



TALWANDI SABO POWER LIMITED

**ISSUE OF FINAL CLARIFICATIONS – PROCUREMENT OF NON
COKING STEAM COAL**

Issue of Final Clarifications – Procurement of Non coking Steam Coal

Query No.1:- Extension of Bid submission date by at least 3 weeks as we need to arrange for mine support letter, EMD bank guarantee, End user certificates (as per your format) and same shall take time in view of upcoming holidays / short time for submission. Other similar tenders do allow at least 1 month for preparation of documents.

TSPL Reply: *The bid submission date has been extended by one week i.e. till 14.10.2013 and the intimation regarding the same has already been uploaded on our website.*

Query No.2:- Please advise the siding code of plant railway siding, enabling us to work out logistics for the supply and computation of correct rail freight.

TSPL Reply:- *The name of the nearest Railway Siding is Sadda Singh Wala which is at a distance of 18 km from our Plant site.*

Query No.3:- As discussed and confirmed by TSPL, We have opened EMD bank guarantee no. 0024BG00091314 dated 05-10-2013 from ICICI Bank Ltd which shall be operable from ICICI bank branch at 28-29, Prem Heights, Ajit Nagar, Leela Bhawan, Patiala – 147001 as ICICI Bank was not able to open the bank guarantee operable from any branch in Bhatinda / Mansa. Kindly confirm that such bank guarantee operable at Patiala shall acceptable by TSPL.

TSPL Reply:- *We confirm that the said bank guarantee operable at Patiala shall be acceptable by TSPL.*

Query No.4:- Quality –

- a. We suggest the quality adjustment / penalty / rejection should be for weighted average basis for rakes supplied against each vessel, instead of rake wise as weighted average results would be ideal representative of quality.
- b. As per standard international practice, the final quality should at lab of third party independent inspection agency appointed by Buyer and / or Seller.
- c. As the quality at plant will be final, Load Port and /or Discharge Port inspection agency is not required.

TSPL Reply:-

- a. ***The quality adjustment/penalty/rejection shall be as per Clause 6.0 (Quality Inspection) on Page-28 of tender document.***
- b. ***The final quality shall be as per Clause 6.0 (Quality Inspection) on Page-29 of tender document.***
- c. ***The requirement of inspection agency at Load Port and/or Discharge Port shall be as per Clause 6.0 (Quality Inspection) on Page-28 of tender document.***

Query No 5:- LD Clause: - There should be a grace period of 3-4 weeks before LD clause comes into effect.

TSPL Reply:- *No such grace period shall be given.*

Query No 6:- Performance review: As per clause b) the contract may be terminated / short closed for request of Bidder for change of delivery schedule, however, as per clause c) if TSPL ask for change in delivery schedule and Bidder is not able to accept the same, it will also be deemed as non-performance. Please appreciate, we shall have to plan the vessel based on your given schedule and hence any last moment change might be difficult to accommodate.

TSPL Reply:- Pls refer to the Clause 14.0 (Performance Review) at Page-32 of tender document.

Query No 7:- TSPL has asked for bid validity of 180 days, which is a long period especially in the present situation with volatility in cost of coal, freight as well as currency. Suggest, the price should be index linked (Similar to Nabha Power and other state government tenders) instead of being fixed price, which will enable bidder to quote aggressively.

TSPL Reply:- The price shall be valid for 180 days from the last date of submission of bid.

Query No 8 :- TSPL have reserved the right to part close the contract without assigning any reason. As the contract is between two parties, it should be mutually agreed by both parties to short close the contract.

TSPL Reply:- Not acceptable.

Query No 9:- TSPL have asked for right to extend the quantity at the same terms and conditions, including price. In view of high volatility, Bidder should be given an option to increase the quantity at the same terms and conditions.

TSPL Reply:- Pls refer to the Clause 3.0 (Quantity) – iv on Page-26 of tender document

Query No 10:- Rake Weightment: As per recent railway circular, the net weight of rake is arrived by deducting wagon fix/standard tare weight as notified by Railways through circular.

TSPL Reply:- Pls refer to the Clause 5.0 (Quantity Determination) on Page-27 of tender document.

Query No 11:- Claim of Missing wagons/diverted rakes: As per railway circular, only consignee can claim refund for diverted rake which in your case will be TSPL and bidder will not be able to claim for the same. Thus request you that our payment should not be held up because of the same.

TSPL Reply:- Only the rakes received at the TSPL site shall be considered for payment purposes. However, TSPL, being a consignee, shall claim the refund from the railway authorities for the missing wagons/diverted rakes. The said claim shall be adjusted from the succeeding invoices raised by Supplier against the next consignment

Query No 12:- Specification of Coal: -

- a. The rejection of parameters of ash analysis is not required by any of the customers including Nabha Power as no miner shall be able to agree on the rejection of same. Thus it is requested to remove the same from the tender specs.
- b. Similarly FC /VM ratio and Base / Acid ratio as quoted by you in the tender is not available in most of the standard Indonesian / South African / Any other origin coal (considering it also matches with proximate parameters desired by TSPL). This would limit the option of coal being quoted to TSPL.
- c. Request relaxation of Proximate analysis parameters of coal to be supplied with relaxation on TM, S enabling more grades of coal to qualify for supply.

TSPL Reply:-

- a. **Coal to be supplied between higher and lower rejection limits.**
- b. **Pls refer to the Clause 5.0 (Quantity Determination) on Page-27 of tender document.**
- c. **Coal to be supplied between higher and lower rejection limits.**

Query No 13:- Adjustment of quality variation:

- a. The adjustment on quality should be from the quoted parameters and not from the base parameters.
- b. The adjustment of quality should be on the weighted average of quantity supplied instead of on rake to rake basis.

