

for

## Long Term Supply Agreement for lifting of Fly Ash from Ash Silo of Sasan UMPP on Transportation cost sharing basis

## Queries/Clarification from Bidders on the Tender Document

S. No.	Queries raised by bidders	SPL Response
1	<b>Validity of Agreement</b> - Tenure of the tender validity is maximum 5 years as such we understand that we can participate for any period, either for 1 year or 2 year without any problem. Please confirm the minimum period for which we can participate in the said tender.	1. Bidder to note that we would be signing a Frame work agreement for a minimum period of 1 Year. 2. However, for Work order in line with the terms & conditions of the agreement would be issued on yearly basis.
2	<b>Fuel Escalation</b> - Please clarify what is the meaning of average base rate of HSD at sasan which shall be considered for increase/decrease in the price of high speed diesel (HSD). Also what would be about the taxation part as transporter shall purchase the HSD on retail price basis from the different petrol pump which will include the base price + all taxes as applicable. Please refer 17.3 Fuel Escalation, the average base rate of diesel at Sasan as on 01-07-2018 has been considered as 57.34/Ltr whereas the existing rate of diesel is approx. 74/- Ltr inclusive of all taxes as applicable. We will also seek your clarification about the increase of taxes by the government, in that case who will bear the cost of increased taxation part. It is our humble submission that fuel escalation part should be considered once in a month, i.e. 1st of every month which is practically possible practice being used by different companies.	Yes, we would consider the retail sale price of diesel at Sasan on the date of Contract signing as the Base price. <b>Calculation methodology:</b> The price variation between the 1st and last day of every month would be taken into consideration and in case the price variation is beyond the base rate/previously revised upon rate then the effect as per Price Escalation formula (as in Tender) would be effected and communicated by SPL to the bidder and the same would be applicable from the 5th of that month.
3	<b>Operation of Ash Silos &amp; Transportation of Ash</b> – Please refer item No. 11.7 – Since loading of fly ash from silo is in the scope of SPL as such it would not be possible by us to clean/remove the ash inside the plant towards spillage caused while loading/movement of ash.	The cleaning/removal of spilled ash at the loading point and during transportation shall remain in the scope of the Contractor.
4	<b>Liquidated Damages</b> - We will like to bring to your kind notice that we are already having long term agreement with different major power plants in singrauli region for lifting of dry fly ash from their plant and no such clause towards liquidated damage is applicable with any of the power plants. However, we shall honour our commitment and achieve the annual target of <u>minimum 2.00 Lac MT at any cost.</u> Please refer your NIT in which at one place the calculation of penalty has been considered in case if lifting is less than 80% on prorata basis and at one of time it is mentioned on quarterly basis. Please clarify.	Liquidated Damages would be applicable as per Annexure A of Special Conditions of Contract which is also mentioned in clause 18.1 of Format of Long term Agreement. Whereas, the clause 17.3 of Format of Long term Agreement clearly specifies the contract termination if ash lifting is less than 80% of agreed quantity in three consecutive months.
5	<b>Original Copy of Agreement</b> – We shall get prepared two sets of agreement in original and accordingly send one set to you duly sealed and signed by the competent authorities and keep another copy of the same with us for future reference and record please. Cost of stamp duty shall be born by us.	Noted
6	<b>Finalization of transportation subsidy</b> – Since our plant is situated at a distance of 254 Km away from your plant (plant to plant distance) as such it will come under the highest distance slab (in Km). The distance has been fetched through google map by the shortest route. In case of any reservation, please let us know. In view of this, please let us know what would be the criteria for finalization of transportation subsidy. Please clarify the basis of the single price for cost sharing by SPL on per tone basis for each distance slab. What will be the criteria in case if we are not L-1 in the tender but still interested to lift fly ash from your plant.	Shortest road distance as per Google map is acceptable. The Lowest Price (Transportation Cost to be shared by SPL) for each distance slab would be finalized by SPL on the basis of various quotation received and further negotiations. This would be criteria for awarding the contract. Lowest finalized price in each distance slab is required to be matched by each Contractor.
7	<b>Corporate Performance Guarantee</b> – As per tender clause, bidder will have to submit a corporate performance bank guarantee (BG) of Rs.10.00 Lac towards performance and cash deposit of Rs.10.00 Lac as security deposit. Please clarify in case if the entire amount of Rs.20.00 Lac could be deposited by way of bank guarantee and no cash deposit is required.	These conditions are non negotiable. The Security deposit is to be made in the form of a DD. Contract Performance Bank Guarantee and Security deposit are to be submitted within 7 days of the award of Contract.

