

Clarification no. 01 dated 10.9.2014

Tender no. MMTC/Steam Coal/14-15/CIL/1218 date 25.8.2014

S.no.	Queries/Clarification	Reply
1	<p>Clause no. 6.2 , Vol-1, page no. 6 :</p> <p>MMTC has invited bids for three packages and asked for three separate EMDs. Further, MMTC shall evaluate the lowest bidder as per package-wise. It is not clearly mentioned in the tender documents that the bidder can quote for one/two/three packages.</p>	Tender document is clear in this regard , however, we further clarify that the bidder has option to offer bid for one or two or all the three packages given in tender.
2	<p>Clause no. 21, Vol-1, page no. 12 :</p> <p>The successful bidder has to submit the performance BG within 3 working days from the date of receipt of LOI. Bidder has to arrange the funds and it is very difficult to issue the PBG in such short period.</p>	Refer Amendment no.1 to the tender document.
3	<p>Clause No. 23, Vol-1, page no. 13 :</p> <p>As per tender terms , cost if any charged by TRANSCART in issuance of NOC and all implication for any delay or refusal in issuance of NOC shall be to the account of the successful bidder. Issuance of NOC from TRANSCART for import of coal is completely in purview of MMTC. We request you to kindly amend and delete the clause.</p>	As per tender
4	<p>Clause No. 24.1-D, Vol-1, Page no. 15:</p> <p>Bidder should have working capital of more than INR 185 Crs (including to lines of credit from banks) to meet one of the financial requirement of the tender. As a document evidence MMTC has asked balance sheet and letter from bank for working capital as per clause no. 25.2.</p> <p>We wish to state that working capital can be checked/ verified from the balance sheet of the bidder. None of the bank can issue the letter for the working capital of the company/bidder. However if MMTC require to check/verify the line of credit of the bidder, such letter can be issued from bank by the bidders. The same criteria for line of credit are being asked in NTPC tenders also. We request you to kindly amend the clause accordingly.</p>	Refer Amendment no.1 to the tender document.
5	<p>Clause no. 9.0, Vol-III Payment terms , page no. 32:</p> <p>MMTC shall release the payment to successful</p>	As per tender

	bidder , once received from CIL . Please confirm that MMTC shall release the payment within 2 working days from the date of receipt of payment from CIL	
6	<p>Annexure-A pricing methodology-1.2, page no. 41:</p> <p>MMTC shall consider the base indices (for FOB price and ocean freight) published on Friday immediately preceding the first day of Half year (Oct'14 to March'14). i.e. indices published on 26.09.2014. MMTC has also asked bidder to quote the prices on these indices as per Annexure S1/S2/S3.</p> <p>Please note that bidder has to submit their rates to MMTC on 15.09.2014 i.e. well before 15 days before the publication of basic indices. How the bidders can analyse and offer the rates on the basic index, which is not known to them as well as to MMTC? In this regard we would like to request MMTC to amend the clause as follows</p> <p>MMTC should ask the bidder to submit the rates on 15.09.2014 on the basis of indices published on preceding Friday of bid submission date i.e 12.09.2014 and evaluate the lowest bid on such indices which are published and known to every bidder. However if MMTC wants to keep the basic index on Friday immediately preceding the first day of Half year (Oct'14 to March'14) for variable price determination. MMTC can derived the revised landed prices on basis on variable FOB price and Ocean freight on simply prorata basis with published indices on 26.09.2014.</p> <p>or</p> <p>MMTC may extend the bid submission date and keep the submission date after 29.09.2014 so that MMTC shall keep basic indices published on 26.09.2014 for price determination.</p>	As per tender
7	<p>Annexure-A pricing methodology-1.1.1 page 41</p> <p>For determine FOB price of the respective vessels. MMTC shall consider the lower of the CERC and country of origin index.</p> <p>In this regard we wish to state that CERC index & country of origin index is neither comparable nor relevant to each other. Moreover their</p>	Refer Amendment no.1 to the tender document.