TSPL Reply:-

- a. ***The adjustment on quality shall be realized from the declared parameters as submitted by bidder in the technical bid.***
- b. ***The quality adjustment shall be as per Clause 6.0 (Quality Inspection) on Page-28 of tender document.***

Query No 14:- Quantity to be offered:- The bidder has an option to quote part quantity of 0.2 MMT instead of 0.4 MMT. Please advise if any preference shall be given to bidders quoting for full quantity?

TSPL Reply:- *No preference shall be given to bidders quoting for full quantity.*

Query No 15:- As discussed and confirmed by TSPL, we shall submit the authorization letter from mine owners in due course.

TSPL Reply:- *Okay, Confirmed.*

Query No 16:- TSPL shall calculate the received weight at plant as per railway circular of standard / fixed tare weight. A copy of the same is attached for your ready reference.

TSPL Reply:- *Pls refer to the Clause 5.0 (Quantity Determination) at Page-27 of tender document.*

Query No 17:- TSPL shall calculate penalty on Sulphur (ADB) from the quoted Sulphur (ADB) from bidder instead of base sulphur (ADB) of 0.35%.

TSPL Reply:- *The penalty shall be calculated on account of deviations from declared Sulphur content as per the technical bid submitted by the Bidder. In the technical bid, each bidder should provide the declared specs (as per Clause 4.0 of Volume-III of tender document) of Coal.*

Query No 18:- We will indicate the typical parameters of Ash analysis of the coal offered. However, limitation on ash analysis parameters and fines will restrict the competition. We request you to kindly delete the same. Also, we suggest that the same can be mutually discussed at the time of award with successful bidder.

TSPL Reply:- *Coal to be supplied between higher and lower rejection limits.*

Query No 19:- Bidder is allowed bonus upto 250 Kcal/Kg in GCV (ARB) above the quoted GCV (ARB). Please advise, in case the bidder quotes GCV (ARB) as 4750 Kcal /Kg, then the bonus shall be allowed till 5,000 Kcal/Kg?

TSPL Reply:- *As per our tender document, there is no provision of bonus on GCV.*

Query No 20:- There are few more queries according to clause no.19- Qualifying requirements which says qualification threshold in clause 19.1E1 (AVG Annual turnover) may be lowered at the discretion of TSPL to ensure wider participation (At least 3 parties). We request you to explain this point.

TSPL Reply:- *It implies that the TSPL shall have the discretionary power to lower the average amount (not less than Rs. 200 Cr or equivalent foreign currency) of bidder's annual turnover in any three (out of last four) financial years.*

Query No 21:- Will the qualifying requirements (19.1 .A) which says the bidder has to supply 0.5 MMT in any one financial year, Will the JV partner will be allowed to meet the requirements on joint basis.

TSPL Reply:- *The sales volume commensurate to respective shareholding of two companies (say Company A & Company B) in the JV shall be calculated proportionately. For instance, if Company A is 10% shareholder in the JV, then 10% of A's total sales volume shall be considered. As per the said criteria, if their cumulative sales volume for any type of Non Coking Steam Coal exceeds 0.5 MMT in any one (out of last four) financial year, the JV shall be allowed to meet the requirement on joint basis.*

Query No 22:- IF one of the JV partner has completed two financial year .Now third year is running. so JV partner will be eligible or not ?

TSPL Reply:- *The same may be considered on case to case basis.*

Query No 23:- Please let us know that who will bear the interest on discounting of LC?

TSPL Reply:- *Please refer to Clause-8.0 (Payment Terms) on Page no-31of tender document.*

Query No 24 Is their any personal railway siding for the plant, if not then which railway siding will be used by the qualified bidder?

TSPL Reply:-No. *The name of the nearest Railway Siding is Sadda Singh Wala which is at a distance of 18 km from our Plant site.*

Query No 25:- Pls confirm whether the Local transportation will be done by Plant or the Bidder?

TSPL Reply:- *No road logistics is required*

Query No 26:- Is entry tax applicable for power plants. If yes, who will pay the entry tax: Bidder or TSPL?

TSPL Reply:- *Entry tax is applicable.*

Query No 27:- As per your reply of Query no 2 of "TALWANDI SABO POWER LIMITED ISSUE OF CLARIFICATIONS", coal rake will be delivered to TSPL to the nearest railway siding SSZ (Sadda Singh Wala). Please confirm who will take care of further handling transportation?

TSPL Reply:- *No road logistics is required.*

Query No 28:- It is not clear from tender documents and your further clarifications that who will bear the LC interest during the usage period of 90 days.

TSPL Reply:- *Please refer to Clause-8.0 (Payment Terms) on Page no-31of tender document.*

Query No 29:- If EMD/Bank guarantee has been incorporated taking care of last date of submission as 7th Oct and valid for 180 days should it be changed as per new tender submission date i.e.14th Oct if we have already prepared the bank guarantee.

TSPL Reply:- *Please refer to Clause-10.0 (Period of Validity of Bid and EMD) on Page no-9 of tender document.*

Query No 30:- What is the proper channel to submit the Bid, If it is to be submitted to COO office ,Please arrange Gate Pass based on earlier requests of representatives otherwise provide us Bid receiving at security gate.

TSPL Reply:- The necessary gate passes shall be issued.