

HINDUJA NATIONAL POWER CORPORATION LIMITED ,
Palavalasa Village, T.Devada Post, Steel Plant (Sub office),
Pedagantayada Mandal, Visakhapatnam-530031, A.P India

Document No: **TENDER/HNPCL/2022-23/01**



Rev No 0. Dated 26.12.2022

BID DOCUMENT FOR
SUPPLY OF IMPORTED NON-COKING COAL (4800 GAR) UP TO 1.2 LAKH TONS TO
HINDUJA NATIONAL POWER CORPORATION LIMITED ON DELIVERY TO PLANT BASIS

Site Office:

Palavalasa Village, T.Devada Post, Steel Plant (Sub office),
Pedagantayada Mandal, Visakhapatnam-530031, A.P India

Corporate Office Address:

Hinduja National Power Corporation,
Hinduja House 171 Dr A.B. Road, Worli Mumbai 400018

E-mail: sidharthadas.hnp@hindujagroup.com

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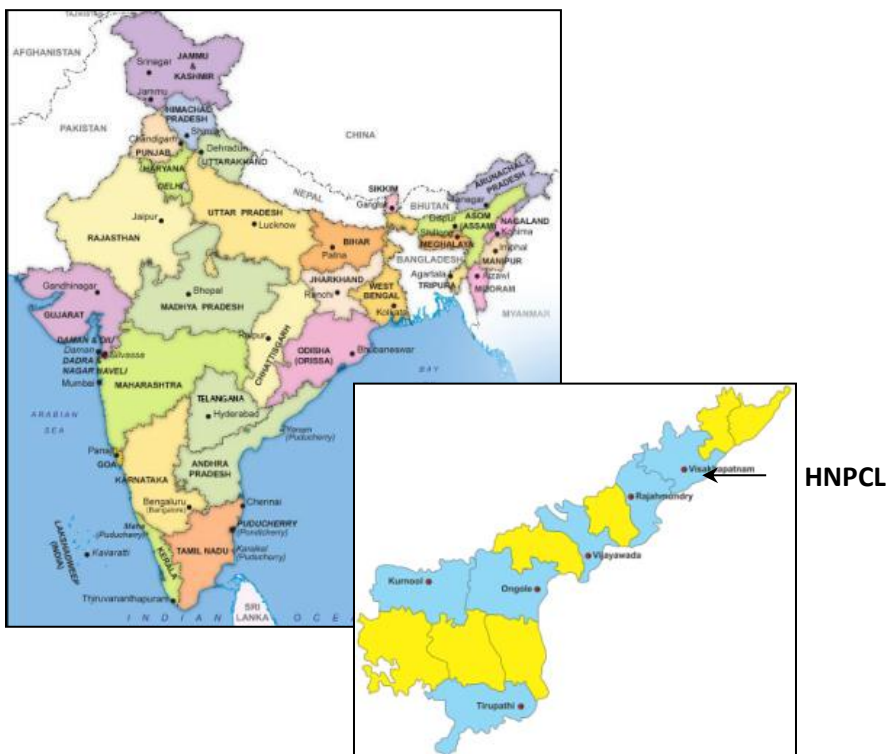
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1. Disclaimer and Misc terms

- a) This Bid Document is not an agreement or an offer by Hinduja National Power Corporation Limited (HNPCL) to the prospective Bidders. The purpose of this Bid Document is to provide potential parties with information to assist the formulation of their Bid.
- b) While adequate care has been taken to ensure the accuracy, neither HNPCL nor the directors or employees or advisors/consultants make any representation or warranty, express or implied or accept any responsibility or liability, whatsoever in respect of reliability, accuracy and completeness of the facts stated in this Bid Document, and will incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this Bid Document. The Bidder is advised to conduct appropriate due diligence to assure itself of the accuracy, reliability and completeness of the said facts.
- c) The Bidder will make independent enquiry and satisfy itself with respect to all the required information, inputs, conditions and circumstances and factors that may have any effect on its Bid. While submitting the Bid, the Bidder will be deemed to have inspected and examined the relevant infrastructure at HNPCL Plant for the satisfactory completion of the work. Bidder should note that HNPCL siding, unloading facilities for receiving the coal and sampling. These facilities will be used by multiple Parties including suppliers/contractors of HNPCL.
- d) HNPCL may at its own discretion, but without being under any obligation to do so, update, amend or supplement this Bid Document. Notice of such change will be intimated to the bidders.
- e) Bidders in their own interest may communicate to HNPCL through email their preliminary interest in the Bid process.
- f) The Bidders are requested to download the tender document and read all the terms and conditions mentioned in the tender Document. Any clarification shall be sought from the Tender Inviting Authority, prior to submission of Offer only.
- g) It is the responsibility solely of the Bidder, to keep track of any changes by viewing the Addendum/Corrigenda issued by HNPCL, from time to time on the company website. HNPCL will not be responsible for any claims/problems arising out of this.
- h) Each Bidder unconditionally agrees, understands and accepts that HNPCL reserves the right to accept or reject any or all Bids, wholly or partially, and to annul the bidding process without giving any reasons whatsoever at any time prior to awarding of contract, and in such case no bidder/intending bidder will have any claim arising out of such action.

