

RAJIV VADEHRA
Secretary, DTC Board



CONFIDENTIAL

Delhi Transport Corporation

(Government of National Capital Territory of Delhi)

Indraprastha Estate, New Delhi-110002

Phone : 23370236 / Extn. 230

Mobile : 8744073041

No.SB/Bd. Minutes/Nov./2020

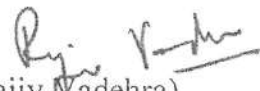
Dated: 3-12-2020

I am directed to send herewith a copy of Minutes of the 3rd meeting of 2020 of DTC Board held on 27.11.2020 at 3.00 PM in the Conference Room of Hon'ble Transport Minister, Govt. of NCT of Delhi at 8th Floor, Delhi Sectt., I.P.Estate, New Delhi, as approved by the Chairman.

The Directors are requested to communicate corrections/modifications, if any, in the aforesaid minutes within seven days as stipulated in Para-9 of the DTC (Meetings) Regulations, 1991.

The minutes, circulated herewith, will be taken as correct and final in case nothing is heard within the stipulated period.

Encl.: As above.


(Rajiv Vadehra)
Secretary, DTC Board

All Directors of DTC Board.

Minutes of 3rd Meeting of 2020 of the DTC Board held on 27.11.2020 at 3.00 P.M. in the Conference Room of Hon'ble Transport Minister, Govt. of NCT of Delhi/Chairman, DTC at 8th Level, Delhi Sectt., New Delhi-110002.

PRESENT:

- | | | |
|----|--|----------|
| 1. | Shri Kailash Gahlot,
Hon'ble M.O.T., GNCTD &
Chairman, DTC | Chairman |
| 2. | Smt. Manisha Saxena, IAS
Secretary-cum-Commissioner (Transport),
Govt. of NCT of Delhi | Director |
| 3. | Shri Sandeep Kumar, IAS
Secretary (Finance),
Govt. of NCT of Delhi | Director |
| 4. | Shri J.P. Agrawal, IAS
Secretary (Land & Building),
Govt. of NCT of Delhi | Director |
| 5. | Shri Vijay Kumar Bidhuri, IAS
Managing Director,
Delhi Transport Corporation | Director |

Joint Commissioner of Police (Traffic) Delhi and Commissioner (Planning),
DDA could not attend the meeting.

ALSO PRESENT:

1. Shri V.K.Gupta, Chief G.M.(SBU)
2. Shri K.C. Gupta, Dy. Chief G.M.(SBU)
3. Shri Rajiv Vadehra, Secretary, DTC Board

Confirmation of Minutes of 2nd Meeting of 2020 of the DTC Board held on 23.10.2020.

The Draft Minutes of the DTC Board Meeting held on 23.10.2020 were circulated on 24.10.2020. Since no corrections/modifications have been received from the Directors, the aforesaid Minutes were confirmed.

Rajiv Vadehra

Resolution No. 21/2020 : Item 25/2020 : Procurement of 1000 AC fully built CNG Propelled Low Floor Buses (BS-VI Norms)- Status Note and Further Decision.

The following issues were discussed during the course of meeting :

- i.) The Board sought justification of increase by about Rs. 2 lakhs in the negotiated DDP Bus price offered by M/s JBM i.e. Rs. 87,50,000/- viz-a-viz the DDP Bus price quoted by M/s TML(L-1 Bidder) in the previous tender floated in July-2019 i.e. Rs. 85,50,500/- also agreed by M/s JBM.

The Board was informed that the increased cost was due to the increase in prices of various commodities used as raw material for manufacturing of buses and its aggregates in last one year like steel (~15%), precious metals (~50-180%), ABS (~12%) etc. and increase in prices of foreign currency in last one year and the compliance required for DTC Project like Mandatory Fitment of FASTag, ITS enabled bus with inbuilt GPS system having security CCTV camera network and Panic Button etc, HDFE(Heavy Duty-Vehicle Fuel Economy), Reverse Parking Alert System (RPAS), Whole Vehicle Safety conformity of production (CoP). Further, the whole sale price index (WPI) issued by Office of Economic Advisor, Ministry of Commerce & Industry, Government of India for the bus commodity increased from 118.2 to 128.2 (8.46%) during the last one year.

It was further informed to the Board that DTC had purchased Low Floor CNG AC buses in the year 2008 at DDP Bus price of Rs. 61,62,977/- . Assuming an inflation at least @ 3% over the last 12 years i.e. from 2009 to 2020, the approximate cost of AC Low floor CNG bus would be comparable to the negotiated bus price offered by the L-1 bidder. Further, the buses being purchased are BS-VI Compliant with ITS enabled features whereas the buses purchased in the year 2008 were only BS-III/IV Compliant with no such additional features.

