



TALWANDI SABO POWER LIMITED

Reply to queries submitted by bidders/suppliers against tender following tender specification no.

EOI/39/CM/TSPL/2014-15/COAL BENEFICIATION

As schedule for bidding process of above referred tender document, please check below the reply to queries submitted by various bidders/suppliers.

1. There is no mention about the location of the bidder's washery and its capacity from where he intends to carry out washing of coal.

TSPL Reply: - Vendor may quote at his option but its bid should be competitive

2. Since, the linkage of TSPL is on MCL mines, it is logical that there should be a condition that the washery should be located in MCL command area. Further, the minimum spare capacity of the washery should also be defined.

TSPL Reply: - Vendor may quote at his option but its bid should be competitive

3. Evaluation should be based on F O R washed coal loaded in wagons at the loading end. This would remove any disparities arising out of railway freight due to varied distance freight slabs on which the washery operator has no control.

TSPL Reply: - Not Acceptable. Bid comparison shall be FOR TSPL Basis.

4. In the price bid percentage yield is to be mentioned. In this context it is to state that the yield should be fixed in the Tender document with reference to specific input raw coal quality.

TSPL Reply: - Vendor may quote as per bid criteria as defined in revised tender but its bid should be competitive

5. In view of deviations as brought out in our enclosed document, it is essential that there should be a Pre-Bid meeting to deliberate the same. Such pre bid meeting prior to finalization of the tender document is an established industrial practice.

TSPL Reply: -No pre-bid meeting will be held. We are uploading all clarifications on our website.

6. Volume – I Clause – 4.4 at Page 6

The bidder shall have minimum turnover of Rs. 50 Crores in the last financial year
The above condition should be incorporated so as to eliminate non serious bidders.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

7. Volume – I Clause No. 8.0 at page No. 8

The Earnest Money Deposit of Rs.1 Crore should be refunded after finalization of order/contract or expiry of validity **period whichever is earlier.**

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

8. Volume – II Clause No. 1.0 (r) at page No. 11

Even though there is huge variation between billed and actual quality of coal, the sampling results at loading end (mines) always conform to the billed grade, inspite of TPA involvement, because of obvious reason(s). As such the input Raw coal GCV should be jointly determined by TSPL appointed TPA and washery representative at washery end.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

9. Volume – II Clause No. 13.0 at page No. 15

This is a **one sided Clause empowering TSPL to initiate any action against the Service Provider even** without any reason. It needs to be appropriately modified.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

10. Volume – II Clause No. 22.0 at page No. 18

The appointment of the arbitrator has to be **done with mutual consent of both TSPL and Service Provider.** As such the clause needs to be appropriately modified. One sided nomination of the arbitrator would not be considered fair in term of law.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

11. Volume – III Clause No. 1 at page No. 23

This quantity is in contradiction to Clause No.1, Volume-I at Page No.5, which states that **TSPL invites bids from reputed suppliers for beneficiation of 4.5 Million MT of Raw coal.** This may be suitably clarified / modified.

TSPL Reply: - Clause No. 1 is revised as “TSPL invites bids for beneficiation of 4.5 Million MT per annum of RAW (herein after referred as “Run of Mine”) coal and supply of beneficiated coal (washed coal) to TSPL”.

12. Volume – III Clause No. 2 at page No. 23

Since our washery is located in IB Valley coal fields hence we cannot lift any Raw coal for beneficiated a/c. TSPL **if allocated from Talcher area of MCL.**

TSPL Reply: - Currently linkage is from Garjanbahal area of MCL. However it is sole discretion of MCL to allocate linkage from any mine(s) of MCL. Vendor may quote multiple bids mentioning respective mine(s) as separate price bid using same price bid forms. Also, the responsibility for allocation of linkage from such alternate mines shall rest with the service provider

13. Volume – III Clause No. 2 (I) at page No. 23

The Service Provider will certainly and surely co-ordinate with MCL authorities for coal allocation **but this cannot be scope of the Service Provider.** MCL corresponds primarily with the end customer and not the Service Provider. We can only co-ordinate and the clause may be amended suitably.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

14. Volume – III Clause No. 2 (V) at page No. 23

100% materialization should be on best effort. There should be provision for NIL penalty if materialization in between 95 – 100%. Current embargo on raw coal transportation.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

15. Volume – III Clause No. 2 (IX) at page No. 24

CIL/MCL/Govt. agencies **do not entertain correspondence by Service Providers**, the consumer has to directly deal with these agencies.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

16. Volume – III Clause No. 2 (XVII) at page No. 24

Our comments as same as mentioned in respect of Clause No. 2 (IX) herein above.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

17. Volume – III Clause No. 2 (XXIII) at page No. 25

Collection of prepaid RRs from the Railways will be dependent on **timely deposition of Railway freight by TSPL**. As per extent Railway rules freight has to be paid on the same day on which the rake is drawn out. As such TSPL would have to ensure availability of sufficient funds in their account for e-payment to Railways for ensuring preparation of prepaid RRs.

TSPL Reply: - TSPL will ensure timely payment.

18. Volume – III Clause No. 2 (XXVIII) at page No. 25 & Clause No. 2 (XL) at page No. 26

Once the Railway Receipt (RR) is prepared, the custody of the material is with the Railways. The Railway operations are managed by Railway themselves and the Service Provider has no role in the Railway operations or any say in preventing diversion of rakes which may be done by Railways on some technical or administrative ground.

As such, in case of **any exigency viz. rail accident, derailment, floods etc.** if any **washed coal rakes consigned for TSPL warrants diversion by Railways, Service Provider cannot be and should not be held responsible for the same.**

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

19. Volume – III Clause No. 2 (XLII) at page No. 27

It may be noted that it is solely Railways prerogative to supply empty rakes in the siding for loading a/c. end customer. In this case the washery operator who is loading coal on behalf of TSPL is bound to load the wagons supplied by Railways at washery operator's siding. Chances of placement of bulged / defective wagons by Railways cannot be ruled out for which washery operator has no control and cannot be held responsible. Further if such wagons is not loaded it may lead to treatment of rake loading as wagon loading for levy of freight, which may not be acceptable to TSPL.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

20. Volume – III Clause No. 3 at page No. 27

There is no provision of Transit loss. The entire washing process requires multi stage handling and re-handling of coal. Furthermore washed coal after being loaded in wagon travels more than 1500 KM before reaching TSPL. In the entire process there is unavoidable loss, as such there should be provision for Transit loss at least @0.8% on monthly basis.

It is to further state that as per Railway Rules there is no provision of taking tare weight at the loading end, as such in order to maintain similarity in weighment system at both ends, the designated tare weight should be adopted for calculating the net weight of washed coal in wagons.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

21. Volume – III Clause No. 4 at page No. 27

Ash content in washed coal is very much dependent upon quality of input Raw coal. In order to achieve guaranteed weighted average ash on monthly basis @34% the same has to be correlated with quality of input Raw coal. In case of quality variance in input raw coal the yield will also change @3% for every 1% increase or decrease of ash content in input raw coal. This aspect needs to be appropriately incorporated in the tender.

