

# **MSTC LIMITED**

(A Government of India Enterprise)  
225F, AJC Bose Road, 2<sup>nd</sup> Floor  
Kolkata – 700 020

Telephone : 033-22900964

Website : [www.mstcecommerce.com](http://www.mstcecommerce.com)

## **Terms and Conditions for supply of Non – coking Coal of Indian origin to Sagardighi Thermal Power Station of WBPDC**

**Ref No : MSTC/HO/ECOM/WBPDC/Domestic Coal Supply/17-18/03**  
**e-tender No.: MSTC/WBPDC/17-18/ET/37**

Last date of submission of online offer with documents and EMD at [www.mstcecommerce.com/eprochome/mstc](http://www.mstcecommerce.com/eprochome/mstc): **03 PM on 24.10.2017.**

Date of e-reverse auction on [www.mstcecommerce.com/eprochome/mstc](http://www.mstcecommerce.com/eprochome/mstc) for price bidding: To be notified separately.

Online offers are invited from interested vendors for supply of non-coking thermal coal of Indian origin to Sagardighi Thermal Power Station of The West Bengal Power Development Corporation Limited as per details and other terms and conditions given below.

- 1. Eligibility:** The following eligibility conditions shall apply for the vendors.
  - a. The vendor should have valid GST Registration.
  - b. The vendor should have a valid PAN Card.
  - c. The vendor should have an account with a reputed scheduled commercial bank.
  - d. Vendor should have a Solvency Certificate from its bank for at least Rs 10 Crore.
  - e. Vendor should have the experience of supplying at least 50 rakes of indigenous coal by rail in any of the last five financial years OR Vendor should have supplied at least five rakes of indigenous coal to any government owned power plant in India in any of the last five financial years. Vendor should have its name as the Consignor. Experience of coal handling / loading / unloading will not be considered Endorsement on RR in favour of the vendor/applicant will not be considered as requisite experience.
  
- 2. Documents to be submitted with the offer in support of Eligibility:** The following documents should be submitted online along with the offer failing which the vendor shall be disqualified and his offer shall be rejected.
  - a. Copy of GST Registration Certificate
  - b. Copy of the PAN Card of the vendor
  - c. A certificate from the Bank stating the details of the account the vendor is having with the Bank.

- d. A Solvency Certificate from the Bank for at least Rs 10 Crore in favour of the bidder.
- e. Copies of RR clearly evidencing that the vendor has supplied requisite number of rakes of coal as stated above.

Scanned copies of the above documents should be uploaded online alongwith the offer. MSTC reserves the right to call for the original of any or all the document(s) and the vendor shall be required to produce the same.

Documents submitted by vendors shall be scrutinized by MSTC officials and their decision regarding the qualification of vendors based on the documents submitted by them for participation in the e-reverse auction shall be final and binding on the vendors.

Vendors may note that there is no provision of putting any price of coal anywhere in this tender document. Hence, bidders are advised not to put any unsolicited remark / coal price / condition etc anywhere in this document or upload any unsolicited information on the website which may render their offer invalid. Putting conditions / remarks / coal price etc may lead to disqualification of the vendor. Price bids shall be invited through a process of e-reverse auction on the website [www.mstcecommerce.com/eprchome/mstc](http://www.mstcecommerce.com/eprchome/mstc) date of which shall be intimated to the qualified vendors only separately. Such communication will be sent to the qualified vendors through email. Hence, vendors are advised to keep their email account active and check regularly for incoming emails. Bidding in e-reverse auction shall be done only with Digital Signature Certificates (DSC). Therefore, bidders are advised to get their DSCs ready before the date of e-reverse auction.

- 3. Submission of offer:** The document containing the terms and conditions for supply of Non – coking Coal of Indian origin to Sagardighi Thermal Power Station of WBPDCCL may be downloaded from the website [www.mstcecommerce.com/eprchome/mstc](http://www.mstcecommerce.com/eprchome/mstc) or [www.mstcindia.co.in](http://www.mstcindia.co.in). The offer should be submitted online only at [www.mstcecommerce.com/eprchome/mstc](http://www.mstcecommerce.com/eprchome/mstc).

Offer submitted in hard copy format/email or by any other mode shall not be considered for evaluation.

