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To,

Dated: 29-JUN-2015

The National Project Director,  
SICOM

Letter No. Geo-252/ICZM/SICOM

**Ref: Contract Agreement between NPD, SICOM and M/s GEODIS BRNO signed on Oct 17, 2012**

**Sub: Reply to Show Cause Notice dated Jun 5, 2015 in respect of Contract for Provision of Ground Controls and Digital Photogrammetry (ICZM Zone-V, VI, VII & VIII) under Clause 59.3 of the Conditions of Contract**

Dear Sir,

This has reference to the subject show cause notice received on Jun 8, 2015 at our Hyderabad office. After careful study of issues raised in the subject notice, we wish to submit parawise response as under:

1. **PARA 1:** No comments
2. **PARA 2:** No comments
3. **PARA 3:** No comments
4. **PARA 4: (DEPLOYMENT OF MINIMUM 20 LEVELLERS PER ZONE):**
  - a) In the meeting held on May 27, 2014 at SICOM New Delhi, GEODIS had pointed out that as per Clause 5.3.2 of RFP Aerial Imagery and control data were to be supplied to the Contractor by the Engineer batch-wise, in a phased manner as per work execution plan and schedule submitted by the Contractor at the time of bidding or as mutually agreed subsequently. It was our intension to increase the number of levellers to 20 per zone in the hope that essential input data i.e. imagery and control data would be made available simultaneously and as per schedule submitted. Unfortunately this did not happen and last lot of control data was made available on Oct 16, 2014 exactly 2 years after signing of the contract on Oct 17, 2012.
  - b) As pointed out in our submission dated May 7, 2015 to the National Project Director, SICOM while the contract was signed on Oct 17, 2012 the aerial imageries were made available between July 4, 2013 to Feb 19, 2014 and control data between July 12, 2013 to

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Oct 16, 2014. We wish to draw your attention to the fact that Aerial photographs must accompany the control data simultaneously for timely start of work and timely completion of project. It is to be noted that there was substantial delay in receipt of control data at times upto/more than 9 months as detailed below:

#### RECEIPT OF ESSENTIAL INPUTS (IMAGERY & ITS CONTROL DATA)

Zone	Area	Aerial Photographs		Corresponding Control data	
		Quantity	Received on	Quantity	Received on
8	13555	5.23%	4-Jul-13	2.13%	12-Jul-13
		52%	12-Dec-13	4.50%	15-Jan-14
		42.77%	3-Jan-14	13.20%	12-Feb-14
				45.60%	11-Apr-14
				4.85%	16-Jun-14
				22.52%	20-Aug-14
7	8703			7.20%	16-Oct-14
		4.34%	1-Jan-14	3.27%	15-Jan-14
		95.66%	19-Feb-14	27.86%	12-Apr-14
				58%	14-May-14
6	6247	6.21%	18-Dec-13	6.21%	2-Jan-14
		67.79%	15-Jan-14	26.00%	19-Feb-14
		26.00%	19-Feb-14	8.11%	28-Apr-14
				49.62%	13-May-14
				10.06%	18-Sep-14
5	6093	11.84%	18-Dec-13	11.84%	18-Dec-13
		88.16%	19-Feb-14	88.16%	19-Feb-14

- c) Considering the uncertainty and undue delay in receipt of essential input (imagery and control data) from SOI, the committed deployment of minimum 20 levellers per zone could not be adhered to. We (GEODIS) cannot be held liable for non-compliance in respect of delays and uncertainty as stated above as we had already invested heavily into this project and many of the infrastructure items and staff were idling during this period.

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#### PARA 5 (DEPLOYMENT OF 40 DPWS SYSTEMS INSTEAD OF 140 DPWS):

It is a fact that on the day of inspection on Dec 18, 2014 the Project Director had found only 44 DPWS as against 140 planned. This was on account of delay in arranging the balance DPWS from other sites and other sources that were being arranged by us and we need some time for the same. It is also to be noted that apart from indicated shortfall of DPWS all other items were arranged as detailed below:

