

RASHTRIYA ISPAT NIGAM LTD.
(A Govt. Of India Undertaking)
VISAKHAPATNAM STEEL PLANT.

MATERIALS MANAGEMENT DEPARTMENT,
TRANSPORT & SHIPPING SECTION,
3rd Floor, A Block, Administrative Building,
VISAKHAPATNAM STEEL PLANT, VISAKHAPATNAM - 530 031.
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EXPRESSION OF INTEREST

Expression of Interest No. T&S/10/003 Dated 30.12.10

Interested parties, who are desirous of entering into a contract with RINL for the following activities are requested to send their communication to DGM (MM)-IRM and T&S, Materials Management Department, Main Administrative Building, RINL, Visakhapatnam, 530 031. The expressions of interest (EOI) would be scrutinized and the parties would be requested to participate in our Tender in due course.

Sub: Expression of interest for Stevedoring, Handling, Clearing & Forwarding of imported bulk cargo like Coking Coal/ Pulverised Coal / Boiler (Steam) Coal received through gearless Panamax vessels at Visakhapatnam Port Trust (VPT) on End to End basis.

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1. PREAMBLE:

RINL/VSP at the current capacity level, imports around 4 Million tones of cargo comprising of Coking Coal, Pulverised coal, Limestone, Boiler Coal, and Met. Coke. The Company intends to meet its total handling requirement of imported cargo through VPT as well as GPL. The Company is handling Vessels with imported cargo either at VPT or GPL on the basis of commercial and economic advantages. In order to keep an avenue open for availing competitive advantage for handling its cargo at VPT/VSPL vis-à-vis GPL, this EOI is floated to obtain concrete offers from interested service providers / stevedores having valid licenses to undertake the job at VPT/VSPL offering end-to-end cargo handling services with scope of job as detailed below. **It is to be noted that handling of vessels through the successful Party shall be determined on vessel-to-vessel basis depending on the perceived economic and commercial advantage to RINL and no guarantee as to the definitive volume of work that may be entrusted to the Contractor is given by RINL.** The tentative quantity for this tender is approximately 25,00,000 MT per annum.

2. **SCOPE OF WORK:**

The scope of work includes berthing of the vessel on receipt of Notice of Readiness (NOR) from the Master of the vessel to stacking of the material at RINL stock yard. Tenderers are requested to quote the Total Handling Cost (THC) for the following scope of work:

- (a) The vessel shall be handed over to the successful tenderer, simultaneously on receipt of NOR from the Master of the vessel.
- (b) The Laytime shall start counting 24 hours after submitting the NOR.
- (c) The time will count continuously without any break either due to pre-berthing delay or due to movement between berths, i.e., GCB or any other berth in the Inner Harbour or movement from GCB to roads and berthing in Inner Harbour afterwards.
- (d) All costs of berth to berth shiftings or berth to roads and vice versa will be to the successful tenderer's account.
- (e) The Company will be providing the necessary request letter to the successful party for arranging the Vessel berthing at VPT at the shortest possible time in his own interest.
- (f) The party shall endeavour to berth the Vessel within first 12 hours of tendering the NOR. The Company will share the dispatch earned on Vessel – to – Vessel basis equally i.e., fifty – fifty between the Company and the tenderer. In case of a Vessel getting berthed after the first 12 hours of tendering of the NOR, the dispatch earning will be calculated on the basis of the total time saved (entitled for dispatch minus 12 hours multiplied by the rate of dispatch) and the same amount will be shared equally between the Company and the contractor.
- (g) Discharge Rates of Cargo:
The Company has graduated to a situation where the Vessels are fixed with 40,000 MT per day discharge rate for Panamax Vessels and 25,000 MT per day discharge rate for Handymax Vessels on SHINC basis. The contractor is expected to achieve discharge rate equal to or above the indicated discharge rates per day. If a tenderer offers a discharge rate or guarantees discharge rate less than the indicated discharge rate figures per day for Panamax Vessels, the same will be loaded for evaluation purposes on the per tonne THC cost indicated by the party as per the formula given in Annexure II.

Minimum Guaranteed Discharge Rate: The tenderer shall guarantee discharge rate as per following tables on WWD on SHINC basis:

Commodity	Panamax Vessel
Coking Coal / Pulverised coal / Steam/ Boiler Coal	40,000 MT

