

**TENDER FOR PROCUREMENT OF 3.00 MMT OF
IMPORTED COAL FOR DVC TPSs**



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Volume – I
INSTRUCTIONS TO BIDDERS

1) INTRODUCTION

Our client, Damodar Valley Corporation (hereinafter referred to as DVC) have requirement of 3.00 Million MT of Imported Coal on 'FOR Destination basis at its Thermal Power Stations at Koderma, Mejia, Chandrapura, Durgapur Steel & Durgapur, as per specifications mentioned herein, through Paradip/Haldia/Dhamra port. The delivery schedule and timely supply is essence of the contract. The tentative quantity to be supplied to various TPS is as under:

Koderma(KTPS)	Durgapur Steel(DSTPS)	Mejia (MTPS)	Durgapur (DTPS)	Chandrapura (CTPS)	Total
0.8 MMT	0.8 MMT	0.8 MMT	0.3 MMT	0.3 MMT	3.0 MMT

The Scope of Work includes import of Non-Coking Steam Coal to Indian Ports as per specifications specified in this tender document, arranging vessels, stevedoring, handling, storage, port clearances, arranging Railway rakes (BOBR)/ Waterways carriers, loading, transportation and delivery at DVC's power station(s). All other activities for clearing and forwarding of the consignments like customs clearance, coordination with Port, Railway/Inland Waterways Authority of India (IWAI) and any statutory authorities shall also be part of Scope of Work of bidder. All liaisoning, coordination at load port, discharge port, Railways/IWAI, Handling agents etc. shall also be part of Scope of Work of bidder. Unloading of Coal at Power Station(s) end from Railway Wagons shall be arranged by DVC.

2) GENERAL INFORMATION

- (i) The prospective bidders are invited to submit their Bid comprising of Technical & Commercial aspects and Bid Prices for the subject package, in line with the provision of the bidding documents. Methodology for submission of bids has been detailed hereunder in this document.
- (ii) The cost on account of preparation and submission of Bid, negotiations, discussions etc., as may be incurred by the Bidder(s) in the process are not reimbursable by STC, and STC will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.
- (iii) STC reserves the right to reject any or all bids, wholly or partially, and to annul the bidding process without assigning any reasons whatsoever, at any time prior to award of contract, and in such case no bidder/intending bidder shall have any claim arising out of such action.
- (iv) STC reserves the right to amend/alter/add/delete any provision of this document or of the future contracts arising out of this tender.
- (v) The successful bidder shall have to furnish the Bank Guarantee as per STC's format, letter of undertaking and trust deed as per STC's format at Annexure O.
- (vi) The Successful bidder should also obtain all necessary clearances and other related statutory requirements etc. as applicable for import and supply of coal from the concerned authorities, without any additional cost to STC. If required, at the request of the successful bidder, STC at its own discretion will issue necessary letters/documents as is required to fulfill any obligations without any risk or liability to STC.
- (vii) The successful bidder may clearly note that terms and conditions enumerated in this bid document are only illustrative and not exhaustive. The successful bidder will have to enter into contract as devised by STC to fully protect STC's overall interests and also the interests of DVC.
- (viii) In the event of any clarification required by the Bidders, the same should be sought in writing not later than 24.01.2014. Please note STC will not be responsible to respond to any queries sent by bidders after this date.
- (ix) Interested Bidder(s) will be required to enter into an Integrity Pact with STC as per

prescribed format at Annexure –s. Only those Bidders who sign an Integrity Pact with STC in the prescribed format and submit the same along with other tender documents, shall qualify to participate in the tender process.

The implementation of Integrity Pact under this tender shall be monitored by Independent External Monitors (IEMs) appointed by STC for this purpose.

3) BIDDING DOCUMENTS

3.1 The Bidding documents comprise the following, in addition to Invitation for bid :

- Instructions to Bidders (ITB) - Volume - I
- Conditions of Contract - Volume - II
- Technical Specifications - Volume - III
- Annexures/Formats/Forms - Volume - IV

The Bidders are expected to examine all instructions, forms, terms, conditions, specifications and other information in the bidding documents. Failure to furnish all information required as per the bidding documents or submission of a bid not substantially responsive to the bidding documents in every respect will be at the Bidder's risk and may result in rejection of its bid.

3.2 At any time before the scheduled submission of bid, STC may, for any reasons, whether at its own initiative or in response to a clarification requested by a Bidder, modify the bidding documents by amendment/addendum. Also STC, at its discretion, may extend the date for submission and/or opening of the bids. The amendment/response to clarification(s), if any, will be put up for information on www.stc.gov.in and www.tenders.gov.in and will be binding on the bidders.

4) PREPARATION OF BID

- (i) Bids are to be submitted complete in all respect with requisite information, Certificates, Annexures and Bid Proposal Sheets. It shall be free from any ambiguity, cutting or overwriting. Any such correction must be initialed by the person(s) who signs the bids.
- (ii) An authorized representative of the Bidder shall sign/initial all pages of the bid. Authority Letter /Power of Attorney in favour of the authorized representative, indicating that the person(s) signing the bid has the authority to sign the bid and that the bid is binding upon the Bidder(s) during the full period of its validity, is to be submitted with the Bid.
- (iii) For preparation of Bid, Bidder is expected to examine the bidding documents in detail. Material deficiencies in providing the information requested may result in rejection of the bid.

5) LANGUAGE OF BID

The bid prepared by the Bidder and all correspondence and documents related to the bid exchanged between the Bidder and STC shall be written in English language, provided that any printed literature furnished by the Bidder may be written in another language, as long as such literature is accompanied by a translation of its potential passages in English language in which case, for purpose of interpretation of the bid, the translation shall govern.

6) BID CURRENCY

The bidder(s) shall quote C & F price in US Dollar and for the rest of the scope of work in Indian Rupees

7) BID FORMS AND PRICE SCHEDULES

The bidder shall complete the Bid Forms and appropriate Price Schedules furnished in bidding documents (Bid Proposal Sheets) as indicated therein.

8) EARNEST MONEY DEPOSIT (EMD)/ BID SECURITY

- a) The bidder shall submit an EMD of INR 50 Crores along with its bid in a separate sealed envelope superscribed with EMD/Bid Security details as Envelope "A". Any bid not accompanied by an acceptable EMD/Bid Security in a separate sealed envelope (A), superscribed with "EMD details" shall be liable to be rejected by STC as being non-responsive.
- b) EMD may be submitted in any of the following forms:-
 - (a) A crossed Bank Draft/Pay Order/Banker's Cheque drawn in favour of STC of India Limited, payable at New Delhi from any Scheduled Bank in Public Sector/Private Sector (except cooperative banks) and Scheduled Foreign Banks.
 - (b) An irrevocable and operative Bank Guarantee (BG) as per format enclosed at Annexure-C issued by an Indian Nationalized Bank/ Scheduled Bank in Public Sector/Private Sector (except Cooperative or Gramin Banks) and Scheduled Foreign Banks. The bank must have a net-worth of at least Rs. 500 Crore and Capital Adequacy Ratio of 9%. The BG should be valid for a period of 150 days from the due date of submission of tender. In case BG is issued by a bank outside India, it should be advised and made payable through their Indian Branch/Correspondent Bank in India. The Issuing Bank should also state the name and designation of the next Higher Authority of the Officials who have issued the Bank Guarantee.
 - c) While getting the bank guarantee issued, bidders shall ensure compliance to the points mentioned in bank guarantee verification checklist provided at Annexure-D. Bidders are required to fill up this checklist and enclose the same along with Bank Guarantee. If the deadline of submission of Bids and the date of Bid opening are extended due to any reason whatsoever, the extent of validity of BG should be taken care of by the Bidder accordingly in order to make the submitted Tender valid.
 - d) Offers without requisite EMD or insufficient EMD shall be summarily rejected.
 - e) The EMD shall not bear any interest.
 - f) The EMD of the unsuccessful bidder will be returned promptly but not until the award of the contract is finalized to the successful bidder on submission of Performance Bank Guarantee.

9) FORFEITURE OF EMD/BID SECURITY

The EMD /Bid Security may be forfeited:

- (i) If the Bidder withdraws its bid during the period of bid validity specified by the Bidder.
- (ii) If the Bidder does not accept the arithmetical correction of its Bid Price.
- (iii) In the case of a Successful Bidder, if the Bidder fails within the specified time limit to furnish the acceptance of Letter of Award.
- (iv) In the case of a Successful Bidder, if the Bidder fails within the specified time limit to furnish the required Contract Performance Guarantee, in accordance with relevant clause of Performance Guarantee (Clause 18 Volume – III).
- (v) In the event Bidder gives any false declaration, misrepresentation.
- (vi) In the event bidder indulges in changing/adding or deleting the contents of the tender documents.
- (vii) In the event bidder refuses to accept TPS wise allocation given by STC.

10) CERTIFICATE REGARDING ACCEPTANCE OF ALL CONDITIONS

- (i) No deviation, whatsoever, is permitted by STC, to the provisions of the Bidding Documents. The Bidders are advised that while making their Bid and quoting prices, all conditions may appropriately be taken into consideration.
- (ii) Annexure-K duly signed, dated and stamped by the bidder, is to be furnished in separate sealed envelope, as detailed in clause 14 below. Any bid not accompanied by such certificate shall be rejected by STC.

11) NO DEVIATION/EXCLUSIONS

Bidders to note that No deviations or suggestive bids are allowed from the terms and conditions as specified in this tender document. A certificate to this effect is to be submitted by the bidder(s) as per format prescribed at Annexure-K.

12) PERIOD OF VALIDITY OF BID

The Bids shall remain valid for a period of 120 days from the date of submission of Bid. In exceptional circumstances, STC may solicit the Bidder's consent for extension of the bid validity period. When the validity period is extended by the Bidder, the same shall be done without any modification to the Bid by the Bidder, and the validity of the bid security shall also be suitably extended by the Bidder.

13) BID PRICES

- i) For quoting the Bid Prices, the Bidder is expected to take into account the requirements and conditions of the bidding documents. The Bid Prices shall be quoted in Annexure-R (Price Schedules Form) given in Volume IV of Bidding Documents.
- ii) The quoted prices are to remain valid during the entire currency of the Agreement /Contract, till the complete execution.
- iii) In the event of any corrections, the same should contain the signature of the authorized signatory signing the bid document.
- iv) All charges should be included in the quoted price and the same should be firm for the entire execution of the contract, in line with the Technical Specifications including Scope of Work and bidding documents provisions.

14) SUBMISSION OF BIDS

Sealed Bids are to be submitted in original, in envelopes as detailed herein below:

Envelope I –

- Earnest Money Deposit/ Bid Security of requisite value in the form prescribed in these documents at Clause 8.0 above.

Envelope II –

- Certificate regarding No Deviation as per format at Annexure- K.
- Authority Letter /Power of Attorney in favour of authorized Signatory for signing the bid.
- Certificates establishing the experience as required in the tender as per clause 25 Volume – I (Annexure F, G, H-1/H-2, & I)
- In the event of a Joint Venture for handling, MOU/Agreement as per clause 25 Volume – I.
- Declarations / confirmations as required in the tender like:
 - Affidavit of not being black listed (Annexure-M)
 - Declaration to the effect that, the bidder has not offered its price directly / indirectly through any other name, firm/ corporations in this tender (Annexure-L)

- Original tender document duly stamped and signed on all pages as a token of acceptance to all terms and conditions.
- Integrity Pact duly signed as per Annexure S

Envelope III –

This envelop shall contain the following:

- Unconditional Bid Submission Form (Annexure-Q)
- Bank Account Details Form (Annexure-P)
- Price Schedule (Annexure-R)
- Name of the overseas supplier.

- 15)** The above said Envelopes Nos. I, II & III will be kept in an outer envelope, which shall be sealed and super scribed with Bidder's name, Invitation For Bid Reference No., Due date of Opening & EMD / Bid Security details and shall be addressed to following contact person only:

**SHRI SUMEET SINGH
ASSISTANT MANAGER
STC OF INDIA LIMITED
JAWAHAR VYAPAR BHAWAN
1,TOLSTOY MARG
NEW DELHI-110001**

The technical bids shall be opened on 18.02.2014 at 1500 hrs in the office of STC at above address.

16) SYSTEM OF MAKING OFFER AND ITS SUBMISSION

- (a) Bids for Supply of Imported Coal in bulk to STC for consumption in DVC's Meja Thermal Power Station (MTPS), Durgapur Steel Thermal Power Station(DSTPS), Durgapur thermal Power Station(DTPS), Chandrapura Thermal Power Station(CTPS) and Koderma Thermal Power Station (KTPP) are invited in two bids system basis as Technical Bid & Price Bid.
- (b) The bidders shall submit their bids on or before the notified closing date and time fixed for the submission of the tender.
- (c) The first envelope, superscripted as 'Earnest Money Deposit', shall contain the Earnest Money Deposit as required in the tender.
- (d) The Second envelope superscripted as 'Technical Bid' shall contain all the documents as elaborated in the bid for technical acceptance and qualification of the bid, excluding Price Bid, duly filled in and signed by the Authorized representative of the Bidder.
- (e) The third envelope, superscripted as "Price Bid" shall contain the Price Bid as per format (Annexure-R) given in Volume – IV of the Tender document.
- (f) The above three envelopes shall be enclosed in an Overall Envelope.
- (g) At the time and date notified for opening of tenders, the first envelope comprising of the Earnest Money Deposit shall be opened. The Envelope Containing Technical bid of only those bidders will be opened who have furnished/ submitted the required Earnest Money Deposit and bids which do not contain Earnest Money Deposit will be rejected outright and Price Bid / Technical Bid Envelope of those bids will not be opened. If any of the bidders indicates the prices in Technical Bid, the bid will be rejected. However the opening of Technical Bid shall not constitute the acceptance of the Bank Guarantee submitted by the bidder and the same shall be subject to verification.
- (h) Only those bidders who fulfill all the qualifying requirements and submitted the requisite EMD will qualify for opening of the price bid.
- (i) The Bidder's Bid and the documents attached thereto shall be considered as part of the Contract Documents.

Bids must be addressed to contact person **Sh. Sumeet Singh, Assistant Manager, STC of India Limited, New Delhi**. The Overall envelope must show on the outside, the name of the Bidder and his address. In addition, the lower left-hand corner of the envelope should indicated the following :

"Tender No. STC/HYDRO/IMP COAL/DVC/500/13-14 dated 15.01.2014 for supply of 3.00 MMT of imported coal" **Last date for receipt of Bids is up to 1430 hrs on 18.02.2014.**

- (j) Bids shall be fully in accordance with the requirement of this document and the Specifications attached thereto. Copies of appropriate specimen forms furnished with the bidding documents shall be used in quoting the prices.
- (k) All information in the bid shall be in English only; erasers and other changes shall be noted over the initials of the person signing the Bid.
- (l) The Bid must contain the name, designation and place of Business of the person with Phone and Fax Nos. of persons making the bid and must be signed and sealed by the Bidder with his usual signature.
- (m) In case of bids by corporations/companies, the President, Secretary or any other person or persons authorized to bind the Corporation/ Company in the matter, must sign the bids.
- (n) Each page has to be numbered consecutively and signed.
- (o) The Bidder may arrange to drop the sealed Bid in the Tender Box placed at STC, Jawahar Vyapar Bhawan, 1, Tolstoy Marg, New Delhi - 110001 on or before the Bid receipt date and time.
- (p) Any Bid received after the Bid submission Schedule, stipulated in Invitation for Bid shall not be considered.
- (q) The Bidders are required to submit their bid as per Bid Submission Schedule stipulated in the Invitation for Bid issued along with the Bidding Documents. The Bidder(s) may arrange to hand deliver the sealed Bid at above address on or before the Bid Receipt date and time and arrange to drop the sealed bid in the Tender Box before bid receipt date and time. Any bid received by Post/Courier/fax/electronic mode, etc will not be entertained.
- (r) Original tender document issued by STC is to be signed on all pages and submitted alongwith the bid as a token of acceptance of terms and conditions.