In view of above, it was informed to the Board that the revised bus price after negotiation offered by M/s JBM with additional features was justified.



- ii.) It was pointed out during the discussions that there is no provision of funds amounting to Rs. 850 Crores for purchase of buses as sanctioned by GNCTD vide Cabinet Decision No.2713 dated 11.07.2019, in the current Budget Estimate (B.E.) for the Financial Year 2020-2021. In this regard it was informed to the Board that as per the tentative delivery timelines, the delivery of the first batch of buses will happen in April-2021 and the funds would be required in the next Financial Year i.e. 2021-2022.
 - iii.) To the query made by the Board that whether there is any deviation in the specifications, it was clarified that there were no deviations in the specifications in the Techno-commercial bid submitted by both the bidders.
 - iv.) It was informed to the Board that both bidders have agreed that all buses shall be covered under warranty for a period of 3 years or 2,10,000 km, whichever is earlier from the date of placement in service after registration from Transport Department of Delhi (Warranty Period), individually for each bus to ensure trouble free services, supply of components and proper maintenance of Buses. The City Buses are expected to be utilized for at least 12 years or 10,00,000 km whichever is earlier during life cycle of operation.
 - v.) The Board was also apprised that the new buses will be deployed on new routes as far as possible and the daily kilometers to be covered by the buses will be approximately 200 KMs/Bus/Day.
- 2) The Board in view of the position explained in the agenda item, after detailed discussions and deliberation held during the Board Meeting accorded its approval on the following :
- i.) The Board accepted the recommendations given by Bus Procurement Committee as mentioned at Para II(13) of the Agenda Item and approved the revised DDP Bus rate of Rs. 87,50,000/- (Eighty Seven Lakh Fifty Thousand only) offered by M/s JBM (L1 Bidder) after negotiations. Further, the Board approved that the L2 Bidder i.e. M/s Tata Motors Ltd be given counter offer to match the approved bus price of M/s JBM (L1 Bidder) for the 30% order as per the provisions of spilt Clause of RFP.

Rijiv V. Sharma

The Board further approved the option of increasing the initial tendered quantity of buses by 25% as per Option Clause 16 of GCC of RFP document for purchasing the increased quantity of 250 buses subject to the administrative approval and expenditure sanction of the competent authority and the Government.

- ii.) The Board was informed that vide Cabinet Decision No.2713 dated 11.07.2019 (Annexure-XV of Agenda Item), the funds amounting to Rs. 850 Crore were already sanctioned for outright purchase of 1000 buses by Government of NCT of Delhi and now at revised DDP Bus rate of Rs. 87,50,000/- (Eighty Seven Lakh Fifty Thousand only) an additional requirement of funds amounting to Rs. 25 Crore would be required as brought out in Para III(a) & Para III(b) of the Agenda Item. Further, additional funds of Rs. 218.75 Crores (Rs. 87,50,000/- per bus X 250 buses) would be required towards purchase of 250 additional buses as brought out in Para III(c) of the Agenda Item.

In view of the above, the Board directed M.D, DTC to take up matter with Govt. of NCT of Delhi through Transport Department, GNCTD for additional requirement of funds amounting to Rs. 243.75 Crores (Rs. 25 Crores + Rs. 218.75 Crores) in the form of equity towards procurement of 1250(BS-VI Compliant) Low Floor AC CNG Buses.

Resolution No. 22/2020 : Item 26/2020 : Annual Maintenance Contract of 1000 AC Low Floor Buses (BS-VI compliant)-Status Note And Further Decision.

The following issues were discussed during the course of meeting :

- i.) To the query made by the Board as to who will provide AMC for the additional buses procured under option clause of the RFP, it was clarified that the respective bus suppliers will provide the comprehensive AMC for the buses.

Rajiv V. Sharma

- ii.) It was pointed out by the Board that since all the Buses were covered under the warranty for a period of 3 years or 2,10,000 km, whichever is earlier from the date of placement in service after registration from Transport Department of Delhi (Warranty Period), individually for each bus to ensure trouble free services, supply of components and proper maintenance of Buses, the AMC should start after the Warranty Period. In this regard, it was clarified that in the AMC rates quoted by the bidders, the items covered in Warranty include only major Assemblies/Sub-Assemblies like CNG engine, Automatic transmission, front axle, rear axle, etc. The Warranty of bus **does not include** cost of consumables like Spark plugs, H.T. cables, filters, fan belts, lubricants, coolant, batteries, Tyres, Brake pads, Break drums, Break Liners, etc. required for regular maintenance during operation of Buses including preventive maintenance, servicing & Dockings and also Labor cost for Servicing/Maintenance. It was further informed to the Board that the Manufacturer of the Bus would be responsible for creating maintenance infrastructure like installation of plant and machinery required for providing Comprehensive AMC for the Buses upto 7,50,000 KMs over a tentative period of 12 years. Further, the AMC rates have been obtained after competitive bidding and there are no other parties in the market available for maintenance of the ultra-modern low floor buses and already a lot of deliberations and discussions have taken place with the Bidders in this regard as well rates for AMC were asked for entire period of 12 years through competitive bidding that is why rate reasonableness is calculated for the entire period of 12 years or 7.5 lakh KMs, whichever is earlier rather than for individual year.
- iii.) It was further enquired by the Board that whether there were negotiations on the individual components for deciding AMC rates. In this regard, it was informed to the Board that the evaluation criteria for comparison of the Bids were on the rates worked out on the basis of the weighted average per Km and the same criteria was taken as the basis for comparing the L-1 Bidder viz-a-viz L-2 Bidder in the Tenders floated in the year 2019 as brought out in Para II (7) (iii) of the Agenda Item.

