

Madhya Pradesh Urban Development Company Limited

(CIN No. U75110MP2015SGC034139)

(Department of Urban Development and Housing, Government of Madhya Pradesh)

Project Management Unit

No./PMU/ENGG/2022/ 5599

Bhopal, Dated 23/06/2022

ORDER

The JV firm, M/s Rean Water tech Pvt. Ltd, Kolkata and M/s P. C. Snehal Construction Co. Ahmedabad (*herein after referred to as "Contractor"*) was awarded four contracts for providing water supply services under MPUSIP Package – 1A, 2B, 4D & 6A. The Contractor was required to complete for design and build work within 850 days as per Clause 9.2 of GCC read with Clause 9.2 of Particular Conditions of Contracts. However, the Contractor has failed to complete the works for which the contracts were awarded to it and failed to demonstrate significant progress as per contractual terms and conditions. Contractor's poor progress and non-achievement of milestones have adversely affected the deliverable stipulated in the contracts. Since the Contractor persistently delayed and failed to complete the work in accordance with the contractual provisions, despite various notices and reminders, a show cause notice dated 13.01.2022 was issued to the same. The Contractor was given 15 days' time to submit its reply to the show cause notice. The Director and authorized signatory of the contractor vide letters dated 31.01.2022 has submitted the reply. The available evidences/records, reveals that the contractor has failed to fulfilled its contractual obligations and hence the reply furnished by the contractor was found to be unconvincing and not satisfactory. The general public of the project towns is deprived of access to potable drinking water facilities due to contractor's sluggish mobilization of resources for expediting the work progress. However, before taking a decision on blacklisting, an opportunity of being heard was also given to the contractor by way of hearing. Accordingly, hearing was scheduled on 14.03.2022.

The extremely slow progress of works and failure of the contractor in achieving self-committed financial targets is confirmed based on the information on physical and financial progress submitted by the contractor during hearing held on 14.03.2022 as under.

- 1. Package 1A:** The overall physical progress is 73% and the slippage from the self-committed financial targets is 75% (September-December 2020), 76% (Calendar year 2021) and 76% (January-February 2022).(*Despite Four-time extensions after mutual consent to complete the works*).
- 2. Package 2B:** The overall physical progress is 57 % and the slippage from the self-committed financial targets is 78% (Calendar year 2021) and 91% (January-February 2022).(*Despite Five-time extensions after mutual consent to complete the works*).



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3. **Package 4D:** The overall physical progress is **66.5%** and the slippage from the self-committed financial targets is **20%** (September-December 2020), **59%** (Calendar year 2021) and **84%** (January-February 2022). *(Despite Four-time extensions after mutual consent to complete the works).*

4. **Package 6A:** The overall physical progress is **70%** and the slippage from the self-committed financial targets is **73%** (Calendar year 2021) and **52%** (January-February 2022). *(Despite Six-time extensions after mutual consent to complete the works).*

The contractor has even failed to submit duly complied Service Improvement Plans (SIPs) of the project towns which is the prerequisite and contractual obligation in accordance to Clause 3.3 of Section 6: Employer's requirement of the contract.

The contractor has also failed to commence the work of the Pansemal scheme (package 2B) even after continuous commitment to commence the works in various review meetings of Managing Director, MPUDC and Engineer-in Chief, MPUDC, latest of which was in the recent review meeting held on 21.02.2022.

During the hearing on 14.03.2022 Mr. Rishi Arora, the Director of M/s Rean Watertech Pvt. Ltd. who is also the authorized signatory of the JV Firm mentioned above was apprised of the progress achieved by the contractor in the packages 1A, 2B, 4D & 6A as per the prescribed formats-V which clearly stipulates the date of availability of land/site and date of approval of design-drawings of various components/sections *(taking into consideration delay in submission/approval)* and the achievement of progress against the targeted progress *(since the time lapsed)*. During hearing the Director of M/s Rean (JV) assured that 5 water supply schemes i.e., Kasrawad (package 2B), Bairad and Pichhore (package 4D) and Khajuraho & Rajnagar would be commissioned by 15th April 2022. Subsequently, on 8.04.2022 a review meeting was held under the Chairmanship of Principal Secretary, UDHD. In this meeting also it was committed to start the trial run of these schemes by 30.06.2022.