17) BID OPENING AND EVALUATION

The Bids shall be opened on the specified date and time at the place mentioned above at clause 15.0 and indicated in the Invitation for Bid, in the presence of Bidder's authorized representative consisting of only one person who choose to attend the opening. Each of the Bidder's authorized representatives who choose to attend the tender opening should strictly behave in a proper and professional manner. Carrying of any mobile phones, cameras or any electronic devices/gadgets is strictly not allowed. In case any of the bidder's authorized representatives behaves in a disorderly fashion or violates the norms prescribed in this clause, STC reserves the right to suitably impose the restriction in any manner including and not restricted to disallowing the said authorized representative to continue in the tender opening. The bids received and accepted will be evaluated by STC to ascertain the technical & commercial responsiveness as per the requirement of the bidding documents and Evaluation Criteria specified in the Bidding Documents.

The bid shall be opened in 2 stages. In the first stage, Envelope No. I and Envelope No. II, as mentioned in Clause 15 shall be opened in order of the number. Only those bidders who are eligible by fulfilling the laid down criteria of the relevant stage of the bid will be eligible to attend further proceedings of the bid evaluation. In other words those representatives whose bids are found to be incomplete at any stage of bid evaluation may not be allowed to continue in the proceedings.

The bidders found successful in Technical Evaluation shall be notified for opening of the price bids (Envelope-III) and their authorized representatives may attend the price bid opening.

18) PRELIMINARY EXAMINATION OF BID

STC will examine the Bids to determine whether the same are complete, whether any computational errors have been made, whether required documents have been furnished, whether the documents have been properly signed and whether the Bids are generally in order.

Arithmetical errors, if any, will be rectified on the following basis:

If there is discrepancy between the unit price and the total price, which is obtained by multiplying the unit price and quantity, or between subtotals and the total price, the unit or subtotal price shall prevail, and the total price shall be corrected accordingly. If there is a discrepancy between words and figures, the amount in words will prevail. If the Bidder does not accept the correction of errors, its Bid will be rejected and the Bid Security /EMD may be forfeited.

STC may waive any minor informality, nonconformity, or irregularity in a bid that does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

Prior to the detailed evaluation, STC will determine whether each bid is of acceptable quality, is complete, and is substantially responsive to the Bidding Documents.

19) DETAILED EVALUATION

STC will carry out a detailed evaluation of the bids, previously determined to be responsive, in order to determine whether the various Technical and Commercial aspects are in accordance with the requirements set forth in the Bidding documents. If a Bid is found to be non- responsive, it shall be liable for rejection by STC. The evaluation shall be based on the evaluated cost of completing the contract in compliance with all commercial, contractual and technical obligations under this Bidding Document.

20) EVALUATION & AWARD CRITERIA

Bidders should make themselves aware of various costs involved in delivering imported coal to TPSs of DVC. They must also make themselves fully aware of all details and/or constraints including the railway evacuation plan / availability of rakes in delivery of imported coal to the plant. The bidders have to quote their prices as per the format provided in Volume- IV of Tender Documents.

In addition to the price of coal, the bidders must clearly indicate the Rail Freight, Port Charges and other statutory levies applicable therewith as per the format given in the tender. Any incomplete bids/ non submission of the required information's will not be accepted and such bids shall be summarily rejected. The bidder shall indicate the names of such ports considered in their offer.

The range for specifications of coal has been specified. Further the prices are linked to CERC Composite Index or country specific indices as has been specified clause 5, Volume-III and Annexure-A, Volume-IV. The bidder should quote prices based on Guaranteed Parameters specified in clause 4, Volume-III and Annexure-B.

However, the payment shall be regulated based on actual quantity of coal received at respective power station. Further, bidders to note that payment for all statutory levies like

port dues and railway freight etc. shall be made at actuals, limited to that quoted by the bidder. In case of any change in the same, a proportionate change shall be passed on to the bidder. Further, any additional levy coming into force after the due date of submission of bid shall be payable to the bidder.

Any incomplete bids/ non-submission of the required information will not be accepted and such bids shall be summarily rejected.

The bidders have to quote price for supply of imported coal for all five TPS in the price bid, as per format at **Annexure-R** of the tender document.

STC shall have absolute right and discretion to allocate the quantity, plant, etc to any successful bidder keeping in view its obligations towards DVC. STC shall always endeavour to allocate maximum quantity to the successful bidders to the extent of their eligibility but in the process of balancing plant-wise allocated quantities as well as due to operational reasons the overall quantity to any successful bidder may vary over or below their eligibility. The successful bidders shall not object to quantity allocated to other successful bidders and/or refuse to perform the quantity higher than their eligibility.

STAGE 1 of AWARD CRITERIA

Based on the offered landed cost of imported coal at plant(s) and indicated quantity for concerned plant, the weighted average of offered landed costs for all plants shall be considered for determining L-1 offer in the bid as under:

- C1 – Landed Cost of Coal quoted by Bidder at Koderma TPS
- C2 – Landed Cost of Coal quoted by Bidder at Durgapur Steel TPS
- C3 – Landed Cost of Coal quoted by Bidder at Mejia TPS
- C4 – Landed Cost of Coal quoted by Bidder at Durgapur TPS
- C5 – Landed Cost of Coal quoted by Bidder at Chandrapura TPS
- Q1 – Tentative Quantity of Coal to be supplied by Bidder at Koderma TPS
- Q2 – Tentative Quantity of Coal to be supplied by Bidder at Durgapur Steel TPS
- Q3 – Tentative Quantity of Coal to be supplied by Bidder Mejia TPS
- Q4 – Tentative Quantity of Coal to be supplied by Bidder Durgapur TPS
- Q5 - Tentative Quantity of Coal to be supplied by Bidder Chandrapura TPS

Weighted Average Landed Cost of Coal =

$$\frac{(C1*Q1)+(C2*Q2)+(C3*Q3)+(C4*Q4)+(C5*Q5)}{Q1 + Q2 + Q3 + Q4 + Q5}$$

In view of splitting provisions as specified in these documents all successful bidders (i.e. L-1 & L-2) on the basis of the weighted average landed cost, shall be considered for award of part of the quantity provided they match the lowest prices for the plants where their quoted prices are not lowest in this tender. The ranking decided in this process shall be

final for determining the share of respective bidders in the total award quantity as detailed stage 2 hereinafter.

STAGE 2 of AWARD CRITERIA

The prices offered by two successful bidders identified in stage 1 above i.e. L-1 & L-2 shall only be considered for this stage. Both successful bidders shall have to match and accept the lowest landed cost of each plant received in the bidding process for each plant in the manner described hereinbelow.

This process is incorporated herein to ensure that the benefit of the lowest price received in the tender process is passed on to DVC. In case any bidder refuses or declines to match & accept such lower prices, it would be deemed as declining to supply coal to the extent of the quantity offered by STC for such plant(s). In such case the quantity deemed to have been declined shall be deemed to have been forfeited by such successful bidder and such quantity may be offered to other successful bidder(s) as STC may deem fit in order of ranking preference.

This may result in the actual quantity award to the successful bidders being lower or higher than their eligibility in terms of clause 25, volume-1. The successful bidders shall not have any right to seek alternate allocation or any claim on this account from STC.

It is explicitly made clear that no successful bidder under any circumstances will be allowed to dishonor/refuse the quantities for a plant where the said successful bidder's price is lowest.

HOWEVER SUCH MATCHING OF PRICES SHALL NOT AFFECT THE OVERALL RANKING OF BIDDERS AS L-1, L-2 OR L-3 AND SHALL REMAIN UNALTERED AS DETERMINED AS PER STAGE 1 ABOVE.

- (1) The successful L-1 & L-2 bidders will be allocated respective Plant-wise quantities wherever they are Plant-wise 'the lowest' subject to their overall ceiling of entitled quantity as per tender terms.
- (2) After the allocation as in the preceding clause, if there still remains some quantity of coal to be supplied for a particular plant, the same will be required to be met by successful bidders in order of ranking preference (amongst both successful bidders) by matching the price with lowest successful bidders for such plants.
- (3) However, in case L-2 bidder does not match the lowest rates for the relevant plant received in the tender, L-1 bidder shall be awarded the entire quantity offered by them, limited to the tendered quantity (i.e. above 1.80 MMT up-to 3.00 MMT). If the quantity offered by L-1 bidder is less than the tendered quantity i.e. 3.00 MMT, then the balance quantity, (i.e. 3.00 MMT minus quantity offered by L1 bidder), shall be re-tendered.

In the event of splitting of contract quantity, the criteria shall be as under:

- a. The total quantity to be offered to successful bidder shall be restricted to total admissible quantity according to splitting criteria and the status of successful bidder i.e. L-1 or L-2.
- b. The admissible quantity for L-1 bidder shall be appropriated first towards those plants where the offer price of such bidder is lowest among all bidders. STC reserves the right to allocate the plant-wise quantities at its sole discretion which L-1 bidder accepts unconditionally

- c. The allocation of quantity for other successful bidder(s) shall be made in similar pattern.

Since the nature of item is critical and vital, STC reserves the right to split the order in the ratio of 60:40 of the tendered quantity to L-1 & L-2 bidders respectively subject to L-2 bidder matching the rates of L-1 bidder, as detailed hereunder:-

In the event there being two or more responsive bids, the L-1 bidder shall be awarded 60% of the tendered quantity; L-2 shall be awarded 40% of the tendered quantity, subject to L-2 bidder matching the rates of L-1 bidder. In case, L-2 bidder is L-1 in one or more plants but is not L-1 overall, then the overall L-1 bidder shall match the price of L-2 bidder for such plant(s) and L-2 Bidder shall match the prices of L-1 bidder for the plant(s) where overall L-1 bidder is L-1.

However, in case L-2 Bidder does not match the L-1 rates, L-1 bidder shall be awarded the entire quantity offered by them, limited to the tendered quantity (i.e. above 1.8 MMT up to 3.0 MMT). If the quantity offered by L-1 bidder is less than the tendered quantity i.e. 3.0 MMT, then the balance quantity(i.e. 3.0 MMT minus qty offered by L-1 Bidder) shall be re-tendered.

The bidder shall quote for minimum 60% of the tendered quantity i.e. 1.8 MMT.

21) LETTER OF INTENT & AGREEMENT

Prior to the expiry of the period of bid validity, STC will notify the Successful Bidder in writing through Letter of Intent (LOI) sent by registered post, or through courier or by telefax, and/or collected by hand that its bid has been accepted. Issuance of Letter of Intent, along with signing of Agreement with the Successful bidder subsequently, as per Para 24 Volume - III, only will constitute the formation of the contract.

22) PERFORMANCE GUARANTEE

Within Seven (7) 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.

23) AUTHORISED REPRESENTATIVES

Any action required or permitted to be taken, and any document required or permitted to be executed, under the Contract, by STC or the Bidder shall be taken or executed by the officials authorized for the purpose.

24) OBLIGATIONS OF THE SUCCESSFUL BIDDER

The Successful Bidder(s) shall perform the work and carry out their obligations as per Scope of Work and terms and conditions defined in the Tender Document or Contract / Agreement with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advance technology and safe methods. The Bidder shall always act, in respect of any matter relating to the Contract or to the Work, as sincere advisers to STC and shall at all times support and safeguard STC's legitimate interests.

The supply of imported coal against this tender is for the various power plants of DVC which is very critical and vital. Hence the bidder shall make himself / itself, well conversant to all the costs / financial exposure involved and all the operational matters involved to supply the imported coal as per the requirement. Neither STC of India Limited nor its customer M/s DVC will be responsible at any point of time for any costs incurred by the bidder towards fulfillment of the contractual conditions.

The import under this tender will be on C&F basis and accordingly in compliance with government guidelines a No Objection Certificate (NOC) is required to be obtained from TRANSCART (Ministry of Shipping, Government of India). The successful bidder shall provide requisite documents and information as may be required by TRANSCART for issuing NOC. Cost, if any, charged by TRANSCART in issuance of NOC and all implications for any delay or refusal in issuance of NOC shall be to the account of the successful bidder.

25) QUALIFYING REQUIREMENT

25.1 The Qualifying Requirement for the bidders for this tender shall be as under:

- A. The bidder shall have experience for supply of a minimum of 0.62 MMT of Imported Coal, in any one financial year during last three financial years directly or through PSU's to any Power/Cement/Steel/ Fertilizer/Industrial utilities.

In support of the aforesaid experience, the Bidders shall furnish:-

- (i) performance certificate in original from End Users / PSUs in the format prescribed at Annexure F and;
- (ii) Auditor's Certificate in original from their statutory auditors in the format prescribed at Annexure G.

AND

- B. The bidder or their associates shall have handled a minimum of 0.62 MMT of any dry bulk (solid) commodity, like Coal, Fertiliser, Cement etc. in India in any one financial year during the last three financial years, including port operations and delivery upto destination.

In support of the aforesaid experience, the Bidders shall furnish:-

- (i) Handling Experience certificate in original from the End-User(in case quantity is handled by the bidder) or from the associate(s) who has handled the quantity for the bidder, in the format prescribed at Annexure-H-1 or Annexure-H-2 as applicable.
- (ii) Auditor's Certificate in original from the Statutory Auditors of the bidder (in case quantity handled by the bidder) or Statutory Auditors of their associate (in case quantity is handled by the associate) in the format prescribed at Annexure I.
- (iii) In the case of bidder submitting the handling experience of their associates, the bidder shall furnish a certified copy of legally executed MOUs/Agreement entered into between the bidder and the associate duly attested by Statutory Auditors of the bidder for specifically the subject tender.

AND

- C. The bidder has the option to quote for either minimum 60% or 100% of the tendered quantity. However, for the purpose of evaluation, the bidder has to quote for the entire quantity of each of the TPS's. The plantwise allocation of the quantity is at the sole discretion of STC which may vary due to the supply schedule of DVC and considering the railway facilities/constraints.

AND

- D. The bidder should not have been blacklisted / banned for participation in any of the power utilities / government / semi government companies / PSUs in India as on the due date of submission of bid. The bidder shall submit an affidavit duly notarized to this effect as per Annexure-M. Non-submission of affidavit or submitting false affidavit, if found at any stage, shall render the bidder disqualified and their EMD /Performance Bank Guarantee shall be liable to be forfeited.
- E. In case the bid is submitted by two or more firms under a joint venture/consortium, the following requirements shall be complied with:
- i) All partners of the joint venture/consortium shall be liable jointly and severally for discharge of the obligations under the bid and execution of the contract, in case the bid is found to be successful. A copy of the agreement executed among all the partners with relevant clause to this effect shall be submitted along with the bid.
 - ii) All the documents under the bid shall be signed by one of the joint venture/consortium partner who shall be duly authorized by all the partners through a Power of Attorney (Annexure J) to execute the documents on behalf of the joint venture/consortium. In respect of Power of Attorney or any other document executed outside India, it must be first notarized from a local Public Notary and then an apostille is required to be attached to the document by the designated government official of the country if it is a signatory to the Hague Convention on legalization 1961. Thereafter the said document is required to be stamped as per the Indian Stamp Act after its receipt in India. In case of country from which the document emanates is not a party to the aforesaid Hague Convention then the document has to be notarized first and then attested by the Indian Embassy in that country. Stamping requirement remains the same as above.
 - iii) Any one of the partners of joint venture/consortium may fulfill the qualifying criteria at clause 25.1 (A) & (B) above. However all partners individually shall fulfill the criteria specified at Clause 25 (D).

The bids of the bidders not meeting any of the above qualifying criteria shall not be considered for evaluation.