The moisture content is dependent upon Total Moisture in Raw coal. As such the permissible range of moisture content should be based on Total Moisture in Raw coal as assessed at the loading end plus 1% instead of 13% in Rainy season and 12% in Dry season. Further, the moisture content calculation should be done on monthly basis and not on rake to rake basis.

As per standard practice the size limit of fines is permissible upto 2 mm and not to 2.5 mm to the extent of 20%.

TSPL Reply: - Maximum limit of fines below 2.5 mm size in clean coal is 15%. In case of moisture & ash, please refer to revised tender terms and condition.

22. Volume – III Clause No.5 a ii at page No. 27

The samples collected and prepared jointly by existing TPA and TPA deployed by TSPL should be kept under joint custody. The samples under no circumstances should be kept with the existing TPA, who will look after the interest of MCL only.

The samples should be analyzed at any NABL Accredited Laboratory nominated by jointly CEA & CIL as per the policy recently agreed between NTPC & CIL.

It is understood that the same policy would be applicable for all power utilities / developers also.

As already brought out the quality of raw coal as determined at mines end always conforms to the billed grade even through it is well established a fact that actual quality of raw coal (especially in Kulda/Basundhara area) is far below the declared grade. As such the input raw coal quality should be jointly determined in a transparent manner at the washery end by the TPA/representative of power houses and washery operator.

TSPL Reply: - Not Acceptable. The same will be as per existing CIL/MCL guidelines or any such guidelines issued by appropriate authority in future.

23. Volume – III Clause No.5 (b) at page No. 28

Samples collection and analysis of washed coal at TSPL end should be carried **out in the presence of representative of the Service provider.** In order to maintain transparency in

quality assessment of washed coal, there should also be provision for keeping referee sample for each rake jointly sealed and kept in joint custody which could be analyzed in case of any dispute.

It is once again reiterated that the Ash content in washed coal is very much dependent upon ash content in Raw coal. As such, it is necessary to define the quality parameters of Raw coal which is to be processed. In case of any variance in the quality of Raw coal, the guaranteed weighted average ash content in washed coal will be achieved with lower yield parameter. In this context, it is also stated that for every 1% decrease or increase in ash content in Raw coal beyond prescribed threshold limit would result in corresponding decrease/increase in yield of washed coal @3%.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender

24. Volume – III Clause No. 5 c at page 28

The penalty on quantity received in any month containing above 36% ash content would be subjected to penalty @600/MT while at the same time such quantity will be treated as unprocessed coal and yield will be considered as 100% without any allowance for rejects. The clause is in contradiction and needs to be appropriately reviewed.

It is to further state that even when there is slippage in ash percentage beyond the permissible limit the expenditure towards transportation and loading should be reimbursed while beneficiation charges could be deducted.

It may further noted that in case the monthly weighted average of ash percentage is $\leq 34\%$ then there should be no penalty at all. Even if ash percentage in individual rakes exceeds 34%.

For example:- 2 rakes supplied in a particular month and the ash content being:-

1st rake - 30%

2nd rake - 38%

Weighted average of 2 rakes – 34%

Since the weighted average $\leq 34\%$, no penalty will be applicable on the rake containing ash 38%.

TSPL Reply: - Please refer to terms and conditions of revised tender.

25. Volume – III Clause No. 5 d at page 28

Total Moisture in washed coal should be, Total Moisture in Raw coal as per loading end plus 1% and not 13% / 12%.

Further, the formula for working out the normalized quantity is also incorrect. The quantity correction should be done directly in proportion to excess moisture percentage and not as per formula. It may be seen that if there is 1% excess moisture the same could reflect as 1.25% as per formula. This is explained as given below:-

Say- Quantity supplied in one rake - 4000 MT

Total Moisture at TSPL end - 13%

Agreed Total Moisture - 12%

Penalty on excess Total Moisture as per formula;

$$4000 \times 100 - 13 / 100 - 12 = 4000 \times 87 / 88 = 3954.55$$

i.e. deduction of $4000 - 3954.55 = 45.45$ MT

Whereas taken on proportionate basis with 1% excess moisture should be as follows;

$$4000 \times 1\% = 40 \text{ tonnes}$$

$$\text{Diff. } 45.45 - 40 = 5.45 \text{ MT.}$$

In view of above, the formula needs to be appropriately reviewed, i.e. in case Total Moisture is more than agreed parameters, weight of washed coal will be reduced by the same proportion by which the Total Moisture analyzed exceeds agreed Total Moisture.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

26. Volume – III Clause No. 6 a at page 29

There should be 5% provision of no penalty zone, so as to take care of any unforeseen reason in short lifting beyond the control of the Service Provider. As per the prevailing contract there should be no penalty for materialization upto 95% of linked quantity in any month, while penalty should apply for lifting below 95% of linkage for which DO have been issued. Moreover present embargo by Distt. Admn. on raw coal lifting, implies that out of 24 hours, lifting of raw coal can be done for 16 hours only. This aspect should be

given due consideration, because loss of time of 8 hours in a day for coal lifting is not attributable to washery operator.

TSPL Reply: - Provision has already been taken as per Volume III Clause No. 6 a of revised tender.

27. Volume – III Clause No. 6 b at page 29

As stated earlier as per the prevailing norms the size of the fines should be defined as below 2mm and not 2.5mm and permissible limit should be kept $\leq 20\%$ as per prevailing contract.

Further the calculation of excess fines for penalty charges should be done on monthly basis and not rake to rake basis.

It would be desirable to determine the ash percentage of fines in raw coal also as in the process of washing the percentage of fines would be always increasing.

Moreover, the penalty for excess fines i.e. nonpayment of beneficiation charges including transportation and loading is totally unjustifiable. It may be noted that the excess fines do not imply that coal has been washed. As such penalty on excess fines should be in the form of a particular month, on a nominal basis which would act as a deterrent.

TSPL Reply: - Please refer to terms and conditions of revised tender.

28. Volume – III Clause No. 6c at page 29

When penalty has been imposed based on ash percentage then penalty on GCV should not be levied, as GCV is also the reflection of quality aspects of washed coal which is already been taken care of while imposing penalty in terms of ash percentage. Imposition of penalty on both parameters i.e. Ash & GCV, tantamount to double imposition of penalty. This is in line with the prevailing industrial practice.

TSPL Reply: - Not Acceptable. It has been put keeping in mind specific experience at various plant including TSPL. Please refer to terms and conditions of revised tender.

29. Volume – III Clause No. 6 d at page 30

Commencement of supply is very much dependent upon the physical placement of rake by the Railways against the indents. For coal supplies in Orissa, mining permission is to be obtained at various following stages;

- i) Lifting of raw coal from mine to washery
- ii) Transportation of washed coal from washery to siding.
- iii) Loading of washed coal into rakes.

After the issuance of DO it normally takes 2 – 4 days to obtain requisite mining permission for transportation of raw coal. Thereafter, only after sufficient raw coal has been washed can application be filed with the State Mining Deptt. for movement of washed coal from the washery to siding. Permission from State Mining Deptt. has to be yet again obtained for loading and dispatch of washed coal through Railways. As such it may not be possible to start 1st rake movement within 15 days from the date of issue of DO.

