

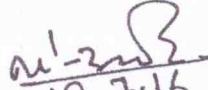
No. 44/30/2015-RE
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated the 19th July, 2016

Subject: Minutes of the meeting on 'Equipment Procurement' through Empanelment of Vendors under DDUGJY and IPDS held under the chairmanship of Hon'ble MOSP(I/C) on 29.06.2016.

The undersigned is directed to forward herewith a copy of the minutes of the meeting held on 29.06.2016 under the Chairmanship of Hon'ble MOSP (I/C) in New Delhi on the subject cited above for taking necessary action at your end.

Encl: as above.


19.7.16
(Narender Singh)

Under Secretary to the Government of India
Telefax 2371 9637

To

- (i) Chairperson, Central Electricity Authority, Sewa Bhavan, R.K.Puram, New Delhi.
- (ii) CMD, Rural Electrification Corporation Ltd., Core-IV, Scope Complex, New Delhi.
- (iii) CMD, PFC, Urjanidhi, 1 Barakhamba Lane, New Delhi.
- (iv) CMD, PGCIL, Plot No.2, Sector-29, Gurgaon, Haryana.
- (v) Director (Technical), REC, Core-IV, Scope Complex, New Delhi.
- (vi) Director (Commercial), PFC, Urjanidhi, 1 Barakhamba Lane, New Delhi.
- (vii) Director (Projects), PGCIL, Gurgaon, Haryana
- (viii) Secretary(Energy), Government of Bihar, Irrigation Buidling, Patna-800 015.
- (ix) Pr.Secy(Energy), Govt. Of Madhya Pradesh, Mantralaya, Bhopal-462 001.
- (x) Pr.Secy(Energy), Govt. of Uttar Pradesh, Lal Bahadur Shastri Bhavan (Annexe), Lucknow.
- (xi) Addl.Chief Secy., Energy Deptt., Govt. of Gujarat, Sachivalya, Gandhinagar-382 010.
- (xii) Secretary(Energy), Govt. of Rajasthan, Jaipur-302001.
- (xiii) Pr.Secy.(Energy), R.No.359, D Block, Secretariat, Govt. of Telangana.
- (xiv) Pr.Secy(Power),Govt. of Himachal Pradesh, Shimla-171 002.
- (xv) Secretary(Energy), Govt. of Maharashtra, MSEP Office, Prakashgarh Building, Bandra (East), Mumbai -400 051.
- (xvi) Pr. Secy, Deptt. Of Energy, Govt.of Odisha, Bhubaneswar-751 001.
- (xvii) Addl. Chief Secretary, D/o Power & NCES, Govt. of West Bengal, 1 Kiron Shanker Roy Road, New Sectt. Building, 7th Floor, Kolkata-700001
- (xviii) Pr.Secy,(Power),Govt. of Haryana, Civil Sectt., Sector-1, Chandigarh.
- (xix) Secy.(Power), Govt. of Tamil Nadu, Sectt. Chennai-600 009.
- (xx) Pr.Secy(Energy), Govt. of Jharkhand, Nepal House, Doranda, Ranchi.
- (xxi) Addl.Chief Secy., Depatt. Of Power & NCES, Govt. of West Bengal, 1, Kiron Shanker Roy Road, New Sectt. Building, 7th Floor, Kolkata-700 001.
- (xxii) Pr.Secy.(Energy), Govt.of Chattisgarh, D.K.S.Bhavan, Mantralaya, Raipur.
- (xxiii) Commissioner-cum-Secy(Power), Govt. of Assam, P.O.Assam Sachivalaya, Dispur-781 006.