- 25.2 The above terms and conditions shall be considered in totality and bids received without complying with the above conditions shall be summarily rejected.
- 25.3 The supply of imported coal against this tender is for DVC's thermal power stations and is having a very critical nature. Hence the bidder shall make himself/itself, well conversant to all the costs/financial exposure involved and all the operational matters involved to supply the imported coal as per the requirement. Neither STC nor its client M/s DVC will be at any point of time be responsible for any costs incurred by the bidder for fulfillment of the contractual conditions.
- 25.4 STC also reserves the right to seek such additional information as it may deem fit to satisfy itself of the eligibility of the Bidder.
- 25.5 The tender will be rejected during the tender opening itself if the tender is :
- i) Not submitted in prescribed form
 - ii) Not fulfilling any of the above qualifying conditions.
 - iii) Bids received from a bidder whose past performance or vendor rating is not satisfactory.
 - iv) The bidder who has been blacklisted by any government organization.
 - v) The bidder is not offering the required validity.
 - vi) The bidder is not accepting any conditions in the bid.

- vii) The Bid with deviations.
- viii) Any offer for partial/lesser quantity than specified in the tender terms.
- ix) The bids not in conformity with STC's requirement as per tender terms and conditions.

26) INTEGRITY PACT

Signing of Integrity Pact (IP) is mandatory for every bidder participating in this tender. A copy of the IP is enclosed (Annexure-s), which may be deemed to have been signed by STC. A downloadable format of IP is available on the STC website under the link <http://www.stc.gov.in/corporatecommitments/Integrity-pact.aspx>.

1. The Bidder(s) and STC shall be bound by the provisions of IP in case any complaint relating to the tender is found substantiated.
2. The IP shall be executed on a plain paper and duly signed on each page by the same signatory who signs the bid document.
3. Any bid not accompanied by duly signed IP by the bidder shall be summarily rejected.
4. All sub-contractors/associates whose contribution in the tender is above 5 crore shall sign IP with STC after the tender is awarded to the successful bidder. All bidders shall inform their sub-contractors/associates accordingly.
5. The Independent External Monitors (IEMs) for this tender shall be Mr. Ashok Sinha and Mr. Kaushlesh K. Sinha. All correspondence to them regarding implementation of IP should be addressed to : Mr (*Name of IEM*), IEM, C/o Chairman & Managing Director, STC of India Ltd., Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi – 110 001.
6. The contract / agreement to be signed between STC and Successful Bidder will essentially include a clause that Integrity Pact is a part of the contract and both STC and the Bidder (s) are bound by the provisions of the Integrity Pact.

VOLUME – II
CONDITIONS OF CONTRACT

1. DEFINITIONS

Unless the context otherwise requires, the following terms whenever used in the Contract have the following meaning:

- (a) "Coal" wherever used in these tender documents shall mean and include "Imported Coal".
- (b) **Contract or Agreement** means the Contract entered into between the Successful Bidder and STC, covering the Scope of work and terms & conditions of contract etc together with all the documents referred to therein such Contract or Agreement.
- (c) **Contract Price** means the price to be paid for the performance of the Services, subject to such additions and adjustments thereto or deductions there from, as may be made pursuant to the Contract.
- (d) **Bidder** means the party to whom the Invitation for Bid is issued and who submits its Bid.
- (e) **Successful Bidder** means the person(s) whose bid to perform the Contract or Agreement has been accepted by the Owner(STC/DVC) and is named as such in the Agreement, and includes the legal successors or permitted assigns of the Successful Bidder.
- (f) **Government** means the Government of India.
- (g) **Local Currency** means the currency of the Government of India i.e. Indian Rupees.
- (h) **Party** means STC or Bidder, as the case may be, and "Parties" means both of them.
- (i) **Personnel** mean persons hired by the Successful Bidder as employees and assigned to the performance of the Services or any part thereof.
- (j) **Services** means the work to be performed by the Successful Bidder pursuant to the Contract, as detailed in the Bidding Documents, Agreement or Contract.
- (k) **MT or Ton or Tonne** means Metric Tonne which is equivalent to 1000 Kg. MMT means Million Metric Tonne.
- (l) **Quarter** - A continuous period of 90 days reckoned from the day 1 shall be treated as one quarter and subsequent period of 90 days after completion of previous quarter shall be treated as following quarter.
- (m) **Language** - English shall be the binding and controlling language for all matters relating to the meaning or interpretation of the Contract.

2. NOTICES

Any notice to be given under the Contract shall be in writing and shall be sent by personal delivery, speed post, telex, telegram, or telefax to such Party i.e. STC or Bidder to the address of the said party.

3. GOVERNING LAWS

The contract/Agreement shall be governed and interpreted in accordance with laws in force in India. The Courts of Delhi shall have exclusive jurisdiction in all matters arising under the contract.

4. TAXES AND DUTIES

The Bidder and their personnel shall pay such taxes, duties, levies, fees and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Bid Price.

Further all levies and duties payable under subject package shall be the liability of the Bidder.

STC shall be authorized to deduct applicable tax at source from the Successful Bidder's payment becoming due.

The total Customs Duty shall be reimbursed in accordance to term of Payments to the contractor based on the rates of Basic Customs duty, CVD, Cess and surcharge etc. if any, at the rates prevailing at the time of receipt of consignment at Indian Port. Further,

(CST/VAT & Entry Tax) shall be re-imbursed at actuals on production of documentary proof of such payment.

In the event of any variation in structure of duties and/ or concessional duties applicable in respect of supplies falling within the purview of trade agreements entered into by Government of India with the country of origin of coal imported during performance of the Contract, the contractor shall be solely responsible for availing any such concessional duty, if the same becomes due and the impact of the same is beneficial to Owner, irrespective of the fact that whether the Contractor has considered the same in his bid or not and in case of failure to receive such benefits, the contractor shall bear the liability of differential amount for not availing such benefits and the Owner shall make recovery of such amounts from the amounts becoming due to the contractor.

In such an event, the contractor will be solely responsible in all manner including completion of formalities such as making application, documentation etc. to all concerned authorities in order to obtain concession in Customs Duty so that such benefit shall be passed on to the Owner.

5. EFFECTIVENESS, COMMENCEMENT AND MODIFICATION OF CONTRACT

Effectiveness of Contract: The Contract/Agreement shall come into force with effect from the date of signing of the Agreement.

Commencement of Services: The Successful Bidder shall begin carrying out the Services immediately after the date, Agreement becomes effective.

Modification: Modification of the terms and conditions of the Contract, including any modification of the Scope of work or of the Contract Price may only be made by written Agreement between the parties.

6. PAYMENTS TO THE SUCCESSFUL BIDDER

- 6.1 Payment will be made to the account of the Successful Bidder only after the same is received from STC's client i.e. DVC, according to the payment terms stated at Clauses 9, 10 & 11 of Volume III, based on the certification of Engineer-in-Charge at respective DVC thermal power station. The payments shall be processed by respective STC Branch Office after the conditions listed for such payment have been met, and the Successful Bidder has submitted an invoice to respective STC Branch office specifying the amount due.
- 6.2 Bidder shall furnish the details of Bank Account in a prescribed format (Annexure-P) along with the Bid in order to facilitate the owner to release payments electronically through Electronic Fund Transfer System, wherever technically feasible. These payments shall be made electronically only as per details of bank Account indicated in the contract, wherever technically feasible. In case of any changes to the bank account indicated in the Bidding documents, the Bidder shall immediately inform STC. The Bidder shall hold STC harmless and STC shall not be liable for any direct, indirect or consequential loss or damage sustained by the Bidder on account of any error in the information or change in bank details provided to STC in the prescribed form without intimation to STC duly acknowledged.
- 6.3 Further, at the time of release of payment towards C&F value, successful Bidder shall furnish 'Trust Deed' as per STC's format for acting as Trustees of STC for handling the imported coal cargo
- 6.4 Also, Successful Bidder shall ensure that every Bill of Lading is prepared with notify party as "STC of India Limited (with detailed address) Cargo A/C DVC", or as advised by STC.
- 6.5 Successful Bidder shall furnish a letter of undertaking that the tenderer shall keep the entire material in trust for STC at the designated yard.
- 6.6 An Indemnity Bond indemnifying STC against any loss or shortage of material including losses/shortages incurred during discharge, intercarting/transportation;

- 6.7 Performance Bank Guarantee as per Annexure-E.
6.8 The bidder should note that the payment shall be released only after receipt of same from DVC.

7. SUSPENSION OF OBLIGATIONS

The obligation stipulated in the bidding documents can only be suspended in the case of any particular item of work, in the event of Force Majeure as defined in Clause 8.0 below or as the result of an Agreement between the parties. In the event of Force Majeure, neither of the parties may be considered in default of its obligations under the terms of the Contract/Agreement.

8. FORCE MAJEURE

Force Majeure is herein defined as any cause which is beyond the control of either party to the Agreement as the case may be, which they could not foresee or with a reasonable amount of diligence could not have foreseen or which when foreseen could not have been prevented and which materially and adversely affects the performance by either party (the Affected Party) of its obligation under the Agreement, such as but not limited to:

- (a) Act of God, natural phenomena including but not limited to floods, droughts, earthquakes epidemics, lightening and cyclone;
- (b) Acts of any Government (domestic or foreign) including but not limited to war, declared or undeclared, hostilities, priorities, quarantines, embargoes;
- (c) Civil disturbances including riot, civil commotion, sabotage or terrorism; revolution, rebellion, insurrection;
- (d) Strikes and lock outs.

Burden of Proof: The burden of proof as to whether a Force Majeure event has occurred shall be upon the party claiming the Force Majeure event.

If operation of such circumstances exceed three months, either party will have the right to refuse further performance of the agreement, in which case, neither party shall have the right to claim eventual damages.

The party, which is unable to fulfill its obligations under this agreement, shall within 15 days of occurrence of any of the causes mentioned in this clause shall inform the other party in writing of the existence or termination of the circumstances preventing the performance of the contract. Certificate issued by Chamber of Commerce or any other competent authority connected with the case in the country of Successful Bidders or the buyers shall be sufficient proof of the existence of the above circumstances and their duration. The contract shall be deemed to have been cancelled either partially or wholly, without any compensation to either party.

9. HANDLING OF DOCUMENTS / CONFIDENTIALTY

All documents, data and specifications etc prepared by the Successful Bidder in connection with the services to be provided by the Successful Bidder shall be property of STC. This stipulation applies to them and shall continue to apply even after the execution of such work(s) under the Contract. As and when required before final acceptance of work or upon termination of the Contract, the aforesaid documents, data and specifications etc. prepared specifically for this engagement (including originals) shall be handed over to STC.

The Successful Bidder shall take all necessary steps to ensure confidential handling of all information received, developed or acquired by them from STC under terms of the Contract or in performance thereof.

The Successful Bidder shall not prepare articles or photographs for publication or speeches about the work and/or plant and installation in which DVC/STC has an interest without prior written consent of STC.

The Successful Bidder shall take necessary steps to ensure that all persons employed on any work in connection with this engagement are fully aware that the Indian Official Secrets Act 1923 (XIX of 1923) applies to them and shall continue to apply even after execution of such works under contract.

10. SUCCESSFUL BIDDER RESPONSIBILITIES

The Successful Bidder shall conduct all Contracted activities with due care and diligence, in accordance with the Contract and with the skill and care expected of a competent provider of services, or in accordance with best industry practices.

The Successful Bidder shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary for execution of the assignment.

The Successful Bidder shall acquire in its name all permits, approvals, and/or licenses from all local, state, or national government authorities or public service undertakings that are necessary for the performance of the Contract.

The Successful Bidder shall comply with all laws in force in India. The laws will include all national, provincial, municipal, or other laws that affect the performance of the Contract and are binding upon the Successful Bidder. The Successful Bidder shall indemnify and hold STC harmless from and against any and all liabilities, damages, claims, fines, penalties, and expenses of whatever nature arising or resulting from the violation of such laws by the Successful Bidder or its personnel and from any illegal use of any resources by the Successful Bidder.

In particular, the Successful Bidder shall provide and employ only such personnel who are skilled and experienced in their respective areas and supervisory staff who are competent to adequately supervise the work at hand.

The Successful Bidder assumes primary responsibility for all the jobs for the execution of the contract in accordance with relevant provisions in Volume III of this Bidding document.

11. NO WAIVER OF RIGHTS

Neither the inspection by STC/DVC or any of their agents nor any order by STC/DVC for payment of money or any payment for or acceptance of, the whole or any part of the Works by STC/ DVC, nor any extension of time, nor any possession taken by STC/DVC shall operate as a waiver of any provision of the Contract, or of any power reserved to STC/DVC, or any right to damages herein provided, nor shall any waiver of any breach in the Contract be held to be a waiver of any other or subsequent breach.

12. CERTIFICATE NOT TO AFFECT RIGHT OF STC AND LIABILITY OF SUCCESSFUL BIDDER

Neither the payment made by STC nor any extension of time for execution of the Works granted by STC shall affect or prejudice the rights of STC against the Successful Bidder or relieve the Successful Bidder of his obligations for the due performance of the Contract, or be interpreted as approval of the Works done or as discharge of the liability of the Successful Bidder for the payment of damages whether due, ascertained, or certified or not, or any sum against the payment of which they are bound to indemnify STC, nor the acceptance by them of any sum paid affect or prejudice the rights of the Successful Bidder against STC.

13. GRAFTS, COMMISSIONS, GIFTS ETC

Any graft, commission, gift or advantage given, promised or offered by or on behalf of the Successful Bidder or their partner, agent, officers, director, employee or servant or any one on their behalf in relation to the obtaining or to the execution of this or any other Contract with STC, shall, in addition to any criminal liability which it may incur, subject the Successful Bidder to the cancellation of this and all other contracts and also to payment of any loss or damage to STC resulting from any such cancellation. STC shall then be entitled to deduct the amount so payable from any monies otherwise due to the Successful Bidder under the Contract.

14. ENFORCEMENT OF TERMS

The failure of either party to enforce at any time any of the provisions of the Contract or any rights in respect thereto or to exercise any option here in provided, shall in no way be construed to be a waiver of such provisions, rights or options or in any way to affect the validity of the Contract. The exercise by either party of any of its rights herein shall not preclude or prejudice either party from exercising the same or any other right it may have.

15. SUSPENSION OF WORK

STC/DVC reserves the right to suspend and reinstate execution of the whole or any part of the Works without invalidating the provisions of the Contract. Orders for suspension or reinstatement of the Works will be issued by the authorized officer of STC or its nominee from time to time to the Successful Bidder in writing. The time for completion of the Works will be extended for a period equal to duration of the suspension. Any necessary and demonstrable cost incurred by the successful bidder as a result of such suspension of the Works will be paid by DVC, provided such costs are substantiated to the satisfaction of the Engineer In-charge of DVC. STC shall not be responsible for any liability due to some default on the part of Successful Bidder.

16. DEFENSE OF SUITS

If any action in court is brought against STC and / or DVC for the failure or neglect on the part of the Successful Bidder to perform any acts, matter, covenants or things under the Contract, or any damage or injury caused by the alleged omission or negligence on the part of the Successful Bidder, their agents, representatives or their Sub Contractors, Suppliers or employees, the Successful Bidder shall in all such cases indemnify and keep STC and/or DVC or their representatives, harmless from all losses, damages, expenses or decrees arising of such action.

17. JURISDICTION

The courts in Delhi shall have the exclusive jurisdiction in matters arising under the Contract.

Volume – III

Technical Specifications

TECHNICAL SPECIFICATIONS

1. INTRODUCTION

Our client, Damodar Valley Corporation (hereinafter referred to as DVC) have requirement of imported non-coking Steam Coal of 3.00 MMT during Financial Year 2013-14 and 2014-15 for its thermal power stations on "FOR Destination" basis through Paradip/Haldia/Dhamra Port. STC, therefore, intends to engage supplier(s) for the procurement of Non-coking steam coal for various DVC's power stations with detailed Technical Specifications including Scope of Work and terms and conditions contained in this bidding document.

