

CIL's Response to the queries of prospective bidders during Pre-Bid Meeting held on 02.08.2021 against Tender # No. CIL/C2D/Bulk Explosives/2021-23/376 dated 23.07.2021 for Conclusion of Running Contracts (RCs) and empanelment as Reserve RC holders for a period of two years from the date of issue of RC for supply of Bulk Explosives to all the subsidiary companies of CIL.

Sl. No.	NIT Clause No.	NIT Terms	Prospective Bidder's Queries	Response of CIL
1	Clause-5, Sec-I, IFB	There is no provision to take out the list of parties which have downloaded the tender document from the above referred website. As such, bidders are requested to visit the website frequently till the last date and time of online submission of offers to ensure that they have not missed out any corrigendum issued against the said tender after they have downloaded the tender document. The responsibility of downloading the corrigendum, if any, will be of the downloading party. No separate intimation in respect of corrigendum to the NIT (if any) will be sent to the bidders who have downloaded the tender document from website.	Our point is that if we wait till the last minute, when will we submit our offers? Hence we suggest that the "outer limit" of issuing corrigendum must end at least 2-3 days prior to the last date and time of the Online Submissions of Offers. This will also avoid last minute crowding.	It would be ensured that bidders get sufficient time to submit their offer after issue of corrigendum.
2	Clause-6.B, Sec-II, ITB	<p>Purchase Preference under Make in India Policy Internal Under 'Make in India' policy of Government of India, Purchase Preference will be given to eligible bidders as per Public Procurement (Preference to Make in India), Order 2017 issued vide order No. P-45021/2/2017-B.E.-II dated 15th June 2017 (subsequently revised vide orders dated 28.05.2018, 29.05.2019, 04.06.2020, 16.09.2020 and 04.03.2021) of Department for Promotion of Industry and Trade, Ministry of Commerce and Industry.</p> <p>i. The definitions of 'Class-I Local Supplier', 'Class-II Local Supplier', 'Non-Local Supplier' and 'Local Content' are as follows:</p> <p>a. 'Class-I Local Supplier' means a supplier, whose goods and/or services offered for procurement, has local content equal to or more than 50%.</p> <p>b. 'Class-II Local Supplier' means a supplier, whose goods and / or services, offered for procurement, has 20% or more local content but less than 50%.</p> <p>c. 'Non - Local Supplier' means a supplier, whose goods and / or services, offered for procurement, has local content less than 20%.</p>	<p>1. Refer (i) d – whether, imported value content in the item SME, as raw material, like the value of Ammonium Nitrate Imported, will be deducted from local value content of purchase of domestic Raw materials, like Domestic Ammonium Nitrate, & others like Diesel, furnace Oil & Emulsifier, whether the difference between Domestic local value content & Imported value content, should be 50% to become the Class-I local supplier.</p> <p>2. Further to above, whether the cost of Manufacturing the Bulk Explosives like wage cost, Transportation to the field (like Pump truck diesel), depreciation, insurance and Corporate overhead will come under local value addition or not. Will the above expenses can be calculated/added to arrive at the local value content of the product to be 50%, to become eligible as Class-I local supplier?</p>	<p>'Local Content' means the amount of value added in India which shall be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.</p> <p>In the instant tender, the "Local content" will not include services such as transportation, transit insurance, as local value addition.</p>