**4. Coal requirement:**

Following table gives the details of coal requirement at the different Power Stations of WBPDCCL and coal has to be supplied accordingly.

Sl No.	Power Station	Nearest Railway Station	Railway	Wagon Type	Required Quantity (MT)	No. of rakes
1	Sagardighi TPS (SgTPS)	Monigram, Railway Railway Code: MGLE	Eastern	BOBRN/BOXN. However; number of BOXN rakes should not exceed 15.	2,00,000	50

Note: A rake of coal is assumed to be carrying 4000 MT of coal. Payment and other calculations shall be based on the actual weight of coal received in a rake. However, number of rakes shall be as indicated above. Repeat order may be placed at the discretion of WBPDCCL after successful completion of supply of initial ordered quantity.

- 5. Mode of delivery:** Coal has to be loaded onto rakes and delivered to Power Stations by rail. A standard rake shall consist of 59 boxes.
- 6. Date of submission of Rate:** Through e-reverse auction process date of which shall be intimated later.
- 7. Supply tenure:** Supply should start within 05 days from the date of Purchase Order. Completion of supply should be within 58 days from the date of Purchase Order.
- 8. EMD:** EMD @ Rs 4,00,000 (Rupees Four Lakh only) per rake is to be deposited along with the offer before the last date of submission of online offer. EMD shall be payable by RTGS/NEFT to the following bank account of MSTC.

Beneficiary Name : MSTC Limited  
Bank Details : Axis Bank, Shakespeare Sarani Branch, Kolkata  
Account Details: Axis Bank A/c.No.005010200057840  
IFSC Code No. : UTIB0000005.

The vendor shall provide the details of the EMD deposited in the online offer.

EMD should be deposited for the total quantity required at any Power Station(s) where the tenderer wishes to supply coal. Bidding for part quantity in any Power Station is not permissible and hence EMD for part quantity will not be acceptable. The successful vendors on whom Purchase Order shall be issued, shall furnish Performance Guarantee equivalent to 5% of the contract value (Purchase Order value) by way of Bank Guarantee (as per Annexure – I) failing which his EMD shall be forfeited. The BG shall be valid for four months from the date of issue. On submission of the BG by the successful vendor and on acceptance of the same by MSTC, EMD of the successful vendor shall be released. For any breach of contract by the successful bidder including but not limited to failure to supply the ordered quantity of coal within stipulated time, the Bank Guarantee towards Performance Guarantee of such vendor shall be encashed as forfeiture of PG. The BG towards PG shall be returned to the successful bidder(s) on completion of the total contract. EMD of unsuccessful tenderers shall be returned by MSTC Limited. No interest will be paid by MSTC to the tenderer on the EMD amount.

- 9. Application Fee:** Vendors submitting offer for supply of Non – coking Coal of Indian origin to Thermal Power Plants of WBPDCCL shall have to pay a non-refundable Application Fee of Rs 25,000/- plus applicable GST. The Application Fee is to be paid online to the same bank account where the EMD is to be deposited. Vendors shall submit the details of the payment made towards

Application Fee in the online offer. Offers submitted without Application Fee shall not be considered.

**10. Specification of Coal required:**

Coal of following specification is required at the above mentioned Power Stations.

Sl No.	Parameter	Desired Value
1.	GCV (ADB)	Minimum 3800 Kcal/Kg
2	Total Moisture (ARB)	15% Max
3	Volatile Matter	20% to 30%
4	Size	5 mm to 100 mm (Less than 5 mm - Max 5%)

**11. Rate:** To be quoted per MT on delivered to Destination basis (Landed Rate) for the full quantity required at any Power Station. Bidding for supply of part quantity at any Power Station is not permissible. Landed Rate for each Power Station shall have to be quoted separately in the e-reverse auction. The lowest landed rate against each Power Station shall be considered for acceptance and all subsequent actions including issue of Purchase Order and payment to coal supplier shall be based on the same.

**12. Validity of Bid:** The rate quoted by the tenderer in the e-reverse auction shall remain valid for at least 30 (thirty) working days from the date of e-reverse auction.

**13. Source of coal:** Coal can be supplied from any location as per supplier's convenience. However, coal supplied from collieries located nearby the Power Stations of WBPDCCL will be preferred.