2. SCOPE OF WORK

The Scope of Work includes import of Non - Coking Steam Coal to Indian Port, arranging vessels, stevedoring, handling, storage, port clearances, arranging Railway rakes (BOBR)/Waterways carriers, loading, transportation and delivery at DVC Power Station(s). All other activities for clearing and forwarding of the consignments like customs clearance, coordination with Port, Railways / Inland Waterways Authority of India (IWAI) and any statutory authorities shall also be part of Scope of Work of bidder. All liaisoning, coordination at load port, discharge port, Railways / Inland Waterways Authority of India (IWAI), Handling agents etc. shall also be part of Scope of Work of bidder. Unloading of Coal at Power Station(s) end from Railway Wagons shall be arranged by DVC.

The successful bidder shall have to arrange for requisite plots at port in STC's name for storage of coal imported by STC. The successful bidder shall be responsible and liable for all berthing delays arising out of non-availability of adequate plots at port or port congestion. STC in no circumstances shall be responsible for such delay and/or be liable for any claim on such account. Also the successful bidder shall not hold STC responsible for any berthing delays under any circumstances.

The successful bidder shall alone be responsible for watch and ward of the coal stock at such plots at port. They shall be responsible for preventing theft of cargo, quality deterioration for any reason including due to mixing of cargo with inferior coal, extraneous material, etc. All costs and penalties arising out of such happenings shall be borne by and to the account of successful bidder.

3. QUANTITY

- A. The Successful Bidder shall supply up to 3.00 MMT of imported non-coking Steam Coal during Financial Year 2013-14 and 2014-15 on "FOR Destination" basis at DVC Power Station(s) through Paradip/Haldia/Dhamra port.
- B. The Successful Bidder shall arrange vessels in suitable sizes to deliver a total quantity of up to 3.00 MMT Imported Non Coking Steam Coal during Financial Year 2013-14 & 2014-15 for DVC TPSs. The shipments shall be evenly distributed or as advised by STC at its sole discretion with provisions for ordering preponement of supplies of the contracted quantities of Imported Non Coking Steam Coal for Financial Year 2013-14 and 2014-15. The successful bidder shall import this coal through Paradip or Haldia Port in India in such a way that the landed cost of coal at Thermal Power Station(s) is minimum considering the technical viability of Coal movement by Railways (in BOBR rakes)/ Waterways from port(s) to DVC's Thermal Power Station(s).
- C. STC will furnish to the Successful Bidder a schedule of quantity with a tentative month-wise breakup proposed to be delivered power station-wise based on the schedule it receives from DVC. The tentative allocation of quantity by STC/DVC could be in the range of 0.25 MMT per month commencing from March 2014.
- D. "STC reserves the right for pre-pone/post-pone/divert the scheduled deliveries during Financial Years 2013-14 and 2014-15. However, STC shall provide notice of at-least 10 days for any such pre-ponement/post-ponement of deliveries. The other provisions, terms & conditions of the Agreement and Suppliers obligations shall,

- however, remain unaltered".
- E. DVC may provide schedule for supply for specific periods i.e. monthly/quarterly, etc., and final destination. STC shall provide schedule and dispatch instructions on receipt of same from DVC.
 - F. STC may change the delivery schedule and final destination, at its sole discretion as well as on account of any changes made by DVC. The successful bidder(s) shall have no objection or reservations, claim of any nature whatsoever on STC/DVC for such changes in schedule.
 - G. The first consignment is to reach DVC Thermal Power Station within thirty (30) days of Agreement or as advised by STC and the subsequent deliveries as per schedule to be furnished by STC on receipt of the same from DVC.

4. SPECIFICATIONS OF COAL

The Coal to be imported will be as per specifications furnished in Annexure-B of Vol. IV of bidding documents. The Coal of specifications beyond the acceptable range of the technical parameters as per the specifications shall be liable for rejection by STC/DVC.

The imported coal to be supplied under this tender could be of any origin except India. Further DVC has specified range for each parameter and also linked the prices to index as applicable for the guaranteed parameters with respect to Gross Calorific Value of coal specifications for country of origin as well as CERC Composite Index for FOB prices. For Price Basis the Guaranteed parameters shall be as under:

Total Moisture (ARB)	: 16%
Ash (ADB)	: 10%
Sulphur (ADB)	: 0.80%
Gross Calorific Value (ADB)	: 6300 Kcal/Kg

5. PRICES & PRICING METHODOLOGY

I) Base C&F price of the imported coal is to be quoted in two components of FOB Coal Price & Ocean Freight upto respective Indian port. Base FOB Coal Price & Ocean Freight quoted shall be subject to variations for payment purposes, considering the specified indices on base date and weekly basis based on indexation; as per following methodologies and further detailed in Annexure-A:

A.1 FOB Coal Price

- i. CERC methodology, elaborated in the Pricing Methodology including Indexation.
- ii. Methodology using the Indices for the Country of Origin of Coal, applicable for guaranteed parameters with respect to Coal specifications and published by preferably Government agency of that country.

For the purpose of payment, the lower of the prices worked out based on the above two methodologies, i.e. A.1 (i) & A.1 (ii), shall be considered. Further, the indices as on base date are to be quoted upfront, along with the name of the Indices & details of publication, for both the methodologies above.

A.2 Ocean Freight

- i) CERC Methodology, elaborated in the Pricing Methodology including Indexation.
- ii) Actual Ocean Freight payable/paid, as per certification of the Successful Bidder

However, for the purpose of payment, the lower of the above two i.e. A.2 (i) & A.2 (ii), shall be considered. The indices as on base date are to be quoted upfront, along with name of the Indices & the details of publication for the methodology at A.2 i) above.

A.3 Total C&F Coal Price

Total C&F Coal Price for the purpose of payment shall be the Sum of lower of the FOB Coal Price and Ocean Freight, worked out as above.

II) The other component of price i.e. Stevedoring & Handling and all other charges shall be as follows:

"Stevedoring, Handling, Clearing & Forwarding charges per MT remain firm during the currency of the Agreement and other charges like Customs duty, Railway freight / Waterways Carriers Freight (up to the Coal stack yard of DVC power Station) Insurance charges, CVD (Mod VAT) and other statutory duties and Port charges are payable at actuals, limited to that quoted by the bidder. In case of any change in the same, a proportionate change shall be passed on to the bidder. Further, any additional levy coming into force after the due date of submission of bid shall be payable to the bidder."

The price of Coal to be supplied shall comprise of C&F Coal Price arrived at based on the concept and formulae for arriving at price for supply of imported coal to DVC, linking the FOB Coal Price & Ocean Freight as per Pricing Methodology including Indexation, detailed in Annexure-A, Fixed Component and Actual cost as given below:

A. C& F Coal Price: (Port Based)

C&F Price (US Dollar rate per Metric Tonne (PMT) converted to Indian Rupees on the basis of applicable exchange rate) arrived at as detailed in the Pricing Methodology at Annexure-A.

B. Fixed Component: (Port Based)

Stevedoring, Handling, Clearing & Forwarding charges.

C. As per Actuals (Limited to that quoted by the bidder):

1. Customs Duty
2. Railway freight(delivered at the Coal stack yard of DVC Power station)
3. Insurance charges
4. Sales Tax/ VAT, and other statutory duties
5. Port charges

The Fixed Component defined at 'B' above shall remain firm during the entire period of Contract/Agreement, including extension(s), if any.

III) The price, arrived at as per Pricing Methodology, will be with respect to guaranteed parameters specified in the document and it shall be ensured that the quality is within the range specified in the document. The fixed component will be specific to a particular port and C&F price, arrived at as detailed in the Pricing Methodology at Annexure-A, is convertible to Indian Rupees as per the exchange rate (TT Selling) prevailing on the date of remittance by the Successful Bidder. The actual costs will be evidenced by documentary proof either before or after release of payment by DVC. Total Customs duty, Railway freight / Waterways Carriers Freight and Port charges paid on actuals will be reimbursed to the Successful Bidder. All other elements of Cost including C&F Coal Price shall be adjusted on the basis of quantity and quality variations at the Power Station for the purpose of payment.

IV) The Successful Bidder has to ensure that there is no under loading of wagons. However, in case of under loading, the charges on proportionate basis shall be recovered from the Successful Bidder's dues. All other charges like Demurrage/ Despatch, Wharfage, Overloading/Under loading charges etc. as applicable for Ports and Railways shall be to the account of Successful Bidder. Any delay/ detention charges of Rakes at DVC Power Station shall be to the account of DVC.

Wharfage charges payable under "Total Port Charges" shall be reimbursable to the Successful Bidder in line with the provisions of Agreement and only after receipt of same from DVC. However, any additional charges over and above those mentioned therein, including any penal charges shall be to the account of the Successful Bidder.

V) The Successful Bidder shall import this coal through various discharge ports in India in such a way that the landed cost of coal at Power Station(s) is minimum considering the technical viability of coal movement by Railways (in BOBR rakes) from port(s) to Power Station(s). In case of port/railway constraints, the import of coal for a particular Power Station may be routed through alternate suitable ports identified within the Agreement, however, the charges payable to the Supplier under such cases shall be lower of the charges payable as per Agreement & the actual charges paid by the Supplier.

6. QUANTITY DETERMINATION

i) Net Adjusted Quantity of coal received at DVC Power Stations, i.e. quantity worked out after carrying out adjustments due to quality variations with respect to the guaranteed parameters, if any, (as per Clause 8 below), will be final for the purpose of assessment of executed quantity and payment.

Quantity determination of imported coal shall be at DVC Power Station, subject to adjustment due to variations over the quality parameters (as per Clause 8 below), if any and payments thereof shall be based on such determination at Power Station.

The Coal delivered shall be weighed at DVC Power Stations. The weight recorded by Weighment System of DVC having an electronic print-out facility shall be taken as final after consideration of empty rake weight. In case DVC Power Station Weigh Bridge is out of order, weight as determined by Railways Weigh Bridge at near by station shall be final for determining the weight at DVC Power Station. If rake weight can not be determined by the above two process, Actual RR weight will be considered as final for determination of quantity at DVC Power Station.

ii) The coal will be measured/ weighed rake-wise/wagon-wise for the determination of quantity. In case of partial weighment of rake, the weight of un-weighed wagons shall be considered as per the nearest railway weighbridge/ RR weight as described above. The quantity determined shall also be subjected to adjustment due to quality variations.

iii) It will be the responsibility of the Successful Bidder to inform the rake arrival time at power station in advance.

iv) It shall be responsibility of the successful bidder to dispatch rakes under clear identification tags and distinct identification should appear in all documents so that the rake at the destination can be identified. No claim on STC/DVC can be made or be admissible if there is any error in determination of weighted average quality parameters due to erroneous or non-identification of rakes at power station(s).

v) The successful bidder shall ensure that imported coal rakes are delivered to the consigned station only. In case the rakes are diverted by Railways for any reason(s), beyond the control of the Successful Bidder, Successful Bidder shall furnish advance intimation and RR and other necessary details to the concerned DVC Power Station immediately on diversion of rake.

7. QUALITY INSPECTION

Quality of coal will be final based on the Inspection results of the samples taken at DVC Power Station(s). Quality determination of imported coal shall be at DVC Power Station and payments thereof will be based on such determination at Power Station.

The Successful Bidder shall ensure the appointment of any one NABL Accredited Independent Inspection Agency(IIA) for draft survey, sampling and quality analysis at load port, Discharge Port and DVC Power Station before the commencement of first consignment.

For a particular shipment the IIA shall be same at all the three places i.e. Load Port, Discharge Port and Power Station. The costs of inspection including coal sampling analysis at various points i.e. Load Port, Discharge Port and DVC Power Station including the fee for inspection Agency shall be borne by the Successful Bidder.

STC/DVC at its discretion and cost can also appoint an independent inspection agency to carry out Sampling and quality analysis at Load Port, Discharge Port and DVC Power Station. STC/DVC at its discretion and cost can also nominate their representative to witness sampling and analysis at Load Port/Discharge port and for referee sample(s).

i) Sampling and Testing of coal samples drawn at Load Port/ Discharge Port:

Coal samples at Load Port and Discharge Port shall be drawn, prepared and analyzed by IIA in accordance with American Standards for Testing Materials (ASTM Standards No. D-2234 and D-2013).

ii) Sampling and Testing of coal samples drawn at DVC's Power Station end:

Coal samples at DVC's Power Station end, shall be drawn from each rake and prepared for analysis by IIA in the presence of DVC representative in accordance with the American Standards for Testing Materials (ASTM Standards No. D-2234 and D-2013).

The sample so drawn and prepared in presence of STC/DVC representative shall be divided into four (4) parts within one (1) day of its collection and shall be distributed as follows:

- (a) One part of the sample will be taken by DVC for analysis at their end.
- (b) The second part of the sample shall be taken by IIA for analysis at their end.
- (c) The third part of the sample will be retained as Referee Sample. Such Referee Sample shall be kept under joint lock and joint custody of IIA and DVC, to be used for future reference and/or testing.
- (d) The fourth part of the sample shall be taken for joint analysis by DVC and the Successful Bidder for total moisture determination.

IIA shall analyze its portion of the coal sample for the parameters as mentioned in Clause 8 below, drawn at DVC's Power Station end, at the laboratory as may be identified by them.

STC/DVC shall analyze its portion of the coal sample for the same parameters drawn at DVC's Power Station end, in their laboratory.

For determining the Total Moisture, STC/DVC and the Successful Bidder shall undertake Joint analysis at DVC Power Station Laboratory immediately on receipt of imported Coal. In case the analysis for total moisture is not carried out immediately, such sample(s)

shall be kept under joint lock and joint custody of IIA and STC/DVC till determination of total moisture.

The copy of the report of the analysis of the portion of coal sample by IIA shall be provided to STC and DVC within five (5) working days from the date of distribution of the prepared coal samples.

In case the test results of the respective portions of the coal sample(s) analyzed by IIA and STC/DVC are at variance beyond the limits permissible under the relevant ASTM, except for Total Moisture, the Referee Sample shall be forwarded by the Successful Bidder to the laboratories having the facilities for coal analysis as per ASTM methods and are under Council of Scientific and Industrial Research (CSIR) or Government owned / Government approved or has the accreditation of National Accreditation Board for Testing and Calibration Laboratories (NABL), Department of Science and Technology, India, for analysis within seven(7) working days of receipt of results of subject sample tested by IIA.

It is specifically agreed that the analysis results of such Referee Sample, by the above stated Laboratories shall be binding on all parties and the cost of analysis of the Referee Sample shall be borne by the Successful Bidder.

In case separate reconciliation is not carried out by DVC for coal supplied by different suppliers at a particular power station, the payment shall be regulated by STC based on the results of IIA limiting to the relevant payment received from DVC.

8. ADJUSTMENT ON QUALITY VARIATIONS

In the event of variations over the quality parameters, suitable adjustment shall be carried out as per the formula provided hereinafter:

a) Total Moisture {As Received Basis (ARB)}

If the actual Total Moisture as per sampling/analysis through joint analysis process at DVC Power Stations varies from the guaranteed Total Moisture of coal, the adjustment in weight shall be done on pro-rata basis. For example for x% increase over the guaranteed Total Moisture, the total weight will be reduced by x%.