- i) The cost on account of preparation and submission of Bid, negotiations, discussions etc., are to be incurred solely by the bidder(s) and HNPCL will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.
- j) HNPCL reserves the right to abandon this tender process at any stage or reject any or all of the Bids received without assigning any reason whatsoever. Bidders have to unconditionally accept HNPCL's decision in this regard.
- k) Canvassing in any manner may lead to disqualification/blacklisting of the Bidder.
- l) In-case of any evidence of cartelization (which may be evident by prices being close to one another) behavior during the process of bidding etc., HNPCL may decide to summarily reject the bid of such bidders. The decision of HNPCL will be final & binding in this respect and no protest/objection will be entertained. Such bidders may also be blacklisted for future participation in HNPCL Tenders.
- m) Unless otherwise specified, any requisite document is to be submitted in original.
- n) HNPCL reserves its right to make changes/amendments to the terms and conditions of PO which do not have any financial impact.
- o) Order of coal quantity approved from HNPCL may be released against tender.

2. General information



- Project site is located on the coast of the Bay of Bengal at Palavalasa village near Parawada Mandal, Visakhapatnam District in the State of Andhra Pradesh
- In close proximity to rail, road and port (Gangavaram and Vizag ports)
- Nearest Railway Station is Jaggyapalem, about 23 kms from project site
- Adjacent to NTPC Simhadri Power Plant,

Hinduja National Power Corporation Limited (HNPC-2X 520MW) a part of "Hinduja Group" having total capacity of 1040 MW Coal based Thermal Power Plant based at Palavalasa Village, T.Devada Post, Steel Plant (Sub office), Pedagantayada Mandal, Visakhapatnam-530031, A.P India

Bulk of the coal is being sourced through MCL (subsidiaries of Coal India Ltd). HNPC is proposing to purchase imported non-coking coal to meet the expected shortfall on account of quality and quantity from linked sources.

3. Qualification requirement

	Parameters	Minimum Requirement for the bidder	Documents Required to be submitted
Technical Qualification Requirements	Supply of Non-Coking/Coking Coal in any one financial year during preceding three financial years. 2021-22, 2020-21, 2019-20 or 2018-19	2.0 Lakh MT coal of Foreign/ Domestic origin as applicable	Experience/ performance Certificate duly certified by Statutory Auditors
Financial Qualification Requirements	The average annual turnover of the Bidder for the preceding three financial years as above	Rupees Two Hundred Crores	Turnover and Net Worth duly certified by Statutory Auditors
	The net worth of the Bidder for any of the preceding three financial years	Rupees Twenty Crores	
Offered Quantity (4800 Gar)	Minimum Quantity to be offered	1,2 Lakh MT	To be declared in Covering Letter

MT = Metric Ton

Notes:

- Bidding through Consortium is not permitted
- HNPCL has right to summarily reject / disqualify bidder at any stage if it transpires to HNPCL that bidder has changed its identity to defeat the past poor record and thus attempted to mislead HNPCL
- Award of PO(s) will be based on price competitiveness and requirement of HNPCL and governed by other terms and conditions of this Bid document.