Apart from the above, indents can be filed only after requisite permission is obtained from mining department for loading of washed coal in rakes. Further, pursuant to sanction of program, indents are placed while actual supplies of rake would be dependent upon availability of rakes.

In view of the above administrative constraints movement of 1st rake would be dependent upon various factors including availability of rake after placement of indents which is beyond the control of Service Provider. As such there should be no penalty for any delay in non-commencement of supplies once the indents have been placed with the Railways.

TSPL Reply: - 15 days has been modified to 20 days. Please refer to terms and conditions of revised tender.

30. Volume – III Clause No. 6 e at page 30

Under loading charges are to be borne on 70:30 basis, while over loading penalty is to be borne on 50:50 basis by the Service Provider and TSPL. The same terms and conditions should be maintained in this tender.

Further the formula for calculation of under loading charges has been wrongly placed in the tender document. The under loaded quantity being the difference between chargeable weight as per RR and actual RR weight should be multiplied with actual freight for determining the total under loading charge.

TSPL Reply: - Clause 6.e of Volume III has been amended as follows:-

PENALTY ON ACCOUNT OF UNDER / OVER LOADING & RAILWAY DEMURRAGE CHARGES AT LOADING END & SHUNTING CHARGES

70 % of underloading charges shall be recovered from the Contractor as per the below formulae:

$$\text{Dead Freight (Underloading)} = \frac{(\text{Chargeable Weight} - \text{TSPL Weight}) \times \text{Total Freight Amount}}{\text{TSPL Weight}}$$

50 % of overloading charges shall be recovered from the Contractor as per overloading penalty specified in RR under heading POL1 & POL2

Any demurrage charges levied by the Railways at loading end shall be recovered from the Service Provider's dues. Any Demurrage due to bulged wagon shall be recovered from the Service Provider's dues.

31. Volume – III Clause No. 6 f at page 30

If the Service Provider has place adequate indents there should be no penalty for holding stock exceeding 100,000 MT. Service Provider cannot be responsible for holding up of washed coal stock due to non-availability of rakes.

TSPL Reply: - Please refer to terms and conditions of revised tender.

32. Volume – III Clause No. 7 – 1.3 at page 31

1. At MCL the validity of DO is 45 days w.e.f. first of the relevant month and not from the date of issue of DOs, which is prevailing practice in all subsidiary companies of Coal India Limited. This deviation in the policy at MCL regarding reckoning validity period of DO from the date of issue of DO needs to be appropriately taken up TSPL so that the Service Provider is given due opportunity to lift the full quantity within 45 days from the date of issue of DO. At MCL, there is embargo from the local Administration on the directives of

the Court for movement of heavy transportation vehicles from Kulda/Basundhara mines to Himgir and Kanika siding during the day light hours only.

TSPL Reply: - In case TSPL deposit fund for monthly Coal quantity after 7 working days from 1st date of respective month then materialization penalty on lapsed quantity shall be reduced to 50 % on prorated basis.

33. Volume – III Clause No. 8 at page 31

Withholding of 10% payment till the end of contract is not justifiable. It is to state that balance 10% payment should also be released after due reconciliation on quarterly basis.

TSPL Reply: - Acceptable. DO Reconciliation will be done on quarterly basis and based on reconciliation, 10% payment will be released within 2 months from date of reconciliation. Please refer to terms and conditions of revised tender.

34. Annexure – C, Price Bid Submission Format (Page – 41 of 43)

Observations / short comings in the Price Bid are as follows:-

- (i) It is not clear as to whether 4.5 MTPA is with reference to Raw Coal or Beneficiated coal.

TSPL Reply: - 4.5 MTPA is with reference to Raw Coal.

- (ii) Since as per Clause – II, Scope of Work, Lifting of ROM Coal has been mentioned from various areas viz. Talcher, IB and Basundhara and Kulda, there should be different Price Bid for different areas / coalfields.

TSPL Reply: - Currently linkage is from Garjanbahal area of MCL. However it is sole discretion of MCL to allocate linkage from any mine(s) of MCL. Vendor may quote multiple bids mentioning respective mine(s) as separate price bid using same price bid forms. Also, the responsibility for allocation of linkage from such alternate mines shall rest with the service provider

- (iii) Transportation charges of washed coal from Washery to Railway siding have not been mentioned in the Price Bid.

TSPL Reply: - Please refer to terms and conditions of revised tender.

(iv) Yield should be fixed with reference to particular quality of input raw coal.

Guaranteed %age increase in GCV on input GCV cannot be committed keeping in view wide variance in input raw coal quality. As such it is vital to jointly determine the actual quality of input raw coal at washery end. It is to reiterate that sampling at the mine end by TPAs cannot spell out the actual quality parameters of raw coal.

TSPL Reply: - GCV of 4000 Kcal/KG will be considered as input coal quality for evaluation purpose.

35. There is no mention about the quality parameters of raw coal supplied by MCL viz ash% (adb), moisture% (adb) & moisture% (ARB). Without these, the yield percentage of beneficiated coal cannot be ascertained. Moreover, the total moisture content of beneficiated coal will also depend on the total moisture present in the raw coal.

TSPL Reply: - Please refer to clarification issued in point 34

36. At page No 27, it is mentioned that the ash content of beneficiated coal should be $\leq 34\%$. Please clarify whether it is on adb or arb?

TSPL Reply: -ARB.

37. As per tender documents Raw coal has to be collected from four areas of MCL viz 1) Talcher 2) Ib valley 3) Basundhara & Kulda area. Raw coal from these different areas have different ash contents. The yield of beneficiated coal depends on ash content of raw coal and its characteristics. Kindly supply the raw coal data for the four sources if it is available at your end so that precise yield can be assured. Yield is not an arbitrary figure and it has to be calculated. Also let us know whether the linkage is from Kulda Basundhara Area only or from Ib Valley & Talcher also.

TSPL Reply: - Each mine has declared grade for Coal. The same will be referred as input coal quality by bidders for quoting purpose. For TSPL linkage, all mines to be considered.

38. In the basis for price bid at page 41, it is asked for guaranteed % increase in GCV on input GCV. In page 29, the GCV adjustment has been made on GCV of beneficiated coal on ARB at TSPL end. Please clarify on what basis of GCV of raw coal and washed coal (whether air dried basis or equilibrated basis or as received basis) the percentage increase is to be guaranteed?

TSPL Reply: - ARB

39. At page No - 27, Specification & yield of beneficiated coal it is written that the minimum limit of fines below 2.5 mm size in clean coal should be <10%. It may be mentioned that even the raw coal contains (-) 0.5 mm coal up to 10%. Hence the limit of (-) 2.5 mm coal may be enhanced to 25%. Please clarify. To be practicable, the figure shown in bid document is absurd and far from reality.

