Kind Attn: Mr. H.L. Sapru, Sr. Vice President (Authorised Signatory)

“Setting up of Hingula washery (10.0 Mty) on BOM concept at Balaram OCP, Hingula area, MCL” Reg.: Letter of Award (LoA) to the Lowest Bidder.

i) Bid Notice No.: MCL/SAMB/CIVIL/12-13/267 dtd 04.05.12
ii) MIEL’s Bid: dtd 06.10.12 in response to Bid Notice dtd 04.05.12
iii) LoI by MCL No.: MCL/SAMB/CIVIL/13-14/1512 dtd 06.12.13

With reference to the above, the competent authority has been pleased to award the job to M/s Monnet Ispat & Energy Ltd. (MIEL) in association with M/s CLI Corporation, USA (CLI) for “Setting up of Hingula washery (10.0 Mty) at Balaram OCP, Hingula area, MCL” on BOM concept as per the description of work put in the above mentioned Bid Notice no. dtd 04.05.12 and in terms of the various stipulations as contained in the referred Bid Document for this work, subsequent clarifications, confirmations and undertakings given by M/s MIEL on basis of the following broad technical & financial parameters:

a) Set-up cost: Rs.321.96 crores (Rupees Three hundred Twenty one Crores and Ninety Six Lakhs) inclusive of all the components of Statutory levies, like Custom Duty, Excise Duty, Sales Tax, Work Contract Tax, Service tax, Education Cess, etc as per the relevant articles of Bid Document.
b) Operating cost: Rs.111.24 (Rupees One Hundred eleven and Paise Twenty four) per tonne of raw coal on dry basis for the first year of Commercial Operation.

c) Salient Guaranteed Operational Parameters:

i) Raw coal throughput: 10.0 Mty (Ten Million Tonnes per annum) of raw coal on dry basis

ii) Minimum Guaranteed Yield (Committed): 89.1% (Eighty nine point one) on dry basis with likely Monthly Avg. Ash% of Raw Coal of 38.5 (Thirty eight point five) on adb at Monthly Targeted Washed Coal Ash% of 33.5 (Thirty three point five) on adb.

iii) Power Consumption: 6.0 Kwh/t of raw coal (Six point zero) on dry basis

iv) Water Consumption: 0.09 cum/tonne of raw coal. (Point zero nine) on dry basis.

The other details of the work are detailed hereunder:

1.0 Assured Raw Coal: 10.0 Mty on ‘as received basis’ with range of monthly average ash% of 38.5±4 (adb) and range of Total Moisture% of 8-10 (arb).

2.0 Period of Work: Set-up – 18 (eighteen) months (including PGT) from the date of signing of contract.

Operation & maintenance – 10 (ten) years with a provision of reviewing by the Owner for renewal of the contract for each term of 05 (five) years thereafter on the basis of same terms & conditions.

3.0 Terms of Payment: Payment shall be made as per Cl. No. 4(A).36 of ‘General Terms & Conditions of Contract’ of RFP Document.
4.0 Paying Authority: GM (F), MCL HQ/AFM (HQ).

5.0 Engineer-in Charge: GM, Hingula area or his authorized representative.

6.0 Project Financial Security: M/s MIEL has to submit PFS in the form of BG for an amount equivalent to set up cost of the washery on issue of this LoA but before signing of the Agreement in line with Cl. No. 4(A).2 of ‘General Terms & Conditions of Contract’ of RFP Document.

7.0 Guarantee: M/s MIEL shall meet the guarantee parameters regarding the ‘subject work’ as per Section – 5(D) of RFP Document.

8.0 LD for delay in Completion: Failing to maintain the required progress in terms of the contracted time & progress, M/s MIEL shall pay compensation/LD as per Cl.No.4 (A).11 of General Terms & Conditions of Contract’ of RFP Document.

9.0 Regulation of Local Authorities and Statutes: M/s MIEL have to comply with all the rules and regulations of Local Authorities as well as DGMS/Statutory Authorities during the performance of their field activities. M/s MIEL are also required to comply the provisions of minimum wages Act 1948 and the payment of wages act (both of the Government of India and the Local State Government) and the rules made thereunder in respect of any employee or workman employed or engaged by M/s MIEL and its sub-contractor. M/s MIEL will make all necessary payments of the Provident Fund for the workman employed by them for the work as per the laws prevailing under provision of CMPF & allied schemes and Miscellaneous Provisions Act 1948 as the case may be.
10.0 Legal Jurisdiction
: In case of any dispute or difference arises out of this tender and subsequent contract awarded based on this tender, the same shall be settled as per the Guidelines issued by the Ministry of Finance, Govt. of India as per Cl. No. 4(A).37 of RFP Document.

11.0 Agreement & execution
: All other terms and conditions, including that contained in this LoA shall be as per the terms and conditions of the RFP document and shall form part of the Contract. A formal Agreement on Non-Judicial Stamp Paper amounting to Rs. 100/- shall have to be executed between Mahanadi Coalfields Ltd. and M/s MIEL i.e. M/s Monnet Ispat and Energy Ltd. within the time frame as per Cl. No. 4(A).1 of general terms and conditions of the RFP document. The necessary expenses in making the Agreement documents shall be to the contractor’s account. All the terms and conditions laid down in the RFP document shall be applicable.

12.0 Unconditional Acceptance
Of LoA
: The LoA is being issued in duplicate. M/s MIEL is requested to return the duplicate copy of this LoA immediately after receipt of duly signed and stamped on each page by the authorized representative of MIEL as a mark of acceptance within 7 (seven) days from the date of issue of this letter.

13.0 PVC Clause
: PVC Clause will be applicable due to delay in issue of LoA not attributable to BOMO.

Failure to comply with the requirement as above shall constitute sufficient ground for cancellation of the Letter of Award (LoA) for the work and forfeiture of Bid Security.

\(\text{\signature}\)

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You are hereby also requested to attend this office with prior intimation to chalk out the details for taking further steps with regard to Signing of Contract, clearance from Environment Deptt. & other statutory clearances from Factory Inspector, Electrical Inspector etc.

This issue with the approval of competent authority and has got financial concurrence vide no. FC/MCL/SBP/15-16/CAP/C-241 dtd 30/12/2015 and FD vide no. FD/MCL/SBP/16-17/CAP/D-17 dated 30/12/2015 and FD/MCL/SBP/17-18/CAP/D-01 dated 30/12/2015.

संदेशबाद,

भवदीय

नामांकन (वाष्पी विभाग)

सादर सूचनार्थ:–
1. CMD, MCL.
2. CVO, MCL.
3. Director Tech (P&P), MCL.

प्रतिलिपि:–
1. GM (Planning), MCL.
2. GM (Projects), MCL.
3. GM(Finance)/AFM(HQ), MCL.
4. GM (Hingula Area), MCL – with a request to handover the encumbrance free land to M/s.MIEL on the date of signing of contract and further necessary action for execution of the work.

5. GM (CMP), CMPDI, Ranchi.
6. GM (EED), CIL.
7. GM (Systems), MCL – For uploading on the official website.