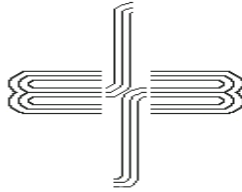


PUNJAB STATE ELECTRICITY



**SPECIFICATIONS
FOR
FORMING
JOINT VENTURE COMPANY
FOR
ALLOTMENT, DEVELOPMENT AND MINING OF COAL
FROM
COAL MINES/BLOCKS OF PSEB
AND
SUPPLY TO POWER PLANTS
IN
THE STATE OF PUNJAB**

Issued By:-

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1. **Introduction :-** Punjab State Electricity Board is going to develop following coal based Thermal Power Projects on BOO (Build, Own & Operate) mode / on EPC (Engineering , Procurement and Construction) mode to meet up the deficit of power in Punjab :-

Sr. No	Name of Project	Capacity of Plant	Requirement of coal per annum (Million Metric Tonnes)	Capacity of coal block required for 25 yrs (Million Metric Tones)
1.	1980 MW Thermal Power Project Talwandi Sabo	1980 MW	9.6	300
2.	1320 MW Thermal Power Project Rajpura	1320 MW	6.4	200
3.	2640 MW Thermal Power Project, Gidderbaha	2640 MW	12.8	400
4.	500 MW GNDTP Bathinda (Extn.)	500 MW	2.4	100
		Total	31.2	1000

PSEB requires about 31.2 Million Metric Tonne of coal per annum for generation at these thermal power stations.

- 1.2 To meet the coal requirements for its upcoming thermal power stations, PSEB proposes to develop new Coal Mines / Blocks for supply of quality coal to its power stations. Coal Mines / Blocks with minimum mining capacity of 500 Million Metric Tonnes shall be got allotted in the name of Punjab State Electricity Board from Ministry of Coal Govt of India through "Government Dispensation route" .
- 1.3 PSEB is interested to join hands with some well established, experienced and financially sound parties / companies to form a joint venture company that will look after all affairs

relating to Selection / Allotment / Development / Mining / supply of coal to Power Stations run by PSEB and / or power stations got developed by PSEB through competitive bidding / MOU from the Coal Mines / Blocks to be allotted to PSEB, for the purpose, by the Ministry of Coal, Govt. of India.

2. Status of the Joint Venture Company

PSEB will apply for allotment of coal blocks under 'Govt. Dispensation Route' from Ministry of Coal, Govt of India. To meet procedural compliances required for operation of coal blocks allocated under 'Govt. Dispensation Route', PSEB will form a Joint Venture with 51% equity share of PSEB and balance equity will be of the party bidding for JVC. Paid up capital of JVC will be Rs.10 crores (Rupees Ten crores) . Beyond 51% of this paid up capital, PSEB will not make any investment in future.

The selected party is supposed to handle all the pre operative and post operative functions so that regular coal supply to PSEB Thermal Plants is assured. For this although PSEB will extend all its support / procedural assistance but would like that all day to day affairs and getting various clearances / licenses etc at any stage is to be handled by the selected JV partner. The JVC partner of PSEB shall have all operative freedom. There shall be eight Directors of the JVC with equal representation by PSEB. Accordingly, four Directors (including Chairman of the Company) are to be from PSEB and four Directors (including Managing Director of the Company) is to be that of company entering Joint Venture with PSEB.

3. Scope of Service

The basic pre-operative and post-operative responsibilities of bidder entering into the Joint Venture will be as below :-

3.1 Pre-operative :-

The company entering into the joint venture with PSEB shall at its own expenses :

- i) Study and identify the most suitable blocks of minimum total mining capacity of 500 MMT for allotment by the Ministry of Coal, Govt. of India and shall take follow up action with Ministry of Coal, Coal India Ltd., Railways, GSI , State Government and other agencies. It shall obtain all permission and licences from relevant authorities / offices.
- ii) It shall assess the reserves both open cast and under ground and prepare a Mining proposal and obtain Mining lease for the blocks.
- iii) It shall acquire the land and get the forest / environmental clearances.

- iv) It shall under take any other requirement not specifically mentioned in the specifications but otherwise required for allotment / development of Blocks allocated to PSEB.

