

Engineering consultancy contract of Ammonia Plant at Thal Vaishet

220. SHRI SURYA NARAYAN SINGH: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether in October 1977 a working group under the chairmanship of Shri Lovraj Kumar was set up to sort list international companies suitable for giving the engineering consultancy contract for the ammonia plants at the Thal-Vaishet and Hazira fertilizers complexes;

(b) if so, the parameters set out for such selection;

(c) the proposals made by the working group;

(d) whether later on an expert committee was set up to study in minute details the claims and credentials of the six multinational companies that had offered tenders for the project;

(e) if so, the full details and outcome of the study;

(f) whether any decision has been taken in the matter of giving engineering consultancy contract; and

(g) if so, the full details?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) Yes, Sir A Working Group under the chairmanship of Shri Lovraj Kumar was set up to prequalify engineering consultants to submit bids for the nitrogenous fertilizer complex to be erected South of Bombay and it submitted its report in December, 1977.

(b) In regard to ammonia plants the Group laid down the following criteria for selection. The consultant's

experience in building expeditiously plants with a single stream capacity based on natural gas of a size close to what is proposed in the complex the performance of such plants over a reasonable period, the ability of the consultant to transfer (or make arrangements for the transfer of) known technology, engineering design and accumulated experience in project management and the reputation of the consultant in project implementation.

(c) The Working Group recommended that bids for ammonia consultancy services be invited from M/s. C. F. Braun, Toyo Engineering Corporation, Halder Topsoe, Pullman Kellogg, Humphreys and Glasgow and Technimont.

(d) and (e). The bids for Ammonia consultancy services for Thal and Hazira projects were invited by M/s. Rashtriya Chemicals and Fertilizers. A Negotiating Committee was set up in September, 1978 to evaluate the bids received from the parties. This Committee recommended that the bid of C. F. Braun be accepted. An Expert Committee was appointed in February, 1980 to assess the relative merits of all the bids and to examine whether it was desirable to have the same consultant for both sets of plants (at Thal Vaishet and Hazira). The Committee recommended that C. F. Braun be selected as consultant for the Thal Vaishet Project. The majority of the Committee were of the view that the risk involved in having same consultant for both sets of plants was not of an acceptable degree. Regarding the choice of consultant for the second set of plants there was no unanimity of opinion.

(f) and (j). Government have selected M/s. Haldor Topsoe and M/s. Pullman Kellogg as the consultants for the ammonia plants at Thal Vaishet and Hazira respectively.