

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED
A B S T R A C T

APGENCO- Dr.MVR RTPP Stage-IV-CHP- Providing Bye pass railway line connection from Kalamalla Railway station to RTPP siding - Detailed feasibility studies and preparation of DPR by M/s RITES for approval by the Indian railways (SCR) - Approval - Accorded.

G.O.O.No. 220/CE/Civil/Thermal /2024,

Dated: 05.11.2024.

Ref: (1) GOO No.256/CE/Civil/Thermal/2015 Dated :30.09.2015
(2) Lr. No.RITES/SC/APGENCO/RTPP/Stage-IV/By pass & Siding/2024/0579 Dt.18.06.2024.
(3) Lr. No.RITES/SC/APGENCO/RTPP Dt.25.09.2024.

Read the following:-

O R D E R:

- 1) The APGENCO Board had accorded administrative approval in its 143rd Board meeting held on 08-09-2015 for Rs. 59.30 Cr. for "Providing Bye-Pass line connection from existing Kalamalla Railway Station" vide G.O.O.No. 256 dated 30-9-2015.
- 2) After finalization feasibility study for bye-pass line, the APGENCO has appointed M/s RITES to perform the following activities vide PO No. 4900018151, Dt:06-12-2016.
 - a) To call tenders for bye-pass line on behalf of APGENCO and to fix the agency.
 - b) Design and drawings preparation as per RDSO/Bridge code etc., and submission of the same to APGENCO for consent/release.
 - c) Supervision and Quality Assurance (QAP) and Documentation
 - d) Certification of measurements and bills.
- 3) The bye-pass line works could not move forward due to uncertainty in the extension of life to existing units 1 & 2 by CEA. Now all units of RTPP are running successfully and the CEA has also advised power utilities to run the stage I & II units upto the year 2030 and likely to get extension for additional periods due to power scarcity. The South-Central Railway is insisting for providing bye-pass line on top priority to avoid engine detention time at Muddanur station and also to reduce the freight charges of coal transportation and requested to upgrade the infrastructure at the earliest and effort may be taken to reduce unloading time within the permitted time of 05Hrs for BOXN and 02 hrs for BOBR stock to comply with the guidelines issued by Ministry of Power.
- 4) M/s RITES was addressed vide Lr.No. dt.29-11-2023 to restart the DPR works and to furnish the revised DPR along with cost estimates by restarting the correspondence with SC Railway for approval of Engineering Scale Plans and Detailed Project Reports.
- 5) M/s RITES have restarted the activities for obtaining approval for Engineering Scale Plans from SCR and for preparation of revised DPR by conducting series of meetings with SCR. The approval of Engineering Scale Plans are at an advanced stage and most of the wings have already cleared the drawings.

Contd....2

6) M/s RITES have submitted a revised draft DPR for Rs. 7175 Lakh excluding GST. It is observed and found that the draft DPR is in order. The quantities adopted are as per site conditions and rates are adopted as per South Central Railway's Standard Schedule of Rates. The increase in cost of project is due to price escalation in rates from the year 2016 to current year 2024. Hence, the draft DPR can be approved without any comments from APGENCO. However, certain technical remarks on DPR and ESP's have been communicated to M/s RITES vide letter dt:08.08.2024 for incorporation in the final DPR.

7) The APGENCO management has accorded approval vide e-office no.1048/2024, dt.10.10.2024 to amended the PO No.4900018151, dt.13.04.2016 duly incorporating the following terms and conditions and ensuring that ratification will be obtained during the ensuing board meeting.

- a. to change the existing contract from Project Management Consultancy to Turnkey contract and also as there is no financial burden to APGENCO.
- b. To accept consultancy charges @7% on built up cost plus GST as applicable from time to time and stage payment will be made as per para no.10(II)
- c. To accept the payment terms.
- d. All other terms and condition in the PO remains unaltered.

8) The revised project cost details are as below.

a. Cost of Bye-pass line as per RITES	:	Rs.7175.00 lakh
b. Add GST @18%	:	Rs.1291.50 lakh
c. Cost of land	:	Rs.150.00 lakh
d. Total	:	Rs. 8616.50 Lakh
e. Codal charges (4%) payable on a+c i.e, 7325 plus GST @ 18% (7325*0.04+293*0.18)	:	Rs.345.74 lakh
f. Deduct codal charges already paid	:	(-)Rs. 115.20
g. Add Land lease charges towards utilization of railway premises	:	Rs.300.0 lakh
Total project cost	:	Rs.9147.04 lakh
h. Project Management Consultancy (PMC) charges @10%(plus GST) to RITES on project cost 7175x10%+717.5x0.18	:	Rs.846.65 lakh
i. Price escalation variation of cost in respect Of land/lease and contingencies	:	Rs.213.36
j. Total d+e+f+g+h+i	:	Rs. 10207.05 lakh.