	<p>movements are not in sync as they represent to different market segments. Therefore choosing lower of the two prices arrived using two unrelated indices is neither logical nor prudent. MMTC therefore should consider adopting a pragmatic approach as against simply putting burden on suppliers and amend the clause by keeping the variation in prices basis either of the two indices OR should allow bidders to opt one of the two indices for variation in prices as follows.</p> <p>FOB Price - A If importing from Indonesian countries- Indonesian ICI 2 (5500 GAR) B. Importing from other countries-CERC methodology For payment purpose, the price worked out based on the above two methodologies as applicable as per (A) or (B) shall be considered.</p> <p>The option to bidders would not make any difference as the bidders as well as MMTC as well as bidders are not aware of the movement of any index in future. The evaluation can be done on the quoted prices.</p>	
8	<p>Annexure-S1/S2/S3 price bid format:</p> <p>As per column H of the price bid format, MMTC asked to quote custom duty at 2.5% of BCD & 2% CVD of 101% of CIF cost. However in case of supplies made from Indonesia. There is concessional duty i.e. 0% BCD (which MMTC mentioned under point 5 of note of price bid). In case bidder quote 0% CD in the price, then it is very difficult to evaluate the bids at par for MMTC. To avoid any doubts/conflicts after bid submission, please confirm and amend that bidder has to quote the custom duty @ 2.5% of BCD & 2% CVD of 101% of CIF cost in price schedule and MMTC shall consider & evaluate all bidder at this rate only.</p>	<p>Tender document is clear in this regard, however we further clarify that bidders are required to quote the custom duty @ 2.5% of BCD & 2% CVD of 101% of CIF cost in price schedule and evaluation of bids shall be done at this rate only.</p>
9	<p>Vol I – Clause 6 Sub clause 6.3 Page 6</p> <p>Annexure ‘P’ is related to Trust Deed and Annexure ‘N’ relates to Blacklist Certificate. Please confirm.</p>	<p>Refer Amendment no.1</p>
10	<p>Vol I – Clause 7 sub clause 7.6 Page 7</p> <p>EMD of the unsuccessful bidder should be returned immediately after issuance of LOI/LOA to the successful bidder.</p>	<p>As per tender</p>

11	<p>Vol III-Clause 3 Page 25</p> <p>As the bid submission date is 15th September 2014 and the process of technical bid evaluation, price bid opening and issuance of LOI will itself take minimum of 15 days. As per the tender the delivery period is starting 1st October 2014 (Start of the IIIrd quarter of the FY 2014-15); it is practically not possible to start the supplies from October 2014, therefore please keep the supply of the First consignment within 30 days of the issuance of the LOI as per standard industry practices.</p> <p>The same 30 days notice period should also be provided for any pre-ponement /postponement /diversion of supplies from its original schedule.</p>	As per tender
12	<p>Vol III – Clause 5 Page 26</p> <p>As per this clause the FOB price indexation is based on the lower of CERC index or Country of Origin of Coal index for coal (primarily used for coal imported from Indonesia). Please note that major PSU's like NTPC in their tenders had changed this clause and made it more logical whereas coal imported from Indonesia will be indexed basis Indonesian Coal Index alone and coal from any other origin (Australia/ South Africa) apart from Indonesia will be indexed on CERC rather than applying lower of the two, thus getting a better price discovery. We therefore request you to amend the same.</p>	Refer Amendment no.1
13	<p>Vol III – Clause 5 iii (a) Page 27</p> <p>The base price should only include the C&F Price which should be indexed and all costs after C&F upto loading into Railway wagons at port should come under other charges as Entry Port Handling Charges which should remain fixed during the entire duration of the contract.</p>	As per tender
14	<p>Vol III – Clause 6 sub clause 6.1 page 28-29</p> <p>As per industry practices please take average of the quality report for the rake received in plant in a fortnight for determining quality as it will cover a major part of the shipment.</p>	As per tender
15	<p>Vol III – Clause 6 sub clause 6.2 Page 29</p> <p>Weight received at the TPS should be taken as final. In case of TPS weight is less than the RR weight, the TPS weight should be taken as final</p>	Refer Amendment no.1

