

The West Bengal Power Development Corporation Limited
(A Government of West Bengal Enterprise)

EXECUTIVE SUMMARY OF REQUEST FOR PROPOSAL (RFP) for

SELECTION OF MINE DEVELOPER AND OPERATOR for

**DEVELOPMENT AND OPERATION OF PACHHWARA NORTH COAL BLOCK
IN PAKUR DISTRICT OF JHARKHAND, INDIA**

(Through Competitive Bidding)

1. The West Bengal Power Development Corporation Limited (WBPDCCL) invites bids on a **Single Stage Two Part basis (Techno-Commercial Proposal and Financial Proposal)** from eligible bidders for the development and operation of Pachhwara North Coal Block, in the Pakur District of Jharkhand, as per the Scope of Work mentioned hereinafter.

2. The Pachhwara North Coal Block is a 15 MTPA open cast coal mine with remaining coal reserves of about 389 MT and an average stripping ratio of 4.20. WBPDCCL is looking to select a Mine Developer and Operator (MDO) to develop and operate the mines for the remaining Life of Mine, which is about 29 years or till expiry or termination of the mining lease, whichever is earlier.

3. **Scope of work for Mine Developer and Operator**
 - i) Development of infrastructure of the mine
 - ii) Drilling and blasting operations with appropriate safeguards and compliance to statutory requirements
 - iii) Excavation of OB by excavators and transportation by dumpers to OB dumping locations
 - iv) Mining of ROM coal by surface miner as per the specified quantity and quality and transportation of the coal to the pit top of the mine
 - v) Delivery of coal to the delivery point, which initially¹ shall be the railway siding at Pakur at a distance of 55 km from the mine. The Mine Developer and Operator would have to load the coal onto the railway rakes and ensure proper operation, maintenance and security of the railway siding. WBPDCCL shall extend the railway siding to the vicinity of the mines, post which the delivery point shall be revised.
 - vi) Facilitating and assisting WBPDCCL in pending land acquisition, pending statutory clearances and obtaining physical possession of land.
 - vii) Retain the existing employees involved in the mine and railway siding operations
 - viii) Complying with all applicable laws and regulations regarding mine operations and maintenance, safety practices, protection of the environment etc.

¹ This initial period is estimated to be about 5 years

4. Schedule of the Bidding Process:

Sl. No.	Event	Tentative Schedule
1	Publication of advertisement in newspapers	1 st October 2015
2	Availability of an Executive Summary (free of cost) on the internet on the following websites: i) MSTC (www.mstcecommerce.com/eprochome/mdo) ii) WBPDCCL (http://www.wbpdccl.co.in/) iii) DPL (http://www.dpl.net.in/Index.aspx) iv) WBMDTCL (http://www.wbmdtc.com/)	5 th October 2015
3	Start of registration of bidders on MSTC website	5 th October 2015
4	Start of receipt of bid document cost and download of bid documents	5 th October 2015
5	Site visit	12 th October 2015 to 15 th October 2015
6	Pre-bid meeting	17 th October 2015 Time: 1030 hrs
7	Presentation and demo on e-tendering submission by MSTC	17 th October 2015 Time: 1400 hrs
8	Last date for receipt of pre-bid queries (queries to be submitted on the MSTC website)	26 th October 2015
9	Issue of responses to pre-bid queries, addendum/ corrigendum if required	30 th October 2015
10	Demo of e-tendering submission on the MSTC website	29 th October to 6 th November 2015
11	Start date for submission of Techno- Commercial Proposal and Financial Proposal on MSTC website and physical submission of the original documents related to bid submission	7 th November 2015
12	Last date for registration and receipt of bid document cost	20 th November 2015
13	Last date for downloading the bid documents	21 st November 2015 1100 hrs
14	Last date for submission of Techno Commercial Proposal and Financial Proposal on MSTC website	21 st November 2015 1400 hrs
15	Last date for physical submission of the original documents related to bid submission	21 st November 2015 1400 hrs at MSTC office
16	Opening of Techno Commercial Proposals (on the MSTC website)	21 st November 2015 1600 hrs
17	Opening of envelopes submitted by bidders - containing the original documents related to bid submission (in presence of bidders who choose to attend)	21 st November 2015 1600 hrs at MSTC office (post opening of Techno Commercial Proposals on MSTC website)
18	Subsequent events	To be communicated later

Any change to the above schedule shall be notified on the MSTC website as well as the websites

of WBPDCCL, DPL and WBMDTCL. Interested parties are advised to regularly check these sites.

