

No.EXC/MTG/197

**MUMBAI METROPOLITAN REGION
DEVELOPMENT AUTHORITY,**
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Date : 4th March, , 2002

The minutes of the Hundred and Ninety-Seventh Meeting of the Executive Committee of the Mumbai Metropolitan Region Development Authority, held on 22nd February, 2002 are enclosed.


(S.B.Pardeshi)
Secretary,
Executive Committee

To :

- | | | | |
|------|---|---|----------|
| The | Chief Secretary to the Government
of Maharashtra, General Administration
Department, Mantralaya | - | Chairman |
| Shri | D.M.Sukthankar
'Priya', Worli Sea-Face,
Worli, <u>Mumbai-400 018</u> | - | Member |
| Shri | R.Y.Tambe
A/600, Shivam Apartments,
R.P.T.S.Road, Surendranagar,
<u>NAGPUR-440 015</u> | - | Member |
| Shri | Deepak Parekh
Chairman,
H.D.F.C.Ltd., Churchgate,
<u>Mumbai-400 020.</u> | - | Member |
| The | Principal Secretary (I) to the Government
of Maharashtra, Urban Development
Department, Mantralaya. | - | Member |

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- | | | |
|---|---|--------|
| The Municipal Commissioner
Municipal Corporation of
Brihanmumbai. | - | Member |
| The Principal Secretary to the Government of Maharashtra
Housing & Special Assistance Department,
Mantralaya. | - | Member |
| The Managing Director,
C.I.D.C.O., Mumbai. | - | Member |
| The Metropolitan Commissioner
M.M.R.D.A. | - | Member |

INVITEES :

- The Principal Secretary (II) to Government of Maharashtra,
Urban Development Department,
Mantralaya.
- The Principal Secretary to Government of Maharashtra,
Industries Department, Mantralaya.
- The Principal Secretary to Government of Maharashtra,
Environment Department, Mantralaya.

Copy to :-

- The Legal Adviser, M.M.R.D.A.
- The Officers of the M.M.R.D.A

**MINUTES OF THE 197th MEETING OF THE EXECUTIVE
COMMITTEE, MMRDA.**

DATE : 22ND FEBRUARY, 2002 (FRIDAY)

TIME : 5.15 P.M.

**PLACE : CHIEF SECRETARY'S
COMMITTEE ROOM
5TH FLOOR, MANTRALAYA**

MEMBERS PRESENT:

Shri V.Ranganathan : Chairman
Chief Secretary to Government

Shri R.Y.Tambe : Member

Shri A.P.Sinha : Member
Principal Secretary (I) to Government
Urban Development Department

Shri Vinay Mohan Lal : Member
Principal Secretary to Government
Housing & Special Assistance Department

Shri Ajit Warty : Member
Metropolitan Commissioner

INVITEES:

Shri Ramanand Tiwari
Principal Secretary (II) to the Government
Urban Development Department

Shri Ravibhushan Bhudhiraja
Principal Secretary (Environment)
Environment Department

Shri U.P.S.Madan
Project Director, M.U.T.P.

Shri P.L. Bongirwar
Addl. Metropolitan Commissioner (Engg.)

Shri K.N. Patel
Legal Adviser, MMRDA

Shri S. B.Pardeshi
Chief Accounts Officer & Financial Adviser, MMRDA
Secretary, Executive Committee, MMRDA (Addl. Charge)

Item No.1: Confirmation of the Minutes of the last (196th) Meeting of the Executive Committee held on 16th January, 2002.

Minutes were confirmed.

Item No.2: Action taken on the Minutes of the last (196th) Meeting of the Executive Committee held on 16th January, 2002.

The action taken report was noted by the Committee.

Item No. 3: Selection of bidder for procurement of land and constructed tenements in lieu of TDR plus cash (Option 'B') under the Mumbai Urban Transport Project.