- (h) Once a Vessel is handed over to the Contractor and it could not achieve the desired discharge rate, in that event, any demurrage incurred on the Vessel by the Company subject to a demurrage rate ceiling of USD 36,700 per day or pro rata, will be debited to the Contractor's account. In the event of Contractor's failure to discharge at the committed discharge rate per day for Panamax Vessels, the contractor shall be liable to pay to RINL the amounts equivalent to any demurrage incurred and payable by the company as per its charter party agreement (which will be entered based on the 40,000MT/day discharge rate for Coking Coal/ pulverized coal and Boiler Coal) subject to a ceiling of USD 36,700 per day for additional time taken to unload the cargo owing to shortfall in the guaranteed discharge rate.
- (i) The Cargo discharged from a given vessel is required to be stacked properly at the Stockyard of the discharge port without any mix-up with other vessels' cargo and further transportation of this cargo is to be undertaken as per the delivery requirement of RINL. It is to be noted by the Parties that transportation of cargo from Stockyard to RINL is to be strictly undertaken as per the delivery requirements of RINL and in the process there may be a possibility of having to keep the cargo of a given vessel at the Stockyard for periods up to six months or even more. Parties are to keep this in view while quoting THC and no claims on this account shall be entertained by RINL.
- (j) The THC shall be inclusive of Wharfage, Pollution control / Dust suppression charges, Clean Energy Cess etc., Siding & Haulage charges, plot rent, terminal charges, stevedoring charges, handling, C&F charges, Customs clearance charges, Railway freight and any other charges levied by the Port.

No revision in the charges that may be effected by Port / Railway authorities would be considered during the tenure of the contract. The tenderer shall take care of any such revision and shall quote THC accordingly.

3. ELIGIBILITY CRITERIA:

Parties fulfilling the following eligibility criteria can participate in the tender:

- **Firms giving their EOI shall possess valid Stevedoring License issued by Visakhapatnam Port Trust (VPT). Copy of the valid Licence to be submitted along with the EOI. Firms holding valid Stevedoring License issued by any Port in India can also participate subject to the condition that such Firms would obtain stevedoring license from VPT within 30 days as and when the same is asked by RINL. An undertaking to this effect must be enclosed with the tender document along with commercial bid. Should own or lease floating cranes or harbour mobile cranes capable of discharging 40,000 MT per day. Evidence of past performance at any Indian port to be enclosed. (Actual discharge rate guaranteed by the tenderer is to be furnished in the appropriate column given in Annexure-I along with the Schedule of rates).**

- **Should have had stevedoring experience or port operation experience of a minimum quantity of five lakh tons of dry bulk cargo per annum at any Port in India in any two years out of the preceding three years. Port operation experience is applicable only in case of port operators. Documentary evidence from VPT-CHD authorities to be submitted.**
- **Shall be in a position to deploy minimum 40 dumpers of 10 MT capacity or above and 10 front end loaders or pay loaders of minimum 115 HP capacity and 2 heavy duty front end loaders of minimum 220 HP in good working conditions. Documentary evidence to be submitted. The equipments shall either be owned by the Parties or under the control of the tenderer through valid lease agreement.**
- **Should be registered with VPT - CHD at Visakhapatnam Port at the time of submission of EOI. The offers of such Parties who undertake to get registered with VPT-CHD, Visakhapatnam with in 30 days from the date of LOA shall also be considered.**
- **In case any service provider port in and around Visakhapatnam i.e. the port which undertakes the operations of customs clearance, stevedoring, handling and Loading of Imported cargo into Railway Wagons for transportation to Visakhapatnam Steel Plant Site under its purview can also participate in this tender notwithstanding any of the above conditions mentioned for the jobs covered in this tender.**

Parties while forwarding EOI shall note the following aspects:

4. Commercial Aspects:

The EOI should contain—

- a) Annexure – I to Annexure – V duly filled.
- b) Shall have valid stevedoring licence(s), stevedoring experience certificate etc., undertaking on acquisition of requisite licences within the specified time limits etc. w.r.t. the eligibility criteria mentioned above.
- c) Shall have valid registration certificates of the equipment, vehicles proposed to be employed in the work. Lease Agreement, in case of leased equipment.
- d) Shall Accept integrity pact duly signed along with witnesses and also affixing the rubber stamp as a token of acceptance.

The Parties shall agree to all indices, specifications, General conditions of Contract, Special Conditions, Schedules, etc. in token of acceptance thereof. The signature on the EOI schedules alone shall be deemed to be acceptance of all the schedule of rates, specifications, General Conditions of Contract, Special Conditions, etc. forming part of the EOI documents. Non-compliance will result in rejection of the EOI.

The Parties position as an independent contractor or as the properly accredited agent of a responsible Firm, in proof of which he must produce the requisite registered power of attorney and the expressed authority from the same Firm to act as its Agent.

Full information should also be given by the party in respect of the following:

In case of Individual:

1. His full name, address and place of business.
2. His financial status along with photo copies of title deeds of fixed Assets.
3. His previous experience.
4. Number of employees engaged for the job.
5. Number of clients using their service and the total turnover during the last two financial years on account of the job now quoted.

In case of Partnership Firms:

1. The names of all the partners and their addresses.
2. Previous experience of the firm and its partners.
3. An attested copy of the latest partnership deed must accompany the tender.
Any change in the Constitution of the firm shall forthwith be notified by the CONTRACTOR to the COMPANY.
4. The financial status of the partnership firm along with photo copies of Title deeds of fixed assets and also a copy of the last annual balance sheet which is audited by a chartered accountant.

In case of Companies:

1. Date and place of registration including date of commercial certificate in case of Limited Companies. Certified copies of Memorandum and Articles of Association are also to be furnished.
2. Previous experience and the financial status of the firm along with photo copies of Title deeds of fixed assets.
3. A copy of balance sheet which is audited by a chartered accountant for the year just ended should be submitted.

