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## GOVERNMENT OF KERALA

### Abstract

Local Self Government Department-Selection of Project Management Consultant to assist Cochin Smart Mission Limited (CSML) to implement projects proposed under Area Based Development-Approval of the tender procedures adopted and relaxation in the condition of e-tender procedures-Orders issued.

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Local Self Government (DC) Department

GO(MS) No.77/2017/LSGD

Thiruvananthapuram, Dated 31/03/2017

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- Read:-
- 1) GO(MS) No.13/2015/ITD dated:12-5-2015.
  - 2) GO(Rt) No.2415/2016/LSGD dated:10.08.2016
  - 3) Office Memorandum No.K-15016/44/2016-SC-1 dated 26.04.2016 from the Ministry of Urban Development, Govt. of India
  - 4) Minutes of the 9<sup>th</sup> meeting of the State High Powered Steering Committee on Smart Cities Mission held on 25.01.2017

### Order

The Ministry of Urban Development (MoUD), Government of India, launched the Smart Cities Mission (SCM) with an objective to develop 100 cities in India selected through Challenge into Smart Cities as model cities. Kochi was selected from Kerala to participate in the national level Smart Cities Challenge. The Corporation of Kochi prepared a Smart City Proposal through participatory planning during October – December 2015 and submitted the proposal to the MoUD. Kochi competed the short listed cities across the country and got selection with 5<sup>th</sup> position among top 20 cities. Subsequently a Special Purpose Vehicle (SPV) namely Cochin Smart Mission Limited (CSML) was incorporated under the Companies Act 2013 to implement the projects under Smart City Proposal.

2) As per the SCM guidelines, Project Management Consultants (PMCs) are to be appointed for designing and implementing projects in accordance with the Smart City Proposals. The Director, Smart Cities Mission, MoUD had circulated a model Terms of Reference for the appointment of Project Management Consultant. The process for the selection of PMC to Cochin Smart City Mission Limited was delayed because of the delay in appointing the Chief Executive Officer and the supporting staff in the CSML due to the prevalence of the Model Code of Conduct for the General Elections to the Kerala Legislative Assembly.

3) The tender process for the selection of Project Management Consultant was actually to be initiated by the CSML. However in the absence of CEO and the team in

CSML, the State Mission Management Unit [SMMU] established under Smart Cities and Atal Mission for Rejuvenation and Urban Transformation (AMRUT)] had prepared the tender document in tune with Kochi's Smart City Proposal.

4) Ministry of Urban Development (MoUD) as per Office Memorandum read as 3<sup>rd</sup> paper above has given specific directions to the concerned to appoint the Project Management Consultants (PMC) by the end of May 2016. In order to stick to the time line fixed by the Ministry, the State Mission Director had initiated the tender procedures with the support of the SMMU. On the basis of the feedback from various technical experts that e-tendering is not commonly practised in Kerala for tendering "consultancy services" with QCBS (Quality and Cost Based Selection) and in due consideration of the fact that SMMU did not have permanent staff who were competent to perform an e-tender process, the Mission Director directed the SMMU to adopt manual tender through publishing to avoid further delay in the selection of PMC.

5) Accordingly a Request For Proposal (RFP) for selection of Project Management Consultant was published on 25<sup>th</sup> May 2016. The proposal documents were opened on 9<sup>th</sup> August 2016, at the office of the SMMU, Thiruvananthapuram in the presence of the representatives from potential consultants. Government, as per Order read as 2<sup>nd</sup> paper above, constituted a Technical Committee for evaluation of the proposals and selection of the PMC for CSML. A two stage process of evaluation based on Quality and Cost Based Selection (QCBS) method was adopted for the selection. The technical committee reviewed the proposals in detail and invited all 9 firms for a technical presentation on 29<sup>th</sup> September 2016. As per the RFP criteria, the firms who score minimum 65% in each category of evaluation and obtain total score of above 400 out of 500 marks will be qualified for financial bidding. The 4<sup>th</sup> meeting of the Technical Committee held on 15<sup>th</sup> November 2016, short listed three consultants who cleared the technical eligibility for the financial bidding. The financial bids of these three firms were opened on 18<sup>th</sup> November 2016 at the KMRL office in Kochi. The technical committee completed the evaluation process and reported to the State High Powered Steering Committee (SHPS) under the Chairmanship of Chief Secretary, that the selection process was fair and transparent but did not follow the e-procurement condition as laid down in order read as 2<sup>nd</sup> above which stipulated that Government Departments/Boards/Public Sector Undertakings shall follow e-procurement procedures for all tenders above Rs. Five Lakhs.

6) The SHPS examined the matter in detail and decided as per decision No. 3.2 of the Minutes read as 4<sup>th</sup> above to direct the Mission Director to get the approval of the Government for waiving e-tendering condition in the selection of Project Management Consultant for CSML before awarding the contract, indicating the

context/reason. Subsequently Government have examined the proposal for the relaxation of e-tender procedures and held inter-departmental consultations in this regard. On detailed examination, it is found that the use of e-tender platform is primarily to ensure competition, avoid cartelisation and improve transparency in a procurement process. However this would be effective only if the bidders are familiar with the e-tender platform. For a complicated procedure like consultancy services, that too using QCBS, resorting to e-tender is advisable only if the e-tendering platform has been stabilised and the potential bidders are comfortable with this. Taking the fact into consideration that there was fair and open competition, Government have found that the stipulation of e-tender procedures for the selection of Project Management Consultant for Cochin Smart Mission Limited need be relaxed. And such relaxation is necessary for avoiding further delay in the implementation of Smart City Mission Project

7) Government on examination of all these matters in detail, are pleased to approve the manual tendering procedure adopted for the selection of Project Management Consultant to support Cochin Smart Mission Limited(CSML) for the implementation of Area Based Project under Smart Cities Mission in Kochi relaxing the condition of e-tender procedures.

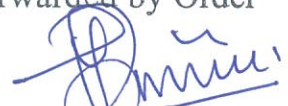
By Order of the Governor  
SHIBU ISSAC  
DEPUTY SECRETARY

To

The Managing Director, Smart City Mission, Kochi  
The Mission Director, Smart Mission, Thiruvananthapuram  
The Director, Urban Affairs, Thiruvananthapuram  
The Nodal Officer, Smart Cities & PD, KSUDP, Thiruvananthapuram  
The Principal Accountant General (Audit)/(A&E) Kerala, Thiruvananthapuram  
The Finance Department  
The General Administration (SC) Department (vide Item No.)  
The Information Officer I & PRD (Web & New Media)  
Stock File/ Office Copy.

Copy to:- PS to Minister, Local Self Government Department  
PA to Prl Secretary, Local Self Government Department

Forwarded by Order

  
Section Officer