		d. 'Local Content' means the amount of value added in India which shall be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.		
3	Clause-29, ITB, Sec-II	<p>Distribution of quantity</p> <p>29.1 If L1 bidder is not 'Class-I Local Supplier'-MSE, then a 'Class-I Local Supplier'-MSE participating in the tender, which is not L1 bidder but is quoting within price band of L1+15%, shall be allowed to supply 25% of the subsidiary-wise total tendered quantity, subject to matching L1 price. In case of more than one such 'Class-I Local Supplier'-MSEs, the 25% supply shall be shared proportionately.</p> <p>If 'Class-I Local Supplier'-MSE is L1 bidder, then they will be eligible for quantity as per 100% distribution clause of the NIT. If 'Class-I Local Supplier'-MSE who is L1 bidder has quoted for less than 25% of tendered quantity for a subsidiary, the 'Class-I Local Supplier' MSEs who are in L1+15% price band shall be eligible for supply of the remaining quantity of the 25% tendered quantity, subject to matching L1 price.</p> <p>In case the above mentioned distribution results in 'Class-I Local Supplier' MSEs being awarded quantity less than what they would have obtained as per 100% distribution clause, then 100% distribution clause as defined by clauses-29.4 to 29.14 below shall prevail.</p> <p>If the 'Class-I Local Supplier' MSEs do not match the price of L1, they are not eligible for issue of RC.</p> <p>29.2 In case no bidder is awarded purchase preference as per above clause, then any 'Class-I Local Supplier' participating in the tender who is not L1 bidder and is quoting price within price band of L1+20% shall be allowed to supply 50% of the subsidiary-wise total tendered quantity, subject to the bidder matching their quoted price to L1 price in a situation where L1 price is from a 'Class-II Local Supplier'. In case of more than one</p>	<p>1. 'Class-I Local Supplier'-MSE (Not a L-1 Bidder) What will be the share of L1 Bidder? Will he get his offered quantity or not? What happens if no 'Class-I Local Supplier'-MSE, is not with in the price band of L-1 + 15%.</p> <p>2. more than one such 'Class-I Local Supplier'-MSE (Not a L-1 Bidder). Price Band of 2nd 'Class-I Local Supplier'-MSE, should also be L-1 +15%?</p> <p>3. Eligible for quantity as per 100% distribution Clause of NIT. What will be the eligible quantity as per 100% distribution clause? Will he get total offered quantity or not?</p> <p>4. 'Class-I Local Supplier'-MSEs, will the 'Class-I Local Supplier'-MSE is eligible for only 25% of the subsidiary quantity? Irrespective of his offer quantity.</p> <p>5. 'Class-I Local Supplier'-MSEs, What is this 100% distribution Clause?</p> <p>6. 'Class-I Local Supplier' (Not A L-1 Bidder) What will be the share of L1 Bidder? Will he get his offered quantity or not.</p> <p>7. more than one such 'Class-I Local Supplier' (Not a L-1 Bidder) Price Band of 2nd 'Class-I Local Supplier', should also be L-1 +20%? What happens if no 'Class-I Local Supplier', is not with in the price band of L-1 + 20%.</p> <p>8. if no purchase preference has given to 'Class-I Local Supplier'-MSE, then, shall 'Class-I Local Supplier' be L-1 Bidder be eligible as per 100% distribution clause. Will the L1 'Class-I Local Supplier' get his offered quantity or not? What will be the eligible quantity as per 100% distribution clause?</p>	The distribution clause of the NIT is well defined.

		<p>such 'Class-I Local Supplier, the supply shall be shared proportionately.</p> <p>If 'Class-I Local Supplier' is L1 bidder and no purchase preference has been given to 'Class-I Local Supplier'-MSE, then the 'Class-I Local Supplier' who is the L1 bidder shall be eligible for quantity as per 100% distribution clause of the NIT. If as per 100% distribution clause, 'Class-I Local Supplier' who is L1 bidder is eligible for less than 50% of tendered quantity for a subsidiary, the 'Class-I Local Suppliers' who are in L1+20% price band shall be eligible for supply of the remaining quantity of the 50% tendered quantity, subject to matching L1 price.</p> <p>.....</p>	<p>What happens if purchase preference is given to 'Class-I Local Supplier'-MSE,</p> <p>What is the eligibility criteria for 100% distribution clause?</p> <p>9. 'Class-I Local Supplier'- MSE is L2</p> <p>What is quantity distributed to both is 'Class-I Local Supplier'-MSE matches L1 prices.</p> <p>10. 'Class-I Local Supplier' is L2</p> <p>What is quantity distributed to both is 'Class-I Local Supplier' matches L1 prices.</p>	
4	Clause - 28.2, GCC, Sec-III	<p>In case of contract with a Public Sector Enterprise or Govt. Dept., the following Arbitration Clause shall be incorporated in the contract:</p> <p>"In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/ Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22.05.2018."</p>	<p>Suggestion for change: The Arbitration clause should be incorporate in NIT, for all suppliers to settle the matters of any disputes related to NIT for ease of doing business.</p> <p>The dispute of the settlements in the court of justice will be time-consuming and tedious for either party. It is better to settle matters through a nominated arbitrator. It will not only ease the dispute settlement but also reduce time and manpower. The clause is already prevailing with other PSUs like SCCL etc.,</p>	<p>Arbitration Clause is available only in case of contract with a Public Sector Enterprise or Govt. Dept as per Office Memorandum No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22.05.2018 of Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Govt. of India.</p> <p>No Change in this clause of the NIT.</p>
5	Clause-9.4 & 9.5, SCC, Sec-IV	<p>9.4 The total monthly requirement of the subsidiary company shall be distributed amongst all RC holders in the same ratio in which the total RC quantity of the subsidiary company has been distributed amongst different RC holders.</p> <p>9.5 In case of any unforeseen requirement cropping up during the course of the month or in case of failure of any of the parties to supply their allocated quantity, then these requirements may be met from other RC holders.</p>	<p>The RC quantity is to be distributed into 12 months and allocation should be issued by the subsidiary accordingly. To take care of Peak requirement maximum monthly allocation should be arrived by dividing the Annual order by 10. For any allocation beyond this supplier's consent should be taken.</p> <p>Subsidiaries some time issue allocation dis-proportionate to the order quantity due to failure of other supplier. Such instances should be out of purview of calculation of delivery performance.</p>	<p>Subsidiaries will be sensitized in this regard.</p> <p>No Change in this clause of the NIT.</p>