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8	Goods & Service Tax (GST) Clause – Please refer item No. 25.2 & 25.3 In the event that a change in law occurs during the term of the contract, which results in any benefit to the contractors, the contractors shall be bound to pass on such benefit arising out of the change in law to the employer.	In case of any changes in the applicable GST, the resultant impact of the change would be studied, negotiated and benefits to be passed on to either of the parties, as mutually agreed at that time.
	This clause seems to be unilateral as it is not mentioned anywhere that in case of increase of GST, who will bear the impact ? For example, rate of GST on transportation subsidy as of now is 18% and in case if this rate is revised to 30% by the government than what will happen ?	
9	Procurement of Submission of Invoice – On receipt of the final weighment slips against the lifting of ash during that particular month we shall first reconcile the statement at our end and accordingly send the same to our a/c department for issue of "Debit Note-cum-Invoice" duly charging the GST as applicable and on receipt of the same the same shall be forwarded to you by 5th of next month. Payment in 100% shall be made to us through NEFT/RTGS by 15th of next month.	<ol style="list-style-type: none"> <li>1. Scan copy of the bill is to be uploaded on Purchaser's GST Portal against the vendor code and Work Order no. by the Contractor.</li> <li>2. A confirmation mail alongwith transaction id would be received by Contractor over mail.</li> <li>3. Hard copy of the bill alongwith required supportings are to be submitted to the given address in the Work Order on a mutually agreed date/schedule.</li> <li>4. Payment shall be released as per the Contractual clause 19 of Special Conditions of Contract.</li> </ol>
	This is our existing practice with 2-3 major power plants of singrauli region where transportation subsidy is applicable.	
10	Type & Number of Vehicle - It would not be possible for us to provide the type and number of closed truck/bulker which will be used for this operation as practically this is not possible due to hiring of market vehicle by the different transporters.	Noted
	However, we will honour whatever commitment of quantity which shall be made by us in the tender.	
11	Pre-mature termination of contract - Please refer Item No. 2.1.10 of specification – It is mentioned in the clause that at one hand you will encash the contract performance bank guarantee and on the other than non-payment of bidder's invoice pending as on that date.	These conditions are non negotiable. Please note that recovery from the second instrument would take place in case the recovery value exceeds one instrument value.
	Please note that the said clause is conflicting statement and it is not possible to comply with the same at our end.	
12	Tare weight/Loaded weight of vehicle - Please refer Item No. 2.1.14 of specification – Since the loading of ash from the silo of SUMPP would exclusively in the scope of SPL as such it would not be at all possible by us. Over & above, we will not have any permanent employee posted over there at SPL to look after such activities.	Weighment of the ash being lifted is to be ensured for proper accounting and invoicing purposes.
13	Safe Custody of Documents – Please refer Item No. 2.1.28 of specification – It is not clearly mentioned in the clause that SPL is asking about safe custody of which type of documents. Over & above, we can not take the guarantee for the movement of document which shall take place through courier/speed post etc.	Any statutory documents handed over to the Contractor which are required for smooth transportation and delivery as well as for billing/accounting.

