



TALWANDI SABO POWER LIMITED

Tender Specification No: TN/28/CM/TSPL/2018-19

CHANGES IN BIDDING DOCUMENT FOR

**SUPPLY OF 300+/-20% KT IMPORTED/DOMESTIC
NON - COKING COAL ON FOR DELIVERED BASIS TO**

TSPL, MANSA, PUNJAB

18th December, 2018

Changes/updates are as below:

VOLUME II: TECHNICAL SPECIFICATIONS

4. QUANTITY AND DELIVERY SCHEDULE

Tentative delivery schedule will be 3,00,000 MT+/-20%. Supplies to start from next working date of LC opening. For 3,00,000 MT +/-20% quantity to be despatched in the following manner from the next date of LC Opening:

- Every Quantity of 1,00,000 MT(equivalent 26 rakes) to be dispatched in maximum 25 days starting from the next working date of LC opening and in pro-rata manner for other quantities subject to minimum 5 rakes to be dispatched in a week.
- The delivery schedule shall be given by TSPL prior to start of deliveries as per TSPL's requirement. For delay in supplies, LD will be applicable as per clause no. 14.
- TSPL may also change the delivery schedule at its sole discretion by intimating the supplier in advance.
- Last LOT size can vary in quantity at seller's option as agreed by TSPL for loading the last rake fully.

5. PRICE AND METHODOLOGY

As per the respective Price Bid Formats, the basis of Bidding is as under:

- i. Base FOB Price

FOB price of Coal shall be subject to variation for payment purpose, considering the specified indices and Exchange rate as published by RBI / FBIL as on the Preceding Friday of last date of Bid submission.

Indices to be followed are as follows:

S. No.	Type of Coal	Index	Publication
1	For Type 1	ICI 4 (4200 GAR)	Argus/Coalindo Coal Index Report
2	For Type 2	ICI 3 (5000 GAR)	Argus/Coalindo Coal Index Report
3	For Type 3	ICI 2 (5800 GAR)	Argus/Coalindo Coal Index Report
4	For Type 4	API 3 (5800 GAR)	Argus/McCloskey's Coal Price Index
5	For Type 5	API 4 (6300 GAR)	Argus/McCloskey's Coal Price Index

For price indexation purpose for particular Type of Coal, the average of applicable indices for any month will be preceding 4 Fridays of railway dispatch date (Railway dispatch date is RR invoice date) of 1st rake of the Month shall be considered and the average of RBI / FBIL USD-INR Exchange rate for any month shall be of preceding 4 Friday's railway dispatch date (RR invoice date) of the 1st rake of the Month

Incase, if any LOT despatches (as per RR invoice dates) spill over between 2 months then respective month price as per indices shall be applicable for all the rakes loaded against the said lot as per the railway dispatch dates (RR invoice dates).

Refer annexure E for elaborated examples for the above.

Formula:

X1= Index applicable as on preceding Friday with respect to the last date of Bid submission. The same shall remain constant for the entire duration of Contract.

X2= Average of applicable indices on preceding 4 Fridays for railway dispatch (considering RR invoice date) of the 1st rake of the Month.

X3= FOB component of the quoted price of Successful Bidder and the same is to remain constant for the entire duration of the Contract.

Hence, considering the above, the FOB price for payment purpose will be calculated as under:

FOB Coal Price, $X = (X2 \times X3) / X1$

The price calculated vide above formula shall be applicable for all rakes despatched(considering RR invoice dates) during the month.

Contractor will provide computation along with supporting credible evidence of applicable indices to determine applicable values. Same will be used by TSPL to claim reimbursement from PSPCL.

VOLUME III: ANNEXURES, FORMS & FORMATS

ANNEXURE E: Explanation for Price and Methodology

The variation in FOB price will be as per below formula:

Updated FOB Price, $X = (X2 \times X3) / X1$

where,

X1= Index applicable as on preceding Friday with respect to the last date of Bid submission. The same shall remain constant for the entire duration of Contract.

X2= Average of applicable indices on preceding 4 Fridays for railway dispatch (RR invoice date) of the 1st rake of the Month.