			<p>In case any supplier fails the same cannot be transferred to the other supplier without it's consent as the supplier has limited resources and he should arrange for any addition requirement by the subsidiary.</p> <p>It should be as per the clause 30 of ITB where you are giving 15days prior intimation. The supplier has to be intimated 15 days before to arrange additional raw material.</p> <p>The supplier has limited resources as per the order quantity. A sudden burden of addition quantity may not be possible because of his pre existing obligations. And Raw Material. In case if he fails no Delivery-penalty should be applicable on him as</p>	
6	LOB, Annexure-4, Sub- Clause-14	<p>We have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; We certify that we are not from such a country or, if from such a country, have been registered with the Competent Authority. We hereby also certify that we fulfil all requirements in this regard and are eligible to be considered. [evidence of valid registration by the Competent Authority is attached, if applicable] in "LOB DOCS".</p>	<p>In this Clause, both the options are merged into one. As an example, say, the bidder is NOT from a country, which shares land borders with India. To make this point hoe, he will have to strike off the sentences, after the word "or" in the second line. But as per NOTE (point no. 4.4, the bidder is permitted to strike off whichever is Not applicable ONLY in Clause-9 & 10.</p> <p>Hence we suggest restructuring of this clause 14, in line with the clause No 9 & 10 so that we can strike off the option whichever is not applicable.</p>	No Change in this clause of the NIT.
7	Clause-2.3 (2.3.1, 2.3.2 & 2.3.3), TSS, Sec-VI	<p>PESO license:</p> <p>2.3.1 Details of PESO licence i.e., Lic no, date, Validity period, License Capacity, list of consignee covered etc shall be indicated by the bidder.</p> <p>2.3.2. A bidder shall quote for a subsidiary, only if the PESO license for the plant includes the name of that subsidiary and also if the PESO license for the plant is for "tender purpose only" for that particular subsidiary.</p> <p>A bidder having PESO license "for tender purpose only" for the plant, shall ensure that name of the particular subsidiary is included/endorsed in the PESO license within 30 days of date of issue of contract failing which the supply order shall stand cancelled along with Banning of Business as per Bid Securing Declaration. The cancelled ordered quantity shall be re-distributed</p>	<p>2.3.1 In the "TPS2" sheet of the TPS_219096 file attached along with the tender document suppliers have to fill in all the details required as per this Clause except list of consignees. Consignee has defined as per Clause no 10 of Special condition of Contract (SCC) as below. GM of the respective subsidiary co who is in charge of production/explosives requirement or their authorized representative at the project/mine. Hence it is requested that CIL should ask the supplier the submit the list of consignees which is mentioned in bidder's PESO lic. The name of subsidiary currently asked by the CIL is not a consignee as per SCC as well as per PESO definition. CIL should ask an undertaking from the bidders that the SME plant/Bulk support plant/silo is within 250 KM range of all mines of the subsidiary as per Explosives Rules – 2008.</p>	No Change in this clause of the NIT.

amongst other suppliers, including Reserve RC holders, as the case may be, within that subsidiary company.
2.3.3. A bidder offering for a particular subsidiary company, shall be bound to supply anywhere within that subsidiary company.

Alternatively, CIL may ask bidders to provide mine wise distance from their plant based on the list of mines given in Annexure-5. For this CIL may ask Bidders to upload the Mine wise distances from their silo along with TPS documents for each subsidiary so that it will be easy to CIL to analyse the capabilities vis-à-vis PESO licence.

