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M.P. POORV KSHETRA VIDYUT VITARAN CO. LTD.,
Block-7, 3RD Floor, Shakti Bhawan, Jabalpur

EDW&P-EZ/RE/RGGVY/JBP-01/2298

Date 25/04/2008

To,

Byg Adr Speed Post

M/s Simplex Engineering Company,
Simplex Estate, Nagpur road
Jabalpur.

Sub:- Termination of contract under clause 42 "Contractor's Default" of General Terms & Conditions of the Contract.

- P-6282c
P-6289/c
P-5524/c
P-5781/c
P-6652/c
- Ref:- i) Award of contract vide this office award no EZWS/RGGVY/JBP-01/ORD/4232 dated 30.09.2006.
ii) This office letter no. 6211 dated 23.12.2006.
iii) This office letter no. 7476 dated 17.03.2007.
iv) This office letter no. 4142 dated 15.12.2007.
v) This office letter no. 215 dated 14.01.2008

Dear Sir,

Please refer to above cited correspondence and award of contract for Design, Manufacture, Pre-dispatch Inspection & Testing, Dispatch, Supply, Transportation, Insurance, Receipt, Storage, Erection, Testing and Commissioning of Materials for Construction of New 11 KV line, LT line, 25 & 16 KVA, 11/0.4 KV Distribution substations and Extension of Service Lines including house wiring for BPL house holds in Jabalpur Block of O&M Division, Jabalpur of Jabalpur District under RGGVY projects on total Turnkey basis under tender specification No.EZ/RGGVY/905/JBP-01, opened on dated 24.06.2006. Physical parameter and cost of award is as under:

11 KV Line	LT Line	16 KVA/25 KVA		No of BPL Connections	Cost of Award (Amt in Rs.)		
		DTR	DTR		Supply	Erection Total	
326	108	18	326	7625	10,70,11,188.60	43,64,350.00	11,13,75,539.00

2. As per the award of contract initial period of completion was 18 months from the date of receipt of letter of award including commencement period of 2 months. According to this office letter no. 6211 dated 23.12.2006, leaving aside the commencement period of 2 months the completion period of works was fixed upto May'2008. Considering the time taken for joint reconfirmation of survey work, the date of commencement of awarded work was fixed as 1st February,2007 vide this office letter no. 7476 dated 17.03.2007. Accordingly the completion period of award of contract was revised upto 31st July 2008. Further you have requested for extension of time period of contract vide your letter no. 332 dated 12.10.2007. The time period of completion of contract was extended upto 30th September'2008 vide letter no. 4142 dated 15.12.2007. As per work plan submitted by you and agreed by us, you proposed the completion of work of Rs 3,65,72,024.32 upto

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February-2008, whereas you have completed the work of Rs 60,50,393.20 only, which is far behind the work plan fixed by you. Details are as under:

Particulars	Target up to Feb-08	Amount of targeted work (in Rs.)	Work Completed up to Feb-08	Amount of completed work (in Rs.)
1. 11 KV Line				
(i) Pole Erection	151 Kms	889489.20	123 Kms	3809646.00
(ii) Stringing	120 Kms	18129907.20	Nil	Nil
2. LT Line				
(i) Pole Erection	42 Kms	513904.00	34.7 Kms	1713746.88
(ii) Stringing	32 Kms	4937943.68	Nil	
3. X-mer Installation	88 Nos.	9447040.24	88 DP Erected	527000.32
4. BPL Connection	2300 Nos.	2653740.00	Nil	Nil
Total Amount		36572024.32		6050393.20

3. Please refer to our notice issued to you vide this office letter no. 215 dated 14.01.2008 under clause no 42 "Contractor's Default" of the General Terms & Conditions of the Tender Specification no EZ/RGGVY/905 opened on dated 24.06.2006. You were also advised to accelerate the construction activities covering the backlog, so that work could be completed in scheduled time period as per terms & conditions of above said TS.

4. You have submitted a representation dated 17.03.2008(received on 24.03.2008), to this office. In response to above, you were requested to visit this office on 29.03.2008. You visited this office on 31.03.2008 and it was advised to submit the firm and unconditional programme of village electrification with availability of material and procurement plan immediately, but same was not submitted by you till 03.04.2008. Therefore vide this office letter no. 1853 dated 03.04.2008 it was again requested to submit the undertaking that you shall not claim for any advance payment along with firm programme of village electrification. In response to above, you have submitted the representation dated 08.04.2008. On the basis of representation and meeting with you on 11.04.2008, it was clearly advised to submit concrete proposal comprising of following information:

- a. Details of order placed on approved vendors.
- b. Commitments from approved vendors.
- c. Stock of material as on 11.04.2008.
- d. Month wise requirement of materials.
- e. Details of man-power and gang to be deployed for the work.
- f. Firm programme of execution of electrification works month-wise.

You have not submitted any details to this office even after constant pursuance till 19.04.2008.

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5. Looking to the fact that you have not submitted any firm proposal, explanation and moreover no construction activities are going on at various site of works therefore, it has been concluded that you are not interested in completing the works as per schedule for completion of works and fulfill the contractual obligation. In view of non compliance of works by your firm, M.P.Po.K.V.V. Co. Ltd., Jabalpur has suffered losses and is not able to provide quality supply and service connections to consumers of the area where line work is proposed. Due to this company is not able to realize the assistance available under RGGVY projects within schedule time.

6. This is also informed that the action as per clause 42.1 of the General Terms & Conditions of captioned T.S. is being taken to get work completed by another agency at your risk and cost. Any extra cost shall be to your account and shall be payable by you, which may please be noted. Further, as per clause no 52 the General Terms & Conditions of captioned T.S., liquidity damages at 5% of balance work upto Feb-08 i.e. Rs 1526082.00 ((Rs 3,65,72,024.32 -60,50,393.20) X 0.05) shall also be payable by you in addition to above. The work done till 28th Feb 2008 has also been ceased.

7. From the above it is obvious that, you have failed in the performance of contract even after extending the contract period , therefore as per clause no. 42 "Contractor's Default" of the General Terms & Conditions of the Tender Specification no EZ/RGGVY/905 opened on dated 24.06.2006, award of contract issued in your favour vide no. EZWS/RGGVY/JBP-01/ORD/4232 dated 30.09.2006 is terminated on account of your default.

8. In view of the above, the company has started the proceedings as per clause no 38.3 of Instruction to Bidder of the Tender Specification no. EZ/RGGVY/905 opened on dated 24.06.2006, to encash the Bank Guarantee submitted against the performance guarantee by you amounting to Rs. 1,67,06,331.00 and take action for recovery of the balance amount as per law of land and provisions in the contract.


EXECUTIVE DIRECTOR (W&P-EZ)
MPPKVCL, JABALPUR

Copy to:

1. The Chief Engineer(JR), MPPKVCL, Jabalpur
2. The Additional Director(Fin-EZ/Accounts-EZ), MPPKVCL, Jabalpur
3. The Superintending Engineer(O&M), MPPKVCL, Jabalpur
4. The Executive Engineer(O&M), MPPKVCL, Jabalpur
5. The Sr.A.O.JC, MPPKVCL, Jabalpur