

Udupi Power Corporation Limited
2 x 600 MW Udupi Power Project
Bidding Document for Draft Survey, Coal Sampling & Analysis Services at New
Mangalore Port,

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TENDER DOCUMENT
FOR DRAFT SURVEY, COAL SAMPLING
AND ANALYSIS SERVICES
AT
NEW MANGALORE PORT

OCTOBER 2014

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1.0 INTRODUCTION

- 1.1 Udupi Power Corporation Limited (UPCL), also referred to as Owner, has set up the 1200 MW (2 x 600 MW) capacity imported coal based Udupi Power Project at Yelluru village in Udupi District, Karnataka State, India. Power Purchase Agreement has been signed with Electricity Supply Companies (ESCOs) of Karnataka & Punjab State Electricity Board.
- 1.2 The Power Station is located in Udupi District of Karnataka in India, and is about 35 KM north of Mangalore city and 25 KM north of New Mangalore Port. It is flanked by Konkan Railway Line on the west and State Highway on the south.
- 1.3 The imported coal for the power station operation would be unloaded at the New Mangalore Port and transported to the power station site by rail. The Power Station is 25 kms north of New Mangalore Port (hereafter referred as Discharge Port), which is a major all weather port in India. The port has 14 berths for handling general cargo, iron ore and oil. Berth no 15 is allocated by the New Mangalore Port Trust (NMPT) to UPCL on dedicated basis to handle coal for the Power Station. The entrance channel and the lagoon in the port is dredged to (-) 15.4 m and (-) 15.1 m below chart datum respectively and is capable of handling Panamax Vessels / Ships with draft 14 meters and ships in the range of 65,000 to 90,000 DWT. The annual coal requirement of UPCL is about 3.7 million tonnes ($\pm 10\%$) and about 50 ships are expected to be received per annum.
- 1.4 Owner now proposes to appoint a Contractor at the discharge port to provide services for carrying out draft survey, coal sampling and analysis as described in this tender document and invites bids from qualified bidders as called for in the tender document.
- 1.5 The word 'Contractor' used in the tender document refers to the successful bidder following the bidding process.

2.0 ACCREDITATION

- 2.1 The bidders shall be accredited to National Accreditation Board for testing and Calibration Laboratories (NABL) for conducting coal analysis as specified in the Scope of Services.

3.0 SCOPE OF SERVICES AND RESPONSIBILITIES OF CONTRACTOR

- 3.1 The services to be performed by the Contractor under this contract shall include services as per the scope of work contained herein:
- a) Vessel's Draft Survey prior to commencement and on completion of cargo discharge at the Discharge Port. The inspection agency shall issue certificate of weight of the coal (Discharge Port certificate of weight).

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- b) Systematic collection of coal sample (One sample of 1 kg out of every 5000 Metric Tonnes of coal discharges) from continuously moving stream by automatic mechanical sampling system all in accordance with the ISO Standard 1988 - 1975 (E) as amended from time to time throughout discharge.
- c) Coal sample preparation as per ASTM Standard.
- d) Analysis of the following (on as received basis, air dried basis & dry basis) as per ISO / ASTM Standards.
 - 1. Total Moisture
 - 2. Inherent Moisture
 - 3. Volatile Matter
 - 4. Ash
 - 5. Fixed Carbon
 - 6. Gross Calorific Value
 - 7. Net Calorific Value
 - 8. Sulphur
 - 9. Hardgrove Grindability Index

The test for Gross Calorific Value (as received) shall be carried out as per latest edition of ISO 1928/ASTM D 2015. The Gross Calorific Value (as received) shall be calculated as accurately as possible as per ASTM. The Net Calorific Value shall be calculated as per ISO1928/ ASTM D 2015.

