

NIT No.MMTC/BBN/IOF/NINL-RM/3/2013-14 dated 02.12.2013

Last Date of Submission of Bids: 12/12/2013 at 13: 30 Hours

OPEN NOTICE INVITING TENDER (NIT) FOR PURCHASE OF IRON ORE FINES (63% FE)

MMTC Limited, A Government of India Enterprise, having its Sub-Regional Office at Kalinga Road, Barbil – 758 035, P.O. Barbil, Dist. Keonjhar (Odisha) invites open tender in **two bid** system from the eligible **mine owners only** for supply of Iron Ore Fines basis (63% Fe) for the integrated steel plant, M/s.Neelachal Ispat Nigam Limited(NINL), at Kalinga Nagar Industrial Complex, Duburi - 755 026, Jajpur, Odisha, as per following specifications, terms & conditions:-

The Bidders are required to submit their sealed tenders on or before 12/12/2013 by 13.30 Hrs in the Tender Drop Box kept in Minerals Section, MMTC Limited, SRO, Barbil. The offer (s) is / are required to be submitted in **two separate sealed envelopes** i.e. one for Technical bid containing documents as mentioned under Eligibility Criteria including signed technical-bid portion in each page of this tender as a mark of acceptance and second for Price Bid containing only quoted price per MT in INR for material tendered with name of loading station & price per WMT. The entire information to be mentioned in technical bid and price bid should be type written/downloaded from website without any change. Any deviation from the above procedure in submission of bids, will incur rejection of the bids straightway. The technical bid will be opened on 12/12/2013 at 15:00 Hours and the price bid of technically qualified bidders will be opened subsequently. Bidders can depute their authorized representatives during opening of technical and price bids, if they desire. In case bidders fail to depute their representative during such opening of bids, no subsequent representation would be entertained relating to the tender process. This NIT is available in MMTC & Govt. Web sites i.e. (www.mmtclimited.gov.in & <http://eprocure.gov.in>). The NIT can be downloaded from the websites and the bidders are required to submit the bids as per tender so downloaded without any change/ modification/ alteration/ deletion etc. In case of any changes in the NIT come to notice subsequently by MMTC, the same will be rejected summarily.

CLAUSE :1.ELIGIBILITY CRITERIA : In order to become eligible to participate in the above Tender, prospective bidder(s) must submit self attested copies of following documents along with Technical Bid :-

(a) (i) Self certification by Mine owners (ii) IBM Registration Certificate ; (iii) PAN card ; (iv) VAT Registration Certificate clearly indicating the commodity being dealt ; (v) CST Registration Certificate for iron ore.(vi) Local Office address with FAX /E-mail ID/ Telephone number.

(b) EMD of Rs.2.00 Lakh in the form of Demand Draft/Banker's Cheque favouring MMTC Limited, payable at Barbil.

In case wrong information with regard to the eligibility criteria or otherwise is furnished by any bidding party, the bidder shall be debarred from entering into any commercial transaction of any nature with MMTC for a period of one year which can be extended upto three years.

CLAUSE :2 SALIENT FEATURES OF NIT :

Commodity : (a) Iron Ore Fines (WMT basis by Rail)

SPECIFICATIONS :

CHEMICAL COMPOSITION		PHYSICAL COMPOSITION	
Fe	63% basis below the limit penalty. Rejection below 61% of Fe content	Preferred size	0 MM to 10 MM
Sio2	3.50% Max. Above the prescribed limit penalty	+10 MM	5% Max. Above the prescribed limit penalty
Al2O3	2.50% Max. Above the prescribed limit penalty	-10 MM	95% Minimum
Sulphur	0.02% Max. Above the prescribed limit penalty	-100 Mess	20% Max. Above the Prescribed limit penalty
Phos ^o	0.05% Max. Above the prescribed limit penalty		
Moisture	6% Max. Above the prescribed limit penalty		

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In the event of deviation from the above specifications of IOF , MMTC reserves right to cancel entire or part of the Purchase Order with / or, without penalties.

CLAUSE 3 : Quantity & Delivery period : As per following details :-

Month	Iron ore fines (MTs)
January,2014	30-40 RAKES
February,2014	30-40 RAKES
March,2014	30-40 RAKES

MMTC shall have the option/discretion to pre-pone procurement of Iron Ore Fines of January,2014 quota during December,2013.

Quantities can be increased or decreased at MMTC's option during the above period. Further, MMTC reserves right to extend the delivery period as per requirement of NINL. Allocation of rakes/Quantity shall be on monthly basis. In case of failure by the supplier to supply allocated quantity/rakes during a particular month, the balance quantity/rake shall not be carried forward to next month and shall be treated as lapsed quantity. However, in case of non- supply of rakes by railway in spite of registration of indents by the supplier the balance quantity/rakes may be carried forward to next month. MMTC reserves the right to cancel the allocation of a supplier and allot the same to other supplier in case of non-supply of IOF for NINL plant.