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14	Terms of Payment – Please refer Special condition of contract, item No. 19 “term of payment” (ii) submission of contract performance bank guarantee of 10% of the contract value within 15 days from receipt of NTP.	These conditions are non negotiable.
	Please note that 10% of the contract value would be a major amount and shall attract interest @ 2% per annum of entire amount. This will definitely add up additional financial burden while making consideration of transportation cost subsidy.	
	Over & above, 95% payment shall be made as per tender clause on pro-rata running payment basis (to be billed on a monthly basis) and 5% shall be retention amount and will be released on successful completion of work (tenure) as per the contract.	
	Please note that you are asking for following EDM/SD/Corporate Bank Guarantee & Contract Performance Bank Guarantee –	
	1. EMD of Rs.2.00 Lac for participating in the tender	
	2. Security Deposit of Rs.10.00 Lac	
	3. Corporate Bank Guarantee of Rs.10.00 Lac	
15	4. Contract Performance Bank Guarantee @ 10% of the contract value. For example, in case if we consider 2.40 Lac MT for 1 year with transportation subsidy @ 100/- per MT we need to furnish a BG of Rs.24.00 Lac which is a very huge amount and shall also attract interest @ 2% per annum	Retention amount of 5% of Invoice value would be released on quarterly basis subject to adjustment of Liquidated damages or any other claim of employer if any.
	Despite the above, retention of 5% of invoice value seems to be unreasonable. In view of this, it is requested to please reconsider the same and give us some genuine relaxation and also arrange to make invoice payment to the tune of 100%.	
16	Excess Lifting than Quoted in the NIT - You will kindly appreciate that we are the largest consumer of fly ash in the cluster cement plant and our on an average consumption comes to 4500 MT-5000 MT looking to cement marketing scenario.	In case SPL is left with any additional quantity, post allocations to all Contractors of each distance slab, the same would be made available to Contractors over and above their agreed quantities, on same terms and conditions. No additional bonus is payable in such case.
	In view of this, please clarify in case if we quote for 2.00 Lac MT/annum and complete the tender quoted quantity even in 8 months and needs further quantity during remaining 4 months. Then what would be treatment and whether we shall be eligible for some additional bonus other than routine transportation subsidy ?	
17	SCC Cl. 19: It is mentioned that retention amount of 5% will be released on successful completion of contract. Since this contract is in the nature of sharing of transport cost by SPL, once the fly ash is lifted from the plant site, the work is completed and hence there should not be any retention amount and the full payment should be made against the invoice raised by the contractor on SPL for transport cost sharing.	Retention amount of 5% of Invoice value would be released on quarterly basis subject to adjustment of Liquidated damages or any other claim of employer if any.
18	SCC Cl. 20 - Bank Guarantee: Contract Performance Bank Guarantee is 10% of the Contract Value and valid till 90 days beyond the validity of the contract. The contract value is not defined in the agreement. Assuming that Contract Value is total payable amount for the entire contract period i.e. 5 years, then 10% of such value of the contract is unreasonable and may not justify entering into long term contract. We request your clarification for the same.	1. We shall be signing a Long term agreement for a minimum of 1 year and a maximum of 5 years based on the bidders quotation. 2. However, we would be issuing Work Order on yearly basis wherein the BG outgo would be to the tune of 10% of the yearly Work Order value and the same to be renewed on expiry.
19	SCC Cl. 21 – Liquidated Damages: The periodicity in LD is basis 3 months, 6 months and 12 months. Further, LD is capped @ 10% of the contract value. Please clarify what would be the contract value for the purpose of LD.	The Contract value would be the Work Order value which would be issued on yearly basis.
19	SCC Cl. 21 – Liquidated Damages: There is no mention of minimum off-take quantity beyond which Liquidated Damages would be applicable. Cement being a seasonal as well as a market driven commodity, there will be variation in Fly Ash requirement and hence, request considering some deviation in Fly Ash lifting such as 80 - 85% lifting upto which there will no LD applicable.	The offtake quantity would be the agreed offtake between Purchaser and Contractor subject to a minimum of 2 Lakhs MT. LD would be deductible for the entire shortfall quantity.

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20	RFP as well as Agreement: One of the conditions under technical criteria is location of the of the buyer's plant i.e. the plant shall lie within a radius of within 300 KM from Sasan UMPP. What about the plants located beyond the abovementioned distance and we request clarification, if such restriction can be waived.	Bidder can quote for a distance greater than 300 KMs; However for Bid evaluation purpose respective quote of distance greater than 300 KM will be considered under the distance slab of 251 to 300 KM as mentioned in clause no. 9 of the "Instructions to Bidder"
21	Some of the requirements under Clause 42 / 43 / 44 of the SCC may be simplified given the nature of contract which is supply of fly ash by SPL to the Contractor.	These clauses may be deliberated and agreed upon at the time of Contract execution based on mutual requirements and convenience.
22	The clauses 17.3 and 17.4 of the Special Condition Contract are not clear, for which we seek your clarification: i. Clause 17.3 – Unit rates of the items as mentioned in contract shall remain valid for the variation in quantities upto +/- 20%. ii. Clause 17.4 Contractor will execute any quantity beyond complete BOQ limit or Extra items only after written approval from the Employer.	These Clauses (17.3 & 17.4) may kindly be ignored.
23	Plant may be a little beyond the 300 km limit specified in the Tender. How does Sasan Power propose to share the transportation cost in such a case ??	Bidder can quote for a distance greater than 300 KMs; However for Bid evaluation purpose respective quote of distance greater than 300 KM will be considered under the distance slab of 251 to 300 KM as mentioned in clause no. 9 of the "Instructions to Bidder"
24	Please clarify whether interest will be payable on cash deposit of 1000000/-towards security deposit vide point 13 of instructions to bidders or it will be without interest.	1. Please note that security Deposit of Rs. 10 Lakhs is to be submitted in the form of Demand Draft in favour of " Sasan Power Limited". 2. Further, No interest would be payable on the Security Deposit.
25	Please inform us in case of extension of last date of submission of RFQ	Bids submission date has been extended till 10 Aug 2018 same has been published vide Newspaper Advertisement on 28.07.2018.