TSPL Reply: - Maximum limit of fines below 2.5 mm size in clean coal is 15%

40. There is no mention about the determination of yield of beneficiated coal. Please clarify on what basis it should be. In our view it should be on monthly weighted basis i.e the quantity (ARB) of beneficiated coal received at TSPL end divided by quantity (ARB) of raw coal issued by MCL. Please clarify.

TSPL Reply: - Yield is on % basis and reconciled on DO to DO basis only.

41. Please clarify whether the service provider has to quote separate rates for the four areas of MCL against as mentioned in table at page 41.

TSPL Reply: - Currently linkage is from Garjanbahal area of MCL. However it is sole discretion of MCL to allocate linkage from any mine(s) of MCL. Vendor may quote multiple bids mentioning respective mine(s) as separate price bid using same price bid forms. Also, the responsibility for allocation of linkage from such alternate mines shall rest with the service provider.

42. At page No. 29, it is written under penalty for Non-commencement of supply that In case of failure of the service provider to commence the supply within 15 days from the issue first linkage DO, a penalty of Rs 50,000/- per day for the delayed period would be levied from the service provider. In our opinion, “if the reason for the non-commencement is attributable to service provider” should be adhered in clause followed on transit loss also. Please clarify.

TSPL Reply: - 15 days has been modified to 20 days. Please refer to terms and conditions of revised tender.

43. The directions of “PSERC” with respect to transit loss should be followed on transit loss also. There cannot be no loss in transit as shown in bid document. It is absurd. By insisting on this issue you are encouraging of malpractices.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

44. At page 27, the size of beneficiated coal is written as 50-0 mm. If size of washed coal is supplied below 25 mm, will it be acceptable. Please clarify. In modern plants feed size is reduced to (-) 25 mm for better performance.

TSPL Reply: - Please refer to terms and conditions of revised tender.

45. **Rejects Rebate** (Page No. 41): Please clarify whether the rebate (Rs/MT) on rejects is per MT of raw coal washed or per MT of rejects itself.

TSPL Reply: - Please refer to Price Bid Form of revised tender.

46. Whether Bank Guarantee (BG) dated 26.11.2014 which was made for your earlier tender will hold good for this modified tender also.

TSPL Reply: - Acceptable.

47. In page No 42, the following anomalies are noticed. Please clarify.

(a)The output Kcal for 100 MT of Washed coal should be 4440x100000, 4255x100000, 4070x100000 & 3885x100000 Kcal in place of 333000, 340400, 345950 & 349650 respectively.

(b) The total landed cost Rs/Kcal should be 0.001, 0.001, 0.001 & 0.001 respectively.

The calculation need to be checked and clarified.

TSPL Reply: - Please refer to price bid of revised tender.

48. 3(vi) Service Provider shall ensure the 100% materialization of DO within stipulated time period of DO. The clause of Force majeure as per FSA needs to be followed.

TSPL Reply: - The clause of force majeure will be followed subject to acceptance of MCL/CIL. Service Provider has to ensure 100% materialization of DO.

49. 3(XI) Service provider shall also be responsible for submission of monthly mining returns as per the approved format. It is not applicable to TSPL or service provider in our view. Please clarify.

TSPL Reply: - As per the guidelines of OMPTS It should be submitted on monthly basis.

50. 3(XXII) Service Provider shall ensure for carrying out reconciliation of linkage coal on quarterly basis with MCL & Railways –It must be on TSPL account, Service provider will assist only. MCL will not recognize service provider. They will recognize TSPL. However, necessary assistance will be given. It can be a joint exercise.

TSPL Reply:- Service provider shall assist in reconciliation of quantity with competent authority with TSPL.

51. 3(XXVI) Service Provider shall provide daily linkage MIS report to TSPL through mail for MCL linkage program allocation and offer to TSPL – TSPL should also coordinate because they are purchasers.

TSPL Reply:- Service Provider will co-ordinate only at field. Any request letter required from TSPL can be provided.

52. 3(XXVIII) No Service Charge shall be paid for coal consigned to TSPL but diverted by Railways to Plant other than TSPL. No Service Charge shall be payable for the coal received by diversion at TSPL which was originally booked for and belong to any Plant other than TSPL–It should be TSPL account. Railways recognize consignee only not service provider.

TSPL Reply: - The Contractor shall ensure that rakes are delivered to the consigned station only i.e. TSPL Coal Handling Plant (Siding Code: MTSS 03103015). In case the rakes are diverted by the railways for any reason(s), beyond the control of the Contractor, Contractor shall furnish advance intimation and RR and other necessary details to the concerned station immediately on diversion of rake. The diverted rakes shall not be counted as received by TSPL. However, TSPL shall, as per the discretion of Contractor, either being a consignee claim the refund from the railway authorities for the missing wagons /diverted rakes or provide the required documents to be presented in railways, in favour of Contractor to claim such refunds. TSPL on realizing any such claim shall pass over the same immediately to the Contractor without any extra liability to TSPL

53. 3(XXIX) Service Provider shall arrange to submit necessary mining returns (FORM-E, F, G etc.) with Central and State Mining authorities on timely basis without fail. Service Provider shall also arrange to submit necessary Mining returns with IBM, Bhubaneswar. If required it should be in TSPL account.

TSPL Reply: - Service provider shall assist in all the above said activities.

54. We have newly commissioned washery of 0.96 MTPA capacity in Korba vicinity with excellent loading infrastructure and railway siding connectivity on Mainline, which can be utilized for this purpose. However, it may or may not be sufficient to give output of 0.80 MTPA depending upon the yield.

TSPL Reply: - The Bidder should offer minimum quantity of 0.6 Million MT per annum beneficiated coal.

55. We can lift coal from Bashundhara and Kula area only, as we don't have own set up in Talcher/IB valley.

TSPL Reply: - Currently linkage is from Garjanbahal area of MCL. However it is sole discretion of MCL to allocate linkage from any mine(s) of MCL. Vendor may quote multiple bids mentioning respective mine(s) as separate price bid using same price bid forms. Also, the responsibility for allocation of linkage from such alternate mines shall rest with the service provider

56. Service provider will do its best efforts to ensure that coal value and rail freight deposit message provided to TSPL within time through mail messages, however, it shall be absolute responsibility of TSPL to make payment in time without any liability on service provider.

TSPL reply:- TSPL to ensure timely payment.

57. MCL/CIL analysis report of GCV (ARB) are most of times erratic and not transparent even after engaging third party agency. Therefore, MCL reported GCV (ARB) cannot be taken as base/ input GCV. Further, penalty should be charged either on basis of Ash or GCV (ARB).

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

58. Penalty for higher ash percentage can be charged only on washing charges, Transportation and handling charges cannot be subject to this.

Further penalty should be charged in below manner:

Above 34% - 10% of washing charges

Above 35% - 20% of washing charges

Above 36% - 30% of washing charges

Above 37% - 40% of washing charges

Above 38% - 100% of washing charges

TSPL Acceptable: - Not acceptable. Please refer to terms and conditions of revised tender.

59. Service provider will try its best to ensure 100% materialization, but existing penalty clause for materialization is not acceptable. It should be modified.

TSPL Reply: - Essence of this contract is 100 % lifting of coal and delivering it to TSPL plant. Hence not acceptable. Please refer to terms and conditions of revised tender.