The table for this purpose is suggested as below.

S. No	Subsidiary quoted for	Bidder Silo/Plant Location	Licence No.	Name of the Mine	Distance from Mine (one way) KM
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For any upcoming new mines in a subsidiary, CIL may consider the nearest mine mentioned by the supplier in TPS or any other way best suits to CIL for the purpose. We again request you to review the clause and have an undertaking from the bidder along with distances from mines to their storage site for smooth supplies.

CIL should ask an undertaking from the bidders that the SME plant/Bulk support plant/silo is within 250 KM range of all mines of the subsidiary as per Explosives Rules – 2008.

Justification :

As per Explosive Rule – 2008 (Amendment Rules 2019) Schedule - VI, in Part 2, under the SAFETY PROVISIONS FOR BULK MIXING DELIVERY (BMD) VEHICLES Serial No 19 Sub rule No. 2 (b). The maximum Distance allowed is 250 KM (One way) for BMD vehicles from Mother Plant/Silo to mine site. So, BMD carrying SME can travel a maximum distance of 250 km only. To avoid future disruptions due to the above clause, CIL or its subsidiaries should ensure an undertaking from bidders that their plants are within 250 KMs from their subsidiary mines.

8	Clause -2.5, TSS, Sec-VI	Ammonium Nitrate Storage Capacity.	<p>Ammonium Nitrate storage licence (P3) possessed by bidders should only be considered as possess and use and not for sale.</p> <p>Justification : P3 licenses for storage of Ammonium Nitrate is given for possess & sale also. If any bidder has license for sale, there may be disruption of Ammonium Nitrate as the party is in Ammonium Nitrate sale business.</p> <p>It is suggested to give higher preference to the bidders having Higher Ammonium Nitrate storage capacity.</p> <p>Justification: This will help CIL in ensuring uninterrupted supplies. We again suggest you divide the required quantity by 10 instead of 12 to meet the peak requirement.</p> <p>It is suggested that 60% criteria as mentioned in Draft NIT should be applicable and no relaxation for this should be given any party. We again suggest you divide the required quantity by 10 instead of 12 to meet the peak requirement.</p>	No Change in this clause of the NIT.
9	Clause -2.5.1, TSS, Sec-VI	Bidders shall have the valid PESO License for storage of Ammonium Nitrate at a time, equivalent to 50% of the total offered quantity (each year) for all subsidiaries taken together, divided by twelve (rounded off to the nearest integer).	<p>It is suggested that 60% criteria as mentioned in Draft NIT should be applicable and no relaxation for this should be given any party. It is suggested to give higher preference to the bidders having Higher Ammonium Nitrate storage capacity.</p> <p>We again suggest you divide the required quantity by 10 instead of 12 to meet the peak requirement.</p>	No Change in this clause of the NIT.
10	Clause -2.5.4, TSS, Sec-VI	In case the bidder does not have the required License for storage of Ammonium Nitrate (at a time), the bidder will have to submit an undertaking along with its offer that in the event of conclusion of RC with them, they will obtain the required license for storage of Ammonium Nitrate from the concerned authority within 6 months from the date of issue of RC. In such case, the successful bidder/ RC holder shall have to provide additional SDBG for 10% of the contract value, which will be released after submission of the notarized copy of the required License for storage of Ammonium Nitrate (at a time). In case the	<p>CIL have introduced Clause No 2.5 – TSS Section VI related to Ammonium Nitrate Storage Capacity of all bidders.</p> <p>CIL have introduced above mentioned clause to ascertain uninterrupted supply of Bulk Explosives to all subsidiaries of CIL, so that production of mines of CIL will not suffer on account of non-availability of Bulk Explosives.</p> <p>But Clause No 2.5.4 of TSS – Section VI is contradictory to above mentioned understanding and the very purpose of</p>	No Change in this clause of the NIT.