**14. Bidding methodology in reverse auction and bid evaluation:**

The e-reverse auction for price bid shall be conducted on [www.mstcecommerce.com/eprochome/mstc](http://www.mstcecommerce.com/eprochome/mstc) on a date and time to be intimated to qualified vendors through email later on. To be able to participate in the e-reverse auction, vendors need to register themselves as Vendors with the above stated website. During the process of registration, vendors shall generate their own user name and password which should be kept secret to prevent any misuse. The vendors also need to take Class II or Class III type Digital Signature Certificate as the same will be necessary at the time of bidding. The vendors who submit their offers, other documents and EMD by the stipulated date and time and are found to be eligible, shall be able to participate in the e-reverse auction to submit their price bids. All ineligible bidders shall not be able to participate in the e-reverse auction.

The price bid template shall look something like the following.

Sl No.	Power Station	Quantity required (MT) +/- 5%	Landed rate per MT (Rs/MT) (to be quoted by the bidder)	
1.	A	Q1	R1	BID
2.	B	Q2	R2	BID
3.	C	Q3	R3	BID
4.	D	Q4	R4	BID
5.	E	Q5	R5	BID

The bidder has to quote the landed rate per MT against the Power Station where he wishes to supply coal and click on the BID button. A bidder has to quote at least Re 1/- less than the prevailing price. A bidder may submit his bid as many times as he wishes till the auction is closed. The e-reverse auction shall be open for a pre-declared period of time and extension of closing time beyond the schedule closing time shall be subject to bids received. Bid once submitted against one destination (Power Station) can not be recalled or changed. Therefore, bidders are advised to exercise caution while quoting their price bids. Depending on the amount of EMD deposited, a bidder may bid against as many Power Stations as he wishes.

The above template is only illustrative and may vary in the actual event.

The lowest price bid (L1 bid) received against each Power Station shall be considered for acceptance.

#### **15. Issuance of Purchase Order:**

- (a) Upon acceptance of the bid by WBPDC, MSTC shall issue Purchase Order in duplicate in favour of the successful vendor. The Purchase Order shall mention the bid price as the rate of coal and the supplier shall be paid at this rate. The vendor shall sign and return a copy of the Purchase Order alongwith the bank guarantee towards Performance Guarantee to MSTC within three working days from the date of issue of the same as proof of his acceptance of the Purchase Order. The acceptance of the Purchase Order shall form the contract between MSTC and the vendor. In case, the vendor does not accept the Purchase Order, it will be deemed that he is not interested in honouring the bid submitted by him and under such circumstances, his EMD for the quantity, for which Purchase Order was placed, shall be forfeited without any further reference to him. No correspondence / complaint in this regard shall be entertained.
- (b) Although offers are invited from interested vendors for supply of coal as per above stated requirement of the Power Plant, Purchase Orders may be ultimately issued to successful vendors for a lesser quantity as well. Under such circumstances, no complaint from the successful bidders in this regard shall be entertained and they will have to supply the ordered quantity of coal as per the Purchase Order failing which their EMD / Performance Guarantee shall be forfeited. MSTC shall not be liable / held responsible for any loss or other consequences suffered by the vendors owing to such reduction in ordered quantity.

**16. Taxes and duties:**

Although the rate to be quoted are on delivered to destination basis, the supplier should submit Tax invoice on MSTC for supply of material rake wise clearly stating the coal value excluding GST and GST separately.

**17. Penalty Calculation for deduction from payment:**

Sample will be taken from each rake and the parameters like GCV, Total Moisture and Volatile Matter will be evaluated on the basis of coal received at Thermal Power Stations. Coal sampling and testing will be done on rake to rake basis and deduction of payment, if any, shall be on rake to rake basis. Any adverse deviation from the offered parameters will be penalized and payment on this ground will be deducted as below;

i) For shortfall in GCV: Suppose received GCV is X

- (a) If X is between 3800 Kcal/Kg and 3500 Kcal/Kg, then penalty will be calculated as  $[(3800-X) / 3800] \times \text{Landed rate per MT}$ .
- (b) If X is between 3500 Kcal/Kg and 3300 Kcal/Kg, penalty will be calculated as  $[(3800 - 3500) / 3800] \times \text{Landed rate per MT plus } 2 \times (3500 - X) / 3500 \times \text{Landed rate per MT}$
- (c) If X is below 3300 Kcal/Kg, payment would be made at the rate of Re 1/- per MT only for received quantity of coal

ii) If the Total Moisture (ARB) exceeds 15%, then there will be adjustment in weight of coal received to the tune of excess percentage of moisture over 15%. For example, if Total Moisture (ARB) is found to be 17.6%, then the weight of the coal received shall be reduced by  $(17.6\% - 15\% = 2.6\%)$ . Thus, payment shall be computed on 97.4% of the weight of the coal received.

