



THE DURGAPUR PROJECTS LIMITED

A Government of West Bengal Enterprise

CIN: U40102WB1961SGC025250

THE DURGAPUR PROJECTS LIMITED
(A Government of West Bengal Enterprise)

SUMMARY OF REQUEST FOR PROPOSAL (RFP) for Selection of Mine Developer and Operator (MDO) For Trans-Damodar coal mine (1 MTPA) of The Durgapur Projects Limited (DPL)

RFP/ NIT No.: **WB/DPL/COAL BLOCK/NIT((e)/01/2015-16 dated 14th October, 2015**
E-Tender No: **MDO/TRANSDAMODAR/15-16/ET/2**
E-Reverse auction No: **MDO/TRANSDAMODAR/15-16/RA/2**

The Durgapur Projects Limited (DPL) invites tenders for Development and Operations of the Trans Damodar Mine, located in the State of West Bengal. Key conditions of the Bid Document are summarized below. Interested bidders may purchase the Bid Document as mentioned below:

1. The Trans-Damodar Sector block is a 1 Million Tonnes (metric) Per Annum (MTPA) open cast coal mine with remaining coal reserves of about 61.7 MT and an average stripping ratio of 1:5. DPL is looking to select a Mine Developer and Operator (MDO) to develop and operate the mines for a period of 27 years or till expiry or termination of the mining lease, whichever is earlier. Total extractable reserve of the mine is about 47 million tonnes.
2. **Scope of work for Mine Developer and Operator**
 - (a) Planning, Development and working of Trans-Damodar opencast mine on the site as per the requirements of the Mining Plan, in order to achieve the production of 1 MTPA on a sustainable basis for the duration of the Agreement , and conforming to the Specifications and Standards and the Mining Plan;
 - (b) other Mine development activities including but not limited to assist for land procurement, diversion of road, electric lines etc; setting of Site infrastructure including but not limited to Site office, diesel depot/ storage, electrical and civil installation, drainage, dewatering, water treatment facilities, training institute;
 - (c) Deploy equipment as per Mining Plan
 - i. The MDO shall employ appropriate mining equipment and procure adequate after sales maintenance support and comply with the standard recommendations for operations and maintenance of the mining equipment. The minimum size and capacity of equipment that the MDO shall deploy in the Mine shall be as per the approved Mining Plan. The equipment deployment schedule shall be in conformity with the schedule proposed in the approved Mining Plan. Any change in the size of equipment being deployed at the Mines shall be done only with the consent of DPL/ The West Bengal Mineral Development and Trading Corporation Limited (WBMDTC) and the Independent Engineer. If any approval is required from the Ministry of Environment and Forest, Government of India (MoEF) due to the change in the equipment deployment plan, the same shall be procured by the MDO at its own costs.
 - ii. The mining equipment configuration deployed by the MDO shall at all times during the Contract Period comply with the Applicable Laws, including those related to environment, as imposed by the MoEF and those related to safety, as imposed by Director General of Mines Safety (DGMS). Any cost implication with respect to the mining equipment arising out of stipulations of MoEF, DGMS or any other authority shall be incurred by the MDO without any recourse to DPL/ WBMDTC.
 - (d) providing Performance Security of a sum of Rs.100 Crores (Rupees One Hundred Crores)