In case of Co-operative Societies:

1. Date and place of registration and attested copy of registration certificate, certified copies of the rules and regulations of the Company.
2. Previous experience and the financial status of the co-operative society along with photo copies of Title deeds of fixed assets.
3. A copy of the audited annual balance sheet for the year just ended.
4. List of members and names of office bearers. Any change in the office-bearers of the Society shall forthwith be notified by the outgoing / incoming Chairman / President of the Society.

- 5. Validity of EOI :** The offer is to be kept valid for acceptance for a period of 90 days from the date of submission of the EOI or such other extended period as mutually agreed. The Company may select to withdraw the invitation to EOI, should the circumstances so demand. The participants in the EOI are not entitled to claim any costs, charges, expenses or incidentals incurred by him in connection with submission of his EOI.

SPECIAL CONDITIONS

A) GENERAL PATTERN OF WORK:

1. Gearless Panamax vessels with carrying capacity up to 75,000 (Seventy five thousand) +/- 5% tons shall be chartered on FIO terms.
2. The vessel shall be handed over to the CONTRACTOR immediately on receipt of NOR from the Vessel Master. The CONTRACTOR shall undertake full responsibility to discharge the cargo at the guaranteed discharge rate at GCB / NOM and/or inner harbour using floating cranes or harbour mobile cranes complying with the directives/rules/procedures of VPT as prevalent during the contract period. The vessel shall be discharged at GCB until she attains inner harbour draught. Balance cargo shall be discharged at the inner harbour.
3. The Parties have the option to quote for discharge at either inner harbour of VPT or at VSPL or both. For operation at VSPL, a consent letter from VSPL to operate at their terminal shall be enclosed failing which the offer for operation at VSPL shall not be considered.
4. The Contractor shall guarantee a specified discharge rate on WWDSHINC basis on an average and pro rata for part of WWD. The discharge guarantee shall be specified at the appropriate column on the schedule of rates at Annexure-I. If this column is left blank, it shall be presumed that the discharge guarantee shall be 40000 MT PWWD SHINC for Panamax vessels carrying coking coal / Pulverised Coal / Boiler coal and the offer shall be evaluated on that basis. Due weightage shall be given to the discharge rate guaranteed by the Tenderer in evaluating the offer. The weightage for guaranteed discharge shall be on the basis of dem/des @ USD 36,700/18,350 for a parcel of 75,000 MT. Sample evaluation is shown at Annexure-II. In case RINL earns despatch on account of higher discharge the same will be shared equally with the contractor for achieving actual discharge rate higher than the guaranteed discharge rate. The minimum guarantee required under this tender is 40000 MT PWWD SHINC for Panamax vessels carrying coking coal / Pulverised Coal & Boiler coal.
5. Discharge of Cargo:
 - a) Minimum Guaranteed Discharge Rate: The contractor shall guarantee minimum discharge rate as per following tables on WWD on SHINC basis:

Commodity	Panamax
Coking Coal / Pulverised coal / Steam / boiler Coal	40000 MT

- (b) The contractor shall be liable to pay to RINL amounts equivalent to any demurrage incurred and payable by RINL as per its charter party

agreement, which is based on the 40,000 MT per day discharge rate for Coking Coal / Pulverised coal / Steam / Boiler coal for the additional time taken to unload the Cargo owing to shortfall in the guaranteed discharge rate, subject to a maximum of the following:

- (i) USD 36,700 per 24 hours or pro-rata for Panamax vessels.
- (c) Despatch Earning: Any despatch money accrued to RINL as per the terms of its charter party agreement shall be shared equally between RINL and the contractor in the event of contractor berthing RINL Vessel within 12 hours (of the allowed maximum free time of 24 hours) from time of arrival of Vessel "on roads" and the "notice of readiness" is issued by "Vessel Master" for berthing of Vessel. However, in the event RINL Vessel is berthed between 12 to 24 hours after "notice of readiness" is issued, 12 hours of despatch earnings shall accrue to RINL in full and despatch earnings for balance time if any shall be shared equally between RINL and the contractor. Further the despatch money shall be shared, subject to the following limits on the contractor share in respect of any Vessel:
 - (i) USD 18,350 per 24 hours or pro-rata for handymax Vessels.
- (d) The Demurrage / Despatch limits as mentioned at Clauses 5(b) and 5 (c) above will be reviewed category wise annually for effecting upward revision and to re-fix it at a level equal to the average demurrage rates of the vessels chartered by RINL in the immediate preceding year or the applicable ceiling rate in the preceding year which ever is higher.
- (e) The cargo handling operations will follow appropriate safety standards.
- (f) The contractor shall ensure proper cleaning of the hatches after discharge to the satisfaction of the Master of the Vessel.
- (g) The contractor's responsibility is limited to handling one RINL Vessel at the berth at one time and any RINL Vessel waiting for berthing while a RINL Vessel is already working at the berth may wait on account RINL. Such vessels will be berthed within 24 hrs of free time after the first vessel is vacated.
- (i) Time counting for the purpose of calculating discharge rate shall start on completion of draft survey and continues till completion of discharge.
- (j) Initial draft survey and other exclusions / inclusions shall be applicable as per charter party agreement in respect of lay time.
- (k) Upon berthing if found that the Vessel is not ready in all aspects (including documentation and Vessel related payments) to discharge cargo, the notice of readiness (NOR) issued shall be invalid. A fresh NOR shall be

issued when the Vessel is ready for discharge operations and the time lost due to this shall not be to the account of contractor.