3.2 Post-operative :-

The company entering into the Joint Venture with PSEB shall at its own expenses / responsibilities :

- i) To do Engineering , Procurement & Construction (EPC) and operation & maintenance (O&M) for mining of coal from coal blocks / mines.
- ii) deploy all machineries & equipments and infrastructures required for development of mine with all capital investments.
- iii) install beneficiation plant or washery if required for supply of coal with ash contents below 34% to PSEB as per directions of Ministry of Environment.
- iv) be responsible for supplying the required Man power without any liability of PSEB.
- v) arrange coal linkage from Coal Mines / Blocks to PSEB Power houses.
- vi) arrange railway siding upto the Mines / Blocks, if required.
- vii) under take any other requirement not specifically mentioned in the specifications but otherwise required for mining/supply of coal to PSEB Thermal Plants.

4. Instruction to Bidders

The bids must be submitted typed in English language only. The bids hand written or filled up in other languages will be summarily rejected and no correspondence in this regard shall be entertained.

4.1 The following should be specifically included in the bid.

- i) The man power engaged for the Mining work is to be arranged by the party entering in to the JVC at its own liability and PSEB shall have no liability in this regard.
- ii) The entire Equipment / Machines is to be brought in by the party at their cost.
- (i) In case the block allotted by the Ministry of coal and developed by JVC is found unviable at a later stage and the proposal is required to be dropped, then PSEB will have no liability.

4.2 The bids must be complete in all respects. Terms and conditions contained herein must be carefully studied in order to ensure the submission of a complete and comprehensive bid. Failure to comply with any of these instructions or to offer brief explanation for non-compliance is likely to render effective comparison of the tender as a whole impossible and may become liable for rejection of an otherwise competitive offer.

4.3 Telegraphic / Telex / fax / Email quotations will not be considered.

4.4 The officer inviting bids reserves the right to reject any or all the tenders received, without assigning any reasons thereof.

4.5 The bids must be submitted by the bidders in three envelopes in the manner given below :-

Envelope I – Demand Draft for processing fee and Bank Guarantee for Earnest Money Deposit as per NIT / Tender documents should be enclosed in a envelope duly sealed & superscribed as "Envelope-I – EMD & Processing Fee – for JVC." .

Envelope II – Qualifying financial and technical requirements and other technical and commercial terms & conditions in quadruplicate should be enclosed in a envelope duly sealed & superscribed as "Envelope II – Qualifying Financial and Technical Requirements".

Envelope III – The price bid in quadruplicate as per Annexure III should be enclosed in a envelope duly sealed & superscribed as "Envelope III – Price Bid".

All the three envelopes are to be placed in a single envelope duly sealed & superscribed "BIDS FOR JVC for Coal Mining from Coal Mines / Blocks. Due on 17.07.2009" and addressed to this office.

4.6 The envelope containing the "Earnest money and processing fee" shall be opened first and in case the deposit for earnest money and processing fee are in accordance with the terms of NIT, only then the second envelope containing the qualifying financial and technical requirements shall be opened. However, the price bid shall be opened later on after satisfying that the tenderer is qualifying the pre-qualification conditions prescribed in the tender specification and is technically suitable.

4.7 **The bids as above shall be received in this office up to 1.00 PM (IST) on the scheduled date i.e. 17.07.2009 and the same shall be opened at 3.30 PM (IST) on the same date in the presence of any bidders or their representatives who may like to be present.** In case the above scheduled date happens to be a holiday, the bids shall be received & opened on the next working day. All Saturdays & Sundays are regular holidays.

4.8 It may be noted that qualifying financial and technical requirements (Envelope II) shall not contain any information / document relating to price bid. If qualifying financial and technical requirements envelope contains any such information / document relating to price bids, PSEB shall not be responsible for premature opening of the bid.

All pages of the documents / bids submitted and corrections, if any, must be signed by the authorized signatory on behalf of the bidder. It is clarified that the same authorized signatory shall sign all pages of the documents / bid.

5. General Terms & Conditions.

5.1 It is to be noted that PSEB's ultimate aim of the proposal for Coal Mines / Blocks on Government Dispensation Route & JVC is to get the quality coal for its power stations at a rate cheaper than Coal India Ltd. The % age reduction / rebate in coal rates should be given grade-wise w.r.t. the rates of Subsidiary Company of Coal India Ltd in the adjoining area of mine block to be allotted (Annexure-III). Freight & taxes / duties shall be payable extra as per actual.

5.2 Coal of "G" grade or other inferior grade will not be accepted by PSEB and no payment shall be released for 'G' Grade or other inferior grades of coal

5.3 The bidding party shall be responsible for all mining operations and coal to Power Stations shall be supplied through JVC Company at quoted rates minus reasonable margin (Operational Expenses + 1% profit of JVC) for operations of JVC to be agreed mutually.

