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MINUTES OF 25th MEETING OF 'INVESTEMENT PROGRAM EMPOWERED COMMITTEE'

Venue: Secretariat Conference Hall, New Secretariat Complex
Date & Time: 09.12.2016 (Friday); 1.00 p.m.

The 25th Meeting of 'Investment Program Empowered Committee (IPEC)' was held at the Conference Hall of Mizoram Secretariat Building. Dr.C.Vanlalramsanga Secretary, UD & PA Department & Chairman of IPEC presided over the meeting. List of Member Present is attached in separate sheet.

The Chairman welcomed the members and officials to the 25th IPEC Meeting. He then invited Program Director, SIPMIU (NERCCDIP) to briefly highlight the program implementation status and introduction on the Agenda for the meeting. After brief presentation by the Program Director, Agenda-wise discussions followed and the outcome of the discussions is given as below:-

1. Approval of Budget Estimates for PI&A of SIPMIU for the year 2016-2019:

The Ministry of Urban Development, Government of India reviewed the Budget Estimates for PI&A proposed by SIPMIU Aizawl and their Observations on the 'Programme Implementation & Administration (PI&A)' Component of NERCCDIP and their Observations was conveyed to the Program Director vide their letter No. K-14011/19/2012-NERUDP Dated 4th October, 2016 wherein the Ministry requested that the budget estimates be appraised and approved by the IPEC.

The IPEC then discussed the budget estimates and had taken into account the present strength of SIPMIU and also considered the quantum of project works under execution and to be executed within limited time under Tranche-II and III, including such other activities like Awareness Campaign and Public Consultations. Taking into consideration all the relevant facts into consideration, the IPEC considered that the proposed budget estimates is justified. In comparison with other PI&A budgets of other SIPMIUs, the SIPMIU Aizawl is implementing 56% of the total contract works of the entire program being implemented by the 5 States under NERCCDIP as shown in table below:

Sl/ No	State	Total Contract amount in lacs	PI & A Budget for 2016-19 (INR in lacs)	% Contribution of works contract amount	% Contribution of PI&A Budget to Works contract amount
1	Aizawl	69,463.02	2335.25	55.97%	3.36%
2	Agartala	28,535.66	82.36	22.99%	0.29%
3	Shillong	6,280.07	373.16	5.06%	5.94%
4	Kohima	12,442.15	350.02	10.03%	2.81%
5	Gangtok	7,387.94	179.67	5.95%	2.43%
Grand Total		124,108.83	3,320.46	100%	2.68%

The SIPMIU Aizawl could not be supported by any additional staff from line Department in the project implementation, and solely dependent upon project administration costs. Further, SIPMIU Aizawl is having number of contracts covering the whole city where some contingencies would be required. However, SIPMIU Aizawl is requested to reduce the expenditure on contingency as far as possible.

The IPEC committee, therefore, vetted and approved the budget estimates as below Table:

<i>Rupees in lakh</i>					
<i>Calendar Year (CY)</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>Total</i>
<i>PI&A</i>	<i>690.00</i>	<i>695.00</i>	<i>700.00</i>	<i>250.00</i>	<i>2335.00</i>

(Rupees twenty three crores thirty five lakhs only)

2. Approval of Award of Contract for Procurement of 54 nos. of Garbage Vehicles:

Invitation for bid was issued by SIPMIU on 8th March, 2016. Two bids were received on 29th April, 2016 from the following firms:

- 1. M/s SML Isuzu, Chandigarh**
- 2. M/s Zothan Autoworks, Aizawl- M/s TPS Infrastructure Ltd, New Delhi (JV)**

The technical bid evaluation was completed by Bid Evaluation Committee (BEC) and submitted to the ADB and Ministry of Urban Development, Government of India on 22nd June, 2016. The BEC recommended only one bidder, i.e., **M/s Zothan Autoworks, Aizawl- M/s TPS Infrastructure Ltd, New Delhi (JV)** as technically qualified/ responsive bidder and disqualify the technical bid of **M/s SML Isuzu, Chandigarh**. The ADB issued no objection for opening of the price bid of the ~~low~~ technically responsible bidder M/s Zothan Autoworks, Aizawl- M/s TPS Infrastructure Ltd, New Delhi (JV) and rejected the bid of M/s SML Isuzu, Chandigarh which is substantially non-responsive vide their fax Dated 1st July, 2016. The price bid of M/s Zothan Autoworks, Aizawl- M/s TPS Infrastructure Ltd, New Delhi (JV) was opened on 19th July, 2016 and the quoted amount is **Rs. 9, 85,00,000/- (Rupees nine crores eighty five lakh) only**, which is 88% above the engineer's estimated cost of **Rs. 5,23,96,000/- (Rupees five crore twenty-three lakh ninety-six thousand) only**.