iii) For volatile matter (VM) less than 20%: Suppose VM is Y, then penalty for Y less than 20% will be calculated as  $[(20 - Y) / 20] \times \text{Landed Rate per MT}$ .

No premium will be paid if the limits go high for GCV and VM and Low for Total Moisture.

**18. Payment:**

75% payment will be made within 30 days on receipt of material at Thermal Power Stations and balance 25% payment will be made within 30 days after receiving the test certificates for the particular rake after making adjustments, if any, subject to receipt of payments from WBPDC. All payments will be made by MSTC to the coal supplier only after receipt of payment from WBPDC. MSTC shall not be held responsible for any delay in releasing payment to the coal supplier which may be caused due to delayed release of payment by WBPDC.

Formula for determination of payment;

M= Weight of coal received at Power Stations in MT and Landed rate in per MT = L, then total payment due = M\*L subject to adjustments for quality of coal as per test results.

**19. Tests:**

Tests will be carried out by WBPDCCL's Power Station Chemical Laboratories or by Third Party Agencies (testing agency) deputed by WBPDCCL. Samples may be collected from Thermal Power Plant jointly for tests. The coal supplier may depute his representative to witness sampling of coal by WBPDCCL and/or for collection of his sample. If the supplier's representative is not present at the time of collecting the sample, the sample collected by WBPDCCL's representative will be sent for testing. The results of the test carried out at testing agency's lab shall be treated for adjustments in payments. Cost of collecting samples and testing in lab shall be borne by WBPDCCL. If the supplier is not satisfied with the test results, he may ask for referee sample to be tested in a government lab whose results shall be final and binding. The supplier shall have to bear the cost of such test in the government lab and the same shall be deposited by the supplier to WBPDCCL.

**20. Weighment:**

Whichever is lower between the Gross Weight (laden weight/first weight) recorded at Power Station weighbridges or the RR gross weight, will be considered as "gross weight": The tare weight written on the RR will be considered as the tare weight. For determining the weight of received coal quantity difference between gross and tare weight will be considered. In case weighbridge is out of order at unloading end, RR Weight will be considered for loaded wagons.

**21. Transit Loss:** Transit loss, if any, will be to the account of the supplier.

**22. Type of wagon:** To be done by BOBRN/BOXN wagons only suitable for unloading as indicated above. The number of BOXN rakes should not exceed 15. All arrangements are to be made by the supplier for transportation of coal from loading point to the Power Stations. Before arranging the rakes the party should check the type of wagons suitable for the Power Stations unloading system.

**23. Unloading of Rake:** Unloading of rakes shall be done by WBPDCCL at their own cost and demurrage of rakes, if any, shall be settled by WBPDCCL directly with the Railways.

Overloading / underloading charges towards railway freight shall have to be borne by the supplier. Demurrage at loading point, if any, shall be borne by the supplier.

**24. Coal Property:** Coal supplied should not be sticky and should be easily unloadable. If WBPDCCL has to pay demurrage for rake detention caused due to poor coal quality or due to oversized coal, the same alongwith manual unloading charges, if any, shall be recovered from the supplier. Coal supplier may depute its representative to witness unloading of coal and the representatives of coal supplier and WBDPCL shall jointly sign a Joint Unloading Witness Statement in duplicate with their remarks.

**25.** Non-Delivery / Short Delivery of coal: In case the coal supplier is unable to supply the ordered quantity within the stipulated period, extension of delivery time may be granted by WBPDCCL depending upon the circumstances. However, granting of such extension shall be at the discretion of WBPDCCL. If the coal supplier fails to deliver the ordered quantity in terms of number of rakes within the delivery period or any extension thereof, Performance Guarantee of the coal supplier for the number of rakes not supplied shall be forfeited by MSTC and the amount shall be forwarded to WBPDCCL.