5.4 Although all procedural assistance will be provided by PSEB and PSEB will help and use its offices in getting allotment of the block by the Ministry of Coal, it will be the entire responsibility of the party entering into JVC to follow up the proposals with concerned authorities for selection & allocation of a viable block. The bidder shall be responsible for allotment of mining block within 6 months from the date of formation of JVC and shall be able to start production of coal within 3 years from the date of allotment of mining block.

5.5 All statutory clearances are to be obtained by the party entering into Joint Venture.

5.6 The coal produced from the mine shall be sized below 200mm through a coal handling plant and shall be washed to reduce the ash contents below 34% before dispatch to power stations.

5.7 It may be noted that the coal produced from such mines is to be dispatched only to Power Stations run by PSEB and / or Power Stations got developed by PSEB through competitive bidding / MOU and none else.

5.8 The payments of the coal shall be made by the Power Stations directly to JVC as per weighment of coal received at site and at the rates and other terms & conditions to be agreed upon with JVC in the form of FSA.

5.9 **Processing fee** : The offer shall be accompanied with a non-refundable processing fee in the shape of crossed bank draft of Rs.1,00,000/- (One Lac only) in favour of Accounts Officer, Thermal Designs, PSEB, Patiala payable at Patiala. The offer received without processing fee shall be rejected.

5.10 **Earnest Money Deposit** : The bidders shall furnish earnest money deposit (EMD) of Rs. 10,00,000/- (Rs.Ten Lac only) in the shape of Bank guarantee in the format enclosed at Annexure - II. The EMD of unsuccessful bidders shall be returned immediately after the selection of party whereas EMD of finally selected party shall be returned on execution of JV agreement.

5.11 Performance Guarantee :- The successful bidder shall be required to furnish irrevocable unconditional revolving performance guarantee of Rs.10 crores to PSEB before signing of JV agreement , as security for the performance of his obligation which shall remain valid and enforce at all times till the termination of the contract.

5.12 **Jurisdiction:** All legal proceedings in connection with contract will be subject to the jurisdiction of the local court at Patiala.

5.13 **Time Schedule:** The bidders shall describe detailed methodology of carrying out the job in the best possible manner. He would explain deployment of his resources and strength in conducting the job. The bidder shall also indicate in the bid a time schedule of various activities relating to selection and development of Coal Mine Block for coal mining & supply of coal to PSEB.

5.14 Penalty :- The bidder shall be responsible for allotment of mining block with in six months from the date of formation of JVC. This period can be extended further upto six months. If the allotment of mining block is delayed from six months from the date of formation of JVC plus extension in period allowed by PSEB if any, the successful bidder shall have to pay penalty at the rate of Rs 10 Lacs (Ten Lacs) per month or part thereof for the delay period. If the allotment is further delayed, PSEB shall have the right to terminate the contract agreement without any liability to PSEB and the performance Guarantee submitted by the company towards security deposit shall be got encashed by PSEB and entire amount forfeited.

Similarly the bidder shall be able to start mining of coal within three years from the date of allotment of mining block. If the mining of the coal is delayed from three years, from the date of allotment of mining block the successful bidder shall have to pay penalty at the rate of Rs 10 Lacs (Ten Lacs) per month or part thereof for the delayed period.

6. **Qualifying Requirements :-** Bidder's past experience in the related field and their proven track- record / capability for handling the similar job and financial capability shall be the major qualifying factors. Bidders must therefore furnish a detailed profile of their organization highlighting the expert services/personnel available with them and a comprehensive list of their past experience duly supported with copies of references / certificates issued by their satisfied clients. Financial statements, Balance sheets, Income Tax clearance certificate may also be furnished for the past three years in support of their financial capability (as per Annexure-I).

7. **Pre Bid Conference :-** Pre bid conference shall be held at Patiala on 22.06.2009 at 11.00 AM. (The exact venue, date and time of Pre Bid Conference will be available on PSEB website.)

8. **Validity :-** The complete offer shall be valid for a minimum period of 180 days from the due date of opening of the bids as notified herein.

9. **Correspondence :-** All correspondence in connection with the bid shall be addressed to the office of Chief Engineer/Thermal Designs, Shed No.T-2, PSEB. Near 22 No .Railway Crossing, Patiala-147001,Punjab. All telephonic/fax messages shall be followed by signed confirmation copy through Mail/courier.

