

NOTICE INVITING TENDER (NIT)

Date: 22nd July 2022

Instructions for Submission of Offer

**Supply of 1.49 Lakhs Metric Tons of Agro Residue based Bio-Mass Pellets
On LAPL Plant Delivered Basis**

**LANCO AMARKANTAK POWER LIMITED Enquiry/NIT
Reference No: LAPL/BioMass Pellets/2022-23/01**

Issue Date: 22nd July 2022

Offer Submission Date: 31st July 2022

1. M/s Lanco Amarkantak Power Limited (“LAPL”) is a Company registered under the Companies Act 1956 of India, and has set up coal based 600 MW (2 x 300 MW) Thermal Power Plant at Village Pathadi, District Korba, Chhattisgarh, India.
2. **M/s Lanco Amarkantak Power Limited hereby invites bids for supply of 1.49 Lacs MT of Agro Residue based BioMass Pellets LAPL on Plant Delivered Basis.**
3. The Scope of Work under this package shall include supply, loading, transport, and delivery of Agro Residue based BioMass at Lanco Amarkantak Power Plant as per the guaranteed parameters mentioned in **Clause 4 in Exhibit 5** the of the bid document. The detailed terms & conditions are provided in the **Exhibit 5** enclosed herewith.
4. The prospective bidders shall submit their Techno – Commercial offer, in line with the provision of the bidding documents.
5. Bidders to quote rates on separate sheets for the supply of 1.49 Lacs MT of Agro Residue (type of agro residue to be indicated) based BioMass Pellets LAPL on Plant Delivered Basis
6. **The offers should be valid and open for acceptance for a minimum period of 90 days from the due date of submission of bids. Bids with shorter validity period shall not be accepted.**
7. The cost on account of preparation and submission of bid, negotiations, discussions etc., as may be incurred by the Bidder in the process are not reimbursable by LAPL, and LAPL will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.
8. LAPL reserves the right to reject any or all bids, wholly or partially, and to annul the bidding process without assigning any reasons whatsoever, at any time prior to award of contract, and in such case no bidder/intending bidder shall have any claim arising out of such action.
9. The Agro Residue based BioMass Pellets specifications shall be as per **Exhibit 1** and the Agro Residue based BioMass Pellets to be supplied in accordance with the delivery schedule as per **Exhibit 2**. The delivery schedule and timely supply is essence of the contract.
10. The prospective bidders shall submit their price bid giving complete price break-up for various components as per **Exhibit 3**.
11. The prospective bidders shall submit Earnest Money Deposit (EMD) @ INR 25 per MT (INR Twenty Five per Metric Tons Only) in the form of Bank Demand Draft favouring ‘**Lanco Amarkantak Power Limited**’, payable at New Delhi along with their offers. **The EMD shall not bear any interest.** Offers without requisite EMD or insufficient EMD shall be summarily rejected. **LAPL reserves the right to reject the offers without requisite EMD or insufficient EMD.**

12. **Rate**

- You are requested to quote your best possible Rate, along with the breakup, for the Supply of Agro Residue based BioMass Pellets to Lanco Amarkantak Power Plant.
- The Rate quoted by the bidders shall be on **Plant Delivered Basis** and shall include the supply, loading, transport, and delivery of Agro Residue based BioMass at Lanco Amarkantak Power Plant as per the guaranteed parameters mentioned below in this document.

13. **Qualifying Criteria & Other Details:** Bidders having minimum annual turnover of INR 10 Crores during any of the preceding three financial years, with experience of supplying loading, transportation and delivery of Agro Residue based Biomass to Power stations on plant delivered basis can participate in this tender, for which they would provide documentary evidence and requisite credentials. Bidders are requested to provide the following information with all relevant details & supporting papers:

- Brief synopsis on Indian operations with address / telephone numbers etc. of the persons to be contacted for validation, if required.
- The Bidder should have annual turnover of more than INR 10 Cr in any of the three (3) Financial Years i.e. FY 2018-19 to FY 2020-21.
- The Bidder should have experience of supplying loading, transportation and delivery of Agro Residue based BioMass to Power stations on plant delivered basis of atleast 500 MT per day any year during last 3 years (Enclose copy of contracts/agreement as documentary proof along with the tender).
- The Bidder should have accepted all the terms and conditions of the tender document. Bidders are required to submit a copy of this enquiry document signed on each page as token of acceptance of all terms & conditions.
- Scale of operations in India with year-wise Agro Residue based Biomass Pellets supply for the last 3 years
- Name of major customers during the last 3 years with order details along with address / telephone numbers etc. of the contact persons of the customers to be contacted for validation, if required
- Brief Information on the organizational structure, financial strength supported with annual reports for the last 3 years.
- Details of any dispute with suppliers / customers, if any, for the last 2 years.
- The Management reserves the right to add/amend these qualifying criteria at its sole discretion.
- Any other information.

