quoted is only 12 % above the Local Market Rate.

15) When circulated the Hon'ble Chief Minister has ordered to place the matter before the Council of Ministers for consideration.

Point for Decision

Whether the single bid submitted by M/S Cheeran Structural, IV/213, Challisserry P.O, Palakkad in connection with the works "KWA Sewerage line connection, Side Protection works and Dredging & conveyance of silt to the disposal site including all allied machines for dredging" as part of "Desilting and Reconstruction of Amayizhanjan Thodu from Kannammoola to Akkulam" for an amount <sup>of</sup> ₹24,80,29,501.29/- (Rupees Twenty Four Crore Eighty Lakhs Twenty Nine Thousand Five Hundred and One and Paise Twenty Nine Only) which is 36.795% higher than the estimated PAC and 24.36% higher than the admissible rate , may be accepted by overruling the remarks of Finance Department?

~~1/10/21~~  
1/07/24

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1/3/2021

1/2/21

1/2/21