- (l) The time lost owing to any or all of the following causes that prevent discharge of Cargo shall not form part of the lay time:
 - (i) accidents on berth which are attributable to the vessel,
 - (ii) intervention of statutory authorities such as sanitary, customs and/or other statutory / government authorities,
 - (iii) Force Majeure conditions.
 - (m) The discharge operations for the Cargo will be round the clock (except on days that are NWWWD as declared by the deputy port conservator of VPT), in terms of this tender.
6. Safety of Vessels equipment and Property: It shall be the responsibility of contractor to ensure the safety to Vessel's structure, men and material. The contractor shall assume all responsibility for settlement of TPD (third party damages) served by Vessel on account of damages caused to the Vessel's property during cargo operations by contractor. Necessary insurance coverage for such risks shall be taken by contractor to this effect as per relevant laws governing this aspect. In the event of TPD the resultant shifting of vessel either to Roads or to any other berth, the shifting charges shall be borne by contractor and the lay time used shall be to the account of contractor.
7. Time counting starts 24 Hours after NOR time and ends on completion of discharge for the purpose of calculating average discharge rate, irrespective of berthing time, shifting, waiting etc. The only exceptions to time counting shall be force majeure conditions and declaration of NWWWD by Port authorities.
8. If the actual discharge rate is lesser than the guaranteed discharge rate, penalty shall be levied on the CONTRACTOR for the shortfall in discharge rate, irrespective of whether the vessel is on demurrage or not. The penalty shall be equivalent to the demurrage subject to a maximum demurrage rate of USD 36,700 per day for the extra time taken for completion of discharge due to shortfall in guaranteed discharge rate by considering the demurrage rate as per the relevant Charter Party. Sample penalty calculation is shown at Annexure-II.
9. On the days declared as non weather working days by Port Authorities and during rain periods on weather working days, if discharge operations cannot be carried out, such periods shall not be counted as time used by the CONTRACTOR. However, if discharge operations continue, such periods shall be counted as time used by the CONTRACTOR.
10. The material discharged from the vessel shall be immediately cleared from wharf and transported to the designated stacking areas allotted by VPT/VSPL anywhere in the Port. The Contractor shall guarantee evacuation matching the discharge rate per day from the wharf to the stacking areas. In the event of failure to

evacuate at this rate, the CONTRACTOR shall make good any loss to the COMPANY arising out of the above failure, such as claims arising out of detention of vessel, shifting of vessel, any penalties imposed etc.

11. The CONTRACTOR shall discharge his obligations even in case of change in berths, change in Railway Sidings etc. by Port authorities without any additional financial implications to the COMPANY.
12. The party should be thoroughly conversant with the requirements to perform the jobs to be assigned against this tender uninterruptedly during the contract period. The party should understand and comply with the Port's scheme/procedures/systems/circulars and other statutory requirements prescribed by Dock Labour Boards, Port Trust, Railways, Dock Safety and other related statutory authorities etc., as may be applicable from time to time, during the contract period.

B) PERIOD OF CONTRACT & TERMINATION:

13. **The contract period for the work to be assigned against this EOI would be for a period of THREE YEARS.**
14. **The contract can be terminated by the COMPANY by giving 30 days advance notice to the CONTRACTOR** during its currency without assigning any reason whatsoever and without there being any liability on the COMPANY, whatsoever on such termination.

DETAILS OF OPERATIONS:

C) Customs Clearance:

- 15.1 This item of work (customs clearance) is also included in the scope of the tenderer.
- 15.2 The CONTRACTOR shall file the necessary Bill of Entry with Customs authorities along with the required documents and obtain the Custom clearance for clearance of materials
- 15.3 The CONTRACTOR shall file the necessary import application and any other documents/applications with the Port authorities and obtain the clearance from Port Trust for taking delivery of the goods from the Port.
- 15.4 All the formalities involved in the clearance of imported material shall be completed by the CONTRACTOR well before the arrival of the Vessel. It will be the responsibility of the CONTRACTOR to ensure that the various paper work and arrangements for getting the necessary facilities from Port Trust etc. are taken care of sufficiently in advance enabling the vessel to take berth immediately on its arrival at VPT/VSPL. The CONTRACTOR shall also be responsible for registration with Customs of COMPANY's Advance

Licences/DEPB's arranging TRA and recrediting of TRA. The CONTRACTOR shall ensure that registration of Advance Licences/DEPB's arranging TRA and recrediting of TRA's are completed well in time in order to complete the formalities, as specified herein.