4. Important time lines

Event wise schedule is as under:

Date	Event
T0	Publishing / reaching out parties
T0 + 10 days	Physical Submission of the bid by 11:00 Hrs
T0 + 12 days	Opening of Bids at 11:30 Hrs at HNPCL Visakhapatnam office

Note:

- HNPCL reserves the right to amend the above schedules. Interested parties should monitor HNPCL website for amendments/changes on a regular basis.

5. Validity Table

SI No	Document	Value (Rs.)	Validity
01	CPBG	Rs.2 Cr (Rupees Two Crore only) for HNPCL.	90 days beyond schedule dispatch of last truck or settlement of dues, if any, whichever is later.
02	PRICE BID	As appropriate for various options	The price bid will remain valid till bid date + 20 days and at any point of time within the validity.

The validity of price bid may be extended for supplies beyond January 2023 mutually between HNPCL and Bidder. However, implementation of the same can be post approval from appropriate authorities.

6. Preparation of Bid

a) The main bid proposal shall comprise as under:

Bidders are required to submit following documents.

- i. Covering letter
 - ii. Certificates
 - a. Original Certificates issued by Statutory Auditors required against technical & financial qualification requirement.
 - b. original declaration/certificate regarding non-audit of accounts of preceding year.
 - iii. The documents required to demonstrate Technical qualification
 - iv. Self-attested copy of POs/Work orders in support of work experience.
 - v. Memorandum of Association (MoA), Articles of Association (AoA).
 - vi. Certificate of incorporation and Board Resolution.
 - vii. Price bid as per the bid document.
- b) Bid must be unconditional and non-suggestive. Bids with conditions/suggestions are liable to be summarily rejected.
- c) The Bidder shall quote prices for complete Scope of Work of the Bid Document, as per clause 7. The bid and supporting documents prepared by the bidder shall be in English language only. Documents that are not in English shall be supported with notarized English translation. The English translation in such cases shall prevail for all intents and purposes. The prices shall be indicated in figures with landed price at HNPCL stations to be indicated in figures and words.
- d) Price bid documents shall be eligible and only printed version shall be accepted. Handwritten documents, erasures, over writing and other changes on price bid shall be liable for rejection.

7. Basis of bidding Options

Bidder has to quote the price applicable for the type of coal which will be valid for ordering as per validity table. The option detail is as under:

Type of coal	Applicable Price bid format	Applicable Index
4800 GAR	With price break ups as below in 7.1	Bidders to mention

Imported coal, delivered to the plant at flat price contract.

7.1 Bid price basis is as under:

The Unit rate for supply of coal is/**Metric Ton (MT)** on Stock on Sale FOR Site Basis with relevant price break ups.

7.2 In case of any deferment of dispatch schedule, no storage / cargo holding charges would be payable by HNPCL.

7.3 Bidders are required to comply with all statutory requirements including law of land of sourcing country and, laws of India.

7.4 Notwithstanding any other provision, ownership of the cargo will get transferred to HNPCL after delivery of coal at HNPCL Plant.

8. Submission of the bid

Bidders shall dispatch the original documents or shall submit in original as required at the following address. The same should reach by due date of submission as mentioned in important timelines. HNPCL shall not be responsible for any delay, whatsoever, in receipt of documents.

VP Commercial,

Hinduja National Power Corporation Limited,
Palavalasa Village, T.Devada Post, Steel Plant (Sub office),
Pedagantayada Mandal, Visakhapatnam-530031, A.P India

E-mail: sidharthadas.hnp@hindujagroup.com

- i. Bids submitted by telex/fax/e-mail shall not be considered for evaluation under any circumstances.
- ii. Any Bid received after the expiry of the time specified for receiving the same will not be considered.
- iii. Validity of Bids
 - a. The Bids submitted should be valid for acceptance till the date as mentioned in validity table in Clause 5.
 - b. The Bidder shall quote the prices in the INR currency as per Price Bid format provided in Annexure III (as applicable).