An indicative format for submitting Bidder's Credentials is attached as **Exhibit 4**.

13 The bidder are requested to submit their offer in a sealed envelope at our Corporate Office as per the address given below:

Fuel Department

Lanco Amarkantak Power Limited
Plot No 397, Udyog Vihar
Phase III, Gurgaon – 122 016

Enclosures:

1. Exhibit 1: Agro Residue based Biomass Pellets Specification
2. Exhibit 2: Delivery Schedule
3. Exhibit 3: Format for Submission of Price Bid
4. Exhibit 4: Format for Submission of Bidder's Credentials
5. Exhibit-5: Draft Purchase Order

Exhibit 1: Technical Specifications for Agro Residue based BioMass Pellets

Technical Specifications	Unit	Specifications
Base Material	NA	Agro Residue / Crop Residue (wood based pellets will not be acceptable)
Diameter	mm	Not more than 25mm No other dimension should exceed 35 mm
Bulk Density	Kg/m ³	Not less than 600
Fines (Length <3mm)	wt%	Fines <= 5%
Moisture (ARB) TM	wt%	Not more than 14%
GCV (ARB)	Kcal/kg	Non-Torrefied : 2800-4000 Torrefied: 3400-5000
Hard Groove Grindability Index (HGI)		Not Less than 50

Exhibit 2: Delivery Schedule

The monthly quantity of 12,410 MT shall reach to the plant on fortnightly basis i.e. 6205 MT in Lot 1 and 6205 MT in Lot 2.

Exhibit 3: Format for Submission of Price Bid

S. No.	Particulars	Unit	Value	
			Figures	Words
A	Landed Price at LAPL (Plant Basis) excluding GST	INR/MT		
B	Landed Price at LAPL (Plant Basis) including GST	INR/MT		
C	GCV (ARB) Offered	KCal/Kg		
D	Price/GCV (B/C)	INR/GCV		

Note 1: Landed Price at LAPL (Plant Basis) mentioned in SL # (A) shall be inclusive of supply, loading, transportation, delivery, Incidental Expenses and all other charges/taxes/duties/royalty (if any) of Agro Residue based Biomass at Lanco Amarkantak Power Plant. Break- up of the price structure shall need to be given by the supplier.

Note 2: The evaluation of the Price Bid will be done on the Landed Price of Biomass Pellets in INR per GCV (ARB) [i.e. INR per Million Calories] delivered at Lanco Amarkantak Power Plant inclusive of taxes, duties & levies.

Exhibit 4: Format for Submission of Bidder's Credentials

Sr. No.	Particulars	M/s
1.0	Month/ Year Of Incorporation	
2.0	Type of Company (Public Limited, Private Limited etc.)	
3.0	CMD	
4.0	Name Of the Group	
5.0	Registered Office	
6.0	Tonnage Agro Residue based Biomass Pellets Supplied*	
6.1	2020-21	
6.2	2019-20	
6.3	2018-19	
7.0	Turnover Details*	
7.1	2020-21	
7.2	2019-20	
7.3	2018-19	
8.0	Net Profit (PAT)*	
8.1	2020-21	
8.2	2019-20	
8.3	2018-19	
9.0	Bankers Details	
10.0	Auditors Details	
11.0	Other Businesses, if any	1. 2. 3.
12.0	Major Clients* (with similar Job & Tonnage Handled)	1. 2. 3.
13.0	Disputes Details, If Any	

* Proof of details required with supporting documents & experience Certificates, etc.

Exhibit 5: Draft Purchase Order

Ref. No: LAPL/Biomass Pellets/2022-23/01

Date:.....

Draft Purchase Order

To,

.....
.....
.....

Kind Attention: Mr.

Sub: Purchase Order for Supply of 1.49 Lakhs of Agro Residue based Biomass Pellets on Plant delivered basis to Lanco Amarkantak Thermal Power Station located at Village – Pathadi, District – Korba, Chhattisgarh, India.

Dear Sir,

With reference to your final offer dated....., subsequent discussions & clarifications and your willingness to supply Agro Residue based Biomass Pellets, we are pleased to issue this Purchase Order to M/s on following terms & conditions.

1. Preamble:

M/s Lanco Amarkantak Power Limited is a Company registered under the Companies Act 1956 of India and has set up coal based 600 MW (2 x 300 MW) Thermal Power Plant at Station located at Village – Pathadi, District – Korba, Chhattisgarh, India.

With reference to aforesaid subject, we, M/s Lanco Amarkantak Power Limited (hereinafter referred as “LAPL”) are pleased to issue this Purchase Order (hereinafter referred as “PO”) on **M/s.....** (hereinafter referred as “Supplier”) for Supply of 1.49 Lacs MT Agro Residue based Biomass Pellets on Plant delivered basis to its 2 x 300 MW Amarkantak Thermal Power Station (hereinafter referred as “**LAPL**”) located at Station located at Village – Pathadi, District – Korba, Chhattisgarh, India.