- 15.5 Immediately on receipt of intimation regarding despatch/expected arrival of the Vessel, the CONTRACTOR while calling for documents and other particulars from the COMPANY shall take immediate effective steps to clear the consignments through the Customs, Port etc. for onward despatch to VSP siding without any loss of time.
- 15.6 In the ordinary course, all necessary documents shall be provided by the COMPANY to the CONTRACTOR to attend the clearing of consignments through the Customs / Port authorities.
- 15.7 Where the documents received from the COMPANY, after initial scrutiny by the CONTRACTOR, are found to be incomplete, the CONTRACTOR shall immediately approach / call for / collect such additional documents or particulars from the COMPANY / or as directed by the COMAPNY from Steamer Agents / other concerned agencies for processing Bills of Entry, Import Application, etc., which are required for the purpose of clearance of cargo.
- 15.8 The CONTRACTOR shall immediately prepare the necessary papers for presenting to the Customs, Steamer Agents, Port Authorities or other authorities concerned and arrange to obtain delivery of the cargo.
- 15.9 If the documents received are not sufficient, the CONTRACTOR shall arrange to present Indemnity Bonds or Guarantees or such other documents as provided by the COMPANY which may be required for immediate clearance. The CONTRACTOR will have to take all adequate steps for obtaining delivery of the cargo within the time prescribed by the Port and Customs authorities.
- 15.10 The COMPANY shall execute to the Customs or other authorities Bonds, Guarantees, etc. wherever necessary on the advice of the CONTRACTOR to facilitate clearance of consignments through Customs/Port in the absence of other documents and also for clearance under Provisional Assessment Rules pending chemical tests etc. The CONTRACTOR shall take necessary action in these matters by furnishing necessary stamp papers and drawing up the Bonds and Guarantees in the required form to be executed by the COMPANY, send them in time to COMPANY or his authorised representative, submit them to Customs/Port and other authorities immediately after receiving back from the COMPANY and process them without delay. In such cases after the receipt of the original documents, the CONTRACTOR shall ensure that the Bond, Guarantee etc. executed are returned by the concerned authorities after the submission of the original documents.
- 15.11 The CONTRACTOR shall keep close liaison with the Steamer Companies / Agents and obtain particulars regarding the arrival of vessels, berthing and discharging

position, and report to the COMPANY or his authorised representative, the day-to-day progress after the vessel's arrival.

- 15.12 The CONTRACTOR shall be fully conversant with the relevant provision of the Carriage of Goods by Sea Act, the Port Trust Act, Customs Act and other Acts / Rules / procedures etc. as are prevailing at the Port for effecting clearance and take such steps to ensure that the COMPANY's interests are fully protected in the clearance of cargoes entrusted to them. The CONTRACTOR shall be required to perform all the duties, which they are bound to do under the Customs Act, Port Rules and Procedures as amended from time to time.
- 15.13 The COMPANY will arrange for payment of all Customs charges on cargo handled by the CONTRACTOR on behalf of the COMPANY. The COMPANY may have a current deposit account with the Customs authorities/ any nationalised bank authorised by Customs and in such a case the CONTRACTOR shall collect the regular current account statements from Customs House / Bank and forward them to COMPANY or his authorised representative regularly. But the CONTRACTOR shall however, be responsible for the submission of necessary documents to Customs Authorities and finalisation of Customs and Port Trust formalities.
- 15.14 The CONTRACTOR shall be fully responsible for submission of the finalisation documents of the Bills of Entry. Any hold up for want of documents etc. shall be promptly brought to the notice of the COMPANY or its authorised representative. The CONTRACTOR shall be responsible for any delay on their part in submission of finalisation documents at Customs House.
- 15.15 Any loss sustained by the COMPANY due to failure on the part of CONTRACTOR in doing the above shall be recovered from the CONTRACTOR
- 15.16 The CONTRACTOR shall lodge, within the time limit prescribed, all formal notices of claims with the Customs, Port Trust, Steamer Agents and other concerned Authorities in all cases of excess payments, damage, loss of cargo, etc. as the case may be.
- 15.17 The Company shall render all necessary assistance by providing available documents or other particulars called for by the CONTRACTOR in the said process.
- 15.18 If the CONTRACTOR fails to prefer valid claims or exercise proper diligence and economy in clearance, handling and dispatch of the COMPANY's cargo the loss sustained by the COMPANY shall be recovered from the CONTRACTOR

D) STEVEDORING:

- 16 Arranging necessary floating cranes/harbour mobile cranes etc. and labour including from VPT - CHD labour, if any, required for carrying out the work successfully.