9. Evaluation of the Price Bid

- i. Evaluation would be based on the landed price (Rs/Kcal) delivered to HNPCL Plant.
- ii. Price Bids of the Qualified Bidders will be opened in the presence of HNPCL representative, and bidders representative, as per the timelines. The evaluation will be done based on eligible bid which has offered the lowest landed cost to HNPCL Plant.
- iii. Decision of HNPCL regarding the selection of the Successful Bidder will be final and binding on all the Bidders. HNPCL also reserves the right not to enter into any contract against this Bid Document, if the prices quoted/offered are not economical/ beneficial or may prove detrimental to the overall interest of HNPCL or higher than prices of coal from alternative sources. HNPCL's decision in this regard shall be final and binding on all the Bidders and HNPCL will not be liable to pay and damages/compensation/cost etc. to any Bidder.
- iv. Bidders will abide unreservedly with HNPCL's decision in the qualification process for selection of Qualified Bidder and further warrant that under no circumstances, Bidder will challenge either HNPCL's decision or its right to make such decision at any time.
- v. The Successful Bidders will be bound to accept LOI(s)/Contract(s)/PO(s), issued pursuant to this Bidding Process. Failure to do so will be construed as withdrawal of the Bid by the Successful Bidder and will result in consequences for withdrawal of the Bid. In such event HNPCL will also be free to enter into a Contract with any other Bidder participating in the process.

10. Negotiations and award of the Contract

HNPCL reserves the right for negotiations as per prudent business practices

- i. As a prudent practice HNPCL shall reserve the right to negotiate with L1 bidder to lower the price and further with L2 and so on to match the L1 price.
- ii. HNPCL may release PO(s) on the Successful Bidder(s). A single or multiple contract /PO can be awarded to Successful Bidder under the terms of this bid document.
- iii. If for any reason the Bid of the Successful Bidder is rejected or LOI/PO issued to such Successful Bidder is cancelled, HNPCL may annul the Bid process; or take any such measure as may be deemed fit at its sole discretion.
- iv. HNPCL at its option may release the Contract(s) /PO(s) without going through LOI stage.

11. CONTRACT PERFORMANCE BANK GUARANTEE (CPBG)

Within 10 working days of award of Contract, the Successful Bidder shall furnish CPBG of Rs 2 crores for HNPCL. The same will be valid as per Clause 5 (Validity table). The Bank Guarantee shall be as per the format provided. In case, a subsequent PO is issued by HNPCL, the CPBG available with HNPCL will be considered for supplies against subsequent PO.

Contract Performance Bank Guarantee will be kept as a security against unsatisfactory performance during the Period of the Bid/Contract validity. In case of such unsatisfactory performance, HNPCL at its sole discretion may invoke the CPBG either in full or in part as the situation may require; and the Bidder will have to submit a fresh CPBG or replenish the shortfall amount as appropriate within 2 (two) weeks of such invocation and intimation from HNPCL for the same to bidder. If bidder fails to submit fresh CPBG/replenish the shortfall amount as per the stipulated time of 2 weeks, then HNPCL will be at liberty to withhold the payment due for supplies already made to the extent of CPBG/replenishment required.

No interest will be payable on the Contract Performance Bank Guarantee.

12. SUPPLY CONTRACT QUANTITY AND SCHEDULE OF SUPPLY

12.1. Contract Quantity

Imported Coal of 4800 GAR: Up to 1.2 (+/-5%) Lakh Metric Tons uniformly distributed with weekly delivery schedule throughout the period from 20th Jan 2023 till May 2023. The Tentative monthly schedule is as under. The monthly schedule quantity is to be supplied evenly through out the month. HNPCL at its discretion may change the schedule as desired and the same will be communicated through weekly schedule letters

Month	Power Plants	Quantity
Jan- 23	HNPCL plant location as mentioned in the bid	0.40 Lakh MT
Feb- 23	do	0.40 Lakh MT
Mar- 23	do	0.40 Lakh MT

12.2. Additional Contract Quantity

HNPCL at its own discretion may extend the tender quantity by another 100 % giving 30 days prior notice to the designated supplier before the end of the contract.

13. Scope of work and technical specification

13.1 The Bidder's Scope of Work:

Source import and supply of imported non-coking steam Coal of foreign origin and delivery up to Hinduja National Power Corporation Limited's plant at Vishakhapatnam Andhra Pradesh as per the required specifications as under. Scope of Work also includes all the required and incidental activities thereto.

