AGENDA ITEM NO.: 02

CONSTRUCTION OF VERSOVA BANDRA SEA LINK PROJECT - APPOINTMENT OF CONTRACTOR TO IMPLEMENT THE PROJECT ON EPC BASIS

Chief Engineer (Special Projects) attended the Board of Directors Meeting. The Board of Directors were briefed about the project as follows:

1.0 Background:
- MSRTC is appointed as implementing agency for the project by the Government of Maharashtra on 19/12/2009.
- MSRTC appointed Techno Economic Feasibility consultant on 31/05/2010.
- Out of 4 alignment options, MSRTC Board approved the alignment which is about 900m away from the coast on 01/07/2011.
- Cabinet Sub-Committee on Infrastructure Govt. of Maharashtra approved this alignment vide GR dated 29/12/2011.
- Due to introduction of Coastal Road concept the project was put on hold.
- On 29/04/2016, again it was decided by Maharashtra Govt to pursue this project.
- MSRTC submitted the proposal to Cabinet Sub-Committee on Infrastructure dated 13/06/2017.
- Govt. decided to carry out the project on EPC basis as per GR dated 04/12/2017.
- Government of Maharashtra approved the EPC Cost of INR 5516 Crores and total project cost of INR 7502 Crores as per GR dated 04/12/2017.

2.0 CLEARANCES:
- CRZ Clearance received from MOEF on 09.01.2013. Application for extension accepted on 13.04.2018
- Environmental Clearance received on 02.02.2017
- MMB consent received on 13.04.2012
- CRZ and EC Approvals for Casting Yard (at Juhu Koliwada) in process
- Security Clearance submitted to GOI vide letter dated 20.01.2018
• FRA Certificate from Collector received on 09.04.2018. Further process of forest clearance is in progress.

3.0 TENDERING PROCESS:-
• The tendering process has been carried out on two stage tendering as follows:

**Stage I: Prequalification**
The following 5 bidders who participated in this stage were pre qualified on 08.03.2017.
1. M/s China Harbour Engineering Co. Ltd. & Soma Enterprise Ltd. (JV)
2. M/s Reliance Infrastructure Ltd. & Astaldi SpA (JV)
3. M/s Hindustan Construction Company Ltd & Sadbhav Engineering Ltd (JV)
4. M/s Hyundai Engineering & Construction Co & ITD Cementation Ltd. (JV)
5. M/s Larsen & Toubro Limited & Samsung C&T Corporation (JV)

**Stage II: RFP stage**
(Financial Bids from pre-qualified bidders)
Bid document was issued on 21.08.2017 and 3 bids were received on 09.03.2018.

Details of price bids received are as follows:

<table>
<thead>
<tr>
<th>Cost put to the tender (2015-16 DSR)</th>
<th>5516.00 Cr.</th>
<th>% Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1(M/s Reliance - Astaldi SpA JV) bid Price</td>
<td>6993.99</td>
<td>+26.79%</td>
</tr>
<tr>
<td>L2(M/s Hyundai-ITD JV) bid Price</td>
<td>7495.00</td>
<td>+35.88%</td>
</tr>
<tr>
<td>L3(M/s L&amp;T- Samsung JV) bid Price</td>
<td>7615.00</td>
<td>+38.05%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revised Cost Estimate (2017-18 DSR)</th>
<th>6426.53 Cr.</th>
<th>% Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1(M/s Reliance - Astaldi SpA JV) bid Price</td>
<td>6993.99</td>
<td>+8.83%</td>
</tr>
<tr>
<td>L2(M/s Hyundai-ITD JV) bid Price</td>
<td>7495.00</td>
<td>+16.63%</td>
</tr>
<tr>
<td>L3(M/s L&amp;T- Samsung JV) bid Price</td>
<td>7615.00</td>
<td>+18.49%</td>
</tr>
</tbody>
</table>