	weight but if in case the TPS weight is more than RR weight than also the TPS weight should be taken as the final weight subject to the ceiling of the B/L weight of the vessel from which the shipment has been done	
16	<p>Volume III Clause 6.2.3 Page 29</p> <p>Delivery to NLC (Tuticorin) is through a conveyor and this means it is virtually a CIF deal. So they should consider draft survey / weight certificate instead of belt weigher which is a more acceptable parameter industry wide. They should also change the delivery basis from FOR Delivery point in Vol I, Clause 1.0 to CIF and take it on CIF basis on High Seas Sales thus saving 5% TNVAT.</p>	As per tender
17	<p>Vol III – Clause 9 Page 32</p> <p>Please confirm that the Overseas Supplies shall be paid in USD and what shall be the exchange rate used for the payment to Overseas supplies as the same is not clear from the tender document.</p>	Refer Clause 5 (iii) (a), Vol-III, page 27
18	<p>Vol III Clause 11 sub clause 11.4 Page 33</p> <p>Diversion of railway rakes and missing wagons due to no fault of supplier should not be the sole responsibility of the supplier as these things are not in their control. Also, as per certain Zonal Railway, claims on account of diversion of rakes and/or missing wagons have to be lodged by the destination TPS with Railways. Please note that under FOR destination contracts the responsibility of the supplier is to load the rake and handover to railways. Moreover all railway rakes are allocated to supplier only on behalf of destination TPS.</p>	As per tender
19	<p>Vol III Clause 17.0</p> <p>Instead of “In the event of the Successful Bidder’s failure to deliver Imported Coal within 15 days from the schedules Delivery Date...” should be written as ““In the event of the Successful Bidder’s failure to deliver Imported Coal within the scheduled Delivery period...” as coal being a bulky material and keeping in mind the transportation modes it can’t be delivered on a particular date and has to be a scheduled delivery period.</p>	As per tender

<p>20</p>	<p>Vol III Clause 18.0</p> <p>Vol I Clause 21 Page 12 should be amended in line to submission of PBG within 5 working days of issuance of LOI by MMTC.</p>	<p>Refer Amendment no.1</p>
<p>21</p>	<p>Annexure A Page 42 & 43</p> <p>Under this Clause the 'A1' component of the Formulae has been derived basis preceding the first day of applicable Half Year which as per our understanding of the tender will be the last week of September. As your bid submission is on 15th September 2014, this base component would be unknown at the time of bidding which is against the guidelines of floating public tender. We would therefore request you to amend the same to "Composite Index derived on Friday immediately preceding the Bid submission date shall be considered for the A1 component of the Formulae"</p>	<p>As per tender.</p>

