



ABSTRACT

Cement – Procurement of cement from private manufacturers through open tenders – Placement of orders to the L1 suppliers – Concurrence to TANCEM – Orders - Issued.

Rural Development and Panchayat Raj (CGS-I) Department

G.O.(2D) No.62

Dated. 6.10.2009

Read:

1. G.O.(2D) No.37, Rural Development and Panchayat Raj Department, dated 6.6.2007.
2. G.O.(2D) No.29, Rural Development and Panchayat Raj Department, dated 15.4.2008.
3. G.O.(2D) No.10, Rural Development and Panchayat Raj Department, dated 26.2.2009.
4. Government. Letter.No.2463/CGS-1/2009, dated. 26.2.2009.
5. G.O.(2D) No.32, Rural Development and Panchayat Raj Department, dated 1.7.2009.
6. From the Managing Director D.O. Lr.No.70/TANCEM/ MD/CO/ 7 Lakh MT/OPC 43 Gr./2009, dated 9.9.2009.

ORDER:

In the G.O. first read above, Government have authorised TANCEM to procure cement from private manufacturers through open tenders for Rural Development and Panchayat Raj Department works.

2. The total requirement of cement for Rural Development and Panchayat Raj Department and Tsunami works, during 2009-10, is estimated around 13 lakh MTs. Out of this around 6 lakh MTs. alone can be supplied by TANCEM from their own manufacturing units. Therefore, the balance of approximately 7 lakh MTs. of cement will have to be procured through the open market. During 2008-09, a similar procedure was followed and about 9 lakh MTs. of OPC 43 Grade cement was procured from 7 suppliers. The agreement for procurement executed last year expired on 30.9.2009.

3. The Managing Director, TANCEM, in his proposal, has stated that for procurement of 7 lakh MTs. of OPC 43 Grade cement for Rural Development and Panchayat Raj Department works, National Competitive Bid was floated by TANCEM. Seven Cement Manufacturers participated. Out of the 7 bidders, 6 firms were short listed. Out of the 6 bidders, M/s Chettinad Cements, Chennai and M/s Dalmia

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Cements, Chennai have emerged as L1 bidders covering all the clusters. The quantity offered by these two firms meets the demand of Rural Development Department in all the clusters. After negotiation, the L1 parties agreed to supply the cement @ Rs.215/- per bag inclusive of all taxes, unloading and stacking charges. The current market price for OPC cement is above Rs.250/- per bag. The L2 & L4 firms i.e. M/s Deccan Cements Ltd., and M/s Billiance Cements have subsequently matched the price offered by the L1 bidders.

4. The Managing Director, TANCEM has proposed to place orders with L1 firms M/s Chettinad Cements, Chennai and M/s Dalmia Cements(Bharat) Ltd., Chennai at the negotiated rate of Rs.215/- per bag inclusive of all taxes, duties, unloading and stacking of cement bags in the respective Block level office godowns in all clusters, for supply of 7 lakh MTs. for one year from the date of approval of the Government. Orders may be placed on the L2 & L4 bidders who have agreed to match L1 negotiated rate of Rs.215/- per bag inclusive of all taxes, duties, unloading and stacking of cement bags in the respective Block level office godowns, in the event of failure to supply the required quantity by M/s Chettinad Cements and M/s Dalmia Cements(Bharat) Ltd.

5. After careful examination, the Government concur with the proposal of the Managing Director, TANCEM and instruct the following:

- (i) TANCEM shall place orders with L1 firms (i.e.) M/s Chettinad Cements, Chennai and M/s Dalmia Cements(Bharat) Ltd., Chennai at the negotiated rate of Rs.215/- per bag inclusive of all taxes, duties, unloading and stacking of cement bags in the respective Block level office godowns in all clusters, for supply of @ 7 lakh MTs. for one year from the date of issue of order.
- (ii) Orders shall be placed on the L2 & L4 bidders who have agreed to match L1 negotiated rate of Rs.215/- per bag inclusive of all taxes, duties, unloading and stacking of cement bags in the respective Block level office godowns, in the event of (delay / short supply) failure to supply the required quantity by M/s Chettinad Cements and M/s Dalmia Cements(Bharat) Ltd.
- (iii) TANCEM is also permitted to levy a service charge of Rs.2/- per bag.
- (iv) The TANCEM shall conduct quality tests as per IS Code 8112-1989 and they are eligible for claiming inspection charges in addition to the service charge of Rs.2/- per bag of cement as ordered in G.O.(2D) No.29, Rural Development and Panchayat Raj Department, dated 15.4.2008. The procedures for inspection and submission of claims shall be the same as ordered already in the said Government Order.

6. This order issues with the concurrence of Finance Department vide its U.O.No .2743/FS/P/09, dated 30.9.2009.

(By order of the Governor)

K.ASHOK VARDHAN SHETTY,
Principal Secretary to Government

To

The Managing Director, Tamil Nadu Cements Corporation Ltd.,
Chennai-2.

The Commissioner of Rural Development and Panchayat Raj,
Chennai-15.

The Project Director, Tsunami Project Implementation Unit,
Chennai-1.

All District Collectors.(except Chennai)

All Project Officers, District Rural Development Agencies.

Accountant General, Chennai-6/18.

Copy to:

Senior Personal Assistant to Deputy Chief Minister, Chennai-9.

Senior Personal Assistant to Minister(Finance), Chennai-9.

Finance (RD) Department, Chennai-9.

The Director, SIRD, Maraimalai Nagar, Kancheepuram District.

//forwarded/by order//

SECTION OFFICER.

