



TALWANDI SABO POWER LIMITED

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

EOI/50/CM/TSPL/2014-15

1. TSPL have requested for EMD of Rs 1 Cr through Bank Guarantee. As per tender document, bank guarantee should be operative at Bhatinda / Mansa. Request you to kindly accept the Bank Guarantee operative at Patiala branch also.

Further, we have an unsubmitted EMD in the form of Bank Guarantee in the name of TSPL with us which mentions “a tender enquiry for supply of upto 0.25 MMT Non Coking...” instead of current quantity of “ upto 0.50 MMT”. Kindly confirm if the same shall be acceptable to TSPL.

TSPL Reply: Not accepted.

2. Clause 10.0 Period of Validity of Bid, 2nd paragraph; “TSPL *reserve all right to extend the Bid Validity period in such circumstance. TSPL may/may not solicit Bidder’s consent for such extension.* As this is a fixed price bid, understand that bidder shall be given an option to not extend the validity beyond the initial period from the last date of submission of bid. Further, in view of high volatility in the market, request you to kindly keep the initial bid validity period as 45 days instead of 90 days.

TSPL Reply: Not accepted.

3. In view of short time for submission of bid documents, kindly exempt us from submitted mine authorization letters which has to be obtained from our overseas suppliers and will require lot of time.

TSPL Reply: Not accepted.

4. Please advise if Punjab State entry tax is applicable for supplies to TSPL?? If yes, then who shall bear the entry tax for the supplies and how it needs to be incorporated in price bid format. Further, if presently TSPL is availing exemption on Punjab State entry tax and in future if such exemption is withdrawn, then it should be on TSPL’s account.

TSPL Reply: Not accepted.

5. Page 23/63 – Clause 7.0 TSPL’s Conditions precedent – The obligations stipulated in this tender are as per PSERC conditions and in case of any change in the interim period till contract execution, same shall be applicable to this tender document/contract and the terms of this bidding documents shall stand modified to the extent prescribed by PSERC.

Such conditions shall be applicable provided there is no additional financial obligation on the bidder due to such modifications. Kindly confirm.

TSPL Reply: Not accepted.

6. Force Majeure - It should include the restrictions imposed by Government / Government agencies / Indian Railways in allotment of rakes affecting Bidder in carrying out its responsibilities.

Further, adverse weather conditions notified by relevant authorities should form force majeure irrespective of them being in excess of statistical measures for the last hundred (100) years.

TSPL Reply: Not accepted.

7. Page 27/64, Termination by giving 1 month notice
 - a. While the termination notice is given by TSPL to Bidder, TSPL should accept any cargo already left from load port / reached discharge port for TSPL.
 - b. As there is a lead time of 30-45 days before arrival of vessel at discharge port and subsequent commencement of delivery, any change in schedule / cancellation should be mutually discussed and agreed as it has severe financial implication on the bidder.

TSPL Reply: Not accepted.

8. Page 31/63 , Clause 3.0 iv.– The notice period for change of schedule shall be ten days or fifteen days as there is contradiction in the clause.

TSPL Reply: Not accepted.

9. Please allow tolerance of quantity upto 1 rake quantity (i.e. +/-4000 MT) in the delivery schedule quantity.

TSPL Reply: Not accepted.

10. Quality –
 - a. We suggest the quality adjustment / penalty / rejection should be for weighted average basis for total rakes supplied against the contract, instead of rake wise as weighted average results would be ideal representative of quality.
 - b. As per standard international practice, the final quality should be arrived at lab of third party independent inspection agency appointed by Buyer and / or Seller instead of analysis at TSPL plant laboratory.
 - c. Sampling, Sample preparation and analysis at TSPL shall be carried out jointly by Plant, TSPL's nominated IIA and Bidder's representative / Bidder nominated IIA.
 - d. One sample should be given to Bidder's representative / Bidder's IIA for analysis at their end.
 - e. Referee sample to be kept in the joint custody of Bidder's IIA & TSPL's IIA instead of TSPL. In case, the referee sample analysis is required, the third party analysis lab and location for such analysis should be mutually discussed and agreed.
 - f. Bidder should have option to go for referee sample analysis in case the results of Bidder's IIA and TSPL plant lab go beyond interlab tolerance.
 - g. Under normal circumstances, analysis of sample takes upto 7 days. Hence, TSPL should submit the analysis test report within 7-8 days of receipt of rake at plant as 45 days is too long a period for releasing the results.

11. Quantity Determination:

- a. The weighment system at TSPL plant must be calibrated, sealed and stamped in accordance with the weights and measure (W&M) Department of Government. Further, the certificate issued by W&M department should be provided to Bidder by TSPL at the time of award of contract.
- b. In case, the weighbridge at TSPL plant is showing abnormal variation / showing considerable difference in received weight wet RR weigh, TSPL to get its weighbridge calibrated upon the request of bidder. Till the time the weighbridge is rectified / duly calibrated, RR weight shall be considered as receipt weight at TSPL.

