

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2283
ANSWERED ON:23.07.2004
ACCEPTANCE OF TENDERS
Vijay Krishna Shri

Will the Minister of FINANCE be pleased to state:

to the answer given to Unstarred Question No.4902 dated 20.12.2002 regarding C&AG report on acceptance of tenders and state:

- (a) whether the information has since been collected;
- (b) if so, the details thereof;
- (c) the action taken by the Government thereon;
- (d) if not, the reasons for delay; and
- (e) the time by which it is likely to be collected ?

Answer

Minister of State in the Ministry of Finance (S.S. PALANIMANICKAM)

(a) Yes, Sir

(b) & (c) Tenders for supply of 3 tugs and 2 pilot crafts for operation at newly created Ennore Port were called by Chennai Port Trust in October, 1997. The lowest tenderer refused to extend validity of tender for a further period at the quoted price and increased their quoted price by 20% which tantamount to post tender revision. As per the conditions of the bid document, bidders were neither required nor permitted to modify their bids. Thus the offer of the lowest bidder was treated as invalid and the Chennai Port negotiated with the next lowest offer. The second lowest tenderer had quoted a price of Rs.57.03 crores which was reduced during negotiations to Rs.55.14 crores (excluding taxes). The Port actually benefited by Rs.1.89 crores due to negotiations with the second lowest bidder. Hence, no action against anybody is being contemplated.

(d) & (e) the question does not arise.