- (e) All Rehabilitation and Resettlement (R&R) related activities and implementation of the same;
- (f) employment of Project Affected People (PAP), deployment of existing manpower (list as provided in Bid Document), community welfare activities at its cost
- (g) Planning, operation, delivery of Coal to DPL and maintenance of Mines in accordance with the provisions of the proposed Coal Mining Services Agreement ;
- (h) Excavation and delivery of Coal at the Delivery Point (i.e. Railway Siding) in accordance to the quantity and quality obligations stipulated in the proposed Coal Mining Services Agreement;
- (i) satisfaction of Conditions Precedent, as per the Coal Mining Services Agreement (provided in Bid Document);
- (j) Performance and fulfillment of all other obligations of the MDO in accordance with the provisions of the proposed Coal Mining Services Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the MDO under proposed Coal Mining Services Agreement
- (k) engage manpower at its own terms and conditions, provided that this manpower will have no legal right to the employment in either DPL or WBMDTC at the expiry or termination of or during the subsistence of the Coal Mining Services Agreement;
- (l) shall give preference to local people in employment;
- (m) Carrying out all its obligations in accordance to the detailed provisions of proposed Coal Mining Services Agreement.
- (n) MDO shall, at all times, comply to all relevant Acts and Rules and any subsequent amendments therein, if any.
- (o) Measurement of coal for payment of Mining Charge
 - i. The quantity of Coal delivered coal by the MDO shall be weighed and recorded at the Delivery Point and shall be the Railway Receipt weight. The Mining Charge and the Transportation Charge shall be payable to the MDO based on the quantity of coal delivered at the Delivery Point. The MDO shall ensure regular calibration of all the weighbridges as per Standard Industry Practices.
- (p) Drilling & Blasting
 - i. The MDO shall prepare benches by deploying adequate equipment and carry out the drilling operations. The MDO shall always deploy adequate supervision personnel for carrying out the drilling & blasting operations;
 - ii. The MDO shall be completely responsible for the construction of magazine, procurement, transportation, storage and use of explosives and associated drilling & blasting accessories. The MDO must ensure that the blasting norms of the DGMS are strictly followed and must give an undertaking in writing that they will be held responsible for any such failure to do so.
 - iii. The MDO shall procure all necessary approvals from Petroleum and Explosives Safety Organization (PESO) for the storage and transportation of explosives at its own costs and efforts.
- (q) Maintenance of haul roads
 - i. The MDO shall construct and maintain all haul roads required for the purpose of mining and transportation of coal, Over Burden (OB) and top soil, and for access to dumps yards and stockyards as may be required.
 - ii. Construction & maintenance of all approach roads to the workshop and other mine facilities shall also be the responsibility of the MDO. The MDO shall also construct & maintain connecting roads and general pit and dump roads as may be required.
 - iii. The haul roads constructed and maintained by the MDO shall have the requisite width, gradient, drainage, signage and other safety measures, as per regulations and in accordance with the

guidelines circulated by DGMS and relevant DGMS circulars issued from time to time and other relevant provisions of Coal Mines Regulations 1957.

- iv. The MDO shall design and construct any additional access roads as may be required for the development and maintenance of the Mine.
- v. The MDO shall also be responsible for maintenance of ramps and dozing/grading in the mining area.
- vi. Safety berms are to be constructed along all bench crests and drop offs where vehicles could possibly access. The safety berms are to be constructed in line with acceptable haul road construction standards

(r) Dust Suppression and Water Sprinkling

Water sprinkling will be done by the MDO in the Mine for dust suppression on the roads, face, dumps to the satisfaction of mining laws and guidelines. The MDO shall deploy and continuously operate sufficient number of water sprinklers of capacity as per the Mining Plan for suppression of dust.

(s) Reclamation

The MDO shall be responsible for all reclamation activities including backfilling/dumping and plantation on excavated areas and dumps for reclamation purposes and to bring back to the state of normal ground/ altered ground in accordance to the Environmental Management Plan and the Mining Plan. Re-contouring and rehabilitation shall continue concurrent with the mining operations.

(t) Pumping and Drainage

The MDO shall be responsible for creating the pumping and drainage infrastructure at the Mine as per the approved Mining Plan, including construction and maintenance of garland drains to minimize the amount of runoff water entering the mining pits and dumps. The initial dewatering of the Mine required to start the mining operations shall also be done by the MDO.

(u) Indenting of railway wagons / rakes, for Transportation of Coal from Delivery Point for DPL, and coordination/ liaisoning for the same with the Railway Authorities.

(v) Notwithstanding any obligations on part of the MDO, the MDO further accepts and acknowledge the role of WBMDTC, detailed as follows and shall adhere to oblige to these:

- i. Assistance and guidance in CSR (Corporate Social Responsibility) activities
- ii. Assistance in deployment and engagement of security personnel for Mine safety
- iii. Supervision and monitoring of mining related activities
- iv. Supervision and monitoring of excavation of Coal as per Mining Plan
- v. Supervision and monitoring of crushing as per specification
- vi. Supervision and monitoring of dispatch of mined Coal to the Delivery Point
- vii. Supervision of adherence to the mine safety measures as per Applicable Laws
- viii. Supervision and monitoring of forming revised mine plan (if any)/ mine closure plan by MDO and persuasion of the approval to the respective authorities
- ix. Supervision and monitoring of dewatering of mine water as per requirement the MDO
- x. Liaison with the respective authorities and the MDO as an interface on behalf of the DPL
- xi. Provide administrative support in procurement of land by the MDO, cost of which shall be borne by DPL
- xii. Assistance in liaison with Independent Engineer