**26. Force Majeure:**

If, any time during the continuance of the contract, the performance, in whole or in part by either Party, of any obligation under the contract be prevented or delayed by reason of any war, hostility, act of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes (not attributed to vendor/supplier) , lock-outs, Technical and/or Connectivity failure which is entirely beyond the control of either Party or acts of God (hereinafter referred to as 'events') provided notice of happening of any such eventuality is given by the affected party to the other within 07 days from the date of occurrence thereof, neither party shall by reason of such event have any claim for damages against the other in respect of such non-performance or delay in performance, provided further that if the performance in whole or part of any obligation under the contract is prevented or delayed by reasons of any such event for a period exceeding thirty days, the parties shall try to arrive at an amicable settlement and failing such settlement both MSTC and the vendor/supplier reserve their rights to terminate the contract as per provisions herein contained.

**27. Arbitration and Jurisdiction:** Any dispute or differences whatsoever arising out between the parties or relating to the construction, meaning, scope, operation or effect of this Tender/Contract or the validity or the breach thereof shall be settled by arbitration of a Sole Arbitrator to be appointed by the CMD, MSTC Limited in accordance with the provisions of the Arbitration & Conciliation Act, 1996 and Rules framed thereunder and the Award made in pursuance thereof shall be binding on the parties. The venue of the Arbitration shall be Kolkata. The language of the Arbitration shall be English.

Subject to the foregoing, only the competent Court at Kolkata shall have exclusive jurisdiction relating to this Tender/Contract.

**28.** MSTC is not bound to accept the lowest bid and reserves the right to cancel the bid of any or all bidders without assigning any reason whatsoever.

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**BANK GUARANTEE FORMAT FOR PERFORMANCE GUARANTEE**

To,  
MSTC Limited  
(A Government of India Enterprise)  
225-C, A.J.C. Bose Road  
Kolkata-700 020

Re: Guarantee No.....

Dear Sir,

**In consideration** your having agreed to exempt  
M/s....., a company registered under the Companies Act  
1956 having its Registered Office at  
..... (hereinafter called the  
said Supplier) from the demand, under the terms and conditions of the Purchase  
Order /Contract No. \_\_\_\_\_ dt.\_\_\_\_\_ made between yourselves and M/s.  
\_\_\_\_\_ for (hereinafter called the said agreement), from payment of the  
security deposit for the due fulfillment by the said Supplier of the terms and  
conditions contained in the said agreement, on production of Bank guarantee for  
Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only), we (hereinafter referred to as "the bank") at  
the request of M/s. \_\_\_\_\_, the said Supplier do hereby undertake to pay to  
you amount not exceeding Rs. (Rupees\_\_\_\_\_ only) against any loss or  
damage caused to or suffered or would be caused to or suffered by you by  
reason of any breach by the said Supplier of any of the terms and conditions  
contained in the said agreement.

2. We do hereby undertake to pay and keep you indemnified to the extent of the said sum of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ Only) from and against all claims, demands, proceedings, losses and damages that may be caused to or suffered by you by reason of any default or defaults on the part of our said Constituent, viz., the Said Supplier in the due fulfillment and performance of the contract and/or payment of taxes and dues as may be assessed under and pursuant to the Purchase Order/Contract above referred in accordance with the true intent and meaning thereof and in the event of any default or defaults or failure to pay on the part of the Said Supplier as aforesaid, we shall forthwith on demand and without any demur or protest, pay to you and/or your authorized agent any sum or sums of money not exceeding in the aggregate of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ Only) as may be claimed by you as due from our said Constituent viz., the said Supplier be it your losses, damages, costs, charges or expenses arising out of directly or indirectly on the part of the Said Supplier.

3. Notwithstanding anything contained herein to the contrary, your decision as to whether the Said Supplier viz., our said Constituent has committed any default or defaults or failure and the amount or amounts to which you are entitled to by reason thereof, will be binding on us and we shall not be entitled to ask you to establish your claim or claims under this guarantee, but we shall pay the same to you forthwith on your demand, without any protest or demur.