Rjn V. _____

- iv.) The Board was apprised about the slab-wise present value of maintenance cost per KM for the L-1 Bidder viz-a-viz the revised slab-wise AMC rates offered by M/s. JBM, the L-1 bidder as per the following table :

S.No.	Basic AMC rate/km offered by M/s JBM[in Rs.]	KM Slab	Maintenance Cost Per Year [in Rs.]	Present Value [in Rs.]	Present Value of Maintenance Cost Per Year [in Rs.]
1	23.23	70000	1626100	23.23	1626100
2	26.38	70000	1846600	23.87	1670900
3	28.75	70000	2012500	23.55	1648500
4	33.65	60000	2019000	24.94	1496400
5	35.96	60000	2157600	24.12	1447200
6	39.28	60000	2356800	23.84	1430400
7	41.29	60000	2477400	22.68	1360800
8	43.09	60000	2585400	21.42	1285200
9	45.88	60000	2752800	20.64	1238400
10	48.40	60000	2904000	19.71	1182600
11	50.40	60000	3024000	18.57	1114200
12	52.66	60000	3159600	17.56	1053600
Total		750000	28921800	Total	16554300
Weighted Average			38.56	Present value Avg/KM	22.07

The Board was informed that the rates of AMC quoted by the L-1 bidder, after negotiations for the project period are reasonable and justified.

- v.) It was further informed to the Board that Performance Security for an amount equivalent to 10 (Ten) % of the Annual Contract value i.e. approx. Rs. 43 Crores would be deposited by the successful Bidders with DTC for the entire period of AMC upto 7,50,000 KMs over a tentative period of 12 years.
- 2) The Board in view of the position explained in the agenda item and the fact that the agenda item has been seen and concurred by the Finance Department of DTC, after detailed discussions and deliberation held during the Board Meeting accorded its approval on the following:
- i.) The Board accepted the recommendations given by Bus Procurement Committee and approved the revised AMC charges per KM for the 12 slabs offered by M/s JBM(L-1) after the negotiation and also for giving counter offer to M/s TATA Motors Ltd(L-2) for giving the acceptance on finalized/

Rjo V. [Signature]

approved revised AMC charges per kilometre for twelve slabs of M/s JBM, for the maintenance of 30% of the tendered quantity of buses as brought out in the Para II(12) of the Agenda Item.

- ii.) It was informed to the Board that the total requirement of funds for AMC of 1000 AC Low Floor CNG Buses over a tentative period of 12 years would be Rs. 3412,77,24,000/- (Rupees Three Thousand Four Hundred Twelve Crores Seventy Seven Lakh Twenty Four Thousand Only) as brought out in Para III of the Agenda Item.

It was further informed to the Board that since the option for increasing the initial tendered quantity of Buses by 25% has already been approved as per Option Clause 16 of GCC of RFP for procurement of buses and in case the option of procurement of additional 25% Buses is exercised after the approval of the competent authority and the Government, additional funds amounting to Rs. 853.20 Crores approx. (Rs. 3,41,27,724/- per bus x 250 Buses for maintenance) would be required for maintaining the increased quantity of 250 Buses upto 7,50,000 KMs over a tentative period of 12 years as per Option Clause 12 of GCC of RFP document for Comprehensive Annual Maintenance Contract (AMC) of Buses as brought out in Para III (b) of the Agenda Item.

In view of above, the Board directed M.D, DTC to take up the matter with Govt. of NCT of Delhi through Transport Department, GNCTD for additional requirement of funds amounting to Rs. 4265.98 Crores (Rs. 3412.78 Crores + Rs. 853.20 Crores) involved in the Annual Maintenance Contract(AMC) of 1250 AC Low Floor CNG Buses(BS-VI Compliant) upto 7,50,000 KMs over a tentative period of 12 years.

Chairman
DTC Board

Rji V-hu