5. Qualification Requirements – Technical Criteria

A bidder shall meet the following technical criteria through any one of the following routes:

5.1 Route A

5.1.1 The bidder should have in the last 7 (seven) years, reckoned from the last date of submission of bids, been awarded/owned and developed and operated a single open cast coal/ lignite mine having coal/lignite mine reserves of at least 150 million tonnes and annual capacity of at least 6 MTPA and achieved production of at least 3 MTPA of coal/lignite from that mine.

5.1.2 Operated means that the bidder shall have performed the mining activities of drilling, blasting, excavation, hauling etc. either by itself or through sub-contracting.

5.1.3 Developed means that the bidder shall have performed the activities of land acquisition or assisted in land acquisition, obtained statutory clearances or assisted in obtaining statutory clearances and carried out infrastructure development of the mine such as construction of CHP, workshops, statutory buildings in the mine.

OR

5.2 Route B

5.2.1 The bidder should have in any continuous 12 (twelve) month period in the last 7 (seven) years, reckoned from the last date of submission of bids, mining experience of having operated and produced at least **28 million BCM** of aggregated volume of overburden and coal/ lignite from up to 5 (five) open cast mines. The same continuous 12 (twelve) month period shall be considered across the mines.

AND

5.2.2 The bidder should have in any continuous 12 (twelve) month period in the last 7 (seven) years mining experience of having operated and produced at least **8.4 million BCM** of aggregated volume of overburden and coal/ lignite from a single open cast mine.

5.2.3 The specific gravity (tonnes/ cubic meter) to be used for converting tonnes of coal/lignite to BCM are: Coal – 1.50 and Lignite – 0.80

5.2.4 BCM shall be calculated as = (Coal or lignite produced in MT / specific gravity) + overburden removed in cubic meters

6. Qualification Requirements – Financial Criteria

6.1 The average net worth of the bidder during the last 3 (three) financial years should be at least **Rs. 552,00,00,000/- (Rupees Five Hundred And Fifty Two Crores only)** or in equivalent foreign currency. Additionally, the net worth of the bidder (and for a consortium bidder, each member of the consortium) shall be positive in each of the last 3 (three) financial years.

AND

- 6.2** The average annual turnover of the bidder in the last 3 (three) financial years should be at least **Rs. 976,00,00,000/- (Rupees Nine Hundred And Seventy Six Crores Only)** or in equivalent foreign currency.

AND

- 6.3** The bidder should have unutilized credit limits (duly certified by its bankers) for fund based and non-fund based limits together with cash and bank balances including fixed deposits as on a date not earlier than 30 (thirty) days from the last date of submission of bids, of at least **Rs. 83,00,00,000/- (Rupees Eighty Three Crores only)** or in equivalent foreign currency.

7. Single bidder

A bidder may fulfill the Technical Criteria and the Financial Criteria either on its own or on the basis of its own experience and credentials as well as the experience and credentials of up to 2 (two) of its Subsidiary/ Subsidiaries and/or Holding Company and/or the Subsidiary/ Subsidiaries of its Holding Company.

8. Consortium

- 8.1** The bidders may be a consortium having up to 2 (two) corporate entities; the experience and credentials of the consortium members shall be added and considered for meeting the Technical Criteria and the Financial Criteria.
- 8.2** For meeting the Technical Criteria of 5.2.1, the total number of mines being considered shall not exceed 5 (five) mines from across the members of the consortium.
- 8.3** The consortium members shall nominate one of the members as the Lead Member through a binding Consortium Operating Agreement. The Lead Member should fulfill at least:
- i) In case the consortium seeks to qualify using Route A, the Technical Criteria shall be met by the Lead Member.

OR

- ii) In case the consortium seeks to qualify using Route B, the Lead Member shall at least meet
 - a. 50% of the criteria given in Clause 5.2.1
 - b. The criteria given in Clause 5.2.2
 - c. 50% of the Financial Criteria for net worth, annual turnover and unutilized credit limit
- 8.4** Other conditions for bidders:
- 8.4.1** A bidder, irrespective of whether it is bidding as a single bidder or as a member of a consortium must be registered as a company under Indian laws and shall have its registered office in India.

8.4.2 In case a bidder (whether as a single bidder or as a member of consortium) is claiming mining experience where it is operating as part of a consortium or a joint venture, its experience shall be considered limited to the proportion of its ownership in such consortium or joint venture, as the case may be.

8.4.3 A bidder can submit only one bid either singly or as part of a consortium.

9 Bidding Process

9.1 A one stage two part process is being followed. The process shall be entirely conducted through the e-tendering mode on the MSTC website (www.mstcecommerce.com/eprochome/mdo). Bidders shall submit a Techno-Commercial Proposal and a Financial Proposal containing their Initial Price Offer. The Initial Price Offer submitted by a bidder shall not be greater than the Ceiling Price declared by WBPDCCL.

9.2 The Techno-Commercial Proposal would be evaluated as per the Qualification Requirements (QR) and the Financial Proposals of only technically qualified bidders would be opened.

9.3 The technically qualified bidders shall be ranked in ascending order based on their Initial Price Offer. Based on the ranking, the technically qualified bidders holding the first 50% (fifty percent) of the ranks (with any fraction rounded off to the higher integer) or five technically qualified bidders, whichever is higher, shall be eligible for participating in the Reverse Auction.

9.4 The lowest Initial Price Offer submitted by a Technically Qualified Bidder shall become the Applicable Ceiling Price for the Reverse Auction. During the Reverse Auction, the Technically Qualified Bidders who are eligible for participating in the Reverse Auction shall be permitted to place their Final Price Offer on the MSTC website, provided that it is lower than the Applicable Ceiling Price by at least the minimum decrement amount. The Technically Qualified Bidder that submits the lowest Final Price Offer at the conclusion of Reverse Auction process shall be the “L1 bidder”. The L1 bidder shall be selected by WBPDCCL as the MDO, subject to certain due diligence to be done by WBPDCCL. During the Reverse Auction, the minimum decrement shall be **Rs. 2/- (Rupees Two only)** and any decrement shall be in multiples of **Rs. 2/- (Rupees Two only)** and if a new lower bid is received in the last 8 minutes of the auction, the auction shall be automatically extended by 8 minutes.

9.5 At the time of issue of Letter of Award and signing of the Coal Mining Agreement, the Final Price Offer received from the L1 Bidder shall be split into two parts:

i) Base Mining Charge shall be considered to be 80% of the lowest Final Price Offer of the L1 bidder – this shall be the base charge for the production of coal and all associated activities and bringing the coal to the pit top of the mine.

ii) Base Transportation & Handling Charge shall be considered to be 20% of the lowest Final Price Offer of the L1 bidder – this shall be the base charge for transportation of coal from the mine pit top to the railway siding at Pakur, including loading of coal onto the railway rakes and ensuring proper operation, maintenance and security of the railway siding. This charge shall be payable till the time the MDO is required to transport coal by road to the railway siding at Pakur. After the initial period (expected to be about 5 years), the Transportation & Handling Charge shall be revised based on the progress of extension of the railway siding.

9.6 Both the Base Mining Charge and the Base Transportation & Handling Charge shall be revised

every quarter based on the below formula:

- (a) 20% fixed
- (b) 25% linked to WPI
- (c) 25% linked to CPI for Industrial Workers
- (d) 30% linked to WPI for high speed diesel

9.7 Payment shall be made on the monthly bills submitted by the MDO; payment shall be released within 60 days of submission of bills. 10% of the monthly bill amounts shall be retained by WBPDCCL and shall be released by WBPDCCL after the end of the financial year, after the year end volumetric surveys.