9) The revised project cost works out to Rs. 102.07 Cr which is Rs. 42.77 Cr (72 %) excess over the original approved project cost Rs. 59.30 cr. This increased cost of 42.77 Cr. is not much significant considering the operational advantages in rake movement and providing detention free movement of rakes. In addition to this the annual savings in freight charges will be in the range of Rs. 45.48 Cr between NDL-YA route and NDL- GY route.

10) The PO was issued for Project Management consultancy with consultancy charges of 10% on original project cost of 59.30Cr. However, the project cost was increased to Rs.102.07 Cr. Hence, negotiations were conducted with M/s RITES on consultancy charges and to change the existing contract from Project Management Consultancy to Turnkey contract as requested by M/s RITES.

I Terms and conditions of PO to be amended are as follow:

Clause of PO issued	According to M/s RITES PO Rites fee	Acceptance by APGENCO after negotiation
Cl.4 of PO 4900018151 and Annexure.I	Remuneration of 10% on build up cost +applicable service tax on Consultancy Service basis	Remuneration of 7% on build up cost +applicable GST as applicable from time to time

II Payment terms:

S.No.	Description of work	Project Management Consultancy Charge	% negotiation accepted in Turnkey contract
A	On issue of Tender Notice	0.5% of estimated value	0.5% of estimated value
B	On issue of work order/LOA to Agency by M/s RITES and after approving variation or deviations to any contract by competent authority of RITES/APGENCO	1.5% of contract value(or enhanced contract value of the case may be)	1.5% of contract value(or enhanced contract value of the case may be)
C	Project Supervision, quality control and certification of each contractors bill	7% of value of work done and certified	4.5% of value of work done and certified
D	On passing of final bill of the agency and sending to APGENCO	10% of the total value of work done and certified in the package duly deducting fee paid earlier under this package	7% of the total value of work done and certified in the package duly deducting fee paid earlier under this package

Contd...4

- 11) The Chief Engineer/Civil/Thermal has circulated a note to Board for ratification of the following as approved by the APGENCO management.
- To approve the draft DPR and to revise the project cost to Rs. 102.07 Cr. from Rs. 59.30 Cr and negotiations done with RITES for change of PMC contract to Turnkey contract, and also on consultancy charges on the revised project cost.
 - To change the existing contract from Project Management Consultancy to Turnkey contract as there is no financial burden to APGENCO.
 - To accept consultancy charges @7% on built up cost plus GST as applicable from time to time.
- 12) In the 202nd Board meeting of the company held on 17-10-2024 and communicated on 29.10.2024, Board has accorded ratification for the above.
- 13) The Chief Engineer/Generation/Vidyut Soudha is requested to take necessary action to include an amount of Rs.102.07 Crores in stage-IV Project cost and arrange for financial tie up.

(BY ORDER AND IN THE NAME OF ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED)

Sd/-

**Y.SURESH BABU
CHIEF ENGINEER/CIVIL/THERMAL**

To

The Chief Engineer/O&M/Dr.MVR RTPP,
V.V.Reddy Nagar – 516 312, Y.S.R District.

Copy submitted to the:

- P.S. to Managing Director/APGENCO/Vidyut Soudha/Vijayawada.
- Dy.EE/T to Director (Thermal)/ APGENCO/Vidyut Soudha/Vijayawada.

Copy to the:

- Chief Engineer/Generation/ APGENCO/Vidyut Soudha/ Vijayawada.
- ✓ Chief General Manager (Adm & IS)/APGENCO/Vidyut Soudha/ Vijayawada (2 copies)
- Chief General Manager (Res. & Accts.)/APGENCO/ Vidyut Soudha/ Vijayawada.
- Superintending Engineer/Civil Circle / RTPP/V.V.Reddy Nagar-516312/YSR Dist.
- Dy CCA (Accounts)/Dr.MVR RTPP/V.V.Reddy Nagar-516312.

//FORWARDED BY ORDER //


**EXECUTIVE ENGINEER/CIVIL
Dr. MVR RTPP DIVISION**