- e) Size analysis (0 - 50 mm).
 - f) Ash fusion temperature (AFT) of the coal.
 - g) Ultimate analysis of the coal.
 - h) The inspection agency carrying out the sampling and analysis at discharge port shall issue a certificate of sampling and analysis (Discharge Port Certificate of sampling and analysis).
- 3.2 The Contractor shall promptly respond to any clarification or further information required by Owner in connection with the draft survey, coal sampling and analysis carried out.
- 3.3 The Contractor shall take coal sample in accordance with 3.1 (b) and divide it into four (4) parts. The first part of the coal sample shall be used by the Contractor for coal sampling and analysis as specified above at the Discharge Port. The second and third part of the coal sample shall be suitably packed, sealed and sent by the Contractor to Owner. Owner may, at its discretion, send one sample to the coal supplier. The fourth part shall be retained by the Contractor in suitably packed and sealed condition and shall be treated as "Referee Sample" for carrying out umpire analysis if required (if there is any disagreement on the test results between Certificate of Sampling and Analysis of Load Port and Discharge Port). The

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Contractor shall retain the fourth sample for a period of not less than one hundred (100) days from the date the sample was collected.

- 3.4 Only one vessel can be unloaded at a time and the unloading rate is 25000 tonnes per day.
- 3.5 In case mechanical sampling system is not available, then Contractor shall collect the sample manually. The mechanical sampling system provided has the option to collect the uncrushed sample for Site analysis.
- 3.6 The analysis shall be carried out on the composite sample and the report should be submitted within 10 days from the date of completion of discharge of the ship.
- 3.7 The load port analysis and the discharge port analysis would be compared by the Owner and Interlaboratory tolerance as per relevant ASTM standards will be allowed.
- 3.8 The Owner shall appoint a Stevedoring Contractor and a Shore Handling Contractor at the discharge port. The Contractor shall cooperate with the other Contractors to carry out their duties under their Contract with the Owner. The quantity of 4.0 million tonnes is indicative and not guaranteed. It is expected that 3.4 million tonnes of coal would be received per annum.
- 3.9 The testing/analysis of coal for any coal samples shall be carried out by the authorized/independent inspection agency strictly as per the applicable standards and procedures listed in the contract for the parameters listed in standard Specification of Coal.

If the results of analysis of coal for any shipment of Coal shows that one or more of the parameters of Coal listed in Standard Specification for the Nominated Supply Source, is outside the acceptable rejection limits (without any tolerance on acceptable range specified) contained in Standard Specification of Coal and / or the Coal contains non-coal contaminates, the independent inspection agency shall recommend to UPCL to consider such Coal as Non-conforming Coal.

4.0 UNLOADING AT DISCHARGE PORT

- 4.1 Unloading of the coal from the vessel and its onward transportation to site would be carried out by Owner or its appointed agency. The Jetty & the coal handling facilities at the Discharge Port shall be managed / operated by Owner or its appointed agency. The Contractor shall cooperate in all respects with the Owner or its appointed agency.

5.0 TENURE:

- 5.1 The contract for the draft survey, coal sampling and analysis services would be for a period of **two years from 01.01.2015 to 31.12.2016**. Owner reserves the right to terminate the contract during the contract period in case of any breach of the contract by the Contractor.

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6.0 BID SUBMISSION AND QUALIFYING REQUIREMENT:

6.1 The Bidder shall submit the bid in two parts viz Part I: Non-financial bid and Part II: Financial bid in sealed cover in triplicate (one original + two copies). Part I shall also indicate the commercial terms and conditions of the bid and Part II shall be the price bid.

6.2 The non-financial and financial bids shall contain the following:

Part-A: Envelope I, Non-Financial bid comprising of:

- i) Covering letter for unconditional acceptance to the "Tender Document"
- ii) Letter of authorization issued by the Bidding Company in favour of the authorized person signing the Bid
- iii) DD drawn in favour of UPCL, Bangalore for non-refundable tender fee of Rs. 5,000/- (Rs. Five thousand only) in case the tender document is downloaded from the website.
- iv) DD drawn in favour of UPCL, Bangalore for Bid Security (EMD) of Rs. 2,00,000/- (Rs. Two lakhs only)
- v) Documentary evidence in support of the Bidder's experience.

Part-II: Envelope II, Financial bid

The Bidder shall submit Financial Bid duly signed by the authorised person as per Annexure I

The Bids are to be submitted in a single closed cover envelope containing Envelope I (Non-Financial Bid) and Envelope II (Financial Bid) each one duly closed separately; Envelope I (Non-Financial Bid) should be marked as "**Non Financial Bid for Draft Survey, Coal Sampling and Analysis Services for UPCL Project**" and Envelope II should be marked as "**Financial Bid for Draft Survey, Coal Sampling and Analysis Services for UPCL Project**".