The decrease in Total Moisture below the guaranteed value shall be ignored.

b) Gross Calorific Value {Air Dried Basis (ADB)}

If the Gross Calorific Value (GCV) on ADB basis as per sampling/analysis by the Inspection Agency at the DVC Power Station is less than the guaranteed GCV on ADB basis, the price will be adjusted as per the formula given below:

$$\frac{\text{Contracted C\&F Price Per Metric Tonne x GCV (ADB) DVC Power Station}}{\text{Contracted Guaranteed GCV (ADB)}}$$

If the GCV at DVC Power Station is above the guaranteed value, the portion above the guaranteed value shall be ignored for the above calculations.

c) Ash Content (ADB)

If the Ash Content as per sampling/analysis by the Inspection Agency at the DVC Power Station exceeds the guaranteed Ash Content, the adjustment in weight will be made on pro-rata basis i.e. for every increase of x% of the Ash content, the weight of the coal will be reduced by x%.

The Ash content below the guaranteed value shall be ignored.

d) Sulphur (ADB)

If Sulphur content as per sampling/analysis by the Inspection Agency at the DVC Power Station varies from the guaranteed Sulphur content, a penalty at the rate of Rs. 10/- PMT for every increase of 0.1% in Sulphur or part thereof shall be levied.

The Sulphur content below the guaranteed value shall be ignored. Coal having Sulphur content in excess of the maximum range specified shall be rejected.

- e) Adjustment on quality variation within the range other than the parameters indicated at 8 a), 8 b), 8 c) & 8 d) shall not be carried out.

After adjusting the received quantity at DVC Power Station for quality parameters as above, if it is found that the adjusted quantity is higher than the Net Bill of Lading quantity, the payment shall be restricted to Net Bill of Lading quantity. In case the adjusted quantity at power stations is lower than the Net Bill of Lading quantity, the adjusted quantity at power stations shall prevail for the purpose of payment.

9. PAYMENTS TO SUCCESSFUL BIDDER

Payment shall be processed on submission of invoice in quadruplicate along with supporting documents pursuant to the Agreement through Bank (for CIF Payment) and directly for handling and other parts of Scope of Work, to respective branches of STC, which shall be notified. Payment to successful bidder shall become due to the extent realized by STC from DVC and will be made to the successful bidder upon receipt of clean and unqualified payment by STC from DVC on due basis. The payments shall be released to bidder only after adjusting bank charges and document related expenses etc. incurred by STC in the process of coal supplies to DVC. The successful bidder shall furnish Performance Bank Guarantee and Trust Deed as per format at Annexure-E & Annexure-O respectively.

The format of RI to be submitted by STC to DVC is enclosed for reference and information at Annexure-N.

DVC shall be releasing the payment to STC through a specified procedure which is reproduced below for information of the bidders as Clause 10 & 11 below. STC shall comply with the procedures to get payment from DVC but the successful bidder shall comply with all the documentary requirements (except supporting document for exchange rate) for release of payments by DVC to STC. The successful bidder shall submit the rake-wise invoice promptly and within ten (10) working days of receipt of rake at DVC power station. The successful bidder(s) shall not raise any claim on STC for any delay in payment from DVC on account of any procedural delay.

10. PROCEDURE OF PAYMENT

- i) Payment shall be released on submission of invoice in quadruplicate along with supporting documents, including that for indices used for the calculation based on formulae for fixation of price for supply of imported coal to DVC, linking the FOB prices & Ocean Freight with the details of indices along with the details of publication, to the respective DVC Power Station, verifiable by the respective DVC power station. Payment shall be released within three (3) working days of receipt of invoice complete in all respect with supporting documents pursuant to the Agreement.
- ii) The payment shall be released to the successful bidder upon receipt of clean and unqualified payment by STC of India LIMITED from DVC on due basis. Payment to successful bidder shall become due to the extent realized by STC of India LIMITED from DVC.
- iii) Successful Bidder to note that STC of India LIMITED shall not extend any financial

facility in any form at any stage.

- iv) Further, at the time of release of payment towards C&F value, Successful Bidder shall furnish 'Hypothecation Deed' covering the payment towards cost of coal being released by STC for the subject consignment. Further, Successful Bidder shall ensure that every Bill of Lading is prepared with consignee as 'STC of India Limited (with detailed address) Cargo A/C DVC'.

11. PAYMENT TERMS

The payment terms are as under:

- 95% of C&F value of Consignment, along with estimated 100% Customs Duty to be payable upon shipment of vessels from Load Port, based on quantity and quality parameters at Load Port on fulfillment of the following conditions:
 - i. Submission of Proforma Invoice in quadruplicate giving the Dollar rate of coal converted to Indian Rupees based on SBI Card rate (TT selling).
 - ii. Supporting document for Exchange Rate for conversion from US Dollar to Indian Rupees.
 - iii. Hypothecation Deed for having hypothecated the Coal under the subject invoice to STC.
 - iv. Fax/photocopy of shipping documents which shall include (1) Foreign Supplier's Invoice ;(2) Bill of Lading ; (3) Certificate of Origin ;(4) Load port Analysis certificate by IIA; (5) Calculation of estimated custom duty etc. Original documents shall be submitted while claiming the first (1st) Invoice against "Payments on Delivery".
 - v. Certificate from the Successful Bidder as per clause 21 of Vol. III of bidding documents.

- **Payments on Delivery:**

80% of balance payment including 5% of C&F value of (Total Consignment value after adjusting the payments already released by STC) and on receipt of consignment at DVC power station on fulfillment of the following conditions:

- i) Submission of Regularizing Invoice in quadruplicate based on the actual quantity determined at DVC power station, Customs Duty paid on actuals, Railway freight / Waterways Carriers Freight paid at actuals, insurance charges at actuals, Port charges at actuals, exchange rate based at actual remittance by Successful Bidder, Stevedoring & Handling charges and Sales tax/VAT, if any, and after making adjustments for C&F payment (including Customs Duty and discrepancy in the documents if any) already made by STC as per the format given in Annexure-N of Vol. IV of bidding documents.

Documentary evidence for the actual remittance made by Successful Bidder in Foreign Currency. (The bidders may note that STC shall be making the payment towards C&F price to the successful bidders/or their overseas suppliers only in foreign currency denominated in United States Dollars. **The bidders are to declare the name of overseas supplier along with their Price bid.**)

- ii. Documentary evidence for Customs Duty payment and Railway freight / Waterways Carriers Freight and other charges as per Annexure-N of Vol. IV of bidding documents.

➤ **Balance Payment**

15% of balance payment shall be released after determination of quality results at DVC Power Station and 5% Final Balance payment on reconciliation and Liquidated Damages(LD) determination and carrying out necessary adjustment on fulfillment of the following conditions:

- i. Submission of Final Invoice in quadruplicate for 15% balance payment after carrying out the adjustment for quality results.
For the purposes of adjustment of coal quality the samples shall be taken from each rake and analyzed for each rake. The weighted average results of such analysis of rakes received in fifteen days i.e. rakes received between 1st to 15th and rakes received between 16th to 30th/31st of the month at power station shall be applied for carrying the necessary adjustment.
- ii. Submission of original report of the Independent Inspection Agency (IIA) for Coal Quality at DVC power Station.
- iii. Submission of Final Invoice in quadruplicate for 5% Final Balance payment after assessment and carrying out the adjustment for LD and reconciliation of quarterly supplies and payments as described in bid document clause no. 12, Volume – III.

In case Successful Bidder fails to supply the consignment (Coal) within 45 days from the date of payment of 95% C&F consignment value and 100% custom duty, the same will be adjusted/recovered along with 18% P.A. interest from pending bills waiting payment.

Any balance adjustment because of quality and quantity shall be settled through debit/credit notes and payment thereof shall be made within 5 working days from the receipt of such debit/credit notes. If the settlements do not take place in the given time frame, DVC (STC) reserves the right to adjust the same in the next available payment.

12. RECONCILIATION/ADJUSTMENTS

Successful Bidder and STC shall jointly reconcile all payments made for the monthly Coal supplies shipment-wise during each quarter within ten (10) working days after end of each quarter. The parties shall forthwith give credit/debit notes for the amounts falling due, if any, assessed during such reconciliation and payments shall be made within seven (7) working days thereafter. The quarterly reconciliation statement shall be jointly signed by the authorized representative of Successful Bidder and STC which shall be binding on both the parties. The reconciliation shall invariably be done after reconciliation between DVC and STC.

In case separate reconciliation is not carried out by DVC for coal supplied by different suppliers at a particular power station, the payment shall be regulated by STC based on the results of IIA

13. MARINE INSURANCE

The Coal shall be insured by Successful Bidder under ICC (A) cover from warehouse to warehouse (DVC Power Stations) for 110% of C&F value. Insurance policy will be issued by any Indian Insurance Company. Insurance Premium will be to the account of STC at actuals. Successful Bidder shall be responsible for all claims related to material loaded but not delivered at DVC power Stations and shall file all claims with insurance agency and Railways / IWAI.

In case Railway rule does not permit to lodge claim for missing/diverted rakes/wagons by consignor, STC as consignee will lodge the claim with Railway on written request from consigner/agency and on submission of undertaking from agency that cost of missing/diverted coal will be passed to the agency on reconciliation and on settlement with Railways. However, in case of any claim settlement, necessary NOC / discharge voucher shall be issued by STC in Successful Bidder's favor.

14. TAX, OTHER STATUTORY LEVIES, RAILWAY FREIGHT & PORT CHARGES

Any changes in taxes & duties and Railway freight / Waterways Carriers Freight and Port charges notified by Govt. of India will be to the account of STC based on documentary evidence. Any refunds received by Successful Bidder on any of these accounts from concerned authorities shall be passed on by Successful Bidder to STC within three (3) working days of receipt of such refunds.

The total Customs Duty shall be reimbursed in accordance to term of Payments to the contractor based on the rates of Basic Customs duty, CVD, Cess and surcharge etc. if any, at the rates prevailing at the time of receipt of consignment at Indian Port. Further, (CST/VAT & Entry Tax) shall be re-imbursed at actuals on production of documentary proof of such payment.

In the event of any variation in structure of duties and/ or concessional duties applicable in respect of supplies falling within the purview of trade agreements entered into by Government of India with the country of origin of coal imported during performance of the Contract, the contractor shall be solely responsible for availing any such concessional duty, if the same becomes due and the impact of the same is beneficial to Owner, irrespective of the fact that whether the Contractor has considered the same in his bid or not and in case of failure to receive such benefits, the contractor shall bear the liability of differential amount for not availing such benefits and the Owner shall make recovery of such amounts as and when the amounts become due to the contractor.

In such an event, the contractor will be solely responsible in all manner including completion of formalities such as making application, documentation etc. to all concerned authorities in order to obtain concession in Customs Duty so that such benefit shall be passed on to the Owner.

15. COMPLIANCE WITH GOVERNMENT ORDERS

Coal to be imported under the Agreement, is meant for the purpose of generation of power at DVC power stations. The Successful Bidder shall ensure compliance of all regulations/ conventions/policies/guidelines/ orders etc. in force related to any or all of the activities covered in the imports, including shipping of the consignments, insurance, clearing, handling & forwarding and inland transportation etc.

In case of any modifications in any of the provisions in respect of supply of imported Coal, during the currency of the Agreement, the same shall become applicable and binding on Successful Bidder and STC with immediate effect, without any risk/and or and liability to STC.

16. ASSIGNMENT

Neither party to the contract shall assign or transfer the contract, or any benefit there under to any person, firm or Corporation without prior consent in writing of the other party.

17. LIQUIDATED DAMAGES (LD)

As per terms of supply specified by DVC, they may impose LD for delays beyond delivery schedule in supply of import coal. The provisions stipulated by DVC are as under:

The Successful Bidder will ensure the delivery of consignment at the DVC Power Station as per schedule given by DVC. In case of any delay, (other than those due to Force Majeure, berthing delay at load port & discharge port due to reasons not attributable to Successful Bidder and delay on account of Railways) Liquidated Damages (LD) will be charged @ 0.5% (Half Percent) of value of delayed consignment for each week's delay or part thereof subject to maximum of 5% (five percent) value of contract being attributable for respective month for failure of delivering scheduled quantity at unloading ends (i.e. KTPS, DSTPS, MTPS, DTPS & CTPS) of DVC.

The quarterly dispatch/ shipment schedule station-wise furnished by STC/DVC shall be considered for the purpose of levy of LD by the respective DVC Power Station.

In case any amount is detained towards LD or the LD is imposed by DVC on STC, the same shall be to the account of the successful bidder and shall be recovered from its due payments.

18. PERFORMANCE GUARANTEE

The Bidder shall furnish a Performance Bank Guarantee to STC as per format enclosed at Annexure-E of Bidding Documents for equivalent to 10% of C&F contract value of 3.00 Million Metric Tonnes from any Indian Nationalized Bank/ Scheduled Bank in Public Sector/Private Sector (except Cooperative and Gramin Banks) and Scheduled Foreign Banks. The bank must have a net-worth of at least Rs. 500 Crore and Capital Adequacy Ratio of 9%. In case BG is issued by a bank outside India, it should be advised and made payable through their Indian Branch/Correspondent Bank in India. The Issuing Bank should also state the name and designation of the next Higher Authority of the Officials who have issued the Bank Guarantee.

The Performance Bank Guarantee shall remain in full force and effect during the period that would be taken for satisfactory performance and fulfillment in all respect of the contract.

The Contract Performance Guarantee furnished by the Successful Bidder shall be irrevocable and unconditional and STC shall have the powers to invoke it, notwithstanding any dispute or difference between the Successful Bidder and STC pending before any court, tribunal, arbitrator or any other authority. The Contract Performance Guarantee shall be valid for period of 6 months beyond the expiry of validity of the agreement.

19. PERFORMANCE REVIEW

STC reserves the right to review the performance of the work under the Scope of Work described in these documents at any point of time. The contract may be terminated/short closed with forfeiture of Performance Bank Guarantee including but not limited to following circumstances:

- a. Poor performance of the contract.
- b. Delays in augmenting supplies for reasons other than Force Majeure.
- c. Requesting for change of allocation of port, power station, Delivery Schedule/Period, etc after the same has been finalized and it would be deemed to constitute refusal to perform the contract.
- d. Refusal to accept change in schedule made by STC on its own or on advice of DVC.
- e. Failure to create system to identify rakes at power station
- f. Breach of any conditions of the contract.
- g. Holding STC responsible for berthing delays, etc

20. TERMINATION

STC, at any time, on breach of any of the terms and conditions under the contract by the Successful Bidder, may issue notice of such breach and if the Successful Bidder does not take appropriate measures to remedy that breach to the satisfaction of STC/DVC within a period of 25 (twenty-five) days from issuance of such notice, then STC may terminate the contract at any time thereafter stating therein the date of termination.

21. GENERAL

- (i) The holds of each vessel shall be cleaned before loading, to avoid contamination.
- (ii) Immediately on nomination of vessel, the Successful Bidder shall inform STC the following details of the vessel(s):
 - (a) Name of the vessel & Steamer Agent
 - (b) Expected Time of Departure
 - (c) Expected Time of Arrival & Port of Discharge
 - (d) Quantity of Coal proposed to be loaded
- (iii) Detailed modalities for execution of the Agreement and release of the payment shall be formulated jointly between Successful Bidder & STC.
- (iv) The Successful Bidder shall endeavor to cover the wagons with tarpaulin/polythene sheets to avoid ingress of water. The tarpaulin/polythene shall be the property of Successful Bidder and they will ensure prompt removal/disposal of the same.

22. CONFIDENTIALITY

The parties to the Agreement shall not either during the term or after the expiration of the validity of the Agreement disclose any proprietary or confidential information relating to the Agreement and the services without the prior written consent of either party.

In addition to above, the documents and handling thereof under the contract shall be subject to clause 9 volume-II of these documents.