The detailed terms & conditions are given below:

2. Scope of Order:

The Supplier shall supply 1.49 Lacs MT of Agro Residue based Biomass pellets of designated quality as per the specification as mentioned hereunder in Clause No.: 4 on Plant delivered basis.

Details of Material and supply duration:

Sl. No	Description of Item	Indicative Quantity [to be supplied in Tonnes per day (TPD)]	Total Qty. (Tonnes)
1.	Agro Residue Based Biomass Pellets	-----	-----

Note: The daily requirement estimated above is indicative only and may change based on the actual plant load factor and requirement of the LAPL. However the total quantity of the month shall be delivered as per the Exhibit 2 of the tender document.

3. Mode of Transportation

3.1 The default mode of transportation is covered truck with the proper waterproof arrangement.

Carriage vehicles should be fully covered and waterproofed during transportation to prevent the material from rain, sunlight and dust aspects.

3.2 The supplier may supply the material i.e. Biomass pellets packed in bags. In that case, the supplier shall unload the material at his own cost and extra charges, if any, shall be borne by the supplier.

3.3 Before unloading at a designated location, samples shall be tested for moisture content. However, the HGI report shall be submitted by the Supplier with each carriage vehicle/consignment at the time of supply.

3.4 Demurrage, if any, during unloading for the reasons attributable to the supplier shall be borne by the Supplier.

4. Agro Residue based Biomass Pellets Specifications:

The Agro Residue Based Biomass pellets specifications are tabulated below;

Technical Specifications	Unit	Specifications
Base Material	NA	
Diameter	mm	
Bulk Density	Kg/m ³	
Fines (Length <3mm)	wt%	
Moisture (ARB)	wt%	
GCV (ARB)	Kcal/kg	
Hard Groove Grindability Index (HGI)		

Any other parameters shall be quoted by the supplier.

5. Period of Contract:

- 1) **Supply Duration:** The period of contract shall be for a minimum period of one (01) year. However, LAPL shall be at its liberty to engage one or more supplier or seek new quotations for the said job during the validity of this Work Order. Further, after award, if the supplier is not able to supply the allocated quantity of pellets to Plant due to any reason attributed to Plant or reason mentioned in force majeure clause, an additional one month grace period corresponding to each one year of supply period shall be provided to the supplier. In this grace period, the supplier shall be able to supply leftover quantity out of the total allocated quantity of pellets each year.
- 2) **Delivery address:** The consignment of pellets shall be delivered to the following address: - Lanco Amarkantak Power Limited, Gate No. 2 Village Pathadi, Korba, Chhattisgarh.
- 3) **Delivery Schedule:** Default delivery schedule shall be the quantity allocated to the supplier for the supply of pellets on fortnightly (6205 & 6205 MT) basis, which is 12,410 MT per month. Accordingly, the supplier shall deliver that quantity of pellets to the Plant site as per Exhibit 2. There should be continuous off take of the biomass by the plant as per the terms of the contract. No restriction shall be from LAPL on supply of Biomass pellets unless some exigency happens and with mutual consent with the supplier. Although the supplier shall supply the pellets as per the above delivery schedule mention in clause no. 2, however, the supplier shall have the flexibility to supply the material in higher quantity than the delivery schedule on mutual consent basis to meet the annual supply requirement. In such a case, the supplier shall give one-week advance intimation to the Plant site and the site shall give the consent to supply material in higher quantity after assessing traffic congestion or other aspects as required. LAPL can also give a reduced daily delivery schedule to the supplier by giving one-week advance notice through the official e-mail ID of the Engineer-in charge or e-mail ID of any other person authorized by him and the supplier shall dispatch the consignment accordingly. Maximum variation in Biomass monthly offtake of Plants shall be within $\pm 25\%$ of the contracted quantity.

6. Contract Performance Guarantee (CPG):

Security Deposit shall be Rs. 100/- (Rupees Hundred) per MT for the yearly quantity which is Rs. **1,48,92,000/-** (148920 MT * Rs. 100 per MT).

In case after having been issued the Notification of Award/Purchase Order of a package, if the bidder does not accept the Notification of Award/Purchase Order or do not submit an acceptable Performance Security, which results in tender being annulled then the bidder shall be treated ineligible for participation in retendering of this particular package. Further, such vendor shall also be dealt as per the provisions of the policy for Withholding and Banning of Business Dealings.

If after award of the Purchase Order/Contract it is found that the manufacturing plant from which supplies are being made, is not registered in the name of the Contractor/ one of the Partner of Consortium, to whom Purchase Order/Contract is awarded, then the Contract shall

be terminated and security deposit of the bidder is liable to be forfeited and bidder is also liable to be debarred for participation in subsequent tenders.