- xiii. Assist in certifying the monthly invoice for payment to the MDO against Coal production and/ or any other invoice raised by MDO as per the provisions of the proposed Coal Mining Services Agreement.
- xiv. Provide administrative support in R&R related activities to MDO.

3. Qualification Requirements

The Bidders shall furnish all the details as mentioned below:

Technical Criteria-

The Bidder (or Lead Member in case of a Bidding Consortium) should have experience of average annual excavation from single opencast mine of atleast 06 (six) MBCM of composite aggregated volume of OB and Coal/ Lignite for last 3 completed financial years, where atleast 0.8 MTPA of Coal or Lignite must be from single opencast mine (average annual), during the last three completed financial years ending during FY 2012-13, 2013-14, 2014-15.

AND

Bidder (or Lead Member in case of a Bidding Consortium) should have atleast 3 years of experience in mining of Coal and/ or Lignite (including Overburden removal).

Financial Criteria-

The Bidder shall have to fulfill the average Net Worth requirement of at least Indian Rupees 100 Crores and it should be positive in last three Financial Years.

AND

The Bidder shall have to fulfill the average annual Turnover requirement of at least Indian Rupees 250 Crores (Rupees Two Hundred and Fifty Crores) during last three Financial Years ending during FY 2012-13, 2013-14, 2014-15.

4. Qualification routes: (A) Bidding Company Or (B) Bidding Consortium

- i. The Proposal is to be submitted by
 - (A) Route A: Bidding Company registered in India; or
 - (B) Route B: Bidding Consortium, Members of which shall be registered companies in India, at the time of bidding/ submitting its Proposal.

An interested company and/ or its subsidiary (ies) and/ or its holding company (ies) can be a member of one Bidding Consortium only. A Bidding Consortium shall comprise of not more than two members.
- ii. The Bidding Consortium shall comprise of a Lead member and a Second member.
- iii. In case of Bidding Consortium, the Proposal must mention the name of the Lead Member. The Bidding Company/the Lead Member should designate one person to represent the Bidding Company/Bidding Consortium in its dealings with the Purchaser. The person so designated shall be authorized to perform all tasks including, but not limited to providing information, responding to enquiries, entering into an agreement on behalf of the Bidding Company/Bidding Consortium.
- iv. The Bidding Company/Bidding Consortium should submit a power of attorney, authorizing the signatory of their Proposal to commit the Bidder, along with submission of Proposal as per the format provided in this Bid Document.
- v. In case the Bidder is a Bidding Consortium, the technical strengths of Lead Member only shall be considered for meeting the Technical Criteria.
- vi. In case the Bidder is a Bidding Consortium, the Lead Member has to meet atleast 50% of the financial criteria and the other Member shall meet the balance of the financial criteria, stipulated in the detailed Bid Document.
- vii. In case where the Bidder is a Consortium, each of the Consortium Members will be required to furnish legally enforceable Proforma for Consortium Agreement in the format as specified in RFP,

along with its Proposal holding themselves jointly & severally responsible and liable to DPL to perform all contractual obligations as per the terms and conditions of the proposed Coal Mining Services Agreement, valid for the entire period of contract. No change in the composition of the Consortium without the written consents of the Purchaser shall be allowed. All of the Consortium members shall select one of the members as a leader who shall be responsible for coordination of the contract as specified in Bid Document.