- 17 Discharging the cargo as per the prevailing norms of the Port, and also as per the terms and conditions contained herein.
- 18 While discharging ensure that no cargo spills into the sea by using the save-all nets or such other devices that may be prescribed by the Port Authorities from time to time. If Port Authorities impose any penalties/ cargo spillage charges etc., due to non-adherence to the norms/guidelines/procedures of the Port, the same shall be to the account of the CONTRACTOR.
- 19 If the work is stopped either by the CONTRACTOR himself or by the Port authorities due to poor shore / wharf clearance, the same shall be to the account of the CONTRACTOR even though the discharge rate is achieved.
- 20 The CONTRACTOR shall obtain from the Master of the ship, a clean certificate that full cargo has been discharged from all hatches and that all the hatches have been swept clean to his entire satisfaction. The CONTRACTOR shall also obtain 'NO DAMAGE CERTIFICATE' from the Master of the ship in respect of gears, equipment, etc. In case of any damages caused, the CONTRACTOR shall repair them to the satisfaction of the Master at his cost. In the event of failure on the part of the CONTRACTOR to repair the damages to the satisfaction of the Master, all the cost incurred by RINL and consequences of any such damage shall be to the account of the CONTRACTOR. The consequential liabilities like loss of laytime etc. shall also be to the account of the contractor.
- 21 The Contractor shall maintain tally of cargo as per Port rules / conventions.

E) SHORE HANDLING:

- 22 The CONTRACTOR shall receive the material on the wharf and load the materials into dumpers at the ship's side, transport to the stacking areas **which are to be arranged by the contractor at their cost** and unload the same. Prior to stacking of Cargo at the allotted plot, proper cleaning of the plot has to be ensured so that the cargo is not contaminated. High stacking is to be done in case of necessity, using suitable equipment. The Contractor shall de-stack the material and load the same into dumpers for loading the wagons or directly into the wagons by employing suitable equipment, tools and tackles and manpower. The material should be stacked only in the plots hired by CONTRACTOR from VPT/VSPL or any such other area as allotted by VPT/VSPL from time to time. If Port levies any penal rent due to spreading of cargo into other areas that are not allotted to the contractor, such penal rent shall be recovered from the CONTRACTOR. No extra payment shall be allowed on account of height or leads.
- 23 The Contractor shall place the wagon indents with Railways as advised by the COMPANY's officials from time to time, obtain placement of wagons, file forwarding notes with Railways, obtain RRs as per Railway rules, indent required labour, equipment / enabling facilities from Port, VPT – CHD labour and other Agencies for ensuring services for above operations etc.

- 24 The Contractor shall clean the wharf as well as Railway siding regularly to the satisfaction of Port and Railway authorities. The Railway tracks shall be scrupulously cleaned and spillages on roads / wharf / stacking area shall be cleared / collected and stacked at the specified space. All infringement to the Railway tracks / siding / wharf shall be cleared regularly to ensure smooth operations.
- 25 In case the CONTRACTOR fails to achieve the guaranteed discharge rate or fails to evacuate the cargo from the wharf, resultant losses suffered by COMPANY shall be made good by the CONTRACTOR for such activities like shifting of vessel, detention of vessel, penalties imposed/action taken by authorities etc.

F) LOADING INTO WAGONS AT STACKING AREA:

- 26 The Contractor shall remove foreign materials like boulders, etc. in wagons and clean empty wagons placed for loading to avoid contamination of cargo. The Contractor is liable for making good the damage to the tipplers or to segregate the foreign materials due to negligence in proper inspection of the wagons by the contractor.
- 27 The CONTRACTOR shall make arrangements for immediate loading and drawal of the wagons after loading completion, within the stipulated free time allowed by the Railways. Demurrage, if any, payable for delay in loading shall be paid directly by the CONTRACTOR to the Port/Rly authorities under intimation to the COMPANY.
- 28 The CONTRACTOR shall ensure loading of wagons to carrying capacity as per Railway regulations and the leveling, trimming of the materials as well as plugging the holes in the wagons to prevent bleeding of the loaded materials.
- 29 Weighment at Visakhapatnam Steel Plant weighbridge shall be final for reconciliation of cargo received at Plant. The contractor shall pay the railway freight and submit the freight paid RRs to the company including wagon weighment charges.
- 30 The CONTRACTOR shall comply with all formalities as per rules and regulations in force by Railways, VPT. RRs are to be handed over to VSP immediately, in any case within 48 hours after completion of loading of the rake.
- 31 The CONTRACTOR shall obtain License, Road permits, Test Certificates etc. from competent authorities, Port Trust etc. for the equipments like cranes, dumpers, Pay Loaders, etc. employed for the above operations.
- 32 If any excess freight is paid to the Railways by the CONTRACTOR, the same shall be to the account of the CONTRACTOR.

G) DUTIES & RESPONSIBILITIES OF THE CONTRACTOR:

