



PUDUCHERRY SMARTCITY DEVELOPMENT LIMITED

NO.2, Bussy Street, Old Court Building, Puducherry-605001

Letter of Intent

Ref: 116/PSCDL/PMC/2017/ 508

dt: 30.10.2018

To

M/s. Nippon Koei India Private Limited
Flat No 501&502, La Plaza Apartments,
Sri Srinivasa Hills, Madhapur,
Hyderabad,
TELANGANA - 500081.
Phone: +91-40-29708502

Subject: Letter of Intent - Selection of Project Management Consultant (PMC) to Design, Develop, Manage and Implement the Smart City Projects in Pondicherry (RFP No.001/PMC/PSCDL/2018)

Your bid for selection of Project Management Consultant to Design, Develop, Manage and Implement the Smart City Projects in Pondicherry, with financial quote (Competitive Component) of **Rs. 28,76,48,000/- (Twenty Eight Crore Seventy Six Lakh and Forty Eight Thousand only)+ applicable tax** has been approved by the Board in the 4th Board meeting of PSCDL. An extract of the Board discussion is reproduced as follows:

" After considering the proposal in detail, the Board approved the Selection of M/s. Nippon Koei India Pvt. Ltd., Hyderabad as the PMC for implementing the Smart City proposal for Puducherry City.

The Board noted that cost of consultancy/payment for consultancy work is essentially on manhour/mandays/manmonth basis. Therefore, it is essential that services of consultancy is utilised to extract commensurate work. In order to do this, a definite time lines for projects, for which funds become available, may be worked out so that the DPRs are framed and the work is taken up for execution. It will be infructuous expenditure if mere consultancy reports are generated and money spent on consultancy without the projects getting grounded. The Consultancy expenditure should be in tune with the projects getting grounded. The financial bid of successful bidder is about 1.85% of the total projected cost. This provides benchmark for the consultancy expenditure.

Further simple projects, for which internal departmental expertise already exist for framing DPR and execution, need not be dependant on this consultancy for execution. The objective is that projects should get executed and fund utilised in a time bound manner.

The Board therefore advised the PSCDL to identify the works against the funds available, alongwith timelines and to detail out the usage of consultancy and its cost, and the linked project/works, in consultation with the consultant.

The Board also advised that the cost of non-competitive components needs to be made realistic and is presently on higher side. Details of actual non competitive items needed will have to be settled with the consultant upfront.

The Board advised that best practices regarding execution of work/utilisation of consultancy services may be adopted from other Smart cities"

A copy of the minutes of discussion held on 15.10.2018 is also enclosed.

2. Accordingly, you are requested to submit the **performance security/guarantee of Rs. 2,87,64,800/-** (Rupees Two Crore eighty seven lakhsixty four thousand and eight hundred only), which is 10% of the contract value(as per clause 17 of Section 2 (Part I) Instructions to Consultants), as per the **format prescribed in Annexure-A1 of RFP**.

3. The Performance Security shall be drawn in favour of "**The Chief Executive Officer, Puducherry Smart City Development Limited (PSCDL), Puducherry**" from any scheduled bank within the jurisdiction of India.

4. The contract shall be signed after fulfilling all the formalities/pre-conditions including performance guarantee as mentioned in the standard form of contract in Section 6, **within 15 days from the date of issuance of this letter of intent**.

5. The time allowed for carrying out the services is 3 years as per the RFP and shall be reckoned from the date of signing of the contract. However, the validity of Performance Security shall be until a date **28 days** from the date of issue of the Certificate of Completion in the case of a bank guarantee.

In addition to above, you shall comply with all other requirements set out in the RFP.


(ABHIJIT VIJAY CHAUDHARI)
CHIEF EXECUTIVE OFFICER, PSCDL

Encl : as above

Copy submitted to:

1. The Chief Secretary -cum- Chairman (PSCDL), Chief Secretariat, Puducherry.
2. The Mission Director, Smart Cities Mission, Ministry of Housing & Urban Affairs, New Delhi.
3. The Secretary (LA) -cum- Mission Director (Smart City Mission), Chief Secretariat, Puducherry.

PUDUCHERRY SMART CITY DEVELOPMENT LIMITED.
No.2, Bussy Street, First Floor, PSCDL, Puducherry-605001






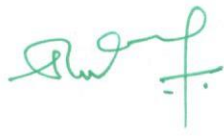
**MINUTES OF THE TECHNICAL AND FINANCIAL COMMITTEE MEETING HELD
UNDER THE CHAIRMANSHIP OF SECRETARY(LA)-CUM-MISSION DIRECTOR, ON
15.10.2018 AT CONFERENCE HALL, PSCDL.**

The Technical and Financial Negotiation Committee meeting under the chairmanship of Secretary (LA) was held with L1 M/s Nippon Koei India Pvt Ltd to decide further course of action. The following decisions were taken:



1. The language of correspondence/contract which is not prescribed in the RFP, shall be English.
2. The task I, II and III under consultancy are integrated one. The object of consultancy is not merely preparation of study report but execution of physical works as per Smart City scheme. The projects to be taken on priority as per availability of funds shall be identified by PSCDL/Govt. and the consultant will be required to carry all the tasks I to III so as to ground the works/projects at the earliest.
3. On its part PSCDL shall draw the manpower/consultancy services in tune with availability of funds and prioritization of the works. The consultant shall have to deploy its manpower/resources for the project as per approval of the PSCDL only. Timelines should be prescribed for further monitoring. As the expenditure takes place, UCs will be submitted for receiving additional funds, which help plan and execute more works. Drawal and payment for consultancy will be broadly in proportion to the works actually grounded/executed.
4. The contingency provision shall be kept at 2% instead of 5%.
5. PSCDL will utilize the existing DPRs, if any, that may already be available with the departments so as to reduce the cost on preparation of DPR/consultancy.
6. The prevalent national standards/specifications will be used for designing and preparation of DPR. The objective will be to ground the project at the earliest, immediately rather than spending time, energy and resources on preparation of mere reports.
7. CV and other details of manpower proposed to be drafted shall be furnished by the consultant to the PSCDL upon issue of letter of intent and before issue of order of contract.

[Handwritten signatures and initials in blue and green ink, including names like Chaudhary, Singh, and others, are present below the list of decisions.]

ANNEXURE I

<u>S.No.</u>	<u>Name of the Technical and Evaluation Committee</u>	<u>Signature</u>
1	Shri. P. Jawahar, I.A.S, Secretary cum Mission Director (Smart City Mission), Chief Secretariat, Puducherry	
2	Shri. Chaudhary Abhijit Vijay I.A.S, The District Collector – cum- Chief Executive officer, PSCDL, Puducherry	
3	Dr. M.Dhinadhayalan OSD -cum- Chief Engineer (Planning & Implementation), PSCDL, Puducherry	
4	Shri. P. Shanmugasundaram Chief Engineer, PWD, Puducherry	
5	Shri.N. Murugavel Under Secretary (LAW), Chief Secretariat, Puducherry	
6	Shri. T.Sudhakar Commissioner, Pondicherry Municipality, Puducherry	
7	Shri. N.K. Kumar Rtd. CGM, CMRL, Chennai	Concerned received through e-mail

Authorized Representatives from M/s. Nippon Koei India Pvt. Ltd, Hyderabad

1	Dr. G. Sampath Kumar Director, Nippon Koei India Pvt. Ltd, Hyderabad	
2	Shri. Jitendra.T Assistant General Manager, Nippon Koei India Pvt. Ltd	
3	Shri.S.Sriram Executive Director, PricewaterhouseCoopers Pvt Limited (PwCPL), Chennai	