During the bid evaluation by BEC on 27th September, 2016, the engineering estimate was reviewed and found that the estimate approved was under estimating the costs of procurement of vehicles. Immediately, PD, SIPMIU called fresh quotations from different firms and in response, the quotations has been received and analysed. In consultation with MoUD and ADB, the financial bid evaluation was completed by

BEC and submitted recommendation to ADB and MoUD on 12th October, 2016. The justification of engineering estimate through the quotations has been endorsed in the bid evaluation report. The ADB and Ministry of Urban Development, Government of India issued 'No objection' for award of contract to M/s Zothan Autoworks, Aizawl- M/s TPS Infrastructure Ltd, New Delhi (JV) **with the evaluated price of Rs. 9,85,00,000/-** vide their fax dated 17th October, 2016.

The IPEC Committee, after careful examination and consideration, approved the award of contract to M/s Zothan Auto Works, Aizawl- M/s TPS Infrastructure Ltd, New Delhi (JV) with the evaluated price of Rs.9,85,00,000/- (Rupees nine crores eighty five lakhs only). IPEC further advised that SIPMIU shall work out all the required modalities for transfer of the assets to be procured so that AMC may, in turn work out suitable deployment plans for the vehicles.

3. Expenditure Sanction for Remuneration and Provisional Sums of DSMC:

Administrative Approval amounting to Rs. 17,67,49,643 was accorded vide letter No.B.11029/44/2013-UD&PA (ADB) SIPMIU/Loose Dated Aizawl, the 5th October, 2016. An amount of Rs. 430.00 lakhs for expenditure sanction has been proposed for remuneration and provisional sums for the year 2016-'17 within the Administrative Approval for consideration of IPEC.

The IPEC Meeting considered and accorded expenditure sanction amounting to Rs. 430.00 lakhs (Rupees four crores thirty lakhs only) within the Administrative Approval of Rs. 17,67,49,643/- already accorded for DSMC.

4. Approval of Contract Variation under Tranche-1:

The Contracts under Loan No. 2528-IND of NERCCDIP under Tranche-1 have been completed. The contract variations approval proposal is submitted by Program Director SIPMIU as per table below:

Sl/No	Name of Contract Package	Original Contract amount (in INR)	Revised/Final Contract amount (in INR)	Excess (-) /Savings (+) (in INR)
1	Construction of 7 RCC Reservoirs	4,31,57,393	5,41,06,962	(-) 1,09,49,569
2	Supply & Installation of 15,000 Water Meters	3,15,67,500	3,21,42,570	(-) 5,75,070
3	Supply & Installation of Chlorinators	40,24,138	41,65,130	(-) 1,40,992
4	DSMC	11,83,82,000	14,61,02,948	(-) 2,77,20,948
GRAND TOTAL		1,97,131,031	2,36,517,610	(-) 3,93,86,579

After detailed examination of reasons for justifications made by Program Director, the Committee considered and approved contract variations as stated in the above Table which are within the approved contract amounts of ADB and MoUD.

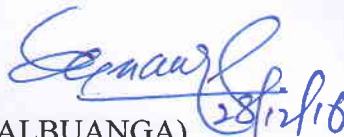
The meeting ended with thanks from the Chair.

Sd/- Dr.C.Vanlalramsanga
Secretary to the Government of Mizoram
Urban Development & Poverty Alleviation Department.
&
Chairman, IPEC

Memo No. F. 20016/II/2015-PD/SIPMIU (NERCCDIP)/41 : Dated Aizawl, the 28th December, 2016

Copy to:

1. PS to Minister, UD & PA Department, Government of Mizoram.
2. PS to Parliamentary Secretary, UD & PA Department, Government of Mizoram.
3. Sr.PPS to Chief Secretary, Government of Mizoram.
4. PS to Secretary, UD & PA Department, Government of Mizoram.
5. All Members.
6. Guard File.


(VALBUANGA) 28/12/16

Program Director & Member Secretary, SIPMIU
Urban Development & Poverty Alleviation Department.