- 33 In case a vessel is under discharge on the last day of the Contract period, the contractor shall be responsible for all activities upto dispatch and reconciliation of cargo pertaining to that vessel.
- 34 The CONTRACTOR shall keep himself apprised and be thoroughly conversant with the rules and regulations of the Port Trust, Customs, VPT - CHD, Railways Dock Safety, Pollution Control Board and other related agencies.
- 35 The CONTRACTOR is deemed to have assumed all the responsibilities for the proper execution of the entire work from the time a vessel is allotted to the CONTRACTOR for handling and till dispatch of entire quantity of material landed as per discharge Port Draft Survey and material in the stacking area, to Visakhapatnam steel Plant Railway siding as per instructions of the COMPANY.
- 36 The CONTRACTOR shall make arrangements for indenting wagons, placing the same in the stacking area, ensure loading of the wagons to the maximum permissible loading levels / carrying capacity within 'free time' as per Railway Regulations in force, preparation of forwarding note, obtaining RR from the Railways, etc.
- 37 The CONTRACTOR shall ensure guaranteed loading of materials into the wagons at a daily rate of minimum 5 rakes or as advised by COMPANY to their maximum carrying capacities as permitted by the Railways. For this purpose the CONTRACTOR should be able to place required no. of Indents to facilitate placement of rakes within a short notice.
- 38 The CONTRACTOR shall also ensure and guarantee shifting of the materials from the wharf to the stacking area immediately after discharge by deploying adequate mechanical equipment / loader / dumpers / DLB labour etc. In case of CONTRACTOR's failure to maintain the guaranteed rate of discharge as specified elsewhere in this tender, any and all losses to the COMPANY arising there from by way of ship demurrage / wagon demurrage / infringement charges / penal rents and transit dues etc. will be fully recovered from any sums due to the CONTRACTOR besides other legal remedies.
- 39 The CONTRACTOR shall submit the following to the COMPANY from time to time as soon as the work is completed:-
 - a) Tally report on daily basis, in duplicate, separately for:
 - i) loading into wagons directly from vessel;
 - ii) loading the wagons from the stacking area;
 - iii) loading the dumpers / truck, if any.
 - b) Wagon weighment certificates, if any;
 - c) Railway receipts;
 - a) Daily discharge report in four copies duly signed by the Chief Officer / Master of the ship.

- 40 The CONTRACTOR shall be liable to pay the charges to VPT/DLB for labour utilised directly as per VPT/DLB rules. The COMPANY will make no separate payment for this to the CONTRACTOR.
- 41 Any additional charges for shunting / adjustment of wagons, other than normal siding and haulage charges, for facilitating loading into / despatch of wagons to COMPANY's site will be borne by the CONTRACTOR.
- 42 The tenderer shall submit along with the tender quotations on authenticated letter from DLB clearly indicating the details of DLB workmen to be deployed in a gang as per norms of DLB 30 days prior to the closing date of receipt of tender and also corresponding respective elements of (a) DLB wages (b) DA and (c) Applicable DLB levies.
- 43 In case additional Railway Freight is paid by the COMPANY due to overloading/underloading of materials in Railway wagons, the CONTRACTOR shall be held responsible and any such payment will be recovered from the bills/Security Deposit of the CONTRACTOR or any sums due to him besides other legal remedies. The additional Railway freight paid by the COMPANY will be arrived at by computing the difference between the actual freight paid by the COMPANY for despatching a ship's cargo and the freight supposed to be incurred by the COMPANY for that ship as per carrying capacities of the wagons. The decision of the COMPANY in this regard shall be final and binding on the CONTRACTOR. The CONTRACTOR shall also ensure that the freight for rakes/ wagons is paid to the Port Railway authorities and pre-paid railway receipts are obtained in order to avoid payment of surcharge, payable for to-pay consignments. The CONTRACTOR shall ensure that the full qty. discharged against any vessel is despatched. If, at any later date it is observed that cargo has been accumulated and thereafter despatched to Plant, then the CONTRACTOR will not be paid any extra charges and the freight incurred by the COMPANY on account of this retrieved/dug/swept cargo shall have to be borne by the CONTRACTOR.
- 44 The CONTRACTOR shall arrange fixation of load lines by appropriate authorities from time to time to prevent under-loading/overloading.
- 45 All vehicles/equipments must necessarily be in good working condition, especially brakes. The personnel with valid driving licence must drive them. The Registration certificate and driving licence must be kept in the vehicle itself enabling the authorities concerned to check, when required. In any case, the CONTRACTOR shall not depend on the COMPANY or Visakhapatnam Port Trust for making such equipments available to him and it will be his sole responsibility to organise these equipments himself.
- 46 The COMPANY reserves the right to inspect all the equipments offered by the Parties and verify their ownership / control as to their present working condition and any other details considered necessary before deciding the tender and awarding the work or any time during the contract period.

