

UDUPI POWER CORPORATION LIMITED

INVITATION TO BID (ITB)

INTERNATIONAL COMPETITIVE BIDDING (ICB)

FOR SUPPLY OF COAL FOR UDUPI POWER PROJECT, LOCATED AT YELLURU, UDUPI DISTRICT, KARNATAKA STATE, INDIA.

The Udupi Power Corporation Limited (UPCL) invites sealed bids from eligible bidders for supply of Coal as detailed in Bidding Documents No. UPCL/ICB/01/2009-10 for the said Project.

UPCL OVERVIEW:

Udupi Power Corporation Limited (UPCL) formerly known as Nagarjuna Power Corporation Limited (NPCL) is a Limited Liability Company registered under the Companies Act 1956 of India with its registered office located at Prestige Opal, Unit 202, 2nd Floor, # 146 Infantry Road, Bengaluru - 560 001, Karnataka, India and is setting up the Udupi Power Project (UPP) in Yelluru, Udupi District of Karnataka State in the Coastal Region of India. The project is a Mega Power Project under the Mega Power Policy of the Government of India.

PROJECT INFORMATION:

PROJECT NAME	:	Udupi Power Project
CAPACITY	:	2 x 507.5 MW proposed to be augmented to 2 x 600 MW
OWNER	:	Udupi Power Corporation Limited, Prestige Opal, Unit 202, 2nd Floor, # 146 Infantry Road, Bengaluru – 560 001, Karnataka, India.
OWNER'S ENGINEER TO PROJECT	:	TCE Consulting Engineers Limited, Sheriff Centre, 73/1, St. Mark's Road, Bengaluru – 560 001, Karnataka, India.
EPC CONTRACTOR	:	Lanco Infratech Limited (LITL), Lanco Group. Plot No. 229, Udyog Vihar, Phase - 1, Gurgaon – 122 016, Haryana, India.

PROJECT LOCATION	:	Kolachuru, Yelluru Village, Nandikur Post – 574 138, Udupi District, Karnataka, India. The site is at a road distance of about 35 kms north of Mangalore in Udupi District of Karnataka State, and is about 30 kms from the New Mangalore Port Trust through Rail. The Project Location is accessible by Road from the State Highway connecting National Highway NH 17 (Between Mangalore and Mumbai via Goa) and Karkala Town. Nearest Airport is Mangalore International Airport, which is at a distance of about 35 kms from the Project Location
ELEVATION ABOVE MEAN SEA LEVEL	:	20 Mtrs to 40 Mtrs above Mean Sea Level
ACCESS TO SITE	:	Road: About 3 km North of Karkala Road Nearest Town is Padubidri Rail: Nearest Railway Station – Padubidri Railway Station

1.0 SCOPE OF SUPPLY

To enter into Long Term Coal Supply Contract on CIF basis for 12 (twelve) years out of which for first 5 (five) years prices to remain firm and for remaining 7 years thereafter price to vary based on mutually acceptable International Index or Formula, for supply of 1.25 MTPA of bituminous coal having Gross Calorific Value (as received basis) range varying from 5900 kcal/kg to 6500 kcal/kg with sulphur content not to exceed 0.8 % and ash content not to exceed 4.75 %. General terms & conditions of the supply contract are included in the bidding document. Also, the Freight Component shall be firm for 12 (twelve) years except Bunker Adjustment Factor.

Bidders can quote for supply of lower quantities i.e. upto 0.5 Million Tonnes.

2.0 BID QUALIFICATION REQUIREMENTS

2.1 The Bidder wishes to submit his bid shall meet the following qualifying requirements:

- The coal supplier shall be an “Established Coal Producer” with a minimum annual production capacity of 3 (three) million tonnes during the last 3 (three) years and having a reserve of more than 45 (forty five) million tonnes of specified quality coal.

Or

A “Regular Supplier” of bulk quantity of coal having supplied annually more than 1.25 (one and one by four) million tonnes during the last 3 (three) years and having a back to back arrangement with equity investment with an “Established Coal Producer” whose annual production is 3 (three) million tonnes during the last 3 (three) years and having a reserve of more than 45 (forty five) million tonnes of specified quality coal and the parties shall be jointly and severally responsible for the successful performance of the contract.

- The Bidder should have in the past supplied to utilities, atleast under 2 (two) Long Term Supply Contracts (CIF Basis) for a minimum quantity of 0.5 (half) million tonne per annum under each of the contract for the past 3 (three) years.
- The quality of coal shall meet the requirements of Coal limitation Specification as at CL.1.0 above.

