

**ABSTRACT**

Pallivasal Extension Scheme HEP- Erection of supplied E&M Equipment and supply and erection of BOP equipment – Request for extension of contract completion period - Sanctioned - Orders issued

**SBU-GE**

BO (FTD)No.252/2023(DIRGE-AEE4/2023/327)

Thiruvananthapuram,Dated: 17.05.2023

- Read: 1. Work Order No. 06/2021-22 dated 31.01.2022 and Agreement No. CEPED/01/2022-23 dated 25.04.2022.  
2. Letter No. TVPPL-KSK/PES-HEP/SITE/154 /2022-23 dated 25.01.2023.  
3. Letter No. EDK/THEP/2022-23/401 dated 28.01.2023 of the Executive Engineer,Erection Division, Kallarkutty.  
4. Revised Project Schedule Rev-6 dated 03.03.2023 of PES HEP.  
5. Note No.PED-AE6/2023/253 (3) dated 16.03.2023 of the Director ( G-E & HRM) to the Full Time Directors (Agenda no:67/03/23).  
6. Letter No. TVPPL-KSK/PES-HEP/SITE/234/2022-23 dated 13.04.2023.  
7. Note No. DIRGE-AEE4/2023/327 (1) dated 11-05-2023 of the Director (T,SO,P,S & G-E) to the Full Time Directors [Agenda item No. 46/5/23]

**ORDER**

The Electro Mechanical erection and commissioning of 2x30 MW Pallivasal Extension Scheme HEP involves the erection of 2 numbers of 30 MW generators, MIV's, Turbines, Excitation system, Governing system, Control and Protection system, various auxiliary Electrical and Mechanical Equipments, valve house equipment and 220 kV switch yard equipment. The work was initially awarded on turnkey basis to a consortium consisting of M/s. ESSAR-DEC-CPPL and agreement executed on 31.01.2007. The major equipment like Generator, Turbine and its auxiliaries were supplied by the OEM, M/s. DEC, China. The Balance of Plant equipment were to be supplied by the sub contractor M/s.Siemens. Approximately 45% of the supply by the sub contractor, M/s.Siemens was completed and the balance items were pending. The original date of completion of work as per agreement was 01.02.2011. But the work could not be completed in time due to numerous reasons including geological issues, improper planning of the contractor, non-mobilization of adequate men, materials and machineries etc.. The Erection Engineers from China left the site during April-2014 without completing the erection. The work was then stopped by the contractor after 22.07.2015. The contract agreement with M/s. ESSAR-DEC-CPPL Consortium was terminated on 19.09.2018 at the risk & cost of the contractor.

Some of the items supplied at site were erected and balance equipment were stored at Club house Chithirapuram, PES power house building and store building near new Sengulam Pump house. The availability of total materials at store were found insufficient but could not calculate the actual requirement, which could be arrived only at the time of execution. Hence, some of the items were not included in E&M estimate.

As per the work order read as 1<sup>st</sup> above, the erection of already supplied E&M equipment and supply and erection of balance of plant equipment of Pallivasal Extension Scheme was awarded to M/s. TVPPL-KSK-FITWELL-BOOM-REHPL Consortium, Plot No. 304-L – III, road No. 78, Jubilee Hills, Hyderabad 500096, Telengana and the agreement was executed on 25.04.2022. As per the work order, "The work shall be completed in all respects, tested, commissioned and handed over to KSEBL within 12 months from the date of issue of work order and the erection and commissioning of unit #1 machine shall be completed within 10 months from the date of issue of work order." The Erection and commissioning of units were not completed as per the work order. The completion date of contract ended on 31<sup>st</sup> January-2023.

The contractor as per the letter read as 2<sup>nd</sup> above has requested for time extension and has stated the reasons for delay. The Executive Engineer, Erection Division, Kallarkutty as per the letter read as 3<sup>rd</sup> above, has recommended and forwarded the request of M/s. TVPPL-KSK-FITWELL-BOOM-REHPL Consortium to extend the time of completion of the work upto 16.07.2023 without penalty as the reasons stated by the contractor for the delay in the completion of the work awarded to him are genuine. Since the time period requested was exorbitant, the Director (GE&HRM) convened a meeting of the contractor and the erection Executive Engineer on 30.01.2023. After detailed discussion, the contractor agreed to commission the first machine in April-2023 and the second machine in May-2023. In the Project Monitoring Committee Meeting held on 25.02.2023, it was directed to submit the revised detailed schedule breakup of the works showing the works necessary for the trial run of the machines. The contractor submitted the revised project schedule dated 03.03.2023.

As per the revised schedule the commissioning of Unit#1 machine was on 30.04.2023, commissioning of Unit#2 machines is by 31.05.2023 and completion of the finishing works by 16.07.2023. Considering the above facts, it was recommended as per the note read as 5<sup>th</sup> above to extend the time for the work upto 16.07.2023 without penalty as the reasons stated by the contractor for the delay in the completion of the work awarded to him are genuine.

The matter was deferred in the meeting of Full Time Directors held on 27.03.2023 with a direction for submission of revised note with day wise work schedule. As per the letter read as 6<sup>th</sup> above, M/s.TVPPL-KSK-FITWELL-BOOM-REHPL Consortium had submitted a revised schedule and requested that further delay has occurred which resulted in re-fixing the contract completion period affecting despatches, services, billing, project financing/ cash flow, etc. which in turn would adversely affect the progress of the work. As per the revised schedule the commissioning of Unit #1 latest by 04-September-2023 and commissioning of Unit #2 latest by 28-November-2023

The matter was again placed before the Full Time Directors as per the note read as 7<sup>th</sup> above..

Having considered the matter in detail the Full Time Directors in the meeting held on 11.05.2023

Resolved to grant time extension, because of exigency, till July 17, 2023 to M/s.TVPPL-KSK-FITWELL-BOOM-REHPL Consortium for the work of "Erection of supplied E&M equipment and supply and erection of BOP equipment for (2X30MW) Pallivasal Extension Scheme HEP.

Further resolved that as instructed by the Government, detailed report shall be submitted to the Government and based on the report the decision of LD shall be taken.

Further resolved that no further time extension will be granted beyond the above extension period and the project teams shall do proper follow ups in the matter.

Orders are issued accordingly.

**By Order of the  
Full Time Directors**

*Sd/-*

**LEKHA G  
Company Secretary**

To:

The Deputy Chief Engineer with full powers of Chief Engineer (PED)

Copy to: The Financial Adviser/ Chief Internal Auditor/Company Secretary

The T A to CMD/D(T,SO,P,S & G-E)/ D (D, SCM IT,REES & Soura)/ D (G-C )

The PA to D (F & HRM)

Library/ Stock File

Forwarded / By Order

*[Signature]*

Assistant Executive Engineer