Delivery Point:

The Delivery Point for Coal will be up to the designated location i.e. up to the CHP/Fuel Sourcing at HNPCL unloading points. The Bidder will intimate HNPCL representatives in

advance regarding likely delivery period. Bidders are advised to assess all the infrastructure including the coal facilities within HNPCL

Parameters	UNIT	Specified Range
Origin	South Africa/ Australian/ Indonesia	
Port of Discharge	Gangavaram/ Vishkhapatnam	
Total Moisture (ARB) +Ash (ADB)	%	Up to 40% (Total Moisture 8%+/- 2%)
Gross Calorific Value (ARB)	Kcal/ Kg	Not less than 4600
Sulphur (ADB)	%	Up to 1.00% Max
SIZE	MM	Up to 50 mm - However, size of coal less than 2.36 mm shall not be more than 10% of the quantity received at power plant
Fixed Carbon (ADB)	%	30-50% Typical
Volatile Matter (ADB)	%	Not greater than 35%
HGI	-	45-60
IDT under reducing atmosphere	Deg Centigrade	1100 Minimum
Extraneous Material	MT	Nil
Size (less than 2.36mm) not exceeding	%	10% of quantity received at power plant

ADB: Air Dried Basis

ARB: As Received Basis

14. QUALITY AND QUANTITY ASSESSMENT:

- a) NABL accredited Third party independent agency of international repute will be appointed by Owner with mutual consent of supplier for the sample analysis.
- b) Three samples will be jointly taken by the Third Party agency in the presence of owner and Supplier from each lot for quality determination. The First sample will be analysed by Third party agency for quality. Second sample will be taken by HNPCL for its own lab analysis. Third sample will be used as Referee sample and will be used for analysis when there is any dispute. The Referee sample will be sealed and signed jointly and will be stored at Third party agency premises.
- c) The first sample quality analysis report will be applicable for lot wise payments. Owner will intimate the first sample analysis report from third party to the Supplier within 2 days from receiving it from the Third Party. Owner will clearly specify if the Third Party agency report is acceptable for payments or for rejection or disputing.
- d) If the Third-party sample report is accepted, it is to be clearly mentioned in the communication and the report will be final for all commercial purposes.
- e) On the basis of the first sample analysis report by third party agency, either party will have the right to trigger the referee sample analysis on the basis of the deviations. If the report is to be disputed, either party will intimate to the other with a clear message of disputing the report and intention of triggering the referee sample analysis.

- f) A NABL accredited Third party independent inspection agency of international repute shall be appointed in joint consultations between the Parties for analysis of referee sample.
- g) Referee sample analysis will be final for all commercial purposes and binding to both parties. The analysis of referee sample is to be intimated to supplier within 2 days from receipt of the report. The party triggering the Referee sample will bear the charges for the referee sample analysis.
- h) Quality inspections / Sampling shall be done at unloading point at HNPCL plant
- i) Any delay beyond the time stipulated as above in intimation to either party will be to the party's account.
- j) Supplier will provide ash analysis for each shipment.

The actual quantity of coal receipt at HNPCL coal yard shall be determined by HNPCL Weigh Bridge installed at HNPCL Plant. The payment for per metric ton of coal received by HNPCL shall be on the basis of HNPCL Weigh Bridge receipt only. Actual quantity for payment will be determined after quantity adjustment due to variation in Ash and TM as specified in clause 13. Supplier is to make this quantity shortfall to meet the total quantity as per PO.

Sampling, Preparation and Testing of coal samples drawn at Load Port/ Discharge Port/ Designated delivery point end shall be carried out as per below:

Parameter	At Designated delivery point
Sample collection	ASTM D 2234/D 2234M-20
Sample preparation	ASTM D-2013/D2031M21
Testing and Analysis of coal samples	
GCV (ARB)	ASTM D 5865/D5865M-19
Total Moisture (ARB)	ASTM D 3173/D 3173 M-17A
Volatile Matter(ADB)	ASTM D 3175-20
Ash (ADB)	ASTM D 3174-12 (2018)e1
Proximate Analysis	ASTM D 3172-13 (2021)e1
<i>Sulphur (ADB)</i>	<i>ASTM D 4239-18e1</i>
<i>Size</i>	<i>ASTM D 4749-87(2019)e1</i>
<i>HGI</i>	<i>ASTM D 409/D 409M-16</i>
IDT	ASTM D 1857/D 1857M-18

Note: Latest version of the standard method specified shall be applicable

15. PENALTIES & VARIOUS PRICE ADJUSTMENT ON ACCOUNT OF DEVIATION:

15.1 REJECTION

The coal shall meet the specified technical parameters. In case the following parameters of coal are exceeded, HNPCL is at discretion to reject coal with such parameters.