Note: Security Deposit may be submitted in any of the following forms:

- a. A Demand Draft (DD) in the favour of Lanco Amarkantak Power Limited payable at par.**
- b. An irrevocable Bank Guarantee as per the Plant standard format from any Nationalized Bank/ Scheduled Bank as acceptable to Plant owner.**

7. Price and Effectiveness:

- 1) **Price Basis:** - Free on Road at Plant SITE STORES.
- 2) **Freight charges:** -The materials shall be dispatched by road on "Freight paid" basis through supplier's transporter.
- 3) Price quoted by the bidder shall be firm throughout the contract period. There shall be no escalation on whatsoever ground.

8. Liquidated Damages (LD):

- 1) The Supplier shall have to commence delivery of material within 10 days from the date of issue of the Purchase Order.
- 2) Liquidated Damage (LD) shall not be applicable for short supply up to 25% in a month against the monthly quantity. However, for monthly short supply beyond 25%, liquidated damage (LD) shall be recovered from supplier @ 10% of price of the biomass pellets for shortfall quantities.
- 3) Modification of the Purchase Order quantities by Generating utilities up to a maximum reduction of 25% may be done by giving one month's notice during the supply period. Further reduction in order quantity and /or notice period, if any, may be done with mutual agreement between the Supplier & Generating utility.
- 4) Penalties for short supply calculated on monthly basis will be levied at the rate of 10% of the awarded price for the shortfall quantity.
- 5) GST extra as applicable shall also be levied on Liquidated Damages.
- 6) Total amount of LD for shortfall in supply shall not exceed 10% of the total contract price.
- 7) Delay in delivery will attract a penalty of 2% of the awarded price for every week's delay.

9. Quantity Determination:

Quantity of Biomass Pellets shall be determined at the Plant. Quantity in Challan or at Lanco weighbridge, whichever is less shall be considered as receipt weight for billing purpose. In case Plant weighbridge is out of order, Supplier Challan with weighment slip at loading point shall be deemed final for final reconciliation purpose. The biomass pellets will be weighed truck wise at Plant weighbridge for the determination of quantity.

It will be the responsibility of the supplier to inform LAPL about the truck arrival time at Plant in advance.

LAPL shall arrange the calibration at Plant weighbridge if required.

10. Quality Determination:

- 1) LAPL will carry out the sampling and analysis of torrefied / non torrefied pellets at LAPL as per the provisions of either BIS or ASTM at the option of LAPL. LAPL will carry out the sampling and testing process as per the relevant BIS (IS 436 Part-1) standards for vehicle top sampling.
- 2) The authorized representatives of LAPL and pellet supplier shall jointly witness the process of sample collection and preparation of the laboratory samples. The representatives shall put their signature on the sample tags in evidence of the process of sampling. Both consumer and pellet supplier shall sign on the samples register maintained by the LAPL at the unloading end.
- 3) For purpose of rejection test before unloading, samples shall be tested for moisture content by LAPL. If test result of any sample collected from a truck/consignment meets Technical parameter criterion for moisture content as given in Clause 4 then truck will be allowed for unloading, otherwise, truck (Consignment) will be rejected if test result meets the rejection criterion as given in Clause and it shall be the supplier's responsibility to carry it back on his own cost.
- 4) For testing of GCV and other Technical parameters, single sample shall be prepared for all the consignments received in a day from a particular Supplier. For avoidance of doubt, in case supply is from multiple Suppliers in a day, Supplier-wise sample shall be prepared for all the consignment received in a day.
- 5) The final laboratory sample shall be divided into 3 (three) parts. Part-1 of the sample is for analysis of GCV and other technical parameters by LAPL lab at site. Part-2 sample is to be handed over to the pellet supplier for its own analysis. Part- 3 of the sample, called Referee sample, shall be sealed jointly and shall be kept with LAPL under proper lock and key arrangement.
- 6) The LAPL representative will have the right to witness sampling and testing of pellets for the Base Parameters at the loading end.
- 7) The supplier's representative will have the option to witness the sample collection. Any dispute related to sampling, preparation, and analysis activity has to be raised strictly within 48 hours of the respective activity. Further, any dispute related to testing results may be raised strictly within 7 days of the declaration of the results by the LAPL. The disputes concerning sampling and testing may be entertained only if backed up by logical and justifiable reasons. Frivolous/repeated disputes may invite penal action by LAPL.
- 8) As this process of sampling and preparation is a continuous round the clock process to deal with the multiple consignment workloads, so LAPL would carry out the process as per the time deemed suitable for the process. Hence, it is the responsibility of the supplier's representative to be available at all times to witness the same.
- 9) LAPL may request Supplier to withdraw representative who is not diligent and/or is not cooperative. Frivolous/unreasonable objections to the sampling and testing process at LAPL will not be entertained. It may be noted that witnessing testing (if any) carried out outside the LAPL lab will not be feasible and should be avoided.
- 10) LAPL may also consider (at its option) sharing part of the sample (third sample) with the Supplier. The third sample is for reference of the Supplier only and results of analysis of the third sample will not be considered for determining the payments.
- 11) Referee samples will be preserved in the LAPL laboratory under locked almirah in sealed condition in a moisture-free area for 15 days (from the date of declaration of such results) in the safe custody of the LAPL.