- a) Immediately after Contract was signed on 17-10-2012, we (Geodis) mobilised 15 DGPS instruments with a procurement cost of around 75 lakhs and 40 nos. of Auto level instruments costing another 8 lakhs thereby investing in the project up to Rs.83 lakhs for initial mobilization for survey activities.
- b) Required technical manpower was mobilized in time involving more than 150 resources (161 numbers in precise) for carrying out Photogrammetric data process & another 60 resources were positioned on the field for Survey component starting from Nov 2013.
- c) At the designated place of project data process, i.e. SOI – Uppal Campus in Hyderabad, Production facility was established to accommodate more than 100 workstations (102 to be precise) with an investment of more than Rs 50 lakhs (including Networking, Electrical fittings, Work station Cubicles, Installing ACs'). Apart from the basic infrastructure set up, we invested to the tune of Rs 50 lakhs on setting up 25 Photogrammetry systems with state-of-art Software for the data processing. We also established the all-important Server facility with 100 TB Dell Server with an investment of Rs 12 lakhs.
- d) By March 15, 2013 we had already invested Rs 1.12 crores towards the line items of infrastructure set up, site preparation & project kick-off activities with the anticipation of timely availability of essential input data from Survey of India. You would appreciate our efforts of investing close to Rs 1.95 crores on various aspects as mentioned above and with combined Capital expenditure (CAPEX) as well as the Operational expenditure (OPEX) of Staff Salaries till July 2014 to the tune of Rs. 3.29 cores totalling Rs.5.24 crores. Despite substantial delays in receipt of aerial imageries and control data we invested another 2.06 crores on staff Salaries till December 2014 and our total investment so far in the project is Rs. 7.30 crores till December 2014. After Dec 2014 we have further invested 52 lakhs on server to allocate each server to each zone for the smooth run of the project.
- e) Despite our best efforts for timely mobilization of line items of infrastructure set up including staff for control surveys and photogrammetric production set up, (even though the establishment of Photogrammetry systems were not the part of site preparation at that point of time) our repeated requests for payment towards Site preparation task vide our invoice ((1)01/Z-V-ICZM/14-15 dated 10.01.2015 (2) 01/Z-Vi-ICZM/14-15 dated 10.01.2015 (3)

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01/Z-VII-ICZM/14-15 dated 10.01.2015 (4) 01/Z-VIII-ICZM/14-15 dated 10.01.2015) were rejected. This we feel was outside of the spirit of project association where both the parties involved joined hands in achieving the common objective of project success. We sincerely feel that this incident would have been avoided by appreciating our efforts in realising a significant investment towards project kick-off & facility that was established.

- f) Training was imparted to the designated officers of Survey of India as per the communication received on 26-09-2013 from the office of Project Director vide letter no "T-1473/41-D-4(ICZM)(SZ)" on Training component of the project. We submitted the Schedule accordingly to the authority's office vide our letter No.: Geo-190/ICZM/HQ dated 09-10-2013 and Imparted training starting from 04-11-2014 as mutually agreed upon the schedule in 4 batches to the officers of four zones of Sol and complete the same in February 2014.
- g) As per the above submissions, we would like to reiterate that we (Geodis) have undergone a very challenging investment cycle of mobilising Rs 7 30crores & still counting for more than 30 months which has impacted us with adverse effect on our project finances with a negligible or nil Return on investment (RoI) as per our critical Audit observations. Off-late the prevailing situation is even affecting the cash flow to the survey team management on field which is very key aspect of the project progress with severe pressure & needs your immediate support through easing out our pending payments.

#### PARA 6 (QUALIFICATION AND EXPERIENCE OF KEY PERSONNEL):

- a. The staff that was intended to be deployed was available on the schedule indicated in our proposal at the time of bidding. Subsequently due to significant delays in receipt of essential input (imagery and control data) , also non-availability of MOD clearances and indicated staff got deployed elsewhere.

As pointed out in our submission dated May 7, 2015 to the National Project Director, SICOM while the contract was signed on Oct 17, 2012 the last lot of essential input data i.e. control data was made available after 2 years on Oct 16, 2014.

The staff subsequently deployed was not identical but equally qualified and experienced.

#### 7. Para 7 & 8 (PERT Charts provided on Feb 27, 2014 and on June 27, 2014 not adhered to)

Please refer our submission dated May 7, 2015 to the National Project Director, SICOM bring out principal reasons of delays.

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Considering all the good intent of resurrecting the project by accepting & going through the execution difficulties including project cash flow challenges, we request your kind consideration to look in to the above facts and provide us an extension of time till December 2017 to complete this prestigious project. We also request you to consider our concerns regarding project cash flows and allow payments for survey and Photogrammetry as separate component for billing of invoices and liquidity damages may be considered as per the revised schedule. To substantiate our keenness to reach the project goal, please refer to the detailed project completion schedule with full break up of project activities.

We look forward to your kind consideration to our sincere requests as above.

For Geo

Annexure:

1. Proposed – Schedule

Copy to: 1. Addl, S.G, SZ & PD , ICZM Project Bangalore for kind information

2. The Surveyor General of India for kind information

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