• Consultant has recommended the lowest quote vide letter dated 13/03/2018.
• Hon’ble Board of Directors deliberated on the issue of the reasonability of the lowest rates received. The cost justification of the lowest rates received was given as detailed below:
<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost by M/s. Louis Berger (2017 Rates) in CR</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Construction Cost</td>
<td>6426.53</td>
<td>There was steep rise in steel price: April 2016 - Rs. 40,425 / MT Oct 2017 - Rs. 44,945 / MT Feb 2018 - Rs. 56,314 / MT</td>
</tr>
<tr>
<td>Variation in Steel Price</td>
<td>272.13</td>
<td></td>
</tr>
<tr>
<td>Interest on Mobilisation Advance</td>
<td>341.17</td>
<td></td>
</tr>
<tr>
<td>Updated Cost Estimate (2017-18)</td>
<td>7,039.83</td>
<td></td>
</tr>
<tr>
<td>Lowest Quote by the Bidder</td>
<td>6,993.99</td>
<td></td>
</tr>
<tr>
<td>Difference in rate (+)</td>
<td>(45.84)</td>
<td></td>
</tr>
<tr>
<td>Difference in Percentage</td>
<td>-0.65%</td>
<td></td>
</tr>
</tbody>
</table>

- It was brought to the notice of Hon’ble Board Members that the cost quoted by the lowest bidder M/s. Reliance - Astaldi JV is reasonable in comparison to the current estimated cost of MSRDC as the interest of INR 341.17 Crores on the Mobilization advance will have to be paid by the lowest bidder to MSRDC and there is steep increase in the price of steel reinforcement as detailed in table above. Because of increase in the cost of steel the cost of the project increases by INR 272.13 Crores.

- After detailed discussion on the matter the Hon’ble Board of Directors passed the following resolution:

**RESOLVED THAT** the Board of Directors approve the lowest bid of M/s. Reliance - Astaldi JV for the work of Construction of Versova Bandra Sea Link Project on EPC Basis for INR 6,993.99 Crores (Rupees Six Thousand Nine Hundred Ninety Three Crore and Ninety Nine Lakhs only).

**RESOLVED FURTHER THAT** Vice Chairman and Managing Director, MSRDC be authorized to accept the Bid and take further necessary action for issue of LOA and issue of Work Order.
RESOLVED FURTHER THAT The above decision is confirmed in this meeting of the Board of Directors itself and the VC & MD be and is hereby authorized to implement this decision without waiting for further meeting of the Board of Directors.

RESOLVED FURTHER THAT Vice Chairman and Managing Director, MSRDC is hereby authorized to take further necessary action of seeking permission for necessary regulatory clearance including Forest Clearance and acquire land required for Construction of project on permanent basis and land for casting yard on temporary basis from Government and Private owners and obtain funding for the project for commencement of the project in compliance to the approvals granted by Cabinet Sub-Committee of Infrastructure, Govt. of Maharashtra on 13.06.2017 and as per GR dated 04/12/2017.

RESOLVED FURTHER THAT for improving the connectivity of landing points, the work of pre-feasibility and DPR of new connector at Taj Lands End hotel, Bandra and further connectivity of all landings to Western Expressway shall be undertaken through M/s. Louis Berger, consultant of VBSL and this work be awarded to them under variation of work of VBSL consultancy and VC&MD be and is hereby authorized to call the variation proposal and approve it and make suitable budget provision for the variation work.

RESOLVED FURTHER THAT to improve the connectivity of the VBSL up to NH-3 the pre-feasibility followed by techno economic feasibility study of sea link from Versova to Virar with suitable connectors shall be undertaken through M/s. Louis Berger, consultant of VBSL and this work be awarded to them under variation of work of VBSL consultancy and VC&MD be and is hereby authorized to call the variation proposal and approve it and make suitable budget provision for the variation work.

For MAHARASHTRA STATE ROAD DEVELOPMENT CORPORATION LIMITED

Prasad Sawant
Company Secretary
ACS 33104
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