In pursuance to the decision taken during the hearing to review the progress of work in all the subject packages, another hearing was scheduled on 14.06.2022. The contractor vide letter dated 14.06.2022 requested to adjourn the date of hearing i.e. 14.06.2022. Consequently the hearing was adjourned and next hearing was scheduled on 20.06.2022.

During the hearing held on 20.06.2022, the Director of M/s Rean Watertec. Pvt. Ltd. submitted the signed formats depicting the improvement in progress of each package since last date of hearing



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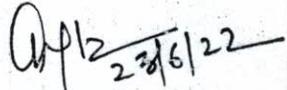
dated 14.03.2022. It is noted that the improvement in progress of package 1A is 5% (i.e. from 73% to 78%), 2B is 1.35% (i.e. from 57% to 58.38%), 4D is 2% (i.e. from 66.50% to 68.50%), 6A is 6.05% (i.e. from 70% to 76.05%) for the period from 14.03.2022 to 31.05.2022. From perusal of the progress it is evident that improvement in progress is not substantial and not satisfactory. Project Managers PIU's (Bhopal, Khargone, Gwalior and Chhatarpur) have confirmed that with the present pace of work and mobilization of resources it is unlikely that the trial run of schemes can be started till 30th June 2022.

Contractor is found to be non-serious in executing the agreed works and the same amounts to a fundamental breach of contract. Material available on record including the recommendations of the concerned Project Managers, PIU's and PMC, establishes fundamental defaults on the part of the Contractor. The Contractor has failed to achieve the self-committed physical and financial targets. Even the oral representation made by the Director of M/s Rean (JV) during hearing held on 14.03.2022 and 20.06.2022 have not been found convincing. Thus, as per Madhya Pradesh Urban Development Co. Ltd. Order No. 11240/PMU/MPUDCL dated 17-12-2021, both the Joint Ventures firms i.e., M/s Rean Water tech Pvt. Ltd, Kolkata and M/s P. C. Snehal Construction Co. Ahmedabad, individually stand blacklisted from the date of this order for a period of two (2) years.

To protect the public interest and object of the project i.e. to provide access to potable drinking water, this order of blacklisting shall not affect the ongoing contracts awarded to the contractor.

During this period the following restriction shall remain in force against the Contractor:

1. Shall not be entitled to participate in his own name or any of its partner's name, as joint venture, in any future bids invited by MPUDCL.
2. Shall not be allowed/ permitted to purchase contract form for any future bid invited by MPUDCL.
3. In case any bid is received in any form from the contractor, it shall be treated as ineligible.
4. No contract of any kind whatsoever shall be placed to contractor including its allied firms after the issue of a Blacklisting order by MPUDCL.
5. In case, contractor has already submitted the bid, same will be ignored.


(Vijay Kumar Gupta)
Deputy Project Director (T-2)
MPUDCL

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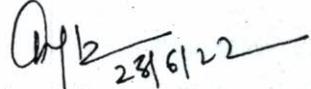
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No./PMU/ENGG/2022/ 5600,

Bhopal, Dated...23/06/2022

Copy to:

1. Managing Director, MPUDCL for information.
2. Additional Managing Director, MPUDCL for information.
3. Engineer-in Chief, MPUDCL, Bhopal for information.
4. Deputy Project Director (T-1), MPUDC, Bhopal for information.
5. Deputy Project Director (A), MPUDCL, Bhopal for information.
6. Director, M/s Rean Water tech Pvt. Ltd, Kolkata for information.
7. Director, M/s P. C. Snehal Construction Co. Ahmedabad for information.
8. Financial Controller, MPUDCL, Bhopal for information.
9. Chief Engineer, Planning and Budget (State Registration Officer) office of Engineer-in-Chief, PWD, Nirman Bhavan, Arera Hills, Bhopal for information.
10. Concerned Project Managers, PIU, MPUDCL.
11. Team Leader, PMC(MPUSIP), Bhopal.


Deputy Project Director (T-2)
MPUDCL