60. Penalty of GCV: Penalty on GCV (ARB) cannot be charged if it is charged on basis of Ash. Further, any type of penalty calculated on basis of landed cost of washed coal is absolutely unacceptable.

TSPL Reply:- Not Acceptable. It has been put keeping in mind specific experience at various plant including TSPL. Please refer to terms and conditions of revised tender.

61. Penalty of Rs. 50,000 per day for coal stock beyond 1,00,000 MT is totally unacceptable.

TSPL Reply: - Clause has been amended. Please refer to terms and conditions of revised tender.

62. Penalty for excess fines: Penalty can be deducted on washing charges only but shall not be applicable on road transportation etc.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

63. Payment terms: Road Transportation payment is to be paid immediately within 5 days of bill submission. 90% of Balance is to be paid within 15 days and 10% of balance is to be paid within 30 days.

TSPL Reply: - DO Reconciliation will be done on quarterly basis and based on reconciliation, 10% payment will be released within 2 months from date of reconciliation. Please refer to terms and conditions of revised tender.

64. Transit Insurance: Generally, we do not take any transit insurance. But if it is insisted by the customer, same shall be recovered from the customer.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

65. Extension of contract: Any extension of contract shall be with previous consent of service provider.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

66. EMD of Rs. 1 Cr. can be submitted once after it is formally communicated that our bid had pre-qualified and all above changes are made in bid document.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

67. Clause No 4.1

Service Provider is utilizing MCL Orient Siding, which has been given to service provider on lease. MCL agreed to extend lease, but service provider did not renew because we were not having any contract in our hand from February 2014. Once you award the contract to us, we will approach MCL for the renewal of our Orient Siding Lease Agreement. Therefore, you must give your confirmation that we can participate in the tender without having the lease agreement with MCL for Orient Siding as on date.

TSPL Reply: - Letter confirming that MCL will extend lease agreement needs to be provided along with technical bid.

68. Clause No 5

Submission date of 11th December, 2014 is too early to submit the tender physically to your plant. We have to start from Indore on 9th of December 2014. By the time we get your clarification of prebid points, it shall be 8th of December, 2014. It shall not be possible to prepare all the documents and the Bank Guarantee for EMD within one or two days. Therefore, we request you to extend your submission date by another one week, i.e. 19th of December, 2014. Please confirm the same.

TSPL Reply: - Timelines has been revised. Please refer to terms and conditions of revised tender.

69. Clause No 9

Security Deposit/Performance Bank Guarantee- We request you to agree for 5% value of the contract towards Security Deposit in the form of Bank Guarantee instead of 10%. 10% Security Deposit is too high and in our last contract with WBPDC and Durgapur Projects Ltd, we have submitted Bank Guarantee of 5% value of the contract towards Security Deposit. Please accept our request.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

70. Clause No 2

Scope of Work: Service provider require all the allocation from Ib Valley area for the raw coal beneficiation. We are interested only in lifting the coal from Samleshwari Mines, Ib Valley area of MCL for raw coal beneficiation. Therefore identification of mine has to be confirmed by you and we shall do all the coordination with MCL Officers for the D.O. as well as taking physical delivery of raw coal.

TSPL Reply:- Vendor may quote multiple bids mentioning respective mine(s) as separate price bid using same price bid forms.

71. Clause No 2 V

MCL gives 45 days validity of D.O. for lifting the raw coal, if it is issued on 1st of the month. Issue of D.O. depends upon the timely payment by TSPL to MCL. If the payment is delayed, accordingly the lifting time for raw coal for the service provider is reduced by that No. of days. Therefore, it is the responsibility of TSPL also to make the payment on 1st of the month. This will help us to utilize all our resources like transportation, material handling equipment to provide you the best of the services in time.

TSPL Reply: - In case TSPL deposit fund for monthly Coal quantity after 7 working days from 1st date of respective month then materialization penalty on lapsed quantity shall be reduced to 50 % on prorated basis.

72. Clause No 2 X

It is the responsibility of TSPL to get registered TSPL plant with Dy. Director of Mines office at Orissa and to keep the validity in force. Otherwise Service Provider shall not be allowed to lift / dispatch the coal to TSPL in time.

TSPL reply:- Agreed

73. Clause No 2 XVII

We do not have any control on the Grade and Quality of the coal supplied by MCL from particular Mine. MCL does not supply the coal as per the MOU. Their supply of coal quality is much inferior, which we have to accept without any protest.

TSPL Reply: - Each mine has declared grade for Coal. The same will be referred as input coal quality by bidders for quoting purpose.

74. Clause No 2 XXVIII

We do not have any control on diversion of the Railway rake once we dispatch from our loading siding. Therefore, we do not agree to forego the Service charges for the beneficiation of raw coal. TSPL is the Consignor. Therefore, TSPL has to register the complaint with the Railway for their claim and service provider will coordinate with Railways to give you the delivery at the earliest. But Railway takes its own sweet time and sometimes the pending is in months and years. Generally, diversion takes place because of congestion at unloading siding of TSPL or problem in en-route faced by Railways. We need confirmation for the 100% service charges for the diverted rakes.

TSPL Reply: - The Contractor shall ensure that rakes are delivered to the consigned station only i.e. TSPL Coal Handling Plant (Siding Code: MTSS 03103015). In case the rakes are diverted by the railways for any reason(s), beyond the control of the Contractor,

Contractor shall furnish advance intimation and RR and other necessary details to the concerned station immediately on diversion of rake. The diverted rakes shall not be counted as received by TSPL. However, TSPL shall, as per the discretion of Contractor, either being a consignee claim the refund from the railway authorities for the missing wagons /diverted rakes or provide the required documents to be presented in railways, in favour of Contractor to claim such refunds. TSPL on realizing any such claim shall pass over the same immediately to the Contractor without any extra liability to TSPL

75. Clause No 2 XXXVIII

As you know the Railway has changed the carrying capacity many times without the change of dimension of wagons. We have our expert loaders, who are loading wagons day in and day out. We will try our level best to minimize under loading/overloading. As a practice followed by all power companies, that under loading and over loading charges are shared 50:50 by consignor and consignee. We need your confirmation for the same. We do not agree to bare 100% under loading and over loading charges.

TSPL Reply: - Clause 6.e of Volume III has been amended as follows:-

PENALTY ON ACCOUNT OF UNDER / OVER LOADING & RAILWAY DEMURRAGE CHARGES AT LOADING END & SHUNTING CHARGES

70 % of underloading charges shall be recovered from the Contractor as per the below formulae:

Dead Freight (Underloading) =
$$\frac{(\text{Chargeable Weight} - \text{TSPL Weight}) \times \text{Total Freight Amount}}{\text{TSPL Weight}}$$

TSPL Weight

50 % of overloading charges shall be recovered from the Contractor as per overloading penalty specified in RR under heading POL1 & POL2

Any demurrage charges levied by the Railways at loading end shall be recovered from the Service Provider's dues. Any Demurrage due to bulged wagon shall be recovered from the Service Provider's dues.

