

Ref No: DMIC IITGNL/2021-22/ 81

Dated: 02/07/2021

To,
Associate Director
IBI Group India Private Limited
415 Vipul Plaza, Suncity, Sector 54
Gurgaon (Haryana) 122003 India

Ref: Supply, Implementation, Integration, Operations and Maintenance of Smart City ICT Components at Integrated Industrial Township (IIT), Greater Noida (Ref No: DMIC IITGNL/2020-21/70)

Subject: - Show cause notice for delay in Selection of MSI under Contract dated 02.03.2020

Dear Mr. Saurabh Bhatia,

Whereas, a contract dated 02.03.2020 was signed between DMIC Integrated Industrial Township Greater Noida Limited (DMIC IITGNL) and IBI India group Pvt Ltd (IBI) effective from 09.10.2019 for selection of MSI for Supply, Implementation, Integration, Operations and Maintenance of Smart City ICT Components at Integrated Industrial Township (IIT), Greater Noida. That MSI was to be appointed after 6 months of the effective date.

Whereas, the RFP drafted by IBI was floated on 04th August 2020 and DMIC-IITGNL opened the financial bid as part of the RFQ cum RFP process for 'Appointment of Master System Integrator (MSI) for Supply, Implementation, Integration, Operations And Maintenance Of Smart City ICT Components at Integrated Industrial Township (IIT), Greater Noida (Ref No: DMIC IITGNL/2020-21/70) dated 24th December 2020.

Whereas, as per the lowest financial bid, the Letter of Award was issued to the consortium of KEC International Limited, eCentric Solutions Pvt. Ltd. and Silvertouch Technologies Ltd. on 11th January, 2021. However, after issuance of the Letter of Award, complaints were received from L2 and L3 bidders against the members of the said consortium regarding blacklisting/banning/debarment by different Government Agency.

Whereas, the RFQ cum RFP document drafted by IBI contains more than one criterion for eligibility of bidders which are contradictory and ambiguous which caused a lot of difficulty and considerable delay in decision making related to the bidding process and has delayed the project.

Whereas, the entire bidding process decelerated due to various contradictory and ambiguous clauses in the RFP with regard to blacklisting/debarment/banning which are as follows:

1. *As per RFQ cum RFP Clause 2.2 "All members of the Consortium are required to follow the highest level of work ethics, if any member of the consortium has a Conflict of Interest or indulge in "Prohibited Practices"; the whole Consortium is liable to be disqualified. Further, in the event any entity has been barred by the Central Government, any State Government, a statutory authority or a public sector undertaking, as the case may be, from participating in any project or bid, and the bar subsists as on the date of the Proposal Due Date, it would not be eligible to submit a Proposal either by itself or as part of a Consortium."*
2. *As per RFQ cum RFP Clause 4.6 "As on date of submission of the proposal, the Bidder (all members of the consortium as applicable) and its Sub-Contractors, shall not be blacklisted by any Central or State Department of India in the last 5 years."*

3. As per RFQ cum RFP Clause 4.7 "The Bidder, its contractors and sub-contractors, during the last during the last 3 (three) years, neither failed to perform on any agreement, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Bidder and its Contractors and subcontractors, nor been expelled from any project or agreement nor have had any agreement terminated for breach by such Bidder and its contractors and sub-contractors."
4. As per the format of Affidavit in the RFQ cum RFP "I M/s., (the name of the Bidder/Contractor/Sub-Contractor and addresses of the registered office) hereby certify and confirm that we are not barred or blacklisted by any Central / State Government Department or Central / State PSUs in the last 5 years from participating in any project or being awarded any contract, either individually or as member of a consortium and no such bar or blacklisting subsists as on the Proposal Due Date."

Whereas, due to above mentioned ambiguous clauses, the bidding process was considerably slowed and subsequently, LOA awarded to the selected bidder had to be cancelled causing the tender bidding process to further delay.

Whereas, IBI had submitted recommendation for delay in every bidding step and has failed to adhere to the timelines mentioned in the Contract. IBI has consistently failed to furnish sufficient skilled workmen to make timely progress with the project. MSI was to be appointed after 6 months of the effective date, however, due to unprecedented delay caused by ambiguous clauses drafted by IBI in the MSI tender, MSI has not been appointed till date. It has caused irreparable loss of time, money, and delay in project of national importance.

Therefore,

- i. You are given the opportunity to present, in writing, any facts bearing on the question to us within 7 days after receipt of this notice as to why DMIC IITGNL should not levy LD, and blacklist IBI from participating in any project floated by DMIC IITGNL. Your failure to present the cause within this time may be considered as an admission that none exist.
- ii. Further, till final decision in this matter, all business dealings with IBI Group India Pvt. Ltd. will remain on hold for a period of 15 (fifteen) days from the date of issuance of this letter.

Thanking you,

(Deep Chandra)
Director

Copy to: -

1. CEO & MD for information
2. Director (A) for information
3. GM (Projects) for necessary action
4. CFO, for necessary action
5. CS, for necessary action

(Deep Chandra)
Director