5. Bidding Process

- i. A one stage two part process is being followed. The process shall be conducted through the e-tendering mode on the MSTC website (www.mstcecommerce.com/eprochome/mdo).
- ii. In the first round, the Bidder shall be required to submit:
 - a) Bid Security
 - b) Technical Proposal; and
 - c) Initial Price Offer, which shall be quoted on basis of per tonne of Coal extracted (as per the proposed Coal Mining Services Agreement), in accordance to this Bid Document and shall not exceed the Ceiling Price.
- iii. The Techno-Commercial Proposal would be evaluated as per the Qualification Requirements (QR) and Initial Price Offer of only the Technically Qualified Bidders shall be opened and/ or considered for paragraph 5. iv)
- iv. The Technically Qualified Bidders shall be ranked on the basis of the descending Initial Price Offer submitted by Bidders. On the basis of such ranking the Technically Qualified Bidders, holding first 75% (Seventy Five per cent) of the ranks (with any fraction rounded off to higher integer) or five (5) Technically, Qualified Bidders (whose Financial Proposal was found to be responsive), whichever is higher shall be considered to be qualified for participating in the second round (Reverse Auction) of online electronic bidding (the "Qualified Bidders"). Intimation shall be restricted only to the Qualified Bidders.
- v. Further, provided that where the total number of Qualified Bidders is less than 03 (three), arrived after provision of paragraph 6.iv) above, then Technically Qualified Bidders holding next ranks in order of descending Initial Price Offer shall be considered as Qualified Bidders, such that minimum Qualified Bidders shall be 03 (three).
- vi. Provided further that in the event of identical Initial Price Offers being submitted by two or more Technically Qualified Bidders, all such Bidders shall be assigned the same rank for the purposes of determination of Qualified Bidders and in such case, the aforementioned 75% (Seventy Five per cent) shall stand enhanced plus the number of Technically Qualified Bidders, whose Initial Price Offers are identical less the number of such identical Initial Price Offers.
- vii. Intimation for participating in the second round of online electronic bidding shall be restricted only to the Qualified Bidders.
- viii. Provided that where the total number of Qualified Bidders is less than three, arrived at after provisions of paragraph 6. iv) to 6. vi) then no Technically Qualified Bidder shall be considered to be Qualified Bidder and the Bid Process shall be annulled.
- ix. The lowest Initial Price Offer submitted by a Technically Qualified Bidder shall become the Applicable Ceiling Price for the Reverse Auction.
- x. In the second round of e-Bidding, the Qualified Bidders shall submit their final price offers which shall be on basis of per tonne of Coal extracted and delivered at the Delivery Point (the "Final Price Offer"), in accordance to the terms and conditions of the proposed Coal Mining Services Agreement. The Final Price Offer may be revised till the conclusion of the e-Bidding in accordance with the technical specifications of the e-Bidding platform as specified in the Bid Document (technical details regarding electronic auction).
- xi. The Technically Qualified Bidder that submits the lowest Final Price Offer at the conclusion of Reverse Auction process shall be the "Selected Bidder". The Selected Bidder shall be selected by DPL as the MDO, subject to certain due diligence to be done by DPL. 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.

- xii. The second round of e-Bidding Process shall be annulled if none of the Qualified Bidders submits a Final Price Offer on the online electronic auction platform, in accordance to the RFP. In case the e-auction process is annulled due to non-submission of at least one Final Price Offer by Qualified Bidders, on the electronic auction platform, the EMD of the Qualified Bidder who had submitted the lowest Initial Price Offer shall be forfeited
- xiii. The Qualified Bidder who submits the lowest Final Price Offer, at the conclusion of the second round of e-Bidding shall be declared as the "L1 Bidder" immediately on conclusion of the e-Bidding.
- xiv. The Mining Charge shall be revised every quarter to reflect the variation in Price Index, and the amount so determined shall be the Mining Charge for that quarter.
 - (a) 20% (twenty per cent) of the component will be fixed and will not be subjected to any escalation whatsoever ("**Fixed Component**")
 - (b) 25% (twenty five per cent) of Wholesale Price Index (WPI);
 - (c) 25% (twenty five per cent) of Consumer Price Index (Industrial Workers) (CPI (IW)); and
 - (d) 30% (thirty per cent) of WPI for high speed diesel oil;
- xv. Road transport charges from mine mouth to Railway siding is payable at ECL rates applicable for surface transport at predetermined rates.
- xvi. 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 DPL and shall be released by DPL after the end of the financial year, after the year end volumetric surveys.

6. Ceiling Price

- i. **Ceiling Price: Rs. 1,600/-** (Rs. One Thousand Six Hundred only) per tonne

7. Bid Security

- ii. Amount of Bid Security to be submitted along with the bid by bidders (in the form of Bank Guarantee from a Scheduled Bank): **Rs. 2,00,00,000/-** (Rupees Two Crores only).