CLAUSE 4 : Loading point :

Nearest Railway siding of the supplier from amongst Banspani, Jaroli, Essel, BIL Siding of S.E. Railway under CKP Division & Nayagarh siding of E.Co railway .

- (i) The bidders have to quote price per WMT basis as per above mentioned loading sidings.
- (ii) Allotment of rakes shall be decided as per NINL's requirement, CBT allocation of rakes by Railway authorities and landed cost of material at NINL siding.

CLAUSE 5 : Destination :

Railway Siding of Neelachal Ispat Nigam Limited, Duburi (NINS) Jajpur,Odisha.

CLAUSE 6 : Preloading :

Indent to be registered by the seller at the respective Railway sidings. Supplier has to ensure loading of material in the wagons fit for loading of Iron Ores and arrange packing of doors properly to prevent loss of cargo en-route destination. The supplier must clean each and every wagon before loading of the material to avoid any contamination of material.

CLAUSE 7 : Price:

Price shall be Rs. Per MT on F.O.R basis as per mentioned Railway Siding. The price shall be inclusive of royalty and exclusive of VAT / sales tax, labour welfare cess, entry tax as applicable, which will be as per the prevailing rates. Any variation in the rate of taxes or imposition of any fresh statutory levy during the contractual delivery period shall be to the account of buyer, subject to submission of documentary evidence to that effect by the supplier.

CLAUSE 8 : Penalty :

Penalty for Fe content:

- a).(i) Ore containing Fe content (-) 63% up to 62 % : 2% of base price PMT
- ii) Ore containing Fe content from (-) 62% up to 61% : 4% of base price PMT
- iii) Ore containing Fe content less than 61% : Rejected and a token basic price @ Re.1/- PMT shall be applicable. However, other elements like Royalty, a fixed amount

of Rs.200/- PWMT towards transportation charges of material from Mines to siding and loading into wagons , Labour welfare cess & VAT shall be applicable at actual.

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(b) **Silica :**

For each 0.1% of Silica above the specifications, the deduction in price will be Rs.2.30 PWMT, fraction pro-rata.

(c) **Alumina :**

For each 0.1% of Alumina above the specifications, the deduction in price will be Rs.2.30 PWMT, fraction pro-rata.

(d) **Sulphur :**

For each 0.01% of Sulphur above the specifications, the deduction in price will be Rs.5.00 PWMT, fraction pro-rata.

(e) **Phosphorus :**

For each 0.01% of Phosphorus above the specifications, the deduction in price will be Rs.5.00 PWMT, fraction pro-rata.

(f) **Penalty for mechanical composition:**

Deduction in price will be Rs. 23.00 per WMT on the quantity of oversize ore in excess of the contractual specifications. The undersized ore (minus 100 Mesh) will be permitted up to 30% with a penalty of Rs. 30.00 per WMT for excess undersize ore in excess of 20%, but up to 30%. In case undersized ore is in excess of 30% but within 40%, a penalty of Rs.50/- PWMT shall be levied. No payment shall be made for the undersized in excess of 40%.

(g) **Moisture :** Moisture content is allowed to the extent of 6% . However, in case the moisture content analyses above the contractual limit of 6%, deduction in quantity will be effected at actual over and above 6% .

CLAUSE 9 : Weight /Railway Dues:

(i) Weight of the ore received on F.O.R basis shall be determined on the basis of weight recorded at Govt. approved road weighbridge and the quantity unloaded at Railway Siding on the basis of Transit Permits issued by Mining Department, Joda. Weight determined as above shall be final.

(ii) In respect of private Sidings where quantity is determined on the basis of Railway Receipt, quantity in the bill shall be as per the R/R. In case DDM, Joda Mining Circle permits acceptance of permitted quantity on the basis of weighment of individual lorries without Transit Permit, the total quantity shifted as per statement submitted by the supplier would be acceptable for payment purposes.

(iii) Payment of Railway dues such as, Punitive Charges and Dead freight, etc. shall be as per Railway Receipt. The Punitive Charges and Dead freight if any payable to the Railways shall be shared 50:50 between the buyer and the seller subject to maximum of Rs.100/- per MT being the share of MMTC. Demurrage charges due to delay in loading, penalty due to excess loading per wagon and subsequent adjustment charges

shall be to seller's account. Further, other Railways liabilities, if any, related to the despatch of material shall be to the seller's account.

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CLAUSE 10 : Sampling and Analysis of cargo : At the loading point, an approved / recognized analyst shall be appointed as independent analyst by the buyer who shall draw samples and analyze for the quantity loaded by the seller. The analyst shall determine the specifications (Chemical and Physical) of the ore for a full rake in three lots by giving analysis of elements, components as per required specifications. First 2 (two) lots shall be of 20 wagons each and the 3rd lot shall be for the balance wagons in the rake. The analyst shall provide an analysis certificate showing detailed analysis reports after completion of the lot indicating the weighted average of three lots.