- 12) Generally, Quality reports will be generated within 7 working days of receipt of the material and the same will be communicated to the Supplier, subject to receipt of loading end quality report.
- 13) In case dispute is raised within the stipulated time period, the Reference sample shall be analyzed in a NABL accredited laboratory as notified by LAPL from time to time, expense of which shall be borne by pellet supplier. NABL accredited laboratory report of referee sample shall be final and binding on both the parties.
- 14) It may be noted that referee samples shall only be used in case of conflict of quality and price adjustment, whereas, in case of rejection of consignment due to Total moisture (TM) content, LAPL reported TM content result will be final and binding.
- 15) To prevent misuse of the facility by disputing the majority of results of the lot, LAPL will abort this reserve testing process in case if the reserve sample results (first two) are within the repeatability limits (as per BIS 1350) from original results. In this case, original results will be considered for payment purposes.
- 16) Any pellet that is received at LAPL will not be returned/ permitted to be collected by the Supplier.
- 17) For Determination of Total Moisture (TM) content:
 - a. Samples shall be collected from each truck/dumper for TM determination.
 - b. TM will be determined by LAPL lab validated method based on IS 1350, (10g of 2.90mm passing sample will be heated for 2 hours at 108 +/- 2 Deg C. Total Moisture will be computed as per the formula below:

$$TM\% = (W_1 - W_2) \times 100 / W_1$$
 Where: W_1 = Initial Weight of Sample (10 grams)
 W_2 = Final Weight of Sample.
 Note: Before unloading, samples shall be tested for moisture at Station end.
 If this value is in the rejection level range, the consignment shall be rejected and it shall be the suppliers' responsibility to carry it back at his own cost.
- 18) Standards/Methods as per the table below will be referenced/used for quality determination:

Sl. No.	Technical Data	Testing Method/standard
1	Dimension (Diameter & Length)	ISO 17829 or Equivalent method may be referred
2	Fines (%)	ISO 18846 or Equivalent Method may be referred
3	GCV(ARB)	IS 1350 or equivalent method may be referred
4	Moisture content (ARB) TM	Method based upon IS 1350 or equivalent method may be referred (Hand-Held Moisture Meter may also be used)
5	HGI	ISO 5074 or equivalent method may be referred

11. COMPUTATION METHODOLOGY FOR VARIOUS RECOVERIES /QUANTITY ADJUSTMENTS:

- 11.1 The supplier shall guarantee technical parameters of agro residue-based pellets as given in biomass specification under clause 4. The characteristics contained in Technical Specification biomass specification under clause 4 shall be adhered to and maintained

and non-adherence shall result in 'Quantity and price adjustment as per clause 11.2 or even rejection as per clause 11 (d) of this volume.

11.2 Acceptance range with/without pro-rata price / quantity adjustment:

11.2.1 The agro residue-based pellets supplied shall conform to technical specifications as given in biomass specification under clause 4. But, in case consignment of agro residue-based pellets does not meet the guaranteed parameters for GCV, moisture content, and fines %, but are within the acceptable limit as given in table 2, the consignment shall be accepted but with a pro-rata price/ quantity adjustment as applicable.

Table 2: Parameters on Acceptance Limits

Sl. No.	Technical Data	Units	Acceptance range Without Price / Quantity adjustments	Acceptance range With Prorata Price / Quantity adjustments
1a	Gross Calorific Value (ARB*) - Torrefied	Kcal/Kg	As per clause 7.2.2.1	
1b	Gross Calorific Value (ARB*) – Non torrefied	Kcal/Kg	As per clause 7.2.2.2.	
2	Total Moisture (ARB*)	Wt%	Not more than 14%	
3	Fineness% (ARB)	Wt %	Fineness <= 5%	Fineness = 5%

*ARB: As the received basis.