TSPL Reply: Not accepted.

12. Adjustment of quality variation :

- a. The adjustment of quality should be on the weighted average of quantity supplied instead of on rake to rake basis.
- b. In accordance with international standards, adjustment of GCV(ARB) itself accounts for impact of TM(ARB), thus there should not be any further adjustment on account for TM. Moreover, the adjustment of TM (ARB) as mentioned in Tender is too high.
- c. There should not be a penalty on AFT IDT value as no miner guarantees penalty / rejection on AFT (IDT). Further, the amount of penalty quoted by TSPL for AFT IDT is extremely high.

TSPL Reply: Not accepted.

13. Page 37/64 : “In case of unacceptable variation in the specified parameters as in Clause 4.0 other than mentioned in Clause 7.0 for quality adjustment, TSPL reserve right to consider any such rake as rejected and no payment shall be permissible for receipt of such rakes.”. Kindly define unacceptable variation as the clause is open ended basis TSPL discretion. There should not be rejection/penalty on any other parameter as mentioned in clause 7.0.

TSPL Reply: Not accepted.

14. Payment Terms:

- a. Understand that TSPL shall provide the rake results within 45 days after receipt of rake at plant basis which the adjustment of quality/quantity to be made and payment can be claimed. This is a very long period keeping in mind that analyses of rakes take only 5-7 days. Thus request you as follows:
 - i. Kindly release 80% payment against receipt of rakes at plant without quality/quantity adjustments
 - ii. For balance 20% after adjustment, provide the rake results within 7-8 days of receipt of rakes at plant, enabling the Bidder to reduce the payment cycle time.

- b. Request you to kindly consider accepting supplies against LC.

TSPL Reply: Not accepted.

15. LD Clause: - There should be a grace period of 3-4 weeks before LD clause comes into effect for the circumstances beyond the control of Supplier.

Further, the applicable rate for LD charges should be charged @ 1/10 % (One tenth of the one percent) of the value of delayed consignment for each week's delay or part thereof subject to a ceiling of 1% (One percent) of the Total Contract Price inclusive of taxes & duties.

TSPL Reply: Not accepted.

16. Volume III Clause 14, Performance review: As per sub 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: Not accepted.

17. TSPL has asked for bid validity of 90 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 other tenders) instead of being fixed price, which will enable bidder to quote aggressively.

TSPL Reply: Not accepted.

18. TSPL have asked for right to extend the quantity at the same terms and conditions, including price. In view of high volatility, such extension for additional quantity should be subject to mutual discussions and agreement.

TSPL Reply: Not accepted.

19. Rake Weighment: As per railway circular, the net weight of rake is arrived by deducting wagon fix/standard tare weight as notified by Railways through circular.

TSPL Reply: Not accepted.

20. Specification of Coal: -

- a. The rejection of parameters of ash analysis is not required by any of the customers 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 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). Removing such restriction of FC/VM ratio would give more flexible fuel options of coal being quoted to TSPL by bidders.
- 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: Not accepted.

21. Page 32/64 – “TSPL shall have the right to do sampling and analysis at Loading origin before dispatch of coal or at receiving end” – We may arrange for TSPL’s representative to witness the sampling and sample preparation at loading origin, however, the same is subject to Miner’s approval which Bidder doesn’t have any control. Moreover, the cost of witnessing the sampling and sample preparation shall be on TSPL’s account.

TSPL Reply: Not accepted.

22. Clause 7.0 Earnest Money Deposit (EMD)

TSPL against its tender of 0.5 MMT requires Rs.1 Crore to be deposited as the Earnest Money.

We request you to please consider the EMD amount of Tender document no: EOI/50/CM/TSPL/2014-15 of Rs.1 Crore to be submitted against the Tender Document No: EOI/44/CM/TSPL/2014-15 and waive the condition for submitting the EMD of Rs.1 Crore.

TSPL Reply: Not accepted.

23. Clause 10.0 Period of Validity of Bid and EMD

As per tender, the bid should remain valid and open for acceptance for ninety (90) days from the last date of submission of bid.

We wish to state that please modify the clause and allow it to be valid for period of thirty (30) days from the last date of submission of Bid.

TSPL Reply: Not accepted.

24. Clause 17.0 Performance Bank Guarantee

As per tender norms, the bidder has to furnish PBG (Performance Bank Guarantee) to TSPL for an amount equivalent to 10% of Landed Contract Price of Coal.

We request you to please amend CPBG amount equivalent to 5% of CIF Value of Coal rather than landed contract price.

For Ex- In the past MMTC Tender (Aravali Power Jhajjar), the PBG amount to be submitted was equivalent to 5% of the CIF value of Coal.

As the coal rakes are brought from a long distance and railway freight of ~Rs 2200~ Rs 2300 is also paid against each supply along with the CIF Value of Coal. So, it is not possible to furnish 10% PBG amount equivalent to Landed Contract Price of Coal.

TSPL Reply: Not accepted.