Apart from above as and when required, joint sampling/analysis by a third party inspection agency nominated by MMTC/NINL may be undertaken at unloading point i.e. NINL plant and the results of such sampling analysis shall be binding for all purposes.

Drawing of samples at the time of loading of rakes for carrying out chemical and physical analysis shall be done by the public analyst appointed by the buyer. In case seller's representative does not turn up at the time of drawing of samples, the sample so drawn by the public analyst in the presence of buyer's representative would be final and binding on the seller.

Final sample packets prepared by the analyst by crushing, etc. will be divided into 7 (seven) parts and sealed separately in the presence of the representatives mentioned above. Out of above, two sample packets will be handed over to the representative of NINL, one to seller's representative and one will be retained by the public analyst to conduct the analysis. In case recourse has to be taken for umpire analysis, the fifth set of sample packets (i.e. the umpire's sample) preserved under the safe custody of the analyst concerned, will be used and the balance two set of sample packets will be handed over to the representative of MMTC.

Cost of such sampling / analysis by the public analyst will be to the seller's account. In the event of recourse, cost of such analysis will be borne as stated in the umpire analysis clause appearing hereunder.

Umpire Analysis: Whenever the variance between loading station's analysis result and unloading station's analysis result is 0.5% or more in Fe or any other element, MMTC will the option to forward the sample packet for umpire analysis. Umpire analysis shall be final and binding on both parties (Seller and Buyer). The cost of the umpire analysis will be to the account of the party, whose analysis is more remote from the umpire analysis. If the result of the analysis is equi-distant from the original analysis the charges will be divided equally between the buyer and the seller.

CLAUSE 11 : Payment :

(a) *Provisional Payment* : The Seller shall raise commercial invoice to MMTC Limited, Barbil, Dist: Keonjhar(Odisha) (Tin No.21471106607), for supplying cargo to Neelachal Ispat Nigam Limited. Buyer will release provisional payment to the extent of 90% value of the cargo through E-mode on receipt of analysis report (Fe content only reported by third party analyst) appointed by MMTC, on the basis of weight determined as per CLAUSE 9 & 10 of this NIT against Invoice supported by Railway Receipt / Transit Permit issued by the Dept. of Steel & Mines, Govt of Odisha. Seller will submit a detailed statement of Transit Permits showing quantity shifted from mine head to the Railway siding, **duly sealed & signed by Govt weighbridge officials or concerned receiving**

officials of railway at railway siding along with invoice. Besides, supplier shall comply with all statutory norms relevant for obtaining mining permission, rake loading, etc.

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(b) Final Payment :

Buyer will release the final payment after adjustment of provisional payment to supplier on E-Mode on the basis of weight and complete analysis report determined as per CLAUSE 10. For the purpose of E-payment the supplier will be required to furnish its Bank account details in writing to MMTC in the prescribed format. . **The Bank charges for RTGS** payment will be borne by the Seller holding account in banks other than State Bank of India.

CLAUSE 12 : Inspection :

Inspection of cargo at Buyer's option will be done at mine heads by Buyer's representative. The cost of such inspection will be borne by the bidder. This will, however, not absolve the Seller of its responsibility for supply of the material as per contractual specifications.

Clause:13: Consignee:

The seller shall consign the material in favour of M/s.Neelachal Ispat Nigam Limited, Kalinga Nagar Industrial Complex, Duburi-755026, Dist-Jajpur, Odisha A/C. MMTC Limited, Barbil.

CLAUSE 14 : Default in Delivery :

In the event of any default in the delivery schedule or non-performance of the contract by the Seller, the Buyer reserves the right to forfeit the security deposit.

CLAUSE 15 : Security : Within 7 working days after receipt of intimation from MMTC,

successful bidder shall submit security deposit of Rs.10,00,000/-(Rupees Ten Lakhs) only in the form of pay order or demand draft issued by any nationalised Bank in favour of MMTC Limited payable at Barbil. On receipt of the above security deposit, contract shall be executed and EMD shall be returned to the successful bidders. Un-successful bidder(s) shall also get back their EMD(s) after 5 working days from the date of work order issued to the successful bidder.

CLAUSE 16 : Arbitration : Any dispute or difference whatsoever arising between the parties

out of or relating to construction, meaning, scope, operation of this contract or validity or breach thereof shall be settled by Arbitration by Sole-Arbitrator to be nominated by the General Manager, MMTC, Bhubaneswar. The provisions of Arbitration and conciliation Act, 1996 shall apply to such arbitration proceedings. The Venue of the arbitration shall be Bhubaneswar, Odisha.