10 Registration on MSTC website

10.1 All intending bidders are required to register their firms/ companies as Vendors on MSTC website (www.mstcecommerce.com/epochome/mdo). For online registration, the bidder is required to click on the link '**Register as Vendor**' provided on the above webpage. The bidder needs to fill up the online form with appropriate details and submit. The bidder should note that it is required to create its own user id and password during the process of filling up this form and no separate communication will be send for user id and password. The bidder shall itself remain responsible for maintaining the secrecy of its user id and password.

10.2 Upon successful submission of the online registration form, the bidder shall receive an e-mail on its registered e-mail address confirming the registration. The bidders shall have to pay a onetime registration fee of **Rs 10,000/- (Rupees Ten Thousand only)** along with service tax at the rate of 14% **{Total Rs 11,400/- (Rupees Eleven Thousand Four Hundred only)}** in favor of MSTC Limited. The payment can be made through NEFT or e-payment to MSTC's following bank account.

Bank Details	:	Axis Bank ,Shakespeare Sarani Branch, Kolkata
Account Details	:	Axis Bank A/c.No.005010200057840
IFSC Code No.	:	UTIB0000005.

10.3 After remittance of the payment, the bidder should send the details of payment like remitting bank, date of payment, UTR number, amount, name of the remitter and name of the bidder as registered in MSTC's website through e-mail to sanjibpoddar@mstcindia.co.in, arindam@mstcindia.co.in and smaity@mstcindia.co.in.

10.4 The bidder can then login in the same website as mentioned above through the '**Vendor Login**' section. The bidder shall need a valid Class III Digital Signature Certificate (DSC) along with user id and password to login. The DSC which shall be used during the first login shall get mapped with the user id and the same DSC shall have to be used for all subsequent logins and bidding. Hence the DSC should be in the name of the person who shall act as the authorized signatory of the bidder for the bid process and bid submission.

10.5 A bidder needs to register only once with the above website. The same registration can be used for bidding in various RFPs being processed in the above website.

11 Payment of bid document cost

11.1 The bid document cost is **Rs. 50,000/- (Rupees Fifty Thousand only)**.

11.2 The payment towards the bid document cost is to be remitted in favor of MSTC Limited by NEFT or e-payment to MSTC's bank account as per following detail.

Bank Details : Axis Bank ,Shakespeare Sarani Branch, Kolkata
Account Details : Axis Bank A/c.No.005010200057840
IFSC Code No. : UTIB0000005.

11.3 After remittance of the payment, the bidder should send the details of payment like remitting bank, date of payment, UTR number, amount, name of the remitter and name of the bidder as registered in MSTC's website through e-mail to sanjibpoddar@mstcindia.co.in.

11.4 It may be noted that the download of bid documents, attending the site visit and pre-bid meeting, and bid submission shall be allowed only to those bidders who have registered on the MSTC website and also paid the requisite bid document cost.

12 Contact Persons from MSTC

Sl No	Name of Contact Person	Email	Land Line No	Mobile No
1	Mr Arindam Bhattacharjee	arindam@mstcindia.co.in	03322901004	9330102643
2	Mr. Sabyasachi Mukherjee	smukherjee@mstcindia.co.in		7278030407
3	Ms Sumana Maity	smaity@mstcindia.co.in		9831155225

13 Other important points

13.1 Amount of Bid Security to be submitted along with the bid by bidders (in the form of Bank Guarantee from a Scheduled Bank): **Rs. 22,00,00,000/- (Rupees Twenty Two Crores only)**.

13.2 Amount of Performance Security required to be furnished by Selected bidder (in the form of Bank Guarantee from a Scheduled Bank) after signing of the Coal Mining Agreement: **Rs. 282,00,00,000 (Rupees Two Hundred And Eighty Two crores only)**.

13.3 **Ceiling Price: Rs. 1,475/- (Rs. One Thousand Four Hundred and Seventy Five only) per ton**

13.4 Nodal officer from WBPDC: GM-MMC, WBPDC; Phone: +91 33 2339 3325

13.5 Dedicated email address for this RFP: pachhwara_rfp@wbpdc.co.in

13.6 RFP No.: WBPDC/GM(MMC)/NIT/Pachhwara(N)/25

13.7 E-Tender No: MDO/PACHHWARA NORTH/15-16/ET/1

13.8 E-Reverse auction No: MDO/PACHHWARA NORTH/15-16/RA/1