23. AGREEMENT

The Agreement, entered into subsequently, shall constitute full and complete understanding between the parties and terms of these presents. The Annexure listed therein shall be deemed to form an integral part of the Agreement. The Agreement, once signed, shall supersede all prior correspondence to the extent of inconsistency or repugnancy to the terms and conditions contained in the Agreement. Any modification of the Agreement shall be effected only by a written instrument signed by the authorized representative of both the parties. The Agreement with the Successful Bidder is proposed to remain in force initially for a period of 18 months from the date of signing and further extendable at the sole discretion of STC.

24. ARBITRATION

In case of any dispute or differences between STC and its client DVC relating to interpretation and/or application of the provisions of the agreement, such disputes/differences is to be referred to permanent machinery of arbitration. In case of any liability on STC pursuant to award of the arbitrator appointed thereto, it shall be fully borne by the successful bidder(s) and STC shall be kept indemnified in this respect.

All questions, disputes or differences whatsoever which may at any time arise between the parties to this agreement touching the agreement or subject matter thereof, arising out or in relation thereto and whether as to construction or otherwise shall be

referred to the decision of the sole arbitrator, appointed by the CMD, STC, New Delhi for that purpose. The decision of the said arbitrator shall be final and binding upon the parties.

The provisions of Arbitration & Conciliation Act 1996 shall apply. There are no understandings or Agreements between the Seller and STC which are not fully expressed hereinabove and no statement or agreement, oral or written made prior to the signing hereof shall have any validity.

Volume – IV
ANNEXURES, FORMS & FORMATS

Pricing Methodology

1.0 Base C&F Price of the imported coal are to be quoted in two components of FOB Price & Ocean Freight upto respective Indian port. Base C&F price quoted shall be subject to variations for payment purposes, as detailed below:

1.1 Proposed Methodology of Base Price and its variation and/or Indexation for supply and payment of imported coal to DVC through STC.

C&F Price of the Coal shall be arrived at based on the concept, detailed hereunder, for supply of imported coal to DVC.

1.1.1 FOB Coal Price

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:

- 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.
- c) Country of origin index used for coal prices should be mentioned in price bid along with its publication.

For the purpose of payment, the lower of the prices worked out based on the above two methodologies, shall be considered.

1.1.2 Ocean Freight

Ocean freight shall be arrived at as per CERC Methodology linking the Base **Ocean freight prices** with respect to Indices as detailed at Para 1.4;

However, for the purpose of payment, the lower of the following two shall be considered:

- a) Ocean Freight prices worked out based on the above methodology and;
- b) Actual freight payable/paid, as per certification of the Successful Bidder.

1.1.3 Total C&F Coal Price

Total C&F Price for the purpose of payment shall be the Sum of FOB prices worked out as per Para 1.1.1; and Ocean Freight, worked out as per Para 1.1.2 above.

The indices as furnished by the Successful Bidder shall be verifiable by respective STC RO/DVC power station.

**1.2 Concept for the purpose of fixation of Base Price:
Base Date for the purpose of fixation of Base Price:**

Preceding Friday with respect to the bid closing date of International Competitive bidding, invited by STC.

Total Coal Price = A+ B

Where:

A = FOB Coal Price

B = Ocean Freight

1.3 FOB Coal Price

1.3.1 As per CERC Methodology

The above component A of the price will be subject to variation for payment as per date of Bill of Lading based on the weekly index calculated based on the weekly indices for the Richard Bay API4, Newcastle Export Index (NEX) and Global Coal New Castle, with the weightage 50:25:25 for GCV of 6000:6700:6700 respectively in line with the methodology adopted by CERC.

For this purpose, the above indices published for the week preceding to the date of Bill of Lading shall be considered. The week for the above purpose shall be a period of 7 days starting from Saturday to Friday. In respect of Newcastle Export Index (NEX), the week starting from Friday to Thursday shall be considered.

Formulae:

- A1 → Index derived on preceding Friday with respect to the bid closing date. A1 shall be calculated based on the weekly indices for the Richard Bay API4, Newcastle Export Index (NEX) and Global Coal New Castle with weightage 50:25:25 for GCV of 6000:6700:6700 respectively in line with the methodology adopted by CERC and to remain constant for the entire duration of Contract.
- A2 → Index for Richard Bay API4, Newcastle Export Index (NEX) and Global Coal New Castle, with weightage 50:25:25 for GCV of 6000:6700:6700 respectively in line with the methodology adopted by CERC published for the week starting from Saturday to Friday preceding to the week of the date of Bill of Lading of the vessels.
- A3 → FOB component of the quoted price of the Successful Bidder and the same is to remain constant for the entire duration of contract.

Hence, considering the above the FOB price will be calculated as under:

$$\text{FOB Coal Price A} = \frac{A2}{A1} \times A3$$

1.3.2 As per Country of Origin Indices

The above component A of the price will be subject to variation for payment as per date of Bill of Lading based on the weekly index published for the Country of Origin of coal, applicable with guaranteed parameters of Coal specifications and published by preferably Government agency of that country.

For this purpose, the above indices published for the week preceding to the date of Bill of Lading shall be considered. The week for the above purpose shall be a period of 7 days starting from Saturday to Friday.

Formulae:

- A1 → Index applicable as on proceeding Friday with respect to the bid closing date. The same shall remain constant for the entire duration of Contract.
- A2 → Index applicable for the week starting from Saturday to Friday preceding to the week of the date of Bill of Lading of the vessels.
- A3 → FOB component of the quoted price of successful bidder and the same is to remain constant for the entire duration of contract.

Hence, considering the above, the FOB price for payment purpose will be calculated as under:

$$\text{FOB Coal Price} = \frac{A2}{A1} \times A3$$

1.3.3 For the purpose of payment, the lower of the prices worked out based on the above two methodologies shall be considered.

1.4 Ocean Freight

1.4.1 As per CERC Methodology

The component B, which indicates the Ocean Freight of Imported Coal will vary for payment as per actual date of Bill of Lading, based on the Singapore 380 CST Bunker Fuel Price (Also referred to as IFO 380) ex Singapore Wharf, as per Clarkson Research (publication as mentioned in CERC Methodology) published corresponding to the week preceding the week of date of Bill of Lading.

- B1 Index as per Singapore 380 CST Bunker Fuel Price (Also referred to as IFO 380) ex Singapore Wharf, as per Clarkson Research (Publication as mentioned in CERC Methodology) as on preceding Friday with respect to the bid closing date and shall remain constant during the entire duration of the contract.
- B2 Index as per Singapore 380 CST Bunker Fuel Price (Also referred to as IFO 380) ex Singapore Wharf, as per Clarkson Research (Publication as mentioned in CERC Methodology) published corresponding to the week preceding the week of date of Bill of Lading.
- B3 Ocean Freight component of quoted price of the Successful Bidder and the same is to remain constant for the entire duration of contract.

Considering the above, Ocean Freight for payment purpose will be calculated as under:

$$\text{OCEAN FREIGHT B} = \frac{\text{B2}}{\text{B1}} \times \text{B3}$$

1.4.2 However, for the purpose of payment, the lower of the following two shall be considered:

- a) Ocean Freight prices worked out based on the above methodology and;
- b) Actual freight payable/paid, as per certification of the Successful Bidder

1.5 Total C&F Coal Price

Total C&F Price for the purpose of payment shall be the Sum of FOB prices worked out as per Para 1.1.1; and Ocean Freight, worked out as per Para 1.1.2 above.

2.0 Cap/Ceiling of C&F Coal Prices

If the delivery period is extended beyond the scheduled contract period due to reasons attributable to successful bidder, the Cap/Ceilings of C&F coal price as applicable on last day of scheduled delivery period shall be applicable for the extended period. In case C&F price during the extended period is lower than the cap /ceiling price, the lower price shall be payable.

TECHNICAL SPECIFICATIONS OF IMPORTED COAL

PARAMETER	UNIT	ACCEPTABLE RANGE
Total Moisture (ARB)	%	10-20 Max.
Ash (ADB)	%	8-20
Fixed Carbon (ADB)	%	30-50 Typical
Volatile Matter (ADB)	%	25-45
Sulphur (ADB)	%	0.70-0.90 Maximum
Gross Calorific Value (ADB)	Kcal/ Kg	5800-6500
HGI	-	45-60
IDT	Deg. Centigrade	1100-1250
SIZE	mm	0-50

Guaranteed Parameters for Price Basis are:

Total Moisture (ARB) : 16%
Ash (ADB) : 10%
Sulphur (ADB) : 0.80%
Gross Calorific Value (ADB) : 6300 Kcal/Kg

Note: The bidder shall be free to offer coal of any origin but shall have to ensure and mention that the parameters are within the acceptable range for GCV(ADB), TM (ARB), Ash (ADB) and Sulphur (ADB) at which the prices have been offered.

**PROFORMA FOR BANK GUARANTEE FOR EMD
(TO BE STAMPED IN ACCORDANCE WITH THE STAMP ACT)**

BANK GUARANTEE NO.____

DATE_____

REF No.

STC

1. WHEREAS STC of India Limited, New Delhi-110001, India, (hereinafter called STC) has invited bids vide Global Tender NO. STC/ (hereinafter referred to as Invitation to Bids) for supply of 3.00 Million MT imported coal.
2. AND WHEREAS the said invitation to Bid requires that any eligible bidder intend to make a bid in response thereto shall furnish an irrevocable bid guarantee amounting to Rs...../ US\$..... in favour of STC, New Delhi in the form of a Bank Guarantee of Rs...../ US\$..... with a validity of 150 (One Hundred Fifty) days from the date of submission of bids.
3. AND WHEREAS at the request of M/s _____(Name of the Bidder) We _____(Name & address of the Bank) do hereby unconditionally and irrevocably guarantee and undertake payment to STC, New Delhi upto and not exceeding the sum of Rs...../ US\$..... with a validity period upto 150 (One Hundred Fifty) days and that the Bidder, M/s _____ :-
 - a) Shall keep his bid firm and valid for acceptance by STC upto 120 days (One Hundred Twenty days) from the date of submission of bids;
 - b) Shall, in the event of the bid being accepted by STC, within Fifteen (15) days from the date of date of issuance of Letter of Intent (LOI) execute an Agreement for supply of imported coal.
 - c) Shall in the event of issuance of LOI by STC within 15 days the Bidder shall establish a Performance Guarantee in favour of STC of India Limited, in the form of Bank Guarantee equivalent to 10% of C&F contract value of imported coal, with a validity period of 06 (six) months beyond the expiry of validity of agreement.
4. We _____(Name and Address of the Bank) (hereinafter referred to as the Bank which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee that in the event of the said Bidder failing to abide by any of the conditions referred to in any of the preceding paragraphs, this Bank shall pay to STC of India Limited, New Delhi, India on demand without STC having to substantiate its demand and without protest or demur and without any reference to the said Bidder a sum of Indian Rs...../US\$ This Bank further agrees that the decision of STC as to whether the said bidder has committed a breach of any of the conditions referred to in the preceding paragraphs shall be conclusive, final and binding.
5. We _____(Bank) undertake to pay the amount demanded by STC, not exceeding the sum of Rs._____/US \$_____ only without any demur, delay, protest and without any reference or recourse to M/s_____(Bidder) notwithstanding any dispute raised by _____(Bidder) in any suit proceedings relating there to pending before any court or tribunal our liability under these presents being absolute and unequivocal.

6. The payment shall be made to STC, New Delhi across the counter of this bank on the same day of receipt of invocation of this bank guarantee.
7. NOTWITHSTANDING anything to the contrary contained hereinabove, liability under the Guarantee is restricted to Indian Rs. / US\$..... only
8. Your demand in writing may be presented to the Bank by Courier/Fax/Airmail/Speed Post/Registered Post or in person and the same shall be binding on us.
9. This guarantee will not be discharged due to change in the constitution of the Bank or the said M/s _____(Bidder).
10. The liability of this bank shall discharge upon receipt of Rs.____ / US\$____ only by STC
11. 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 STC in writing.
12. This Guarantee is governed by the Laws of India and comes into force forthwith.
13. We have the power to issue this guarantee in your favour under the Charter of our Bank and the undersigned has full power to execute this Guarantee under the Power of Attorney granted by the Bank.

Signature: _____
Name and code: _____
Designation: _____

Seal of the Bank: _____

Annexure-D**CHECK LIST FOR BANK GUARANTEE VERIFICATION BY BIDDER**

SL. NO.	GUIDELINES	YES	NO
1.	Is the BG on non-judicial stamp paper of appropriate value, as per Stamp Act?		
2.	Whether date, purpose of purchase of stamp paper and name of the purchasers are indicated on the back of Stamp Paper under the signature of Stamp Vendor? (The date of purchase of stamp paper should be not later than the date of execution of BG and the Stamp Papers should be purchased either in the name of the executing Bank or the party on whose behalf the BG has been issued. Also the Stamp Paper should not be older than six months from the date of execution of BG).		
3.	In case BGs from banks abroad, has the BG been executed on Letter Head of the Bank		
4.	Does the issuing Bank have Net Worth of at least Rs. 500 Crores and Capital Adequacy Ratio of 9%?		
5.	Has the executing Officer of BG indicated his name designation and Power of Attorney No./Signing Power No. etc. on the BG?		
6.	Is each page of BG duly signed/ initialed by executants and whether stamp of Bank is affixed thereon? Whether the last page is signed with full particulars including two witnesses under seal of Bank as required in the prescribed proforma?		
7.	Does the Bank Guarantees compare verbatim with the Proforma prescribed in the Bid Documents?		
8.	Are the factual details such as Bid Document No./NOA/LOA/Contract No., Contract Price, Percentage of Advance, Amount of BG and Validity of BG correctly mentioned in the BG?		
9.	Whether overwriting /cutting if any on the BG have been properly authenticated under signature and seal of executants?		
10.	Does the covering letter of BG issuing bank provides details of next higher authority of the Bank officials who have issued the BG?		
11.	Whether the BG has been issued by a Bank in line with the provisions of Bid/Contract Documents?		
12.	In case BG has been issued by a Bank other than those specified in Bid/Contract Document, is the BG confirmed by a Bank in India acceptable as per Bid/Contract Documents?		

Annexure-E

PROFORMA FOR BANK GUARANTEE FOR CONTRACT PERFORMANCE

(To be stamped in accordance with Stamp Act)

Ref : Bank Guarantee No.....

Date :

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

Dear Sirs,

In consideration of STC of India Limited (hereinafter referred to as the "STC" which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/ s a company within the meaning of the Companies Act, 1956 and having its Head Office at (complete address) (hereinafter referred to as the 'Supplier' which expression shall unless repugnant to the context or meaning thereof, includes its successors, administrators, executors & assigns) a Contract by entering into an Agreement with 'Supplier under Ref No dated and the same having been unequivocally accepted by the 'Supplier' resulting in a 'Contract' for purchase of imported Non-coking Steam Coal on FOR Destination basis at DVC Power Stations and the 'Supplier' having agreed to provide a Performance Guarantee of the faithful performance of the entire contract equivalent to 10% of C&F contract value.

We, (Name & Address of Bank) having our Head Office at (complete address), (hereinafter referred to as the 'Bank' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors & assigns), do hereby guarantee and undertake to pay the STC Rs. _____, on demand any and all monies payable by the Supplier to the extent of Rs. _____ as aforesaid at any time up to without any demur, reservation, contest, recourse, or protest and/or without any reference to the Supplier. Any such demand made by the STC on the Bank shall be conclusive and binding notwithstanding any difference between the STC and Supplier or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority. The Bank undertakes not to revoke this guarantee during its currency without previous consent of the STC and further agrees that this guarantee herein contained shall continue to be enforceable within its validity.

The STC shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to extend the time for performance of Contract by the Supplier. The STC shall have the fullest liberty, without affecting this guarantee to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Supplier, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied in the contract between the STC and the Supplier or any other course of remedy or security available to the STC. The Bank shall not be released of its obligations under these presents by any exercise by the STC of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the STC or any other indulgence shown by the STC or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Bank.