The Bids shall reach Owner on or before 14.30 Hrs on Owner shall not be responsible for any delay in receipt of the Bid. Any Bid received after the Bid submission date and Time shall be returned unopened.

Opening of Non Financial Bid: Onat 15.00 Hrs

Opening of Financial bids of technically qualified bidders: Will be communicated

6.3 Only bidders well experienced in similar work shall submit their offers. The bidder shall submit along with his bid his experience list in handling similar works. The Bidder shall clearly mention in his bid the quantity of coal handled by them in their previous experience. The Bidder should have handled at least two (2) million tonnes of coal per annum in the preceding 3 financial years for any industrial utility. In support of aforesaid experience bidders shall furnish performance certificate from end users/PSUs.

6.4 The bid shall cover the complete scope of works as enumerated in this specification. If required bidder shall visit the facility to apprise himself of the complete scope of work

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expected under this contract. Bids not covering the complete scope of work are liable to be rejected.

6.5 Bid shall be submitted within the time period specified in the Notice Inviting Tender (NIT). Bids received after the due date and time will be rejected.

6.6 The bids shall be valid for a period of **60 days** from the date of opening of the bid.

6.7 The Bidder shall have to submit Earnest Money Deposit (EMD) of Rs.1,00,000/- (Rs One Lakh only) in the form of Crossed Demand Draft issued by any Nationalized/Schedule Bank drawn in favour of UPCL. The EMD shall be forfeited if Bidder withdraws or modifies bid during Bid Validity Period. The EMD of successful bidder shall be retained as Contract Performance Guarantee for the entire period of contract. The EMD shall be returned to the unsuccessful bidders within **30** days of expiry of bid validity period. No interest shall be paid on the EMD amount.

7.0 BID EVALUATION

7.1 Part I of the bid would be opened first on the scheduled bid opening date. The technical part would be reviewed and clarification as necessary would be sought from the bidders if required.

7.2 The price bids of only the technically responsive bidders would be opened on a specified date and the bidder would be selected after evaluation of the price bids.

7.3 The Owner will award the contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined as the lowest evaluated bid, provided further that the bidder is determined to be qualified to perform the contract satisfactorily

8.0 NOTICES FOR HANDLING THE CARGO:

8.1 Owner shall communicate to the Contractor by informing details of the vessel bringing the cargo

8.2 Owner would provide three days advance notice to the Contractor before the date of arrival of the vessel, which will be in writing by fax or e-mail to enable the Contractor to take all steps for carrying out services in respect of the draft survey, coal sampling and analysis. For the removal of doubt, three days will mean to include three working days including Sundays and any other holidays. In exceptional cases, a shorter notice can be given by Owner but not less than 24 Hours.

9.0 PRICE AND SERVICE CHARGES:

9.1 Bidder shall indicate the service charges for the draft survey, coal sample and analysis services as per the scope of work mentioned above. The prices shall be quoted in Rs per MT

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of coal handled. Percentage of Taxes and Duties (if any) and the Service Tax shall be indicated in Annexure I of the Financial Bid. The prices shall remain firm during the term of the contract.

- 9.2 The price quoted shall be inclusive of all taxes and other statutory levies (breakup of price quoted, applicable taxes etc., needs to be indicated separately). However the invoice shall include the applicable service tax separately and the service tax registration number shall be clearly indicated in the invoice to enable payment by Owner.

10.0 TERMS OF PAYMENT:

- 10.1 Upon submission of reports covering draft survey, coal sample & analysis reports as per the scope of work, the Contractor shall forward the bills to Owner for payment. Payment shall be made within 15 (fifteen) days after verification. TDS shall be deducted at applicable rates.

11.0 PERIOD FOR COMPLETION:

- 11.1 The Contractor shall coordinate with Owner to match the completion of their services with the completion of unloading of the ship by Owner or its appointed agency.

12.0 PENALTY:

- 12.1 Penalty shall be levied for delayed services, at the rate of 0.5 % per day or part thereof of the value of the service charges. However, if the delay is attributable to Owner, no penalty will be applicable. This penalty is applicable separately for each shipment.