11.2.2 Price Adjustment for Gross Calorific Value (GCV)

If a consignment of agro residue-based pellets does not meet the guaranteed parameters for Gross Calorific Value (ARB) but is within the acceptable limit, the consignment shall be accepted but with pro-rata upward or downward price adjustment as calculated using the following formula:

11.2.2.1 Torrefied Pellet:

- a) Stipulation of limits for Quoted GCV: Based on the Base material and Mixing material as per technical specification, Bidder is required to quote GCV value of biomass in Kcal/Kg within the range as mentioned below:
- b) **In case of Torrefied Pellet**
 Minimum Limit – 3400 Kcal/Kg
 Maximum Limit – 5000 Kcal/Kg

- c) Supplier shall supply the agro residue based torrefied biomass pellets of GCV not less than 3400 kcal/kg. Price shall be adjusted for GCV variation of supplied material as below:

For GCV (ARB) \geq 3400 Kcal/Kg [For GCV more than or equal to 3400 Kcal/Kg]

- d) Pro-Rata price adjustment shall be done for GCV variation within acceptable GCV of supplied material as per following formula: Adjusted FOR price = [Quoted FOR Price *x Actual GCV (ARB)]/ Quoted GCV (ARB)

*FOR Price – FOR Destination Price

- e) In case upward GCV variation is more than the Maximum Limit for Torrefied pellet then Price adjustment on account of GCV shall be limited to Maximum Limit for Torrefied pellet only.

- f) The downward GCV variation from Minimum limit, pro-rata price adjustment shall be done for GCV variation of supplied material as per following formula:

- For GCV less than 3400 Kcal/Kg and more than or equal to 3000 Kcal/Kg

Adjusted FOR Price = $0.75 \times [\text{Quoted FOR Price} \times \text{Actual G (ARB)}] / \text{Quoted GCV (ARB)}$

For GCV less than 3000 Kcal/Kg AND more than or equal to 2600 Kcal/Kg

Adjusted FOR Price = $0.5 \times [\text{Quoted FOR Price} \times \text{Actual GCV (ARB)}] / \text{Quoted GCV (ARB)}$

For GCV < 2600 Kcal/Kg [For GCV less than 2600 Kcal/Kg]

In case of GCV (ARB) is less than 2600 kcal/Kg, no payment shall be made for already delivered and consumed material of GCV less than 2600 Kcal/kg.

Note: In case, supplier is found to frequently supply the material of GCV less than 3400 Kcal/Kg or found to take deviations in other technical parameters, warning letter shall be issued to supplier.

- g) However, if material is supplied below 2600 Kcal/Kg in more than 3 (Three) instances during the currency of contract even after issuing warning letter then Contract shall be liable for cancellation.

- h) Material supplied of GCV less than 2600 Kcal/Kg is liable for rejection and no payment shall be made for material already delivered and consumed.

11.2.2.2 Non-Torrefied Pellet:

- a) Stipulation of limits for Quoted GCV: Based on the Base material and Mixing material as per technical specification, Bidder is required to quote GCV value of biomass in Kcal/Kg within the range as mentioned below:

- b) In case of Non-Torrefied Pellet

Minimum Limit – 2800 Kcal/Kg

Maximum Limit – 4000 Kcal/Kg

- c) Supplier shall supply the agro residue based Non-Torrefied biomass pellets of GCV not less than 2800 kcal/kg. Price shall be adjusted for GCV variation of supplied material as below:

For GCV (ARB) \geq 2800 Kcal/Kg [For GCV more than or equal to 2800 Kcal/Kg]

- d) Pro-rata price adjustment shall be done for GCV variation within acceptable GCV range of supplied material as per following formula: -

Adjusted FOR price = [Quoted FOR price *x Actual GCV (ARB)] / Quoted GCV (ARB)
* FOR Price- FOR Destination Price.

- e) In case upward GCV variation is more than the Maximum Limit for Non –Torrefied pellet then Price adjustment on account of GCV shall be limited to Maximum Limit for Non-Torrefied pellet only.
f) The downward GCV variation from Minimum limit, pro-rata price adjustment shall be done for GCV variation of supplied material as per following formula:

For GCV less than 2800 Kcal/Kg and more than or equal to 2400 Kcal/Kg

Adjusted FOR price = $0.75x$ [Quoted FOR price x Actual G (ARB)]/Quoted GCV (ARB)

For GCV less than 2400 Kcal/Kg AND more than or equal to 2000 Kcal/Kg

Adjusted FOR price = $0.5x$ [Quoted FOR price x Actual G (ARB)]/Quoted GCV (ARB)

For GCV < 2000 Kcal/Kg [For GCV less than 2000 Kcal/Kg]

In case of GCV (ARB) is less than 2000 kcal/Kg, no payment shall be made for already delivered and consumed material of GCV less than 2000 Kcal/kg.

Note: In case, supplier is found to frequently supply the material of GCV less than 2800 Kcal/Kg or found to take deviations in other technical parameters, warning letter shall be issued to supplier.

- g) However, if material is supplied below 2000 Kcal/Kg in more than 3 (Three) instances during the currency of contract even after issuing warning letter then Contract shall be liable for cancellation.
h) Material supplied of GCV less than 2000 Kcal/Kg is liable for rejection and no payment shall be made for material already delivered and consumed.

