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Dated: 11/10/2021

**SUBJECT: PROCUREMENT OF SULPHURIC ACID ON URGENCY**

We have initiated procurement activity (1/PR200032 Dated: 02/05/2019) for Sulphuric Acid through public tender mode through M/s. MECON Limited (Annual requirement). Against our MECON's public tender, bidders didn't turn out with offer submission even after three times time extension, we didn't receive any offer. So, M/s. MECON Limited backed out and specified to carry out procurement activity internally.

Based on the above specified procurement activity, UCIL Tummalapalle -Purchase department initiated procurement activity and floated tender on 05/02/2021 and only one offer was received (09/03/2021) and processed further. Price part was opened and basic price inclusive of freight worked out to be Rs.16900/- excluding 18% GST, altogether the landed cost was Rs. 19942/-.

Since the quoted rate is on higher side compared to our previous PO no. 2/502/315 dated 27/08/2018 landed rate Rs.15302.00/MT, we have asked M/s. Narrotamdas to offer their best possible discount. They reduced their basic rate to 15300/- and landed cost become Rs.15, 694/MT .With this discounted rate proposal was moved further and approval was taken from the competent authority as per DOP.

Later it was found that the validity of the offer got expired and bidder is not ready to extend their offer validity due steep increase in sulphuric acid price due to non availability of Sulphur as per supplier information. Now party is not agreeing to supply with their earlier offered discount and agreed to supply only with the original quoted rate, therefore further negotiations are under progress.

Present stock of sulphuric acid is nil which affects the operation of SSR plant very badly. To meet the emergency requirement, we have procured 10MT through GFR-155 . As the supplier backed off, we are moving ahead with procurement activity for short term quantity(72 MT) for operating plant for four months and procurement through normal public tender route with 4-6 days offer submission date .This material is available in GeM portal, however in view of urgency approval may be granted for waiver of GeM procurement.

We will initiate GEM procurement for the previous ~~intend~~ indent (1/PR200032 dated 02/05/2019)

Put up for approval

J. Dinesh Kannan  
11/10/21

J.Dinesh Kannan

Chief Superintendent (Mill)

DGM (Mill)

In view of urgency the above proposal of short term indent may kindly be approved before yearly procurement of sulphuric acid. Submitted for