X3= FOB component of the quoted price of Successful Bidder and the same is to remain constant for the entire duration of the Contract.

Considering some examples for understanding the index based price variation:

1. Tender Opening date: 24th December 2018 (Monday)

Assume index price for ICI 4 on Preceding Friday i.e., 21st December 2018 is 32 USD

X1= Index price as on 21st December 2018 = 32 USD.

X3 = FOB Price quoted in the bid = 36 USD

Assume dispatch (RR invoice date) of 1st rake for the December 2018 month is on 27th December 2018. Preceding 4 Fridays to the dispatch of 1st rake of December 2018 month i.e., 27th December 2018 are: 30th November 2018, 7th December 2018, 14th December 2018, 21st December 2018.

Assume ICI 4 index prices on preceding 4 Fridays are as:

30th November 2018: 31 USD

7th December 2018: 31.5 USD

14th December 2018: 31.75 USD

21st December 2018: 32 USD

Average of preceding 4 Fridays to the dispatch (RR invoice date) of 1st rake of December 2018 month i.e., 27th December 2018 is AVERAGE of (31, 31.5, 31.75, 32) USD = 31.5625 USD

X2= Average of preceding 4 Fridays to the dispatch (RR invoice date) of 1st rake of December 2018 month i.e., 27th December 2018 = 31.5625 USD

Updated FOB Price, X = (X2 x X3) / X1

X = (31.5625 x 36) / 32 USD

X = 35.5078 USD

FOB component to be considered is 35.5078 USD in place of quoted 36 USD in the bid.

35.5078 USD will be considered for the rakes dispatched (considering RR invoice date) in the month of December 2018.

Similarly, for the month of Jan-19, Feb-19 and Mar-19 will be calculated as per the corresponding Average of preceding 4 Fridays to the dispatch (considering RR invoice date) of 1st rake of that month.

2. Tender Opening date: 24th December 2018 (Monday)

Assume index price for ICI 4 on Preceding Friday i.e., 21st December 2018 is 32 USD

X1= Index price as on 21st December 2018 = 32 USD.

X3 = FOB Price quoted in the bid = 36 USD

Assume dispatch (RR invoice date) of 1st rake under the tender is on 2nd Jan 2019.

Preceding 4 Fridays to the dispatch (RR invoice date) of 1st rake of Jan 2019 month i.e., 2nd Jan 2019 are:

7th December 2018, 14th December 2018, 21st December 2018, 28th December 2018

Assume ICI 4 index prices on preceding 4 Fridays are as:

7th December 2018: 33 USD

14th December 2018: 32.5 USD

21st December 2018: 32 USD

28th December 2018: 31.5 USD

Average of preceding 4 Fridays to the dispatch (RR invoice date) of 1st rake of Jan 2019 month i.e., 02nd Jan 2019 is AVERAGE of (33, 32.5, 32, 31.5) USD = 32.75 USD

X2= Average of preceding 4 Fridays to the dispatch (RR invoice date) of 1st rake of December 2018 month i.e., 27th December 2018 = 32.75 USD

Updated FOB Price, X = (X2 x X3) / X1

X = (32.75 x 36) / 32 USD

X = 36.84375 USD

FOB component to be considered is 36.84375 USD in place of quoted 36 USD in the bid.

36.84375 USD will be considered for the rakes dispatched (considering RR invoice date) in the month of Jan 2019.

3. APPLICABLE PRICING FOR RAKES VIDE ANY LOT DISPATCHED (CONSIDERING RR INVOICE DATE) IN TWO DIFFERENT MONTHS.

Assume against any particular LOT - Five rakes dispatched in January 2019 and 5 rakes dispatched in February 2019.

In this case, for the rakes dispatched (considering RR invoice date) against the said LOT in January 2019 – the January 2019 index based pricing arrived as per tender terms will be applicable and the for the rakes dispatched (considering RR invoice date) in February 2019 - the February 2019 index based pricing arrived as per tender terms will be applicable. i.e. 2 different prices will be applicable for any particular LOT if the rakes are dispatched in 2 different months.