11.2.2.3). Recovery on Account of Excess Fines in Consignment

Dimension of agro residue-based pellets has been given in the technical specification which shall be adhered to. Dust, crushed agro residue-based pellets in consignment as received at Power Plant shall be treated as fines and there shall be recovery on account of excess fines (ARB) if it exceeds 5%. The recovery on account of excess fines will be worked out as per the following formula.

$$\text{Recovery} = \text{Adjusted price of biomass pellets} \times W \times (\text{Weight\% of fines beyond 5\%})$$

This amount shall be recovered from the payment of that consignment.

11.2.2.4). Rejection Level

The consignment of agro residue based pellets arrived at the Power Plant shall initially be tested for following before unloading and shall be rejected if total moisture (as given in table 3) exceeds the rejection level given as follows:

Table – 3 Rejection Level

Sr. No.	Technical Data	Unit	Rejection Level
1	Total Moisture	Wt%	More than 14%

Deviation in GCV:

The Agro Residue based Biomass Pellets received should have a minimum GCV [ARB] as specified in Exhibit 1: 'Agro Residue based Biomass Pellets Specification', as per LAPL Laboratory measurement.

In case of Non adherence to the Quality Parameter, as stated above, the following penalty shall be levied:

GCV Shortage (ARB) (Kcal/kg)	Penalty Rate
≥ 500	100% (Rejected, No Payment)
300 – 500	50% of Quoted Rate
1 – 300	30% of Quoted Rate
Equal or Greater than Specified GCV (ARB)	Nil of the Quoted Rate

* If GCV (ARB) of the Agro Residue based Biomass Pellets arrives at greater than the specified GCV, then payment shall be made considering the GCV equal to the specified GCV.

Deviation in Total Moisture (ARB):

The Total Moisture in agro residue based pellets should not be more than as specified in Exhibit 1: 'agro residue based pellets Specification'. In case Total Moisture is more than the 'specified moisture' on any day, the proportionate weight loss due to higher moisture will be reduced from the day-wise receipt quantity and the same shall be calculated with the following formula:-

$$\text{Receipt Weight} = ((100 - \text{Actual TM (ARB) \%}) \div (100 - \text{'specified moisture'})) * \text{Quantity Received}$$

12 Payment and Billing Terms:

The Contractor shall submit the bills in triplicate on completion of delivery of material at Power Plant and payment shall be released based on the methodology as below:

- 1) The bills are to be submitted along with the following supporting documents (as applicable), including but not limited to: -
 - a) Copy of weighment certification by Power Plant.
 - b) Copy of Quality reports of loading end
 - c) Copy of Power Plant receipt end quality reports.
 - d) Certified working for deriving payable quantity.
 - e) Original challan copies of truck engaged in transportation
 - f) HGI Certificate from NABL accredited lab
 - g) Composition of Biomass pellets
- 2) 70% of payable amount shall be paid on receipt of materials at site Balance 30% shall be paid on receipt and acceptance of test results.
- 3) However, it may happen that a vendor may supply material with lower GCV, and takes the 75% payment which may be more than the payment due against the adjusted amount as per GCV of the supplied material. To discourage such cases, contractors defaulting on quality of pellets, resulting in actual payment less than 15% of the invoiced amount, shall only be paid 50% of the invoiced value on receipt of the material, instead of the 75% for subsequent six months. The remaining 50% shall be paid on receipt and acceptance of test results. The facility may be restored based on satisfactory performance in previous six months.
- 4) Payment to the supplier shall be made fortnightly, i.e. payment for quantity delivered from 1st to 15th of a given month shall be made by 30th or 31st of that month and similarly, payment for quantity delivered from 16th to 30th or 31st of a given month shall be done by 15th of next month. However, payment shall be processed only after receipt of invoice complete in all respects with supporting documents.
- 5) In case the payment to the supplier is delayed beyond 45 days after submission of invoice complete in all respects with supporting documents, the supplier will get an

interest on the outstanding payments @12% or interest rate as per extant guidelines of the Government, if any.

- 6) All the relevant payments due as per the contract shall be released to the Contractor on production of documentary evidence such as LR copy/ e-way bill/ toll tax receipts etc, to ensure that Biomass Pellets have been supplied from bidder's declared place (District) of manufacturing plant.

In case the location of manufacturing Plant is not yet finalized, then bidder may declare the tentative location of manufacturing Plant. However, the Bidder shall declare the location of their manufacturing Plant within 90 days of placement of Award.

If a Contractor does not declare the Plant Location within 90 days of placement of Award, then the Contract is liable to be terminated and security deposit of the bidder is liable to be forfeited and the bidder is liable to be debarred for participation in subsequent tenders.

However, in the event of declaration of location of manufacturing plant after the placement of Award, the FOR destination price quoted by the bidder and incorporated in NOA/PO, shall remain the same.