- (xxiv) DG, CPRI, Prof. Sir C.V. Raman Road, Post Box No: 8066, Sadasiva Nagar (p.o), Bangalore, India, Pincode : 560 080
- (xxv) DG, IEEMA, Rishyamook Building, 1st Floor, 85-A, Panchkuiyan Road, N. Delhi-110 001.
- (xxvi) DG, ITMA, 2-F CS-11, Ansal Plaza, Sector-3, Near Vaishali Metro Station (Oppo. Bhushan Street), Vaishali (Ghaziabad), UP.
- (xxvii) MD, EESL, 4th Floor, Sewa Bhawan, R.K Puram, New Delhi-110 066
- (xxviii) CMD, MSTC, 0/31A Jeevan Vikas Building, 1st Floor, Asaf Ali Road (opp. Hamdard), New Delhi - 110 002-
- (xxix) MD & CEO SBI CAPS, SBI- State Bank Bhavan, Madame Cama Road, Mumbai - 400021-

Copy for information to Shri B.N. Sharma, Additional Secretary, D/o Revenue, Ministry of Finance, North Block, New Delhi- 110001

Copy to:

PS to MOSP(I/C)/PPS to Secretary(P) / PPS to JS(D) / ~~PPS to Dir (D)~~ / PA to DS(RE), Ministry of Power.

- US/IPDS
1. I was not present in the meeting. I suppose it was a policy related meeting.
 2. Please share with APDRP Cell as well

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19/7

PPS cell

Minutes of meeting held on 29.06.2016 in Conference Hall at Ministry of Power, Shram Shakti Bhawan, New Delhi on 'Equipment Procurement' through Empanelment of Vendors under DDUGJY and IPDS.

In order to facilitate and handhold States in mobilizing major equipments/material with Standard Technical Specifications at competitive prices through a transparent bidding process under DDUGJY and IPDS schemes, two committees viz. Committee 'A' and Committee 'B' were constituted under the chairmanship of Chairperson CEA and Director (Projects), PGCIL, respectively with the approval of Hon'ble MOSP(I/C). The objective of the Committee 'A' was to list out major equipment/material, finalization of technical specifications, aggregation of quality requirements of various States and vendor empanelment. The objective of the Committee 'B' was preparation of bidding documents, carrying out bid processing through-tendering under reverse bidding mode, evaluation of bids and finalisation of rate contracts. Several States, during the Power Minister's Conference at Goa on 16-17 June, 2016, raised the issue regarding differential prices in items procured by them vis-a-vis under Common Procurement Procedure (CPP). Thus, it was agreed to have a re-look on the issue.

2. In continuation to the aforesaid Conference, a meeting was chaired by Hon'ble MoS(IC) for Power, Coal and New & Renewable Energy on 29th June, 2016 at 3.00 P.M. The list of participants to the meeting is at Annex.

3. Representatives from state of Uttar Pradesh (UP) informed that in some cases, price of conductor received in their tenders were lower than CPP rates. Representatives of Madhya Pradesh also conveyed similar price trend.

4. CMD/PGCIL explained that price depends on many factors such as payment terms, whether maintenance cost is included, geographical proximity of vendor to the supply depot. He further explained that PGCIL had followed bucket filling approach, under which every subsequent filling is at higher price. Also as it was like rate contract, bidders were not sure of the quantity they'll get to supply, whereas in case of the tenders by States, supply quantity was assured. He further added that many vendors which were ineligible in the CPP, did aggressive bidding in the State tenders to get the supply order, as the State tenders were done subsequently to CPP rates where competitive rates were discovered.

5. It was also mentioned that as per column 2 of MoP Ref. No.44/30/2015-RE dated 14.08.2015, states are free to procure the material of their own, if it is felt that their rates are less than the CPP rates. However, the sanctioned cost will not be more than the CPP rates.

6. It was appreciated that the exercise has already defined the bench mark of quality and specifications. It has also indirectly set a standard of prices.

7. CMD, PGCIL informed that the testing process and standard usually adopted by PGCIL is much higher than that followed by most of the DISCOMs, which could also be a reason for higher quotes. The Hon'ble Minister emphasised about the strict testing and inspection to ensure control on the quality of material. It was desired to increase the sample size and monitor quality at the factory as well as to prevent slippages. Members expressed concern about long wait for quality check at Central Power Research Institute (CPRI). Hon'ble Minister instructed CPRI to enhance their capacity increase quality control labs and to submit a plan for the same to the MOP within 15 days.

8. POWERGRID will prepare a Quality & Inspection Plan for equipments which will be submitted to REC & PFC for suitable action.

9. After the threadbare discussion, it was also decided that IInd tranche of procurement stands cancelled.