At the outset, the Project Director, MUTP, gave the background of the proposal, explaining that a tender for about 12,000 tenements was called earlier in June 2000. However, all the bidders formed a cartel and quoted a similar rate of about Rs.2.60 lakhs + the available TDR per tenement. The tender was rejected with the approval of the Executive Committee and a fresh tender for 5000 tenements only was called to induce competition among the bidders. This time the response was better and the rate varied

from Rs.1.49 lakhs to Rs.1.85 lakhs per tenement. Before this second tender could be finalized, some of the bidders who had not participated in the tender, made offers of giving tenements without any cash component i.e. only in lieu of admissible TDR. Since these offers were not backed by any security deposit, it was decided in consultation with the World Bank to invite another tender (the third tender) for 5000 to 7000 tenements keeping the earlier tender of 5000 tenements alive. This was done to compare the rates quoted in the first tender with those of the new (second) tender and to ascertain the veracity of the claim of the bidders offering tenements without cash component.

This third tender was also opened on 15/1/2002 and was evaluated by the Evaluation Committee consisting of the Project Director/MUTP, AMC (E), Dy. CE (DP) OF MCGM, DDTP of SRA and Shri N.V.Merani, Ex-Principal Secretary, PWD. Of the 12 bids received, 5 were found eligible as per tender conditions and the rates varied from Rs.73,900 to Rs.1,50,000 per tenement. After opening of the third tender, the bidders of the second tender, who had quoted for both the tenders, also offered substantial rebate to bring their rates on par with the third tender rates.

As a period of more than 1½ years has elapsed since the first tender was called for procurement of tenements under this Option, the World Bank has shown concern about the delay in finalization of these tenders. During the last visit of the World Bank Mission in November-December 2001, they had included award of these tenders as an important check point in the Aide-Memoire, to be completed before close of appraisal. Since the appraisal is scheduled to start from 25th February 2002, it is imperative to take an early decision in both the tenders. Therefore, both the tenders were placed for consideration simultaneously.

M/s Videocon Atithi Shelters (VAS) were the lowest in the second tender with a rate of Rs.81,000 per tenement after rebate. Therefore, their case was discussed first by the Committee. It was clarified by the Project Director that M/s Videocon Atithi Shelters had offered to construct 5000 tenements on their land, but since there were some doubts about this number due to several constraints on their land, a reference was made to the

Slum Rehabilitation Authority (SRA) seeking their opinion in the case. The SRA had confirmed in writing that the bidder could construct only 2690 tenements on the said land due to various physical constraints. The Project Director then brought to the notice of the Committee another letter on the same subject, received from the SRA two hours before the meeting, stating that the number of tenements may vary depending upon different assumptions. The details of this letter were considered by the Committee. The Committee was surprised to note the last minute change in the opinion of SRA, which was in any case non-specific in nature. The Committee, therefore, decided not to consider the latter communication of the SRA.

A letter issued by the Housing Department suggesting initiation of action for blacklisting against M/s Atithi Builders Corporation; one of the JV partners of M/s Videocon Atithi Shelters (VAS), was also brought to the notice of the Committee by the Project Director. On a query made by the Chairman about whether the tender conditions provided for examining the past record of a bidder, it was clarified by the Project Director that clause 4.8 provided that a bidder could be disqualified if he was known to have a past record of financial failures etc. The Principal Secretary (Housing), who was present in the meeting, then explained that all the issues upon which the blacklisting action was initiated against the said Company, were satisfactorily resolved by the Company and, therefore, no further action in the matter was called for. The Committee, therefore, decided that M/s Videocon Atithi Shelters should be considered eligible in view of the clarification given by the Principal Secretary, (Housing). The Principal Secretary (Housing) also agreed to withdraw the said letter at the earliest.

Regarding the bid of M/s S.G.Chemicals offering 1386 tenements @ Rs.60,000 per tenement, it was explained by the Project Director that the Evaluation Committee had recommended to consider the said bidder eligible only if the other eligible bidders failed to meet the total requirement of 12000 tenements as the land offered by this bidder was already mortgaged to the Global Trust Bank. The Executive Committee, therefore, decided not to consider this offer as it is non-responsive as per the tender conditions and

any relaxation in this case may lead to challenge from the other bidders who are declared non-responsive.