2.2 The qualifying requirements for bidding for Coal Freight Component shall be as follows:

a) The Ship-owner(s) shall be an established international shipping company which owns and operates panamax vessels and has a proven track record of industrial transportation of coal and shall have transported at least 1 million metric tonnes of coal per year over a period of at least 3 years in panamax bottoms.

b) In case of a regular transporter, who does not own ships, he shall have a long term contract arrangement with a ship owning or ship operating company to ensure uninterrupted supplies and the ship-owners / ship operator shall meet the criteria given at (a) above.

- The Bidder shall have firm long-term transportation arrangement with Ship-owner(s) who should meet the qualifying requirement as specified in 2.2 above.

2.3 Limitations

- The Bids must clearly indicate the Bidder’s name and address, the name of the coal mine, the seam and other technical details. Bidders are required to furnish the

details of the past experience and enclose relevant documents like copies of authentic work order, completion certificates, agreements profit & loss accounts and Balance Sheet for the past (3) years.

- The Bidder shall submit his offer for coal supply, preferably, considering supplies from two or more countries such as Australia, South Africa, Indonesia, China etc.
- Any Bid not containing sufficient descriptive materials to describe accurately the properties / characteristics, details as called for above may be treated as incomplete and non-responsive and hence likely to be rejected.

3.0 COST OF BIDDING

The Bidder shall bear all costs associated with the preparation and submission of his Bid, and the OWNER / OWNER'S ENGINEER will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the Bidding Process.

4.0 SITE VISIT

The Bidder and any of his personnel or agents are advised to visit and examine the Project Location and its surroundings including to access to and from the Site, Infrastructure and other Facilities, including Road, Rail and other transport facilities to and from the Site and obtain for himself on his own responsibility all information that may be necessary for preparing the Bid and entering into a Contract. Bidder himself will be responsible for any incidental or consequential damage or loss, and expenses incurred as a result of the Project Site Visit.

5.0 BID DOCUMENTS

One complete set of Bid Documents (Instructions to Bidders and Terms of the Contract) may be collected by any eligible Bidder or his authorized representative on submission of written request to The Director - Technical, Udupi Power Corporation Limited, Prestige Opal, Unit 202, 2nd Floor, # 146 Infantry Road, Bengaluru – 560 001, Karnataka, India, and on payment of the cost of document (Non-refundable) in the form of crossed Account Payee Demand Draft for US \$ 2000 (Two Thousand) drawn in favour of Udupi Power Corporation Limited, Payable at Bengaluru.

6.0 BID SECURITY AND VALIDITY OF BIDS

The Bids must be accompanied by Bid Security for an amount of US \$ 100,000 (One Hundred Thousand) in the form of Bank Guarantee. The Bid and Bid Security shall be

valid for a period of 180 Days or as such extended period till the finalization of the Bids occurs.

7.0 SCHEDULE

Sale of Bids Documents:	From 23.12.2009 to 08.01.2010 on all working days from 9.30 Hrs to 17.30 Hrs (IST)
Pre-Bid Conference:	18.01.2010 at 9.30 Hrs (IST)
Venue:	Will be notified
Bid Submission (Latest by):	01.02.2010 at 17.30 Hrs (IST)
Bid Opening (Techno-commercial Part):	03.02.2010 at 9.30 Hrs (IST)
Price Bid Opening:	To be notified later

8.0 GENERAL

- Bid Documents are not transferable. Bids received from those who have not purchased the Bid Documents will be rejected.
- Purchase of Bid Documents will not automatically mean that the BIDDER is considered qualified.
- Bids in part will be summarily rejected.
- UPCL reserves the right to waive minor deviations in the Qualification Criteria if they do not materially affect the capability of any Bidder to perform the Contract.
- The requirements stated in the Bidding Documents are minimum, notwithstanding anything stated in this document. UPCL also reserves the right to assess the Bidder's capability and capacity to perform the Contract should the circumstances warrant such as assessment in the overall interest of UPCL.
- UPCL reserves the right to accept or reject any Bid(s) and to annul the process of submission of Bids, at any time without assigning any reason thereof.
- UPCL reserves the right to split the quantity ordered into more than 1 (one) contract.
- All communication in respect of this Bid shall be addressed to:
Director (Technical)
Udupi Power Corporation Limited,
Prestige Opal, Unit 202, 2nd Floor,
146 Infantry Road,
Bengaluru – 560 001, Karnataka, India.

Phone: 080 - 4025 4025

Fax: 080 - 4025 4000

E-mail ID's: mulla.ra@lancogroup.com; murali.ds@lancogroup.com