25. **Clause 4.0 Taxes And Duties**

As per tender norms, the documents required for supporting taxes/duties shall be furnished by the bidder in case of any change in the Law/ Management.

We request you to kindly please inform prior to dispatch about the required supporting documents. Also we regret to inform you that it is not possible to provide the same for the already supplied material.

TSPL Reply: Not accepted.

26. **VOLUME-II Clause 4.0 Specifications Of Coal**

A- The Base Parameter for the Sulphur as per in the tender is <0.5%

The Base Parameter for the Sulphur in the supply of Imported Coal varies between ~0.4% to ~.6 %. Even in the past TSPL Tender Document No: EOI/44/CM/TSPL/2014-15 , the base parameter was allowed till <0.6%. So, we request you kindly retain the Base Parameter for the Sulphur to be same as in the previous tender and allow it to <0.6%.

B- The Range Parameter of FC (Fixed Carbon) is fixed 24-42

It is impossible above the GCV ~5000 ~5900 Kcal/kg. These specifications come under the supply having coal specifications GCV ~4500~5000 Kcal/kg. So please amendment it .

TSPL Reply: Not accepted.

27. **Clause 5.0 Quantity Determination**

For this clause, we wish to state that please allow one of our representative to be present at the time of Weighment of the rake at the TSPL Weigh-bridge.

All the Power Plant Tenders have specification in the Bid Documents that the representative at the supplier end should be present at the time of weighment for witness.

TSPL Reply: Not accepted.

28. **VOLUME-III Clause 5.0 Quality Inspection**

We wish to state that please allow our representative to be present at TSPL site at the time of Joint Sampling & Analysis as a witness or allow mutually agreed TPA at our side.

Again emphasizing that all the Power Plants Bid Document (even NTPC) have the specification that the representative at supplier end should be present at the time of Joint Sampling & Analysis as a witness further to avoid any untoward situation.

As per tender norms, TSPL will submit the analysis/ test report to bidder within 45 days from date of receipt of rake.

It is specifically agreed that the Results of the rake are declared within 72 hours and 45 days is a very long time period. So, we request you to please minimize the time period and allow the analysis/ test reports to be submitted at TSPL end within 4-5 days from the date of receipt of rake.

TSPL Reply: Not accepted.

29. **Clause 7.0 Adjustment on Quality Variation**

Total Moisture (ARB)

As per Coal Specifications mentioned in the tender, the Declared Base Total Moisture (TM) of Coal is 24%. We wish to state that kindly allow some specified range of limit for the normal penalty. Thereafter, a high penalty shall be applicable.

Gross Calorific Value (GCV)

As per tender, Base GCV (kcal/kg) is restricted to 5700 kcal/kg within a specified range of +/- 200 Kcal/Kg. We request you to please allow us the Normal Penalty Limit of GCV on specified limit i.e. if the received GCV (ARB) is above (+) 200 Kcal/Kg, then it is acceptable to us but if it is beyond (-) 500 Kcal/Kg from Indicative GCV then it should lie in normal penalty.

For Ex- Base GCV= 5000 Kcal/kg

Received GCV =4500 Kcal/Kg

Then it should lie in normal penalty.

For Ex.2- Base GCV = 5000 Kcal/ KG

Received GCV = 4400 Kcal/ Kg

In this case , you can adopt the high penalty Deduction .

Initial Deformation Temperature

As per tender, if received IDT is less than lower specified limit then penalty of 90% of Total Quoted Landed Price shall be admissible for receipt of such coal rakes. With reference to this clause, we wish to state that please reduce the limit to minor level and contrary to Total Quoted Landed Price, apply the penalty on PMT.

TSPL Reply: Not accepted.

30. **Clause 8.0 Payment Terms**

As per tender, the Payment will be made within 30 days of acknowledgement of bill by TSPL.

Sir, as you know that the coal rakes are brought from a long distance. As per the terms, 40% of the complete order (Freight Cost) is to be given in advance by the Contractor. In this case, the fund rotation gets blocked. So, we request you to please amend the Payment terms of the tender and provide 70% of payment against Invoice of the rake and 30% of payment within 30 days after Quality Certification. So that we can dispatch you the order as earliest.

OR

Payment through BY LC (Letter of Credit) in advance

TSPL Reply: Not accepted.

31. Clause 13.0 Liquidated Damages (LD)

The Tentative Delivery Schedule as per tender is:

Date from LOI	Quantity (Metric Tonnes)
45-75 Days	1,25,000
75-115 Days	1,50,000
115-145 Days	2,25,000

We request you to please amend this clause and extend the LD time period.

Date from LOI	Quantity (Metric Tonnes)	No of Rakes (3900 MT)	Time Period Required by us
45-75 Days	1,25,000	32	45- 75 Days
75-115 Days	1,50,000	37	75-150 Days (60 Days)
115-145 Days	2,25,000	56	120-180 Days (60 Days)

TSPL Reply: Not accepted.