13.0 GENERAL CONDITIONS AND OBLIGATIONS:

- a) The Contractor shall execute, complete and maintain the works in strict accordance with the contract to the satisfaction of the Company's authorised representative and shall comply with and adhere strictly to his instructions and directions on any matter (whether mentioned in the contract or not) concerning the works.
- b) The Contractor shall provide all necessary services during the execution of the works and as long thereafter as the company's authorized representative may consider necessary for the proper fulfilling of the Contractor's obligations under the contract.
- c) Owner's Authorised Representative shall be at liberty to object to and require the Contractor to remove forthwith any person employed by the Contractor in or about the execution of the works, who in his opinion misconducts himself or is incompetent or negligent in the proper performance of his duties or whose employment is otherwise considered by the Owner's authorised representative to be undesirable and such person shall not be again employed upon the works without the written permission of the Owner's authorised representative. Any person so removed from the works shall be replaced by the Contractor without delay by a competent substitute approved by the Owner's authorised representative

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- d) Owner shall not be liable for or in respect of any damages or compensation payable at law in respect or in consequence of any accidents or injury to any workman or other person in the employment of the Contractor or his sub-agencies, his agents or servants and the Contractor shall indemnify and keep indemnified the Owner against all such damages and compensation and against all claims, demands, proceedings, costs, charges and expenses, whatsoever in respect thereof or in relation thereto. The Contractor shall arrange for fulfilment of legal formalities in case of an accident.
- e) Owner shall not at any time be liable for the loss of or damage to any of the equipment, materials, consumables, etc if any which have been brought by the Contractor.
- f) The Contractor is responsible for the loss of or damage to any of the equipment, materials, consumables, etc if any caused to the vessel and / or the property of the shipping company.
- g) The Contractor has to abide by all the labour rules and regulations in respect to each and every labour directly or indirectly engaged on the works in connection with the execution of the contract. The Contractor shall be fully responsible to comply with and fulfil the provisions of all relevant statutory provisions under the law and all future enactments thereof, and all other legislations and rules of the state and / or central government or other local authority, framed from time to time governing the protection of health, sanitary arrangements, wages, welfare and safety for labour employed on the works. The rules and other statutory obligations with regard to wages, welfare and safety measures, maintenance of register etc will be deemed to be part of the contract.
- h) Contractor shall provide all necessary safety gadgets like Safety Shoes; helmet etc. to his employees when they enter the port premises for the purposes of this agreement. Neither the Contractor nor his employees will be permitted to enter port premises without safety gadgets. The Contractor will ensure strict compliance of safety measures adopted by the Port authorities. Any violation of safety measures by Contractor or his employee will be taken seriously and in such situation Owner reserves its right to cancel the contract.
- i) Under no circumstances the Contractor can stop work relating to his contract. Remedial measures shall have to be taken by him in case of any dispute and the decision of the Owner will be binding on the service provider.
- j) If the Contractor fails to execute the job within a reasonable period or refuses to execute or arrange to execute for any reason whatsoever, Owner reserves the right to get the job done by any other person at the risk and cost of the Contractor besides recovery of all losses on this contract and adjust the bill.
- k) The Contractor shall be responsible to secure compliance with all central and state laws as well as the rules, regulations, bye-law / notifications and orders of the local authorities and statutory bodies as may be in force from time to time. The Contractor

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shall make good at his own cost, any damages to the property of anybody, persons, local authorities etc. due to or arising from his operations involved under this contract. The age limit for employment of labour shall be in strict accordance with the existing labour law, rules and regulations.

- l) Contractor shall undertake that it will not submit any Bond / declaration / communication to any authority without prior consent / approval from Owner. Owner shall not be bound by any declaration or undertaking given by the Contractor to any Authority on their own account without Owner's approval.
- m) Contractor shall faithfully and diligently carryout his obligations under this contract and comply with and act within the mandate of applicable law and regulations.