8. Performance Security

- i. 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 proposed Coal Mining Service Agreement: **Rs. 100,00,00,000** (Rupees One Hundred Crores only).

9. Registration on MSTC website

- i. All intending Bidders are required to register their firms/ companies as Vendors on MSTC website (www.mstcecommerce.com/eprochome/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
- ii. Upon successful submission of the online registration form, the Bidder shall receive an e-mail in its registered e-mail address confirming the registration. The Bidders shall have to pay a onetime registration fee of Rs 10,000/- 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 National Electronic Funds Transfer (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.

- iii. 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 .

- iv. 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.
- v. A Bidder needs to register only once with the above website. The same registration can be used for bidding in various tenders being processed in the above website. It may be noted that Bidders can submit their online bids only after payment of the registration fee.

10. Payment of Bid Document cost

The Bid Document cost is **Rs. 50,000/-** (Rupees Fifty Thousand only).

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.

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.

It may be noted that bid submission against this Bid Document shall be allowed only to those Bidders who have paid the requisite document fee.

11. Contact details of MSTC:

- i. Address : MSTC Limited
 225-F, A.J.C Bose Road
 2nd Floor
 Kolkata-700020
- ii. Contact Persons:

SI 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

12. Schedule of the Bidding Process:

SI. No.	Event	Tentative Schedule
1.	Publication of advertisement in newspapers (English and Hindi national)	14 th October 2015
2.	Availability of an Executive Summary in the following websites: MSTC (www.mstcecommerce.com/eprochome/mdo) DPL (http://www.dpl.net.in/Index.aspx) WBMDTCL (http://www.wbmdtc.com/) WBPDCD(www.wbpdcl.co.in)	14 th October 2015
3.	Start of registration of bidders on MSTC website (www.mstcecommerce.com/eprochome/mdo)	16 th October 2015

Sl. No.	Event	Tentative Schedule
4.	Start of receipt of bid document cost and download of bid documents	16 th October 2015
5.	Trans-Damodar Site visit	23 rd October 2015 to 27 th October 2015
6.	Pre-bid meeting	30 th October 2015 Time: 1100 hrs to be held in Kolkata (Venue to be communicated later)
7.	Presentation and demo on e-tendering submission by MSTC	30 th October 2015 Time: 1500 hrs (Venue to be communicated later)
8.	Last date for receipt of pre-bid queries (queries to be submitted on the MSTC website)	5 th November 2015
9.	Issue of responses to pre-bid queries, Addendum/ Corrigendum, to be published in MSTC Portal / WBMDTC / DPL. (If any)	9 th November 2015
10.	Demo of e-tendering submission on the MSTC website	9 th November 2015 at 1500 hrs
11.	Start date for submission of Techno- Commercial Proposal and Financial Proposal on MSTC website	16 th November 2015
12.	Last date for registration and receipt of bid document cost	26 th November 2015
13.	Last date for downloading the bid documents	26 th November 2015 at 1100 hrs
14.	Last date for submission of Techno Commercial Proposal and Financial Proposal on MSTC website	26 th November 2015 at 1400 hrs
15.	Physical submission of the original documents related to bid submission to MSTC	26 th November 2015 at 1400 hrs
16.	Opening of Techno Commercial Proposals (on the MSTC website) and envelopes submitted by bidders - containing the original documents related to bid submission (in presence of bidders who choose to attend)	26 th November 2015 at 1600 hrs at MSTC Office Kolkata
17.	Announcement of Technically Qualified Bidders.	To be confirmed later
18.	Opening of Initial Price Offer of Technically Qualified Bidders.	To be confirmed later
19.	Intimation to the Qualified Bidder for e-reserve auction	To be confirmed later
20.	Commencement of reverse auction & finalisation of Selected Bidder	To be confirmed later
21.	Issue of LOA	To be confirmed later
22.	Signing of Coal Mining Services Agreement	To be confirmed later

Note: In case of any change in above time schedule, the same shall be displayed on MSTC website. It shall be the responsibility of the Bidders itself to keep themselves apprised on any changes pertaining to the above time schedule.