76. Clause No 2 XL

As a Service Provider, we cannot take the responsibility of diverted rakes. It is not at all in our hand. You know the reason for diversion either it is due to TSPL siding problem or Railway en-route problem. We will try to coordinate with Railway authorities not to divert rakes and shall inform you also when diversion takes place. But, we cannot take any responsibility of diverted rakes.

TSPL Reply: - The Contractor shall ensure that rakes are delivered to the consigned station only i.e. TSPL Coal Handling Plant (Siding Code: MTSS 03103015). In case the rakes are diverted by the railways for any reason(s), beyond the control of the Contractor, Contractor shall furnish advance intimation and RR and other necessary details to the concerned station immediately on diversion of rake. The diverted rakes shall not be counted as received by TSPL. However, TSPL shall, as per the discretion of Contractor, either being a consignee claim the refund from the railway authorities for the missing wagons /diverted rakes or provide the required documents to be presented in railways, in favour of Contractor to claim such refunds. TSPL on realizing any such claim shall pass over the same immediately to the Contractor without any extra liability to TSPL.

77. Clause No 2 XLIII

We will provide to escorts with each and every rake. Please confirm that you will reimburse their service charges against documentary evidence.

TSPL Reply: - Vendor may quote at his option but its bid should be competitive.

78. Clause No 3

Weightment- You have mentioned that TSPL weight shall be treated as final and the payment will be released, based on it. Please confirm if the weight at TSPL weighbridge is more than R.R. even then you will accept the TSPL weight and shall make the payment accordingly to us.

TSPL Reply: - The weight recorded at TSPL weighbridge (TSPL Weight) will be treated as final and the payment will be released based on it.

79. Clause No 4

Specification and Yield of Beneficiated coal:

Moisture – Rainy Season in Orissa is from June to September, not from July to September. It is to be corrected and Dry season is from October to May. As you have agreed to put Independent Agency for sampling and analysis of raw coal as well as washed coal (same Agency), therefore, we request you to accept total moisture in washed coal as total moisture in raw coal + 1% for dry season and total moisture + 2% for rainy season and monthly weighted average moisture should be taken for the penalty / payment purpose, not on rake to rake basis.

Fines: Maximum limit of fines below 2.5mm size in washed coal should be 20% instead of 10%. However, we will try to maintain as low as possible. But penalty should be imposed only if it is exceeding more than 20%.

TSPL Reply: - Please refer to terms and conditions of revised tender.

80. Clause No 5

Quality of Raw Coal/Washed Coal – You will engage Independent Agency for sampling and analysis of raw coal at loading point to washery/washery itself for raw coal and from Railway wagons at unloading point by the same Independent Agency. TSPL as well as Service Provider Representative shall be present in both the places. Three packets should be prepared and shall be signed and sealed by both the representative. One sample shall be analysed by the Independent Agency for raw coal at MCL/or his own lab and sample for washed coal shall be tested at your lab. In case of any dispute, another sealed sample shall be sent to Government CFRI lab and the result shall be binding to both, i.e. TSPL and Service Provider.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

81. Clause No 5(c)

We do not agree for your proposal for the penalty for the ash variation. We propose that there should be a slab of 34-36% ash in washed coal received at your end. There shall not

be any penalty if ash is 34%. If it is between 34-36%, penalty should be 15% of beneficiation charges, payable per ton of beneficiated coal for every 1% increase in ash content. The beneficiation charges should be excluding the transportation charges for penalty calculation. We propose that all your penalty should be linked with the beneficiation charges, not on net charges paid to service provider, which includes the transportation charges also. This is the practice being followed by other Government Power Houses. For penalty calculation, monthly weighted average of ash percentage received at TSPL should be taken (ash % is more than 36% (equilibrated), there will not be any beneficiation charges

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

82. Clause No 6(a)

Penalty on lapsed quantity - We do not agree for the penalty clause on lapsed quantity. Mainly it depends upon when you make the payment to MCL and accordingly we get D.O. validity upto 15th of the next month. Therefore, penalty on lapsed quantity should be linked on payment made by you to MCL. If it is between 1st to 3rd of the beginning of the month, then upto 90% of the D.O. quantity lifting, there should not be any penalty and if qty lifting is less than 90%, then following formula for penalty can be imposed:-

- a) shortfall upto 10% in a particular month – Penalty for shortfall in M.T. of raw coal x 0.25 x beneficiation charges per M.T.
- b) Shortfall between 10 – 20% in a particular month - Penalty amount as per a + shortfall in M.T. over 10% x 0.50 x beneficiation charges per M.T.
- c) Shortfall above 20% in a particular month - Penalty amount as per b + shortfall in M.T. over 20% x 0.90 x beneficiation charges per M.T.
- d) The above penalty can be imposed if lifting is below 90%. This formula is followed by many power houses for which we have done the job for beneficiation of raw coal.

TSPL Reply: - In case TSPL deposit fund for monthly Coal quantity after 7 working days from 1st date of respective month then materialization penalty on lapsed quantity shall be reduced to 50 % on prorate basis.

83. Clause No 6(c)

Penalty on GCV- GCV is the function of ash and moisture. Once you are engaging an Independent Agency, then the moisture and ash in raw coal is known and the total moisture in washed coal should be 1% more than raw coal moisture. Whatever is the percentage of ash in raw coal you want us to reduce to 34%. Our earlier experience from Samleshwari Mine's says that ash % varies from 45-51%. Yield reduction is 2.5% for Samleshwari mines raw coal. For every reduction of 1% ash, you have to reduce yield by 2.5%. It means, every day, based on the ash percentage of raw coal, we can calculate the yield of washed coal for that particular quantity lifted on that day. Weighted Average of yield can be calculated on monthly basis. This is a very transparent method of getting the coal washed through service provider, without blaming each other. If we take the average ash percentage as 48%, then to reduce from 48 to 34% ash, we have to reduce ash by 14%. It means, the yield shall be $100 - 14 \times 2.5 = 65\%$. We can guarantee you the yield of 65%. It is difficult to give the guaranteed GCV on ARB. It depends upon the total Moisture and Inherent Moisture.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

84. Clause No 7(1.4)

It is the responsibility of TSPL to make the payment to MCL in 1st three days of the beginning of the month and keep sufficient fund in your account to make the Railway freight. This will help the Service Provider to dispatch washed coal in time on freight paid basis.

TSPL Reply:- TSPL will ensure timely payments

85. Clause No 8

Payment Terms: We request you to make 90% payment within 7 days after submission of the bill along with weighment record and analysis report and balance 10% within 30 days from the date of invoice. TSPL shall ensure that weighment should be intimated immediately on receipt of the rake at TSPL siding. It should be intimated to us maximum

by next day by e-mail and the Analysis report of washed coal received at TSPL should be intimated maximum within 7 days, failing which TSPL shall release 90% payment even without Analysis Report and weighment.