The Chairman of the Committee enquired about the justification of higher rates offered by M/s S.V.Patel/B.B.Patel/L&T (JV). It was clarified by the Project Director and the Metropolitan Commissioner that the construction cost of the tenements being more or less the same for all the bidders, the location and value of land offered by the bidder were critical factors in quoting their rates. However, since the rates had been quoted in response to open public tenders, they could not be negotiated with the bidders as per the World Bank Procurement Guidelines. The bidders could offer rebate if they so desired and accordingly M/s Rockline Construction and M/s S.V.Patel/B.B.Patel/L&T (JV), have offered rebates of Rs.10000/- and Rs.20000/-, respectively in the second tender. It was also clarified that since the bidders with lower rates were not able to meet our total requirement of 12000 tenements, and award of these tenders was identified as a pre-condition for close of appraisal by the World Bank, resorting to bidders with relatively higher rates was unavoidable.

About the offer of 135 ready tenements by M/s Skyline Constructions, it was decided not to consider this offer against this tender, as it does not meet the tender conditions. If required the proposal could be brought up independently at a later date.

After discussion, it was decided to recommend the proposal to the Authority for procuring the required 12000 tenements in the following manner.

Resolution No.845 :

“It is resolved that as stated in the Agenda Note and as discussed, it is recommended to the Authority to procure the required 12000 tenements as follows:

- (1) 2690 tenements (as per the recommendations of SRA) to be procured from M/s Videocon Atithi Shelters @ Rs.81,000 per tenement.

- ✓ (2) 650 tenements from M/s Runwal Constructions @ Rs.73,900 per tenement.
- (3) Another 1000 tenements from M/s Runwal Constructions @ Rs.89500 per tenement.
- (4) 660 tenements from M/s Rockline Construction @ Rs.1,10,000 per tenement.
All 5000 against the first tender.
- (5) 1090 tenements from M/s Rockline Construction @ Rs.1,10,000 per tenement.
- (6) 5910 tenements from S.V.Patel/B.B.,Patel, L&T Joint Venture @ Rs.1,30,000 per tenement
All 7000 against the second tender.”

“It was also decided to send a proposal to the World Bank for seeking their clearance in the matter.”

Discussion with the permission of the Chairman

Shri B.Rajaram, Managing Director, Konkan Railway Corporation (KRC) attended the Executive Committee meeting as Special Invitee in connection with Techno-Economic Feasibility Study of Sky Bus Metro Project. He appraised the Committee about the present status of the Sky Bus Metro. The Chief Secretary and Chairman, Executive Committee observed that the co-operation is required among KRC, Mumbai Metropolitan Region Development Authority and Govt. of Maharashtra for implementation of the project. He suggested that each agency should identify an officer and prepare a time bound action plan for implementing the project in time.

The Executive Committee has earlier approved appointment of CES to undertake Techno-Economic Feasibility (TEF) Study. The scope related to technology evaluation was deleted from the TOR and Chairman Railway Board was requested set up a group of Railway officers to endorse the same. However, Railway Board has communicated its inability to do so. In view of this, commencement of TEF study was held up. The Metropolitan Commissioner, Mumbai Metropolitan Region Development Authority informed that the KRC has agreed to co-operate with the consulting firms and, therefore, suggested that CES be now asked to commence the study. Since it is proposed

to include the technology aspects in the TOR again the consultant are entitled for additional fee. The MC, MMRDA was authorised by Chairman, Executive Committee, MMRDA to negotiate and fix the consultant's fee.

The Chief Secretary and Chairman Executive Committee directed to convene the next meeting of the Executive Committee in the office of the Authority at Bandra. The items including study on Staffing Pattern and Manpower Planning, Development of Bandra-Kurla Complex, Convention Centre and Authority Fund may be submitted for discussion in the meeting.

The Meeting then concluded with a vote of thanks to the Chair.