Director/Projects,
Thermal Designs,
PSEB, Patiala

Annexure-I

Detailed Profile of the organization highlighting the expert services/personnel available, Technical/operational Criteria and Financial Criteria:-

1. Location of HQ and its present branches with complete addresses (including Phone No, Fax No and Email addresses).
2. Organizational set up.
3. Operational experience in open cast Mining / handling of Coal, lignite and other minerals, detail of mining works already under taken whether jointly or independently (Minimum 3 yrs).
4. Mining works in hand with details of production capacity operated / operating on open cast mine per year during last three (3) years (Minimum three (3) million metric tones of coal / lignite & other minerals per year).
5. Technical and operational experience of using mass production technology to execute the project in the least possible time frame along with details of machines / equipment deployed.
6. Expert services/personnel available consisting of statutorily competent, qualified and experienced persons, engineers, geologists to complete the premining activities and also to engineer, design, supervise, test and commissioning the mining activities, raising and transportation of coal to end user plants.
7. Time taken to commence mining operations from allotment of coal block (track record of mine planning, preparation of project reports, preparation of EMP, Forest clearance, land acquisition, rehabilitation & resettlement, coal evacuation arrangement etc.).
8. List of clients and their performance certificates.
9. Average turnover in the preceding three (3) Financial years as on the date of bid opening.(Min. Rs.200.00 crores)
10. Average networth for the last three (3) preceding financial years (Min. Rs.75.00 crores).
11. Average IRG for the last three (3) preceding years (Min Rs.25 crores).
12. Solvency certificate from Bankers (not less than Rs. 400.00 crores).

Note – I : The Bidder should submit copies of certificates and testimonials in support of their experience and technical expectance.

Note – II : The Bidder should also submit documentary proof of such as Balance sheets, Income Tax clearance certificates for the last three years in support of their financial standing.

Note - III : The minimum financial requirements in respect of annual turn over, net worth and internal resources generation should be mentioned in the bid along with method of computation of same on a separate format duly signed by the authorized signatory of the bidder and a practicing Chartered Accountant.

Note - IV : The information relating to minimum technical requirements w.r.t. operational experience, mining works in hand, expert service / personnel, time to be taken for commencement of mining operation etc. must be on separate format duly signed by the authorized signatory of Bidder.

BANK GUARANTEE PERFORMA

**(TO BE EXECUTED BY A SCHEDULED BANK INCORPORATED IN INDIA
ON A NON JUDICIAL STAMP PAPER OF APPROPRIATE VALUE)**

Bank Guarantee No.....Dated.....

The bank of Hereby agrees unequivocally and unconditionally to pay within 48 hours on demand in writing from the Chief Engineer, Thermal Designs, Punjab State Electricity Board, Patiala or any officer authorized by him on his behalf of any amount upto and not exceeding Rs..... (in words) (Rs.....) to the Punjab State Electricity Board on behalf of M/s Who have offered to form joint venture with PSEB for Mining and supply of coal to PSEB Thermal Power Stations, against their bid with reference to tender document issued by PSEB on.....

2. This guarantee shall be valid and binding on this bank upto and including.....(date) and shall not be terminable by notice or on account of any change in the constitution of the bank or the firm/consultants or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variation or alternations made, given, conceded or an agreed with or without our knowledge or consent, by or between the parties.

3. Our liability under this guarantee is restricted to Rs.....(in words) (Rs.....). Our guarantee shall remain in force until.....(date).

4. We hereby agree that any claim or dispute arising under this deed shall fall within the jurisdiction of competent courts at Patiala.

5. We hereby further declare that this Deed has been executed by our lawfully constituted attorney legally competent to sign and execute such deeds.

Signed for Bank

Place.....

(Authorized Signatory)

Date.....

(Bank Seal)

Signature of witnesses
alongwith full address.

1. -----

2. -----

N.B. To be registered and attested by Notary.

PRICE BID**(TO BE SUBMITTED IN ENVELOPE - III)****PROFORMA FOR QUOTING RATE :-**

Grade-wise percent discount on the notified rates of CIL with respect to subsidiary company of CIL in the adjoining area of mine block to be allotted may be given.

<u>S.No.</u>	<u>Grade</u>	<u>Discount (%)</u>
1	A	
2	B	
3	C	
4	D	
5	E	
6	F	

1. Coal of "G" grade or other inferior grade will not be accepted by PSEB and no payment shall be released for 'G' Grade or other inferior grades of coal
2. % Discount should be in positive and no negative discount will be allowed.
3. The percentage weightage of discount for evaluation of tender will be
Grade "A" = 0% , Grade "B" = 0% , Grade "C" = 5% , Grade "D" = 10% ,
Grade "E" = 45% , Grade "F" = 40% ,

Signature of Bidder