14.0 CONFIDENTIALITY

Contractor understands that entering into Contract with Owner means that Contractor and or its workers/employee will possibly come into contact and/or learn about privileged information pertaining to Owner. Contractor agrees not to divulge any of this confidential information to any third party without the expressed written consent of the Owner. Failure to keep such information private could result in legal action on the part of Owner, and/or revocation of the terms of this Contract

15.0 INDEMNITY

- I. That the Contractor hereby shall undertake to indemnify and keep harmless forever, the Owner from and against all losses, claims, demands, actions, liabilities and expenses under any labor enactment in respect of the labor involved in the said Services, for the period of the Contract, which might arise during the subsistence of the Contract or at any future point of time. The above said indemnity would include compliance under the Minimum Wages Act, 1948, The Employees' State Insurance Act 1948, if applicable, The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and any other extant Act or any other Act, which might become applicable or which might come into force during the tenure of the Contract.
- II. In case of any manner of action initiated by the Authorities implementing or enforcing labour laws against the Owner in respect of the workers/employees of the Contractor or any of its Sub-contractor/s, notwithstanding and without prejudice to the other civil remedies for damages available to the Owner, by virtue of the indemnity clause herein contained, the Owner shall, in addition, be entitled to implead the Contractor as a necessary party to the proceedings before such authority.
- III. That Owner shall be not liable for all or any damage to Contractor at "Specified Area" or injury to Contractor's workers/ employees or third party caused due to any act of omission or commission or negligence on the part of its employees/agents.

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16.0 FORCE MAJEURE

If at any time, during the continuance of this Contract, the performance in whole or in part by either party of any obligation under this Contract be prevented or affected or delayed by reason of:

war, hostilities, acts of the public enemy or belligerents, sabotage, blockage, revolution, insurrection, riot, or disorder, expropriation, requisition, confiscation or nationalization; act of God; fire, frost, earthquake, storm, tsunami, flood, lightning, or to government taking over whether or not by formal requisition on national security grounds; epidemic, quarantine; External strikes or combination of workmen, lockouts or other labour disturbances; explosion, implosion, malicious damage, accidents by fire or otherwise to plants, storage facilities, installations, machinery, or to transportation or distribution facilities or equipment; or any other event, whether or not of the same class or kind of those above set out excluding those events which are directly or indirectly caused by the employees/workers/agents of the contractor. Hereinafter referred to as "**FORCE MAJEURE EVENT**" or "**EVENT**", neither party shall, by reason of such "**EVENT**", be enlisted to terminate this Contract, nor shall any party have any claim to the damages against the other in respect of such non-performance or delay in performance, provided that notice of happening, of any such "**EVENT**" is given by either party to the other **within 7 (seven) days** from the date of occurrence of such "**EVENT**".

The Parties shall resume their performance under this Contract immediately after cessation of the subsistence of the EVENT. The period of this Contract shall also automatically extend corresponding to the period of subsistence of an "EVENT".

17.0 ASSIGNMENT

The contract once entered shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party shall assign any of the rights or obligations under this Agreement to any third party without the prior written consent of the other party.

18.0 ARBITRATION:

18.1 In case of any dispute or difference between the Parties the matter shall be decided by mutual negotiation & agreement. If any difference persists on a matter of law or interpretation of this document the matter shall be referred to Arbitration under the Arbitration and Conciliation Act 1996 or amendments thereto. The Contract shall be governed by, construed and interpreted in accordance with the laws in India. The venue of Arbitration shall be at Bengaluru, Karnataka State, India. The Arbitration shall be held in English language and the award of the Arbitration shall be final and binding to both the parties.

19.0 JURISDICTION

Courts at Bangalore will have the Jurisdiction to consider any dispute under this Contract

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20.0 ENTIRE CONTRACT

Contract on execution shall become the entire agreement between the parties. Execution of this Contract shall supersede all prior correspondence, negotiations and agreements (whether written or oral) between the parties made prior to the date of entering the Contract.

21.0 TERMINATION OF THE CONTRACT

In case of a breach committed by a party, the other party shall have to give a notice to the party committing the breach notifying the said breach. The party committing the breach shall have to rectify the breach within 15 days or as mutually agreed, from the date of receipt of such notice. On rectification of the said breach a communication to that effect shall be sent to the other party. If the party committing the breach fails to rectify the breach within the stipulated period, the other party reserves the right to terminate the contract by giving 30 days notice.

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Annexure I, Financial Bid

Rate in Rs. Per MT for conducting scope of work as at clause 3.0 of tender document for Draft Survey, Coal Sampling and Analysis services at New Mangalore Port (excluding taxes)	
Taxes & Duties (if any) Indicate the percentage	
Service Tax (Indicate the percentage)	

Authorised Signatory