The Bank also agrees that the STC at its option shall be entitled to enforce this guarantee against the bank as a principal debtor, in the first instance without proceeding against the Supplier and notwithstanding any security or other guarantee that the STC may have in relation to the Supplier's liabilities.

Notwithstanding anything contained hereinabove our liability under this guarantee is restricted to and it shall remain in force up to and including

Dated this day of --.....----- at

WITNESS

1)

SIGNATURE

NAME

OFFICIAL ADDRESS

SIGNATURE

NAME

DESIGNATION

BANK'S COMMON SEAL

SIGNATURE

ATTORNEY AS PER POWER OF ATTORNEY NO

NAME

DATE

OFFICIAL ADDRESS.....

**END-USER CERTIFICATE FOR SUPPLIES OF QUANTITIES
(ON THE LETTER HEAD OF END-USER / PSU)**

NO.

DATED :

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

This is to certify that, M/s _____(bidder) have supplied imported coal to us as per details given below:

Period of Supply (Financial year)	Quantity (MT)

This certificate is issued at the request M/s _____ (bidder) for the purpose of participating in tender/s.

(Signature Of Authorised Person
With Full Address)

PLACE:
DATE:

Note: In case supplies have been made through PSU/s, the certificate from PSU must indicate the name of the end-user.

**CERTIFICATE FROM STATUTORY AUDITORS OF THE BIDDER FOR SUPPLIES MADE
OF IMPORTED COAL
(On the Letter Head of Statutory Auditors)**

NO.

DATED :

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

We have examined the books of accounts, records and other relevant documents, alongwith other necessary information and explanations furnished by M/s._____having office at _____. We hereby certify that M/s_____ (bidder) has supplied imported coal to end-user (power / cements / steel fertilizers / industrial utilities) directly or through PSU(s) as under:

S.NO.	NAME OF THE END-USER / PSU(S)	FINANCIAL YEAR	QUANTITY SUPPLIED (MTs)

PLACE :
DATE :

SIGNATURE
NAME OF THE PARTNER / PROPRIETOR
MEMBERSHIP NO.
SEAL OF STATUTORY AUDITORS

Annexure-H-1

**HANDLING EXPERIENCE CERTIFICATE FROM END-USER FOR HANDLING OF
DRY BULK COMMODITY INCLUDING PORT OPERATIONS AND DELIVERY UPTO
DESTINATION
(ON THE LETTER HEAD)**

NO.

DATED :

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

This is to certify that M/s _____(Name and address of the bidder) have handled Dry Bulk Commodities (Solid Commodity) like Coal, Fertilizers and Cement etc including port operations and delivery upto destination as per details given below –

S.NO.	NAME OF THE COMMODITY	FINANCIAL YEAR	QUANTITY HANDLED, INCLUDING PORT OPERATIONS AND DELIVERY UPTO DESTINATION

This certificate is issued at the request of M/s _____for the purpose of participating in tender/s.

PLACE :
DATE :

SIGNATURE OF AUTHORISED PERSON
WITH FULL ADDRESS

**HANDLING EXPERIENCE CERTIFICATE FROM ASSOCIATE FOR HANDLING OF
DRY BULK COMMODITY INCLUDING PORT OPERATIONS AND DELIVERY UPTO
DESTINATION
(ON THE LETTER HEAD)**

NO.

DATED :

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

This is to certify that we, M/s _____ (Name and address of the associate of the bidder) have handled dry bulk commodities (solid commodity) like coal, fertilizers and cement etc including port operations and delivery upto destination as per details given below –

S.NO.	NAME OF THE COMMODITY	FINANCIAL YEAR	QUANTITY HANDLED, INCLUDING PORT OPERATIONS AND DELIVERY UPTO DESTINATION	NAME OF THE END USER

This certificate is issued at the request of M/s _____ for the purpose of participating in tender/s.

PLACE :
DATE :

SIGNATURE OF AUTHORISED PERSON
WITH FULL ADDRESS

Annexure-I

**CERTIFICATE FROM STATUTORY AUDITORS OF BIDDER / OR ITS ASSOCIATE
FOR HANDLING OF DRY BULK COMMODITY INCLUDING PORT OPERATIONS
AND DELIVERY UPTO DESTINATION**

(ON THE LETTER HEAD OF STATUTORY AUDITORS)

NO.

DATED:

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

We have examined the books of accounts, records and other relevant documents, alongwith other necessary information and explanations furnished by M/s. _____ (bidder) /its associate having office at _____. We hereby certify that M/s. _____(bidder) /its associate have handled including port operations and delivery upto destination dry bulk commodity in India as per details given below:.

SN	Name of the Party	Commodity Handled	Financial Year	Quantity (MTs)

PLACE :
DATE

SIGNATURE
NAME OF THE PARTNER / PROPRIETOR
PARTNERSHIP NO. _____
SEAL OF STATUTORY AUDITORS

POWER OF ATTORNEY

**(In favour of the Partner authorized to sign/execute documents)
To be submitted by all partners of Joint Venture/Consortium**

TO BE STAMPED AS PER THE STAMP ACT

We, (Name of the Partner) partner in Joint Venture/Consortium participating in the invitation for bid for supply of 3.00 MMTs of imported coal, existing under the laws of (name of Partner's country) having its principal office at (address of Partner's office) hereby appoint and authorize (name of the Partner authorized) existing under the laws of (name of Partner's country), and having its principal office at (address of Partner authorized) as its lawful attorney to do, in the name of aforesaid joint venture/consortium company, any acts mentioned below, concerning the tender for supply of coal to STC OF INDIA LIMITED.

- 1) To participate in the tender/bid No.....
- 2) To enter into the contract and
- 3) To receive instruction for and on behalf of any or all the partners of Joint Venture/Consortium.
- 4) To take all the action for entire execution of the contract on behalf of all the partners of the Joint Venture/Consortium; and
- 5) To do any other act related thereto.

This Power of Attorney comes into effect forthwith and shall remain in full force as per the terms of the bid documents and the subsequent contract, in case of the successful bidder.

Signature of Partner Authorized

Yours faithfully,

Name

Name

Designation

Designation

Address

Seal of Partner company

Seal of Partner authorized.

CERTIFICATE REGARDING NO DEVIATIONS
(On letter head of the Bidder)

Tender No. STC/HYDRO/IMP COAL/DVC/500/13-14 dated 15.01.2014

To,

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

Sub: Tender for Procurement of 3.00 MMT of imported coal for the year 2013-14 & 2014-15 for power plants of DVC.

Dear Sir,

We hereby certify that we have gone through all terms and conditions of your TENDER NO. STC/HYDRO/IMP COAL/DVC/500/13-14 dated 15.01.2014 and confirm that the bid submitted by us is in total compliance of the terms of bid documents and no deviations whatsoever are incorporated in our bid.

We further undertake that the entire work shall be performed as per the terms of the above bid documents.

Date :

Signature of Authorized Person
(Name & Designation)
Official Seal/Stamp

DECLARATION FOR HAVING SUBMITTED SINGLE OFFER

To,

STC of India Limited,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg
New Delhi-110001, India

Dear Sir/(s)

We have submitted our offer bid against your Tender No. STC/HYDRO/IMP COAL/DVC/500/13-14 dated 15.01.2014 for supply of 3.00 MMT of imported coal to you account DVC.

We hereby confirm that we have submitted only 1 bid and have not submitted price in conjunction with any other bidder or have submitted bid in any other name either directly or indirectly.

Yours faithfully,

Date:

Place:

Signature.....

Printed name.....

Designation.....

Common Seal.....

FORMAT OF AFFIDAVIT

Tender No. STC/HYDRO/IMP COAL/DVC/500/13-14 dated 15.01.2014
(TO BE STAMPED IN ACCORDANCE WITH THE STAMP ACT)
TO BE NOTARIZED BY A NOTARY PUBLIC

Affidavit of Shri _____ S/O _____ Aged about _____
R/O _____

I, the above named deponent do hereby solemnly affirm and declare as under:-

1. That I am working as _____ (Designation) in _____ (Name and address of the bidder) since _____
2. That I am duly authorized by _____ (name of the bidder) to submit this affidavit of its behalf.
3. That bidder is submitting a bid in response to invitation for bid for supply of 3.00 Million Metric Ton of imported steam coal for power plants of DVC.
4. That bidder is not Black listed or Banned as on date of submission of bid in any of the power utilities/Government/ Semi Government/ Government Undertaking Organizations in India.
5. That bidder has successfully fulfilled all the contractual obligations in all organizations, referred to in Para 4 above, including supply of coal from given origin.
6. That if at any point of time the declarations given above are found to be incorrect, STC of India Limited, New Delhi shall have the full right to terminate the contract and take any action as per applicable laws for breach of contract including forfeiture of EMD/Performance Bank Guarantee

DEPONENT

Verification :

Verified at _____ on _____ day of _____ 2011 that the contents of my above affidavit are true to best of my knowledge. No part of it is false and nothing material or relevant has been concealed there from.

DEPONENT

Annexure - N**FORMAT OF REGULARIZING INVOICE TO BE SUBMITTED BY STC
(enclosed for information only)**

S. No.	Particulars	Unit	Amount
1.	C&F Value in Foreign Currency	US Dollar	
2	C&F Value in Indian Rupees (Exchange rate of One US\$ to Indian Rupees) [<i>Documentary evidence to be provided / submitted for exchange rate conversion</i>]	Rs.	
3.	Insurance per MT	Rs	
4.	STC's Service Charges (Margin) per MT	Rs.	
5.	Customs Duty paid per MT (<i>Documentary evidence for duty paid and statement for converting total value of duty paid to MT rate are to be enclosed</i>)	Rs.	
6.	Cost of coal including Customs Duty STC's Service Charges (Margin per MT)	Rs.	
7.	Quantity received at DVC Station - Rake-wise (<i>Quantity measurement details are to be enclosed</i>)	In MT	
8.	Total Cost including Customs Duty and STC Service Charges (Margin per MT) - (6 X 7)	Rs.	
9.	Railway freight (<i>copy of RR to be enclosed</i>)	Rs.	
10.	<u>S&Hcharges@Rs.---MT</u>	Rs.	
11.	Sales tax @ --- %age	Rs.	
12.	Total Cost	Rs.	
13.	C&F Value already released by DVC (prorata for rake-wise quantity)	Rs.	
14.	Net Amount Due	Rs.	
15.	80% Amount due at present	Rs.	

Notes:

- (a) Total Customs duty, Railway freight and Port charges paid on actual will be reimbursed to STC. All other elements of Cost including C&F price, STC Service Charges (Margin per MT) shall be based on received and adjusted Net Quantity at DVC power Station. The payments made shall be reconciled and settled during the joint quarterly reconciliation.

Any refunds received by STC on any account from concerned authorities shall be passed on by STC to DVC within five (5) working days of receipt of such refunds.

- (b) The invoice for C&F value shall be submitted rake-wise and the payment of the same shall be released rake-wise. C&F value released by DVC for every shipment shall be adjusted against rake-wise quantity received at DVC stations. The last rake received for every shipment will contain the balance amount of C&F value released by DVC, thereby adjusting total C&F value including Customs duty already released by DVC.
- (c) Every invoice will have the supporting documents as detailed in the Agreement.
- (d) Due reconciliation shall be carried out on quarterly basis between DVC and STC and adjustments, if any, shall be carried out as detailed in the agreement.
- (e) STC of India Limited shall import this coal through various discharge ports in India in such a way that the landed cost of coal at Power Station(s) is minimum considering the technical viability of coal movement by Railways / Waterways from port(s) to Power Station(s). In case of port/railway constraints, the import of coal for a particular Power Station may be routed through alternate suitable ports identified within the Agreement, however, the charges payable to the STC of India Limited under such cases shall be lower of the charges payable as per Agreement & the actual charges paid by the STC of India Limited.

FORMAT OF TRUST DEED
(Rs 100/- stamp paper)

This deed of Trust is executed on this _____ day of _____ between M/s. STC of India LTD., a Company incorporated under _____ Companies Act, having its registered office at Jawahar Vyapar Bhawan,1, Tolstoy Marg, New Delhi-110001, India, hereinafter called STC which expression shall, unless excluded by or repugnant to the context, be deemed to include its legal heirs, successors and permitted assigns) of one part and _____ **(NAME OF SUCCESSFUL BIDDER)**, having its registered office at _____, hereinafter referred to as the **SUCCESSFUL BIDDER** or **TRUSTEE** which expression shall, unless excluded by or repugnant to the context, be deemed to include its legal heirs, successors and permitted assigns).

Whereas the SUCCESSFUL BIDDER and STC have entered into an agreement vide Ref No. _____ on _____ (herein after referred to as the Said Agreement) for import, supply and delivery of _____ MMT (for 2013-14 & 2014-15) of Non coking steam Coal at DVC Power Stations on FOR destination basis over a period of Twelve (12) months. Whereas trustee intends to supply imported coal to STC at Indian Ports, arranging vessels, stevedoring, handling, storage, port clearance, arranging Railways Rakes, loading, transportation and delivery at DVC, all other activities for clearing and forwarding of the consignments like custom clearance, co-ordination with port, Railways, statutory authorities and all liaison, co-ordination at load port, discharge port, Railways, handling agent etc.

Now, therefore, this Trust Deed witnesseth and is hereby declared by all between the parties thereto as follows:-

1. That the _____ (Name of SUCCESSFUL BIDDER) act as trustee for import, supply and delivery of _____ MMT For 2013-14 & 2014-15 of Non coking steam Coal at DVC Power Stations on FOR destination basis over a period of twelve months or June 2015, whichever is later.
2. That with the arrival of each Rake with goods as per the aforesaid agreement, the Trustee Shall inform STC of the same and shall handle the goods as per the agreement and hold the same in trust in favour of STC until the cargos are delivered at the destination port of DVC.
3. That the Trustee shall permit STC, their agents and servants from time to time and at all times to enter upon any go-downs or premises where material or any part thereof may be stored and to view, inspect and value the same and take inventory thereof and to render to STC and to their servants/authorized agents all facilities as may be required for any of the purpose aforesaid.
4. That the goods under the above mentioned agreement shall be stored or kept at the trustees go-downs and/or hired premises in good condition and shall be fully insured upto 110% value of the goods.
5. That the Trustees shall make and furnish to the STC all statements and records of material and produce such evidence in support thereof as STC may require, from time to time.
6. That the Trustees hereby agree and undertake to comply with all the provisions of the orders/laws already promulgated or that may be promulgated thereafter by the Government and shall see that STC's interests are not in any way affected or prejudiced by informing the provisions thereof, and keep STC absolved of all the losses and consequences in this context.
7. That the Trustees shall give acknowledgement of receipt of material on their letter heads duly signed by their authorized signatories, to STC as and when the material is delivered to DVC.
8. That with each of the consignment having received, Trustees shall issue a receipt giving the date, stating that the cargo will be handled as per agreement and keep STC informed on daily basis regarding unloading of cargo from the vessel, receipt,

dispatch and that the cargo will be handled, stored, moved, loaded under trust under
STC's intimation and full knowledge of STC.

9. That all necessary precautions and measures will be undertaken by the Trustee to safeguard the interest of STC.
10. That trustee acknowledges that the title of the goods would remain with STC until the entire transaction is completed by the Trustee.
11. That trustees also undertake to abide by all terms of this Trust Deed along-with the terms incorporated hereinafter.
12. Any violation above conditions will be treated as Breach of Trust on the part of Trustee and STC may take any action to safeguard its interest.