		successful bidder/ RC holder could not obtain the required License for storage of Ammonium Nitrate from the concerned authority within 6 months from the date of issue of RC, the additional SDBG for 10% of the contract value shall be forfeited apart from reserving CIL's right to rescind/short close the RC for the subsequent period and the balance RC quantity thereof, may be purchased from any of the existing RC holders or empanelled "Reserve RC holders".	introduction of Clause No 2.5 – Ammonium Nitrate Storage Capacity is getting defeated. Any bidder who is not having required storage capacity of Ammonium Nitrate can quote unrealistic rates and can get away within Six months of issue of RC and genuine suppliers will be facing the problems during entire RC period. Request to revisit NIT Clause No 2.5– TSS of Section VI and delete Clause No 2.5.4 for ensuring uninterrupted supplies of Bulk Explosives to all subsidiaries of CIL.	
11	Clause -9.1 to 9.5, TSS, Sec-VI	<p>9. Powder Factor</p> <p>9.1 The mine wise bench mark powder factors for 2019-20, separately for Coal and OB in OC mines for departmental as well as outsourcing patches for following categories of operations have been indicated in NIT for information of the bidder-</p> <ul style="list-style-type: none"> • PF for coal • PF for OB in shovel-dumper bench • PF for OB in dragline bench <p>9.2 Benchmark Powder Factor for the 1st financial year (Annexure-5) effective from RC start date shall be annual average of the achieved powder factor for the financial year 2020-21. Bench mark powder factor for the second financial year shall be annual average of the achieved powder factor for the financial year 2021-22. Benchmark powder factor for remaining period of proposed RC during financial year 2023-24 shall be annual average of the achieved powder factor for the financial year 2022-23.</p> <p>Bench mark powder factor for 2nd financial year and for remaining period of proposed RC during financial year 2023-24, if any shall be circulated by subsidiary companies directly to the suppliers with the approval of CMD of subsidiary company.</p> <p>9.3 The mine wise achieved powder factors shall be declared by the subsidiaries every month. The method of calculating the achieved powder factor shall be by same method by which benchmark powder factors are calculated.</p>	<p>P.F. Evaluation should be done in the same methodology as fixing of benchmark P.F. since benchmark P.F. evaluation is done on annual 12 consequent months cumulative weighted average P.F. the evaluation should also be done on cumulative 12-month basis.</p> <p>The Benchmark powder factor is fixed on cumulative progressive average PF of 12 consecutive months. Hence all P.F. evaluation should be done in similar methodology of 12 consequent month value.</p>	No change in this clause of the NIT.

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		<p>9.4 Bidder shall confirm that explosives supplied by them shall achieve the mine-wise benchmark powder factors indicated in the RC during the period of the contract. Failure to achieve the benchmark powder factors shall attract penalty as detailed in 'Performance and Penalty' clause of NIT.</p> <p>9.5 In case of new opencast mines i.e. new projects/ patches, including outsourcing and hired HEMM patches, new seam of existing opencast mine or change in method of work, change in geo-mining conditions, which may come up during the tenure of the contract and for which benchmark powder factor is not communicated with the RCs, the subsidiary shall formulate the powder factor as follows: -</p> <p>a) Bench Mark PF shall be fixed through a committee consisting of representatives from Subsidiary Company and CMPDI.</p> <p>b) For second year, the average PF achieved in previous financial year shall be fixed as Bench Mark PF. All Bench Mark Powder Factors determined above should have approval of CMD of the subsidiary company.</p> <p>Only one PF shall be applicable during any Financial year period of contract for any OC mine [separate for Coal & OB (departmental/ Outsourcing patches)] irrespective of types of explosives.</p>		
12	Clause -9.6, TSS, Sec-VI	<p>Powder Factor review</p> <p>Mine wise benchmark PFs may be reviewed by the CMD of the Sub. Cos. in consultation with CMPDIL on financial year basis, for the tenure of the contract (1st FY Year, 2nd FY Year, remaining period of proposed RC during FY 2023-24), if the deduction/bonus at such mines exceeds 20 % of the price of explosives. The revised PF, if any, shall apply during the tenure of the contract. For e.g. in case contract starts in November 2021 and if benchmark PF for FY 1st year is required to be reviewed</p>	<p>The word "may be" to be replaced by "will be".</p> <p>This will remove ambiguity in the decision-making process and allow bidders to provide a firm price.</p>	No Change in this clause of the NIT.

	<p>for the period November 2021 to March 2022 (1st FY), then the reviewed PF will be the BMPF for FY 1st year and will be applicable from November 2021 to March 2022 in this case.</p> <p>The supplier has to lodge claim within four months of completion of the relevant year in case the deduction exceeds 20% of the price of explosives. The claim of the supplier shall be settled by subsidiary company by the succeeding three months of the claim. Claim made by suppliers after the above period, shall not be entertained. If bonus exceeds 20% of the price of explosives, the Sub. Co. shall initiate review immediately after completion of the relevant year.</p>		
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