AMENDMENT NO.1 DATED 10TH SEPT. 2014

TO

TENDER NO. MMTC/Steam Coal/14-15/CIL/1218 date 25.8.2014

S.n	Bid Doc/ Section Ref	Instead of	Read as
1	Clause no. 21, Vol-1, page no. 12	Within three (03) working days after receipt of Letter of Intent, the Successful Bidder(s) shall furnish the Performance Guarantee, as detailed at clause 18 of Volume III of bidding documents. Performance Guarantee shall be valid for 6 months beyond the expiry of validity of Agreement	Within five (05) working days after receipt of Letter of Intent, the Successful Bidder(s) shall furnish the Performance Guarantee, as detailed at clause 18 of Volume III of bidding documents. Performance Guarantee shall be valid for 6 months beyond the expiry of validity of Agreement
2	Clause No. 25.2, Vol-1 Page no. 15	The Bidders must submit documentary proof such as copy of work order/contract agreement as well as completion certificates for technical qualification criteria and copy of balance sheet and letter for working capital from bank for financial qualification criteria. The Bidder may also submit any other additional documents in support for its technical and financial eligibility. MMTC reserves the right to seek references from the Bidder's bankers. The bids of the bidders not meeting any of the above qualifying criteria shall not be considered for evaluation.	The Bidders must submit documentary proof such as copy of work order/contract agreement as well as completion certificates for technical qualification criteria and copy of balance sheet for last three years and letter certifying working capital from Statutory Auditor for financial qualification criteria. Such certificate shall be dated within three months before the date of tender opening. The Bidder may also submit any other additional documents in support for its technical and financial eligibility. MMTC reserves the right to seek references from the Bidder's bankers. The bids of the bidders not meeting any of the above qualifying criteria shall not be considered for evaluation.
3	Annexure-A pricing methodology- 1.1.1, page 41	FOB price shall be arrived at linking the Base FOB prices with respect to Indices as per following methodologies, as detailed at Para 1.3 below: a) As per CERC Methodology; and b) Index for coal published for the Country of Origin of Coal with guaranteed parameter with respect to Gross Calorific Value of coal specifications published by	FOB price shall be arrived at linking the Base FOB prices with respect to Indices as per following methodologies, as detailed at Para 1.3 below: a) As per CERC Methodology; and b) Index for coal published for the Country of Origin of Coal with guaranteed parameter with respect to Gross Calorific Value of coal specifications published by preferably Government agency of that country. In case of

		preferably Government agency of that country. For the purpose of payment, the lower of the prices worked out based on the above two methodologies, shall be considered.	coal of Indonesia origin, coal index ICI2 (5800 GAR) as published by Argus Coalindo shall be applicable. For the purpose of payment, the lower of the prices worked out based on the above two methodologies, shall be considered.
4	Vol-I-Clause 6 Sub Clause 6.3 page 6	The bidder should not have been blacklisted/banned for participation in tenders issued by any government/semi government companies/PSUs in India as on the due date of submission of bid. The documents furnished by the bidder should be true including the contents thereof. The bidder shall submit an affidavit to this effect, as per Annexure P duly notarized. Non-submission of affidavit or submitting false affidavit, if found at any stage, shall render the bidder disqualified and their Bid Security/Performance Bank Guarantee shall be liable to be forfeited.	The bidder should not have been blacklisted/banned for participation in tenders issued by any government/semi government companies/PSUs in India as on the due date of submission of bid. The documents furnished by the bidder should be true including the contents thereof. The bidder shall submit an affidavit to this effect, as per Annexure N duly notarized. Non-submission of affidavit or submitting false affidavit, if found at any stage, shall render the bidder disqualified and their Bid Security/Performance Bank Guarantee shall be liable to be forfeited.
5.	Vol-III- Clause 6 Sub Clause 6.2.5 page 29	The quantity mentioned in the certificate provided by the IIA shall be considered as final, subject to the ceiling of RR (Railway Receipt) Quantity, and all payments shall be made as per this quantity/ weighment.	The quantity mentioned in the certificate provided by the IIA shall be considered as final, subject to the ceiling of RR (Railway Receipt) Quantity. The total quantity delivered at TPS or delivery point and considered as final is, however, subject to the ceiling of the B/L weight of the vessel. All payments shall be made as per this quantity/ weighment.
6	Annexure-C : Proforma for Bank Guarantee for EMD, Clause 11, Page 47	This Bank further undertakes that this Guarantee shall remain irrevocably valid and in force initially upto a period of 150 days and shall expire on_____ (Date) and that the same shall be extended further according to the provisions contained hereinabove, and shall not be amended or withdrawn without the previous consent of MMTC in writing.	This Bank further undertakes that this Guarantee shall remain irrevocably valid and in force initially upto a period of 80 days and shall expire on_____ (Date) and that the same shall be extended further according to the provisions contained hereinabove, and shall not be amended or withdrawn without the previous consent of MMTC in writing.

ALL OTHER TERMS AND CONDITIONS OF THE TENDER REMAIN THE SAME.

THIS CORRIGENDUM BECOMES AN INTEGRAL PART OF THE TENDER NO. MMTC/Steam Coal/14-15/CIL/1218 date 25.8.2014

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