In witness whereof the Trustees have hereunto set their hands at _____ on
the _____ day of _____

AUTHORISED SIGNATORIES

AUTHORISED SIGNATORIES

WITNESS:

(1)

(2)

**DETAILS OF BANK ACCOUNT FOR RELEASE OF PAYMENT THROUGH ELECTRONIC
FUND TRANSFER SYSTEM**

**(TO BE FURNISHED BY THE BIDDER ON ITS LETTER HEAD)
VENDOR CODE _____(TO BE FILLED IN BY STC)**

THE BANK ACCOUNT DETAILS ARE FURNISHED AS BELOW:

We _____(Name of the Bidder) hereby request you to give our payments by crediting our bank account directly by E-Payment mode as per account details given below. We hereby undertake to intimate STC of India Limited in case of any change in particulars given below and will not hold STC of India Limited responsible for any delay/default due to any technical reasons beyond control of STC of India Limited :-

Bank Account Number : _____
RTGS/NEFT/IFSC CODE : _____
NAME OF THE BANK : _____
ADDRESS OF THE BRANCH : _____
BRANCH CODE : _____
ACCOUNT TYPE : _____
(SAVING/CURRENT/OTHERS : _____
E-MAIL/FAX NO.OF THE : _____
BRANCH OF THE BANK : _____

A BLANK CHEQUE (CANCELLED) IS ENCLOSED HEREWITH.

I/WE hereby declare that the particulars given above are correct and complete. If the transaction is delayed or credit is not affected at all for reasons of incomplete or incorrect information, I/We would not hold STC of India Limited responsible.

Date : _____ Signature of Authorized Signatory

BANK CERTIFICATION

It is certified that above mentioned beneficiary holds a bank account No. _____ with our
branch and the bank particulars mentioned above are correct.

Date _____ Authorised Signatory
Authorisation No. _____
Name
Official Seal/Stamp

BID SUBMISSION FORM

Procurement of 3.00 MMT of Imported Coal for Financial Year 2013-14 and 2014-15

Tender Ref No. and Date: STC/HYDRO/IMP COAL/DVC/500/13-14 dated 15.01.2014
Bidder's Name and Address :

To,
Mr.

STC of India Limited
Jawahar Vyapar Bhawan
1, Tolstoy Marg
New Delhi-110001

Sub: Tender for procurement of 3.00 Million Metric Ton of Imported Coal for the Year 2013-14 and 2014-15 for power plants of DVC.

Dear Sirs,

1. We hereby submit bids for **"supply of 3.00 Million Metric Ton of Imported Coal for Power plants of DVC Limited as outlined in bidding documents of STC of India Limited.**

We have thoroughly examined and understood the instructions, Scope of work and the terms and conditions etc. covered in the bidding documents issued by STC of India Limited, being fully aware of nature and Scope of Work required.

We hereby confirm our acceptance and compliance to the entire provisions of Technical specifications, Scope of Work, and terms and conditions covered in the bidding documents. We declare that the work will be executed strictly in accordance with the requirement and bidding documents provisions.

2. We hereby confirm that we have submitted the following as per the provisions of the Bidding Document:
 - i. Signed copy of the original Bid Document as token of acceptance of the terms including Specifications of imported coal and Pricing methodology laid down therein.
 - ii. Certificates from End-User for Supplies of Quantities
 - iii. Certificate from statutory auditors for experience of imported coal supplies
 - iv. Certificate from End-User for Handling of bulk commodities
 - v. Certificate from Associate for Handling (if applicable)
 - vi. Certificate from Statutory Auditors of Bidder/Associate for Handling
 - vii. Declaration for no deviation
 - viii. Declaration for No multiple bid
 - ix. Affidavit for not having been blacklisted
 - x. Bank details for transfer of payments electronically
 - xi. Power of Attorney
 - xii. Bank Guarantee/DD No.____Dated____issued by____ (Name & Address of issuing bank) for Rs.____/US \$ Valid upto _____ towards "Earnest Money Deposit" (EMD).
 - xiii. Check List for Bank Guarantee verification for EMD

- xiv. Price Bid
- xv. Integrity Pact as per format duly signed

3. We further confirm the following:
- (a) That in case of placement of award, while invoicing, C&F Price of the Coal shall be arrived at based on the Pricing Methodology as detailed in Clause 5 – Vol. III and Annexure A – Vol. – IV covering concept and formulae for fixation of price, linking the FOB prices and Ocean Freight with CERC’s methodology of indexation and the indices for the preceding week, shall be used for the purpose.
 - (b) Issuance of Letter of Intent, along with signing of Agreement with the Successful bidder subsequently, only will constitute the formation of the contract.
4. We hereby submit our Bid and undertake to keep our Bid valid for a period of 120 days from the due date of submission of Bid i.e. upto _____. We hereby further undertake that during the said period we shall not vary/alter or revoke our Bid.

Date _____
Signature _____

Place _____
Name _____

Designation _____

Seal _____

Tender.No. STC/HYDRO/IMP COAL/DVC/500/13-14 **dated 15.01.2014**

PRICE SCHEDULE FORM

1. Name of the Bidder:
2. Address:
3. Country of Origin:
4. Period of Shipment: As per requirement of STC/DVC.
5. Total quantity offered: _____ MMT
6. FOB Price INDEX (A1):

Index: For CERC Composite Index:

- (a) API 4 : _____ as on _____
- (b) BJ (NEX) : _____ as on _____
- (c) GC NEWC : _____ as on _____

7. Ocean freight index (B1) : Singapore 380 CST Bunker Fuel Price____as on _____
(as per clause 1.4.1 of Annexure-A, Vol-IV)

1. FOB index/indices of coal as applicable for the guaranteed parameters with respect to Gross Calorific Value of coal specifications for countries of origin from where coal is offered.

Country	Index	Publication	Value as On _____

In case the country of origin is other than those listed above by the bidder, the bidders may indicate relevant index and publication preferably published by a government agency in which the index is published and submit a copy of the same. However, STC reserves the right to accept such index and/or publications.

In the event of such index and/or publication not being acceptable to STC for any reason whatsoever, the index representing the coal closest to the coal specification offered by bidder shall be considered.

SL.NO.	Particulars	Koderma(0.8MMT)	Durgapur Steel(0.8MMT)	Mejia(0.8MMT)	Durgapur(0.3MMT)	Chandrapura(0.3MMT)
	Name of Port					
A	FOB Price (USD) PMT (A3)					
B	Ocean Freight (USD) PMT (B3)					
C	C&F Price (USD) PMT					
D	Exchange Rate Indicative for evaluation for 1USD (In INR)	61.47	61.47	61.47	61.47	61.47
E	C&F Price in INR PMT					
F	Insurance Charges (to be paid at Actuals but limited to that quoted by bidder)					
G	CIF in INR PMT					
H	Customs Duty (As per Custom Regulations) However, reimbursement will be made to the bidder on actual basis.					

I	Total Port Charges including Service Tax (ST) PMT in INR					
i	Port Charges					
ii	Stamp Duty					
iii	Wharfage					
iv	Pollution Cess					
v	Terminal Charges/Wagon Haulage, Siding charges.					
vi	Any other charges at port					
vii	Total Port Charges (i+ii+iii+iv+v+vi)					
viii	ST Tax on Port Charges					
	Sub-Total (I)					
J	Handling Charges PMT in INR					
I	Entry Port Handling (INR)					
Ii	ST on Handling Charges					
	Sub-total (J)					

K	Total of (G+H+I+J)					
L	Railway Freight from Port to DVC Plant PMT in INR					
M	Total (K+L) in INR					
N	Quantity (MMT)					
O	Weighted Total (MxN)					
P	Weighted Average ($\Sigma O/3.00$)					

Guaranteed Parameters for Price Basis for offering the prices are given below. The price will be offered considering the above price basis only.

Total Moisture (ARB)	:	16%
Ash (ADB)	:	10%
Sulphur (ADB)	:	0.80%
Gross Calorific Value (ADB)	:	6300 Kcal/Kg

1. Validity of the Offer to remain 120 days from the date of submission of Technical Bid.
2. The prices are to be quoted as per format above. However the same shall be evaluated as elaborated in the tender documents.
3. The successful bidder shall import this coal through through Paradip/Haldia/Dhamra or any other East Coast Indian Port which is designated for the aforementioned plants in accordance with Railway Logistics Plan in such a way that the landed cost of coal at Thermal Power Station(s) is minimum considering the technical viability of Coal movement by Railways (in BOBR rakes)/ Waterways from port(s) to DVC's Thermal Power Station(s).
4. For evaluation purpose Customs Duty will be calculated according to the latest customs regulations.
5. Port Charges, Insurance charges, Custom duty will be reimbursed on actual basis and Railway freight as applicable but these charges shall be limited to rates offered or actual whichever is lower.
6. STC will intimate through their website / government tender website the indices to be considered i.e. index as on preceding Friday with respect to the bid closing date. The same has to be mentioned in the Price Schedule Form by the bidder in the prescribed field above.
7. Payment shall be made as per the price methodology detailed in Annexure A.

(Name & Signature of Authorised Signatory)

Date :
Place:

FORMAT FOR INTEGRITY PACT (TO BE EXECUTED ON PLAIN PAPER)

Tender.No. STC/HYDRO/IMP COAL/DVC/500/13-14 **dated 15.01.2014**

INTEGRITY PACT

Between

The State Trading Corporation of India Limited, a company incorporated under the Companies Act 1956 and having its registered office at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi - 110001 hereinafter referred to as **"STC"**,

And

....., a company registered under and having its registered office at hereinafter referred to as **"The Bidder/Contractor"**

Preamble

STC is an international trading company dealing in purchase, sale, export and import / of various commodities.

STC has invited tenders for purchase of and intends to award contract/s for purchase of the same under laid down organizational procedures, STC values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/transparency in its relations with its bidders/contractors. In order to achieve these goals, STC has appointed Independent External Monitors (IEMs), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of STC

(1) STC commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

- a. No employee of STC, personally or through family members, will in connection with the tender for or the execution of the contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which he/she is not legally entitled to.
- b. STC will, during the tender process treat all bidder(s)/contractor(s) with equity and reason. STC will in particular, before and during the tender process, provide to all bidders/contractors the same information and will not provide to any bidder(s) confidential/additional information through which the bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
- c. STC will exclude from the process all known prejudiced persons.

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(2) If STC obtains information on the conduct of any of its employees which is a criminal offence under the Indian Penal Code (IPC) or Prevention of Corruption (PC) Act, or if there is a substantive suspicion in this regard, STC will inform its Chief Vigilance Officer and initiate disciplinary actions as per laid down procedures.

Section 2 – Commitments of the Bidder/Contractor

- (1).The Bidder/Contractor commits to take all measures necessary to prevent corruption and to observe the following principles during participation in the tender process and during the contract execution.
- a. The Bidder/Contractor will not, directly or through any other person or firm, offer, promise or give to any of STC's employees involved in the tender process or in the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 - b. The Bidder/Contractor will not enter with other bidder(s)/contractor(s) into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 - c. The Bidder/Contractor will not commit any offence under the relevant IPC/PC Act. Further the Bidder/Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by STC as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 - d. The Bidder/Contractor of foreign origin shall disclose the name and address of its Agents/representatives in India, if any. Similarly the Bidder/Contractor of Indian nationality shall furnish the name and address of its foreign principals, if any. All the payments made to the Indian agent/representative will be in Indian Rupees only.
 - e. The Bidder/Contractor will, when presenting the bid, disclose any and all payments made or committed or intended to be made to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2).The Bidder/Contractor will not instigate third persons/firms to commit offences outlined above or be an accessory to such offences.

Section 3- Disqualification from tender process and exclusion from future tenders/contracts

If the Bidder/Contractor, before award of the contract or during execution thereof commits a transgression through a violation of Section 2 above or in any other form such as to put its reliability or credibility in question, STC shall be entitled to disqualify the Bidder/Contractor from the tender process or to terminate the contract, if already signed, on that ground.

If the Bidder/Contractor commits a serious violation of Section 2 above or in any other form such as to put its reliability or credibility as Bidder/Contractor into question, STC shall also be entitled to exclude the Bidder/Contractor from participating in the future tender processes for a duration as may be considered appropriate by it.

Section 4 - Compensation for Damages and Forfeiture of EMD

(1) If STC disqualifies the Bidder/Contractor from the tender process prior to the award of the contract according to Section 3, STC shall be entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security, by forfeiting the same as stipulated in the tender.

(2) If STC terminates the contract according to Section 3, or if STC is entitled to terminate the contract according to Section 3, STC shall be entitled to demand and recover from the Bidder/Contractor liquidated damages as per contract or the amount equivalent to Performance Bank Guarantee stipulated in the tender.

Section 5 – Previous transgression

(1) The Bidder/Contractor declares that it did not commit any transgressions in the last 3 years with any Company in any country with regard to any anti-corruption law or practice or with any other Public Sector Enterprise in India that could justify its exclusion from the tender process.

(2) If the Bidder/Contractor makes incorrect statement on this subject, it may lead to disqualification from the tender process or termination of the contract if already awarded.

Section 6 – Equal treatment of all Bidders/Contractors/Subcontractors

(1) The Bidder/Contractor undertakes to demand from all Subcontractor(s) a commitment in conformity with this Integrity Pact, and to submit it to STC before signing of the contract, if awarded in its favour.

(2) STC will enter into agreements with identical conditions as this one with all bidders, contractors and subcontractors.

(3) STC will disqualify from the tender process any bidder/contractor who does not sign this Pact with STC or violates its provisions.

Section 7 – Criminal charges against Bidder(s)/Contractor(s) /Subcontractor(s)

If STC obtains knowledge of conduct of a bidder, contractor or subcontractor or of an employee or a representative or an associate of the bidder, contractor or subcontractor which constitutes corruption, or if STC has substantive suspicion in this regard, STC will inform the same to its Chief Vigilance Officer.

Section 8 – Independent External Monitor /Monitors

(1) STC has appointed competent and credible Independent External Monitor(s) (IEMs) for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

(2) The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, STC.

(3) Bidders/Contractors accept that the Monitor has the right to access, without restriction, all project documentation of STC including that provided by the Bidder/Contractor. The Bidder/Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to its project documentation. The same will also be applicable to Subcontractor. The Monitor shall treat the information and documents of STC and the Bidder/Contractor/Subcontractor with confidentiality.

(4) STC will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between STC and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

(5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of STC and request the Management to discontinue or take correction action or to take other relevant action. The Monitor may in this regard submit non binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in specific manner, refrain from action or tolerate action.

(6) The Monitor will submit a written report to the CMD, STC within 8 to 10 weeks from the date of reference or intimation to him by STC and should the occasion arise,

submit proposals for correcting problematic situations.

(7) If the Monitor has reported to the CMD STC a substantiated suspicion of an offence under relevant IPC/PC Act, and the CMD STC has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commission.

(8) The word Monitor would include both singular and plural.

Section 9 – Pact Duration

This pact begins when both parties have legally signed it. It expires for the Bidder/Contractor twelve months after the last payment under the contract, and for all other bidders six months after the contract has been awarded.

If any claim is made/lodged during this time by either party, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by CMD, STC.

Section 10 – Other provisions

(1) This Integrity Pact is an independent agreement between the parties and is subject to Indian Law. The arbitration clause if any in the tender / contract shall not apply to this agreement. Place of performance and jurisdiction is the Registered Office of STC. i.e. New Delhi.

(2) Changes and supplements to this Pact as well as termination notices to be issued, if any, shall be made in writing. Side agreements have not been made.

(3) If the Bidder/Contractor is a partnership firm or a consortium, this agreement shall be signed by all partners or consortium members.

(4) Should one or several provisions of this agreement turn out to be void, the remainder of this agreement shall remain valid. In such a case, the parties will strive to come to an agreement to their original intentions.

(For & On behalf of STC)

(Office Seal)

Place :

Date:

Witness 1 :Name & Address

Witness 2 :Name & Address

(For & on behalf of The Bidder/Contractor)

(Office Seal)