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KARNATAKA POWER TRANSMISSION CORPORATION LIMITED
Corporate Identity Number (CIN):U40109KA1999SGC025521

No:B19/345/85-86

Corporate Office,
Kaveri Bhavan,
Bengaluru -560 009.
Dated: 19.12.2018

CIRCULAR

Sub: Amendment to the tender document clause for Price Variation on Bought out Items.

**Ref: CEE, T&P, KPTCL Note No.CEE(T&P)/CA(T&P)/KCO65/2018-19/6479
Dt: 05/10/2018 and CEE(T&P)/CA(T&P)/KCO65/2018-19/7109 approved by
Managing Director, KPTCL on 15/12/2018.**

The issue of admitting Price Variation for the equipments supplied to the projects of KPTCL by EPC contractors was put-up in the note cited under reference. The IEEMA formulae are the basis for Price variation calculation. The base prices of raw materials are considered in the IEEMA circulars for calculation of Price Adjustment. The circular clearly states that prices of all raw materials are exclusive of taxes and duties.

In the above background and as the base price of the equipments supplied by EPC contractors which were procured from other manufacturers is not known, it is decided not to extend the Price Variation benefit to such materials (i.e Bought out). Further it is felt that definitions of "Bought out items" and "Own manufactured" needs to be clearly spelled out as stated below.

Own manufactured: The items quoted in the tender which are manufactured by the bidder/Consortium partner and declared in the appropriate schedule of the tender.

Bought out item: The items quoted in the tender which are not manufactured by the bidder / Consortium partner but bought from other agencies / firms and declared in the appropriate schedule of the tender.

The following Amendment shall be incorporated in the standard tender documents of KPTCL with immediate effect by all the tender inviting authorities for future tenders as approved in the note cited under reference.

| As Existing | As Amended |
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| <p data-bbox="390 365 909 409">15.0 of ITB Price Adjustment:</p> <p data-bbox="390 468 1104 1086">The Prices, only for the following items, quoted by the Bidder shall be VARIABLE in accordance with the relevant IEEMA/CACMAI Price Variation Formula and Indices without ceiling during the contractual delivery period. Price Variation is not admissible for other Items. The base date applicable for Price Variation is one month prior to the last date of Bid Submission date as notified (either original or extended) as per IEEMA/ CACMAI Circulars:</p> <p data-bbox="432 1160 884 1205">I Equipments / Materials:</p> <ol data-bbox="443 1210 1094 2036" style="list-style-type: none"> 1) Power Transformers 2) 11kV Switchgears. 3) Conductors & Ground Wires. 4) Lightning Arresters. 5) Transformer Oil. 6) Tower Parts, equipment mounting/ Station Structures. 7) Control Cables. 8) HT/EHT UG Cables 9) Conductor Hardware. 10) Battery & Battery Chargers. 11) Instrument Transformers. 12) Insulators 13) Transmission line Towers & Accessories 14) Circuit Breakers <p data-bbox="369 2095 1094 2347">II In respect above Electrical goods covered under works contract / procurement shall be in accordance with the relevant IEEMA / CACMAI Price Variation formulae and indices.</p> <p data-bbox="369 2407 1094 2540">III In respect of Turnkey Projects involving Civil Works and Erection Portion shall be as per relevant Formulae as evolved</p> | <p data-bbox="1146 365 1535 409">15.0 Price Adjustment:</p> <p data-bbox="1146 468 1871 1086">The Prices, only for the following items, quoted by the Bidder which are his "Own manufactured" shall be VARIABLE in accordance with the relevant IEEMA/ CACMAI Price Variation Formula and Indices without ceiling during the contractual delivery period. Price Variation is not admissible for other Items. The base date applicable for Price Variation is one month prior to the last date of Bid Submission date as notified (either original or extended) as per IEEMA/CACMAI Circulars:</p> <p data-bbox="1188 1160 1640 1205">I Equipments / Materials:</p> <ol data-bbox="1199 1210 1850 2036" style="list-style-type: none"> 1) Power Transformers 2) 11kV Switchgears. 3) Conductors & Ground Wires. 4) Lightning Arresters. 5) Transformer Oil. 6) Tower Parts, equipment mounting/ Station Structures. 7) Control Cables. 8) HT/EHT UG Cables 9) Conductor Hardware. 10) Battery & Battery Chargers. 11) Instrument Transformers. 12) Insulators 13) Transmission line Towers & Accessories 14) Circuit Breakers <p data-bbox="1146 2095 1871 2347">II In respect above Electrical goods covered under works contract / procurement shall be in accordance with the relevant IEEMA / CACMAI Price Variation formulae and indices.</p> <p data-bbox="1146 2407 1871 2540">III In respect of Turnkey Projects involving Civil Works and Erection Portion shall be as per relevant Formulae as evolved</p> |

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|--|---|
| <p>by IEEMA. However, as far as admissibility of price variation towards erection and civil works is concerned, the same would be restricted to below appended activities only.</p> <p>a) Concreting (With or without steel reinforcement)</p> <p>b) Steel reinforcement and structural steel.</p> <p>c) Any other civil works where rates are individually/independently indicated for concreting (with or without reinforcement) and Steel reinforcement and structural steel.</p> | <p>by IEEMA. However, as far as admissibility of price variation towards erection and civil works is concerned, the same would be restricted to below appended activities only.</p> <p>a) Concreting (With or without steel reinforcement)</p> <p>b) Steel reinforcement and structural steel.</p> <p>c) Any other civil works where rates are individually/ independently indicated for concreting (with or without reinforcement) and Steel reinforcement and structural steel.</p> |
| <p>15.2 The quoted price for all the remaining items shall remain fixed during the Performance of the contract and shall not be subject to variation on any account save for change in quantity.</p> | <p>15.2 The quoted price for all the remaining items including bought out items of the above category shall remain fixed during the Performance of the contract and shall not be subject to variation on any account save for change in quantity</p> |

Note: Quoted price is Ex-Works price (excluding taxes and duties)

The above Instructions shall be followed scrupulously.


 Deputy General Manager (Tech)
 KPTCL

Copy to:

1. All Chief Engineers, Electricity, KPTCL.
2. All Financial Advisors, KPTCL.
3. All Superintending Engineers, Elecl., KPTCL.
4. All Controllers of Accounts, KPTCL.
5. All Executive Engineer, Ele., KPTCL.
6. All Deputy Controllers of Accounts, KPTCL.

Copy for information to:

1. EA to MD/DT, KPTCL, Kaveri Bhavan, Bengaluru.
2. SPS to MD/DT/DF/D(A&HR)/Director & Company Secretary, KPTCL, Kaveri Bhavan, Bengaluru.
3. The Superintending Engineer (Ele.), IT & MIS, with a request to arrange to upload this circular in KPTCL website.