GCV < 4600 kcal/kg, Sulphur>1%; VM> 35%, Ash>25%, TM>30%.

15.2 Price and Weight adjustment for accepted coal

- a. The supplier has to lift the rejected coal after the rejection letter issued by HNPCL from the plant at its own cost including loading, shifting and other miscellaneous costs from the designated store yard within two weeks without causing any plant operational issues.
- b. The Gross Calorific Value (ARB) of coal has been taken as 4800 Kcal/Kg. In case the actual Gross Calorific Value of the coal receipt at site is less than 4800 Kcal/kg as per report of Third party independent inspection agency, the adjustment in the basic price of coal shall be based on the formula as under-

$$A P = \frac{B P \times A N C}{G C V}$$

AP = Adjusted Price

BP = Basic Price

ANC= Actual Net Calorific Value (ARB)Kcal/Kg

GCV= Gross Calorific Value (ARB) 4800 Kcal/Kg

- c. If the Ash goes above 25% but below rejection limit a quantity adjustment of 1.2% for 1% of additional ash
 - d. If the Ash+TM goes above 35% but below rejection limit a quantity adjustment of 1.2% for each 1% of additional Ash+TM
 - e. On the basis of the total quantity adjustment due to variation in TM and Ash, final quantity received will be arrived. The final quantity will be adjusted for variation in NCV.
- ii. Penalty on excess fines Coal in the truck .

The Bidder will endeavor to ensure that fines in the coal delivered in the truck at HNPCL plant are not above 10% of received qty.

In case qty in the truck is >10% then weight of Coal to be reduced = (A*B/100) *0.1

A= Qty received at site, B= increase in coal fines above 10%, Qty of fines is 15% then

B=(15-10) = 5.

- iii. Penalty on Lower GCV:

The GCV of the coal delivered will be analyzed on truck to truck basis, if the analyzed weighted average monthly GCV of the coal delivered deviates from the specifications then, the compensation will be derived as follows:

Coal (Base GCV of 4800 GAR)

Price Base GCV(ARB)/	Actual GCV(ARB)/GAR	Compensation	Formula
4800	=<4800 & >=4600	On Energy adjust basis	Landed price* Actual GCV/(4800)

iv Penalty on excess Sulphur:

If Sulphur content of the truck as per sampling/analysis at loading point exceeds the base Sulphur content, a penalty of Rs 200 PMT for every increase of 0.1% in sulphur will be levied

In order to have up-to-date information about indenting, loading, dispatches and movement of coal on daily basis, the Bidder will keep Fuel Sourcing Group, HNPCL informed on the following matters on daily basis:

- a. quantity indented
- b. quantity loaded
- c. quantity unloaded at port
- d. quantity at port
- e. quantity dispatched through trucks
- g. quantity pending for the day.

The above information may be shared as per the predetermined methodology (by email), generally @ 09.00 A.M. on a daily basis.

16. BILLING & PAYMENT – Bill of Exchange :

HNPCL is considering for bill discounting method for the payment.

100% Payment shall be made through Bill of Exchange (BOE). The BOE shall be prepared by supplier after delivery of the coal in the plant and receipt of Invoice by HNPCL. The BOE shall specify total usance period of 120 days from the date of receipt of invoice by HNPCL. Usance Interest as applicable for credit period of 75 Days shall be borne by the Supplier & interest as applicable for remaining credit period of 45 days shall be borne by Owner.

17. INSURANCE:

Supplier shall arrange for insurance covering all risks in the phases of Marine / transit of Coal consigned to purchaser.

18. SETTLEMENT OF DISPUTES AND ARBITRATION

The parties agree that any dispute arising due to this Purchase Order shall be first amicably resolved between the parties at the level of vice president or equivalent position of the organizations of HNPCL and the Supplier. If this effort does not yield results in a period of 45 days, then either party may refer the dispute to arbitration to be dealt with under the Arbitration & Conciliation Act, 1996. The Seat and Venue of arbitration shall be Mumbai, India. The courts in Mumbai shall have exclusive jurisdiction