13 Plant Transit Insurance:

The Supplier shall arrange and pay for a minimum insurance cover for 110% of the total value of Agro Residue based Biomass Pellets which shall comprise of total landed cost, covering the risks under 'Institute Cargo Clause A' (Marine Insurance) including the spontaneous combustion and the risks of accidents, mishaps, war, strike, riots and civil commotion from the loading port up to LAPL site for Agro Residue based Biomass Pellets The insurance policy shall be kept valid for a period till the entire Agro Residue based Biomass Pellets cargo is delivered at the Agro Residue based Biomass Pellets stockyard at LAPL plus a claim period of 1 (one) Month.

14 Other Terms:

- (i) All visible foreign material shall be removed by the Supplier's representative at the loading point or Railway siding as the case may be and Agro Residue based Biomass Pellets free from such items shall only be supplied to the plant.
- (ii) Supplier shall be responsible and bear all Charges, Government Levies, Insurance Charges etc. as incurred during the supply and transportation of to the Plant.
- (iii) Upon issuance of the Purchase Order, Supplier shall be responsible for all the compliances pertaining to the supply of the agreed Agro Residue based Biomass Pellets quantity. In case of any non-compliance, Supplier shall compensate LAPL all the liabilities arisen on it fully.

15 Risk Purchase / Risk Sale and Limitation of Liability:

If the Supplier fails to adhere to quality norms, delivery schedules and other terms and conditions contained in this PO for purchase of Agro Residue based Biomass Pellets, LAPL

shall give 7 days' notice to Supplier to rectify the breach. However, if the Supplier fails to rectify the breach within the specified period, LAPL shall have the liberty to procure the affected quantities of Agro Residue based Biomass Pellets or similar Agro Residue based Biomass Pellets from an alternate source at the Supplier's risk and cost, and in such eventuality if the price of such Agro Residue based Biomass Pellets purchased from alternate source is more than the price of Agro Residue based Biomass Pellets agreed under this PO then the Supplier shall be liable to make good the loss incurred by LAPL on account of difference in price.

16 Compliance with Government Orders:

Agro Residue based Biomass Pellets to be supplied under this PO, is meant for the purpose of generation of power at LAPL. The Supplier shall ensure compliance of all Regulations / Conventions / Policies / Guidelines / Orders etc. in force. In case of any modifications in any of the provisions in respect of supply of Imported Agro Residue based Biomass Pellets, during the currency of the PO, the same shall become applicable and binding on Supplier and LAPL with immediate effect.

17 Indemnification:

Notwithstanding anything contained in this PO, Supplier shall at all times indemnify, defend and hold harmless LAPL from and against any losses, liabilities, claims, damages, costs and expenses incurred by LAPL by virtue of breach of any provisions of the order or non-fulfilment of any of the obligations contained herein by the Supplier.

18 Force Majeure:

If either the Supplier or LAPL, is directly or indirectly prevented from performance of its / their obligation under this PO by occurrence of events beyond its / their reasonable control such as arrest or restraints / restrictions by Government, Railways, War, Blockade, Revolution, Riots, Insurrection, Civil commotion, Acts of God, Plague or Epidemics, Destruction of the Material, Equipment or Facilities essential to the performance of this PO by fire or floods or other natural calamity or adverse weather conditions, then the occurrence of any of the above causes shall be considered as an Event of Force Majeure. Under such circumstances, neither party shall be responsible for such failure or delay in performing such obligations.

Upon the occurrence of Force Majeure cause or causes, the party invoking protection under this clause shall put the other party on notice without any delay within 3 days and shall likewise intimate the cessation of such causes within 3 days. The burden of proof to prove of such occurrence of Force Majeure event shall be on the Party claiming such Force Majeure.

19 Confidentiality:

Supplier shall not either during the term or after the expiration of the validity of the PO disclose any proprietary or confidential information relating to the PO without the prior written consent of either party.

20 Arbitration:

The Supplier and LAPL hereto agree that the PO for Agro Residue based Biomass Pellets shall be governed and construed in accordance with the prevailing Indian Law. Any difficulty in the construction of and/or dispute or difference arising out of and under this PO shall be settled by the parties hereto amicably by mutual agreement. In case no settlement/agreement is reached, the dispute / difference shall be referred to Arbitration and the provisions of Arbitration & Conciliation Act 1996 (as amended from time to time) shall apply. The award made in pursuance thereof shall be binding on the parties. The venue for Arbitration shall be Delhi, New Delhi, India. Any suit or proceedings to enforce the rights under the Agreement shall be instituted in and tried in a competent court of Law in Delhi, New Delhi, India.

21 Acceptance:

This Purchase Order is being issued in duplicate. Please acknowledge the same and return one copy duly signed and stamped as a token of your unconditional acceptance.

Thanking You,

Yours truly,

For Lanco Amarkantak Power Limited

(Authorized Signatory)

Accepted
M/s.....