Penalty adjustment for the total rake received at TSPL Siding which is based on the monthly weighted average can be done at the end of the month. If analysis report and the weighment not received maximum within 7 days, then Service Provider shall not be responsible for the non-despatch of washed coal rakes in time. We must know the analysis report in time, otherwise there is a chance of dispute/allegation later on.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

86. Clause No 9

Period of contract- Initially the contract shall be for a period of one year, which can be extended on the same terms and conditions for another two years at TSPL's options. Sir, today it is difficult to predict diesel price and the transportation rate after one year. Moreover, the salaries and price index is increasing day by day. Therefore, we request you to put a provision of escalation clause in transportation rate on the basis of diesel price prevailing at that time, as compared to present diesel price. Regarding beneficiation charges, it should be linked with Inflation index declared by Government of India. On the basis of increase in inflation index beneficiation charges should be revised after one year.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

87. Clause No 10

Insurance: As a practice Service Provider never do the transit Insurance of washed coal dispatch to power house. In case you insist for the transit insurance, which shall be under your scope at cost.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

88. Clause No 12

Responsibility for the payment of raw coal and Railway Freight is of TSPL. We fail to understand how the service provider is responsible for the coordination and necessary arrangement for these two things. Please clarify.

TSPL Reply: - In case TSPL deposit fund for monthly Coal quantity after 7 working days from 1st date of respective month then materialization penalty on lapsed quantity shall be reduced to 50 % on prorated basis.

89. Clause No 16

Splitting of Work Order – As the minimum offered quantity of washed coal is 0.8 MMT per annum as per tender, it means it is 10 lac tons of raw coal. In case TSPL decides to split work in more than one party and award the contract of less than 10 lac per annum, tons the opinion of the service provider should be taken.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

90. Vol. 1 Clause – 1

Please read this clause with Vol. III, Clause 1 Page 23.

Please clarify whether it is beneficiation of 4.5 MT per annum of raw coal or supply of 4.5 MT per annum of beneficiated coal.

TSPL Reply:- 4.5 MT per annum Raw coal Quantity

91. Volume – II –Clause No. 13.0

This Clause is one sided and needs to be reviewed.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

92. Volume – III Clause. 2(i)

MCL allocates coal from different mines as per availability from different areas and sources, TSPL needs to approach MCL for identification of sources for raw coal supplies.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

93. Volume – III Clause. 2(ii)

Frequent cat call strikes, bad road conditions due to heavy rains affect the work and service Provider cannot be made responsible for various uncertainties.

TSPL Reply: - Provision has already been taken as per Volume III Clause No. 6 a

94. Volume – III Clause. 2(iv)

Service Provider can only co-ordinate for issuance / collection of DO from MCL. All allied expenses to be borne by TSPL

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

95. Volume – III –Clause No. 2.0 (ix)

Service Provider can only co-ordinate on behalf of TSPL. CIL/MCL and other Govt. agencies always make it a point to deal only with the consumer directly and not with their Service Providers

TSPL Reply: - TSPL will do all the paper work with MCL/CIL/DDM etc but service provider will take all the actions to lift the coal. Since service provider will be in direct contact with trucks unions so he has to take all the communication with them directly. TSPL will not be a part of it.

96. Volume – III – Clause No. 2.0

TSPL should pay user fee to the Mining Department, Odisha. It is a statutory payment and hence payable by TSPL.

TSPL Reply:- Service Provider can pay fee payable to Mining Authority & same will be reimbursed at actuals.

97. Volume – III –Clause No. 2.0 (XV)

All effort shall be made, so as to ensure that no foreign materials are loaded along with washed coal. Since such instances will be very rare there should not be any penalty.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

98. Volume – III –Clause No. 2.0 (XVI)

Analysis of raw coal in between TSPL and MCL and as such quality of coal shall be as per Joint Sampling results. Further, the declared grade of mines are two to three grades higher than actual quality as such cannot ensure lifting of declared grade quality coal.

TSPL Reply: - Each mine has declared grade for Coal. The same will be referred as input coal quality by bidders for quoting purpose.

99. Volume – III -Clause No. 2.0 (XXII)

Reconciliation is to be done between TSPL & MCL, Service Provider can co-ordinate reconciliation exercise, besides this service provider has no role.

TSPL Reply: - Agreed

100. Volume – III –Clause No. 2.0 (XXIV)

Service Provider cannot take any responsibility as proposed.

TSPL Reply: -Service provide will assist in providing the information for rake movement.

101. Volume – III –Clause No. 2.0 (XXVII)

Service Provider will provide the RR further accounting to be done by TSPL. The required information is given on the RR.

TSPL Reply: - Agreed

102. Volume – III – Clause No. 2.0 (XXVIII)

Diversion of rakes if any is beyond the control of Service Provider. No responsibility can be taken by the service provider since it depends on Railways Operational difficulties.

TSPL Reply: - The Contractor shall ensure that rakes are delivered to the consigned station only i.e. TSPL Coal Handling Plant (Siding Code: MTSS 03103015). In case the rakes are diverted by the railways for any reason(s), beyond the control of the Contractor, Contractor shall furnish advance intimation and RR and other necessary details to the concerned station immediately on diversion of rake. The diverted rakes shall not be counted as received by TSPL. However, TSPL shall, as per the discretion of Contractor,

either being a consignee claim the refund from the railway authorities for the missing wagons /diverted rakes or provide the required documents to be presented in railways, in favour of Contractor to claim such refunds. TSPL on realizing any such claim shall pass over the same immediately to the Contractor without any extra liability to TSPL

103. Volume III Clause 2.0 (XXIX)

Returns required to be submitted by TSPL have necessarily to be done by TSPL only.

TSPL Reply: - Same shall be submitted by TSPL but to be coordinated by Service Provider.

104. Volume – III – Clause No. 2.0 (XXXIII)

The certificate shall be forwarded as soon as received from MCL

TSPL Reply: - Agreed

105. Volume – III –Clause No. 2.0 (XXXVI)

Adherence to technical parameters as quoted / guaranteed will always be dependent upon the quality of input raw coal which has to be jointly assessed by TSPL and Service Provider, since loading is done on estimation basis.

TSPL Reply: - Please refer to terms and conditions of revised tender.

106. Volume – III –Clause No. 2.0 (XXXVIII)

In case of overloading/under loading penalty to be borne on 50:50 basis between TSPL and Service Provider.

TSPL Reply: - Clause 6.e of Volume III has been amended as follows:-

PENALTY ON ACCOUNT OF UNDER / OVER LOADING & RAILWAY DEMURRAGE CHARGES AT LOADING END & SHUNTING CHARGES

70 % of underloading charges shall be recovered from the Contractor as per the below formulae:

$$\text{Dead Freight (Underloading)} = \frac{(\text{Chargeable Weight}-\text{TSPL Weight}) \times \text{Total Freight Amount}}{\text{TSPL Weight}}$$

50 % of overloading charges shall be recovered from the Contractor as per overloading penalty specified in RR under heading POL1 & POL2

Any demurrage charges levied by the Railways at loading end shall be recovered from the Service Provider's dues. Any Demurrage due to bulged wagon shall be recovered from the Service Provider's dues.