CLAUSE 17 : Force Majeure : In case at any time during the existence of the contract, either

party is unable to perform in whole or in part any obligation under the contract because of war, hostility, military operation of any character, civil commotions, sabotage, quarantine restrictions, acts of Government, fire, floods, explosions, epidemics, strikes, embargoes, blockages, mobilizations, earthquake, cyclone, **plant shut down restrictions** or any other unforeseen circumstances beyond the reasonable control of the parties concerned then the date of fulfilment of any obligations shall be postponed during the time when such circumstances are operative.

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Any waiver / extension of time in respect of the delivery of any instalment or part of the goods shall not be deemed to be waiver/extension of time in respect of the remaining deliveries. If operation of such circumstances exceeds by one month, the affected party will have the right to refuse further performance of the contract in which case neither party shall have the right to claim eventual damages.

The party which is unable to fulfil its obligations under the present contract must within 10 days of occurrence of any of the cause mentioned in the contract shall inform the other party of the existence of the circumstances preventing the performance of the contract. Certificate issued by a Chamber of Commerce of Industry or any other competent authority connected with the cause shall be sufficient proof of the existence of the above circumstances and their duration. Non-availability of material will not be an excuse to the Seller for not performing their obligations under the contract.

The delivery period in respect of undelivered quantities may be extended during the contractual period at Buyer's option subject to acceptance of the price by the Seller available through any tender by MMTC during the extended delivery period or the contractual price, whichever is lower.

If no mutual agreement either for extension of time for supply of iron ore or price is arrived at, the contract may be terminated at the option of the MMTC without any liability.

CLAUSE 18 : Authorisation of Agent/Representative : For the bid submitted by agent / representatives, the name, address & bank attested specimen signature of their principal is to be furnished along with a letter of authority issued by the principal authorizing the agent/representatives to participate on their behalf.

CLAUSE 19 : Contract :

Tender documents forming part of the contract shall be signed by the bidder on each page and furnished along the Technical Bid as token acceptance of the terms and conditions. One copy of the Purchase Order(s) to be issued by MMTC to the successful bidder(s) shall also be duly stamped & signed by the supplier & submitted to MMTC.

CLAUSE 20 : Submission of Tender Bid : The bid (s) is/are to be submitted in the following manner :

(a) Techno-Commercial Bid : As per details given in Clause under Eligibility Criteria .

(b) Price Bid : Price per WMT basis.

Both the envelopes super scribing Part - I and Part-II separately for Tender NIT No.MMTC/BBN/IOF/NINL-RM/3/2013-14 dated 02/12/2013 for supply of Iron Ore Fines are to be put in one sealed envelope.

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CLAUSE 21 : General Conditions:

(a) For evaluation of the bid, the landed cost at NINL plant, Duburi, Jajpur, Odisha shall be considered.

(b) MMTC reserves the right to cancel or, reject any or all bids without showing any reason whatsoever and the decision of MMTC in this respect shall be final and binding and shall not be liable to be questioned in any court or before any authority.

(c) MMTC also reserves the right to allocate the full quantity to a single supplier or split the full quantity to different suppliers who accepts the L-1 price.

Clause No.22: Termination of Contract

The buyer may at any point of time by notice in writing summarily terminate the contract without any complain whatsoever from the seller.

- i) In the event of insolvency of the seller/insolvency of any partner of the seller's firm/dissolution of the seller's firm/winding up of the seller's company on appointment of receiver.
- ii) If the seller commits the breach of the contract even though not specifically provided for herein, provided always that such determination shall not prejudice any right of action or remedy which shall accrued or shall accrue thereafter to the buyer and provided also that the seller shall be liable to compensate the buyer for damages, claims, losses and expenses etc.

Clause No.23: Validity:

The tendered price/rate will remain valid till 31.03.2014 .

The details of tender will be available in the MMTC website www.mmtclimited.gov.in & Govt e-procurement portal www.eprocure.gov.in.

MMTC limited
B A R B I L

Accepted.

(End of Technical Bid portion)

NIT No. MMTC/BBN/IOF/NINL-RM/3/2013-14 Date -29/11/2013
(Last Date of submission of Bids : 10/12/2013 at 1330 Hours)

PART-II

PRICE BID

Price: Price shall be Rs. per MT on F.O.R basis as per mentioned Railway Siding. The price shall be inclusive of royalty and exclusive of labour welfare cess, VAT and Entry tax as applicable, which will be as per the prevailing rates. Any variation in the rate of taxes or imposition of any fresh statutory levy during the contractual delivery period shall be to the account of buyer, subject to submission of documentary evidence to that effect by the supplier.

The price offered shall remain valid till 31/03/2014 for acceptance by MMTC.

Place:

Signature of the Bidder with Official Seal

Date:

