

Diving deep to explore the right vendor in times of emergency

[Best Practice Story from Haldia Dock Complex]

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Haldia Dock Complex (HDC), under Kolkata Port Trust (KoPT), is a Riverine Port located on the Right Bank of River Hooghly. A Lock System, comprising 2 (two) Lock Gates [Inner and Outer Lock Gates], separates the Impounded Dock of HDC from the River. There are 14 (fourteen) Berths within the Impounded Dock of HDC, wherein major part of cargo handling takes place.

In August 2014, during a night shift, operation of the Outer Lock Gate suddenly halted. After underwater inspection by Port Divers, it was found that 3 (three) Base Plates, which are the bottom-most part of any Lock Gate, had been dislodged and entangled with the Outer Lock Gate. At about 63 feet below water level, Base Plates of Lock Gate move over fixed Sliding Ways and the Lock Gate itself rests on the Base Plates when it is not moving.

Although the Port Divers and other operational staff somehow managed to keep the Outer Lock Gate operational, each Lock operation involved huge uncertainty and in case of failure of Lock Gate, the entire operation within the Impounded Dock was bound to be jeopardized. Smooth functioning of the Lock Gates can be said to be the heart of Port operation in HDC. If these Gates do not function, then entire HDC could come to a standstill and merchandize export to/import from entire Eastern India would be hampered.

There was no solution available to overcome this unprecedented problem, which HDC had never faced since its inception in 1977. As per recommendation of the Design Consultant of HDC Lock, Base Plate replacement could be done in dewatered condition. However, dewatering the Impounded Dock means a complete stop to vessel movement and cessation of cargo handling operations inside Impounded Dock for prolonged time, with hard-to-imagine consequences. Therefore, the only solution was to conduct an underwater welding & repair operation 63 feet below water level! It is pertinent to note that underwater welding at such depth is a technically complex job. It needs Divers who are certified to work at that level below water. Considering the gravity of the situation, the immediate need was to locate some vendor who could provide such a solution. Fortunately, a well-known Mumbai-based firm, who was working at KoPT, readily agreed to carry out such underwater repairing work, at a lump-sum cost of Rs. 1.47 Crore. At that time, no detailed drawing or sketch was available. Consequently, the quote was of "lump sum" nature. In other words, it was a solution-seeking (or outcome-based) quote, with details of actual repair left to the vendor.

The Nomination Situation: Initially, it was thought that the said Mumbai-based firm would be engaged on **nomination basis** to carry out the underwater repairing of Outer Lock Gate, with minimum effect on vessel movement through Lock. The extreme urgency and the technically complex nature of the job was justification enough for finalizing the quote on “nomination” basis. Moreover, since no detailed drawing could be made ready immediately, the precise scope of the work was unknown. Nomination mode of contracting to overcome a critical and complex situation, where no technical solution is available (especially in view of recommendation of the Design Consultant of Lock) is not a prohibited option. Under the aforesaid scenario, had the authorities gone for a “nomination mode” award on the vendor, the cost itself could not have raised any eyebrow. But there was a small technical problem. Even at a cost of doing the job at Rs. 1.47 Crore, the firm refused to provide any guarantee for the underwater repairing work, which meant that recurrence of the problem could not be ruled out with any degree of confidence.

Exploring technical solutions and preparing the scope of work: Instead of awarding the work on nomination basis, without any guarantee, the HDC authorities started thinking on open competitive bid. They realized that the first thing they would need for an open bidding process was to have a definite “scope” for the intended repair work. The concerned Officers of Plant & Equipment (Mechanical & Electrical Engineering) Division, HDC decided to meet this technical challenge head-on. They examined various options, interacted with various professionals across industry (without spending anything) and finally explored an alternate solution of Mechanical jointing for the said repairing work. Accordingly, scope of work, with relevant sketches / drawings, was developed and a replica of the Mechanical Joint was also created. The underwater repairing was needed to be done in-situ, with minimal effect on vessel movement through Lock. Almost within a fortnight after dropping the idea of nomination contract, an open tender was invited (with the shortest possible notice for opening) for carrying out underwater repairing of Outer Lock Gate as well as for other underwater jobs at Lock Entrance, with a defined scope.

Exploring the right vendors: Specifying a definite scope was not the end of all problems. One has still to find a company who had skilled Divers to work at such depth and undertake such critical and complex repairing work. It was a general perception that most of the diving agencies are available in coastal regions, i.e., with work experience in Port projects or Navy. The Engineers sent information to all such authorities and got the tender published in their bulletin board. But when tender was opened, a Guwahati-based firm quoted the lowest - an unbelievable sum of Rs. 3 Lakh for underwater repairing of Outer Lock Gate. How could a firm in Assam, which has no Sea Port experience, carry out underwater repair work at 63 feet depth was the question in everyone's mind at first. But, few knew that the North East region has many Hydro-electric projects (Dams), where such underwater repair work is regularly required, at much deeper level than 63 feet. This firm, indeed, had vast experience in several complex and critical underwater repairing work under higher water column, in such Hydro-electric Power projects in hilly regions. **But the**

surprise was their quote – Rs. 3 Lakh – and that too with guarantee! Of course, in such a situation, workability of quoted rate becomes a question. Consequently, reasonableness of their quoted prices was examined by a committee of Officers and found to be in order, after comparing the cost break-up with their earlier executed work, assigned by another Government agency, in the recent past.

The firm deployed experienced Divers and other personnel, with sophisticated modern equipment, to execute the work. They had utilized the non-operational time of Lock for carrying out the underwater repairing work of Outer Lock Gate and successfully completed the same, with minimum effect on vessel movement through Lock. Till date, the repaired portion of Outer Lock Gate is functioning without any problem. A situation, where a nomination contract at significant cost without any guarantee seemed like a certainty, could be avoided, only because of exercise of in-house technical expertise and diligence, coupled with recognizing the potential of the right vendor.

At this point of time, it is worth remembering what CVC had stated in an Office Memorandum issued in the year 2002:

".. The consultants are still appointed in an ad-hoc and arbitrary manner without inviting tenders and without collecting adequate data about their performance, capability and experience. In some cases, the consultants were appointed after holding direct discussions with only one firm without clearly indicating the job-content and consultation fee payable to them. Often the scope of work entrusted to the consultants is either not defined properly or the consultants are given a free hand to handle the case due to which they experiment with impractical, fanciful and exotic ideas resulting in unwarranted costs. The organizations display an over-dependence on consultants and invariably abdicate their responsibility completely to the latter."