107. Volume – III –Clause No. 2.0 (XL)

Diversion is not under control of service provider. No liability is acceptable by Service Provider for such diversion by Railways. Diversion depends on Railways operational problems.

TSPL Reply: - The Contractor shall ensure that rakes are delivered to the consigned station only i.e. TSPL Coal Handling Plant (Siding Code: MTSS 03103015). In case the rakes are diverted by the railways for any reason(s), beyond the control of the Contractor, Contractor shall furnish advance intimation and RR and other necessary details to the concerned station immediately on diversion of rake. The diverted rakes shall not be counted as received by TSPL. However, TSPL shall, as per the discretion of Contractor, either being a consignee claim the refund from the railway authorities for the missing wagons /diverted rakes or provide the required documents to be presented in railways, in favour of Contractor to claim such refunds. TSPL on realizing any such claim shall pass over the same immediately to the Contractor without any extra liability to TSPL

108. Volume – III –Clause No. 2.0 (XLI)

All related charges and penalties should be calculated on monthly weighted average basis and not on rake to rake basis.

TSPL Reply: - Please refer to terms and conditions of revised tender.

109. Volume – III – Clause No. 3.0

Tare weight of wagons should be taken as per the Railway Rules as there is no provision to weigh empty wagons at loading end as per Railway rules.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

110. Volume – III –Clause No. 4.0

Specification of Beneficiated Coal

TSPL Reply: - Please refer to terms and conditions of revised tender.

111. Volume – III – Clause No. 5 a (ii)

A representative of service provider should also be associated in Joint Sampling and analysis of raw coal.

TSPL Reply: - Not Acceptable. The same will be as per existing CIL/MCL guidelines or any such guidelines issued by appropriate authority in future.

112. Volume – III – Clause No. 5 b (i)-**Quality – Washed Coal**

Washery Operator should also be associated in joint sampling and analysis at unloading end. Referee sample to be prepared and kept in joint custody of both TSPL TPA and Service Provider representative for analysis in case of dispute.

TSPL Reply:- Not Acceptable. Please refer to terms and conditions of revised tender.

113. Volume – III – Clause No. 5 c

Ash content of beneficiated coal is dependent upon quality of input raw coal.

Ash % and yield % to be linked with Input coal quality.

In case ash % slips on monthly weighted average basis then only penalty should be imposed. However, transportation / loading / handling charges should be payable while penalty should be on account of beneficiation charges only as a percentage of beneficiation charges, penalty charges indicated are very high.

It will be appreciated that coal is heterogeneous in nature and quality of washed coal may vary marginally depending upon variation in the quality of raw coal being received at the washery. As per Indian Standard, if analysis is done at a different lab and the ash percentage exceeds 10% permissible variation in ash percentage is $\pm 3\%$ of the ash percentage of the sample analysis and as such there should be no penalty up to 35% ash. **IS:1350 (Part I) 1984, Clause 6.6.5 and Clause 8.4.** This clause needs to be deleted and hence not acceptable.

TSPL Reply: - Not Acceptable. Please refer to terms and conditions of revised tender.

114. Volume – III – Clause No. 5 (d)

In case of excess of moisture, the weight of washed coal should be reduced by excess moisture percentage for assessing of normalized quantity.

TSPL Reply:- Not Acceptable. It has been put keeping in mind specific experience at various plant including TSPL. Please refer to terms and conditions of revised tender.

115. Volume – III – Clause No. 6 (a)-**PENALTY ON LAPSED QUANTITY**

Bonus should be payable for 100% materialization. No penalty up to 90% materialization.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

116. Clause No. 6 (b)-**PENALTY ON A/C OF EXCESS FINES**

There should be no penalty on account of excess fines. In case of excess fines, the same to be brought to the notice of Service Provider for corrective action as already pointed out in Clause 14 at S. No. 20 above, fines in washed coal depend on fines percentage in raw coal which is always higher than the figure given in this document. This however depends on fines in raw coal and washery operator has no control over this.

TSPL Reply: - Please refer to terms and conditions of revised tender.

117. Volume – III – Clause No. 6 (c)-**GCV ADJUSTMENT**

When there is penalty on ash and moisture, there cannot be additional penalty on another quality parameter, since GCV depends on ash% and moisture percentage. It will amount to penalizing twice for the same.

TSPL Reply: - Not Acceptable. It has been put keeping in mind specific experience at various plant including TSPL. Please refer to terms and conditions of revised tender.

118. Volume – III – Clause No. 6 (d)-**Penalty for non-commencement of supply**

After the linkage, Delivery Order is received from the MCL HQ; it takes minimum one week to complete the formalities with the Area Management and Department of Mines, State Government of Odisha. Further approval of EDRM, Kolkata for Rake programme may take about a week. Rake allotment after placing indent takes more time since this depends on availability of rakes with Railways. Therefore this period should be increased to one month.

TSPL Reply: - 15 days has been modified to 20 days. Please refer to terms and conditions of revised tender.

119. Volume – III – Clause No. 6 (e)-**PENALTY ON A/C. OF UNDER / OVER LOADING & RAILWAY DEMURRAGE CHARGES AT LOADING END & SHUNTING CHARGES**

Other penalties as mentioned under the clause are additional and should be deleted.

TSPL Reply: - Clause 6.e of Volume III has been amended as follows:-

PENALTY ON ACCOUNT OF UNDER / OVER LOADING & RAILWAY DEMURRAGE CHARGES AT LOADING END & SHUNTING CHARGES

70 % of underloading charges shall be recovered from the Contractor as per the below formulae:

Dead Freight (Underloading) =
$$\frac{(\text{Chargeable Weight} - \text{TSPL Weight}) \times \text{Total Freight Amount}}{\text{TSPL Weight}}$$

TSPL Weight

50 % of overloading charges shall be recovered from the Contractor as per overloading penalty specified in RR under heading POL1 & POL2

Any demurrage charges levied by the Railways at loading end shall be recovered from the Service Provider's dues. Any Demurrage due to bulged wagon shall be recovered from the Service Provider's dues.

120. Volume – III – Clause No. 8 (b) (i & ii)-**Payment**

The bills shall be raised in two lots 90% and 10%

90% payment should be released within seven working days from the date of receipt of the bills after verifying the parameters of washed coal as per the provisions of the contract, the balance 10% may be released within 30 days after making any deductions if required to be made against various penalties. A security deposit equivalent to 10% of total beneficiation charges is to be furnished and retention of 10% from the running bills shall amount to 20% security deposit, which is exorbitant, therefore this amount (balance 10%) is payable as suggested above.

TSPL Reply: - DO Reconciliation will be done on quarterly basis and based on reconciliation, 10% payment will be released within 2 months from date of reconciliation. Please refer to terms and conditions of revised tender.

121. Transit Loss

There are no provisions for transit loss. A provision of 2% of transit loss may please be made.

TSPL Reply: - Not acceptable. Please refer to terms and conditions of revised tender.

122. Penalties

The penalties proposed to be imposed are exorbitant and will result in higher pricing for beneficiation and hence need to be rationalized to make the tender workable.

TSPL Reply: - Vendor may quote at his option but its bid should be competitive