4. This guarantee shall continue and hold good until \_\_\_\_\_ or

alternatively it is released by you in writing on the application made by the Said Supplier after final Completion of assessments to Sales-tax and/or any other assessment arising out of such supplies made.

5. Should it be necessary to extend this guarantee on account of any reason whatsoever we \_\_\_\_\_.(name of the Bank) hereby undertake to extend the period of this guarantee on your written request but at the costs and expenses of our Constituent till such time, as may be required by you. Your decision in this regard shall be final and binding on us.

6. You will have the fullest liberty, without affecting this guarantee, from time to time, to vary any of the terms and conditions of the contract as between yourself and our said Constituent or to extend the time for performance of the contract or to postpone at any time or from time to time, any of your rights and powers against the Said Supplier, either to enforce or to forbear to enforce any of the terms and conditions of such contract and we shall not be released from our liability under this guarantee by the exercise of your liberty with reference to the matters aforesaid or by reason of any extension of time or any other forbearance, act or omission on your part or any indulgence by you to the Said Supplier viz., our said Constituent or by any variation or modification of the said contract or any other act, matters or things whatsoever, which under the law relating to sureties would, but for these agreement hereof have the effect of so releasing us from, our liability hereunder: provided, that nothing herein contained will enlarge our liability hereunder beyond the limit of Rs. \_\_\_\_\_/- (Rupees

\_\_\_\_\_ ) Only as aforesaid.

7. This guarantee shall not in any way be effected by your taking or varying or giving up any securities from the Said Supplier or any other person, firm or company on its behalf or by winding up, dissolution, merger, amalgamation or absorption as the case may be of the Said Supplier.

8. In order to give full effect to this guarantee herein contained, you shall be entitled to act as if, our Bank were your principal debtor in respect of all your such claims against the Said Supplier, hereby guaranteed by us as aforesaid and we hereby expressly waive all our rights of surety and other rights, if any, which are in any way inconsistent with any of the provisions of this guarantee.

9. Subject to the maximum monetary limit of our liability as aforesaid, this guarantee shall cover all your claim or claims whatsoever against the Said Supplier from time to time, arising in any manner out of or in relation to the said contract/Purchase Order and in respect of which your claim in writing is lodged on us on or before the expiry of this guarantee.

10. Any notice by way of demand or otherwise may be sent by you by courier, FAX , email or registered post to our local address as aforesaid and if sent by post by postage pre-paid, it shall be deemed to have been served on us when the same has been posted.

11. This guarantee shall not be affected by any change in the constitution of the Said Supplier or our Bank nor shall it be affected by any change in your constitution or by any amalgamation or absorption thereof or therewith, but will

enure to the benefits and be available to and enforceable by the absorbing or amalgamated company or concern, as the case may be.

12. Any forbearance, act or omission on your part in enforcing any of the conditions of the said contract/Purchase Order or showing any indulgence by you to the Said Supplier shall not discharge us any way and/or our obligations under this guarantee being firm, unequivocal and irrevocable.

13. We further agree and undertake to pay to you the amount demanded by you in writing subject to the monetary limit specified hereinbefore, notwithstanding the pendency of any dispute or litigation including arbitration , arising out of the said contract/Purchase Order and/or this guarantee as between yourself and our said Constituent before any court ,Tribunal or forum.

14. We have powers to issue this guarantee in your favour under the Memorandum and Articles of Association of our Bank and the undersigned has full power to execute this guarantee under the Delegation of Power granted to the undersigned by the Bank.

15. This guarantee shall be subject to the exclusive jurisdiction of competent court in Kolkata only, to the exclusion of other courts, notwithstanding conflict of jurisdictions.

16. Notwithstanding anything contained hereinabove: -

**(a)** Our liability under this guarantee shall not exceed  
Rs.\_\_\_\_\_ (Rupees \_\_\_\_\_ only);

**(b)** This guarantee shall be valid up to.....; and

(c) We are liable to pay the guarantee amount or any part thereof under this guarantee if you serve upon us the written claim or demand on or before.....

We. \_\_\_\_\_(Bank) do further undertake not to revoke this guarantee, except with your prior, written consent/approval.

SIGNED, SEALED AND DELIVERED  
within named Bank  
(Name) Authorized Signatory

For and on behalf of by the  
\_\_\_\_\_ Bank