- 47 No claims for any damage/ demurrage/ detention/ idle charges for transportation equipment, labour and other enabling facilities organised by the CONTRACTOR in connection with stevedoring, handling and transportation operations shall be payable to the CONTRACTOR under any circumstances whatsoever.
- 48 The CONTRACTOR shall ensure that the materials are stacked in such a manner as prescribed by the COMPANY/ Port/ DLB so that sufficient space/ area is provided for movement of equipment/ dumpers etc., prevent any fire hazards keeping in view the technical requirements as well as dock safety regulations and to ensure maximum utilization of the stacking area and siding facilities allotted for clearance and handling. No extra charge for stacking the material or for any extra mileage covered for transporting the material shall be allowed.
- 49 The CONTRACTOR shall ensure that the materials are stacked separately quality wise and shall not under any circumstances allow mix-up of materials of different vessels. Materials extracted from different mines at the different countries of origin will be imported. It is essential that the stacks of cargo are made in such a way that they are clearly and distinctly and physically identifiable at all times with respect to
 - a) Vessel-wise
 - b) Brand of cargo and Country of Origin.
- 50 The CONTRACTOR should also ensure the stacking of the material in such a manner so as to facilitate despatch of materials on 'First-in and First-out' basis as per the instructions and requirement of the COMPANY. The CONTRACTOR will be fully responsible for his failure in complying with the above requirements resulting in any deterioration/losses in the materials on account of fire/disintegration etc. and also the surrounding/equipment facilities etc.
- 51 The CONTRACTOR should at all times have a well-organised establishment with skilled and experienced staff in the Port area for proper administration/ control, supervision over the operations/ equipments/ staff employed, etc.
- 52 The CONTRACTOR shall make his own arrangements for all the equipments, tools and tackles and other requirements as per the Dock safety Regulations / other statutory rules of the State / Central Government viz., hand gloves, slings, shovels, goggles, shoes. etc, manual or mechanical and manpower required for the execution of the work. No priority or recommendation letter for procurement of equipment or tools and tackles shall be given by the COMPANY.
- 53 The CONTRACTOR shall adequately insure his equipment, staff and other enabling services for the entire period of the contract against accident, fire hazards as well as Third Party Insurance covering men / material / equipment / cargo properties etc. of the COMPANY / Port Trust / DLB /Railways and other agencies engaged for the operations of stevedoring as well as handling and transportation. The CONTRACTOR shall indemnify and shall keep the COMPANY indemnified for any

losses arising out of the operations envisaged in this tender on account of such reasons.

- 54 The CONTRACTOR shall whenever required, at his cost ensure proper printing and stationery materials according to the formats prescribed by the Port Trust, Dock Labour Board, Customs, Railways and any such Authorities under their rules and also as prescribed in the relevant procedure / documentation of the COMPANY.
- 55 The CONTRACTOR shall make good any loss suffered by the COMPANY due to claims made by vessel owners for any damage caused to the vessel while carrying out the discharge work, or claims from Port authorities for any damage caused to the port property/equipment, claims from Railway authorities for damage to Railway property or any third party claims arising out of the operations of the CONTRACTOR. The CONTRACTOR shall indemnify the COMPANY in respect of claims and damages arising out of aforesaid loss or damage to the materials, properties, persons of the COMPANY, Port, vessel owner & Railway authorities.
- 56 The CONTRACTOR shall abide by all instructions and directions issued to him by the DGM (T&S) and/or his authorised representative in respect of the execution of the contract.
- 57 The CONTRACTOR shall abide by all the labour laws in force for the successful performance of the contract. He shall undertake to abide by the provisions of Payment of Minimum Wages Act, Provident Fund Act & Rules, Workmen Compensation Act etc.
- 58 Liability of contractor:

It is clarified that the contractor shall not be liable for any claim arising:-

- (vi) From any delay attributable to RINL
- (vi) Prior to the issuance of NOR and after the cargo is duly delivered to RINL by contractor
- (vi) From Force Majeure

In the event of any claim against the contractor, which is not otherwise provided for anywhere in this tender, due to any deficiency or failure of the contractor in performance of their obligations under this agreement, the liability of contractor shall be limited to a sum not exceeding the total THC payable for the relevant year.

It is further clarified that liability of the contractor on account of claims, wherever same has been provided in the tender which includes cargo loss and demurrage as per clause No: 5 (b) shall be actuals. In respect of claims that are not specifically provided for, the same shall be limited to THC payable for the relevant year.

H) LIQUIDATED DAMAGES:

- 59 The CONTRACTOR shall utilize sufficient number of required mechanical equipments, to move the materials within free time and any damages / demurrages to ships or wagons, losses, charges including Port rent and demurrage, expenses or cost that may be suffered or incurred by the COMPANY due to CONTRACTOR's failure to comply with the above and dues thereof shall be fully realized from the CONTRACTOR from any sums due to him without any prejudice to other legal rights and remedies. The decision of the COMPANY in respect of such damages, losses, charges, costs or expenses and the recovery thereof from the CONTRACTOR shall be final and binding on the CONTRACTOR.
- 60 During the tenure of the contract if the COMPANY observes non-performance of the contract to the satisfaction of the COMPANY, the COMPANY is at liberty to award the work for the balance period of tenure at the risk and cost of the CONTRACTOR apart from any other rights available to the COMPANY.
- 65 **THC"** means Terminal Handling Charges for the jobs enumerated in clauses 1 to 64 of the special conditions of contract, payable by RINL to successful tenderer for RINL's Cargo handled by SUCCESSFUL TENDERER at the Port, determined in the manner specified in Clause 67 & 68. The contractor shall quote only one rate of THC for handling of coking coal/ pulverized coal or boiler coal (steam coal) vessels for end to end solutions. The THC shall include the Wharfage charges, Dust suppression(Pollution control) charges, agency charges for customs clearance, Plot rentals, siding & haulage charges, terminal charges & railway freight, stevedoring charges & Handling and transportation of coal to RINL's stock yard including wagon loading (C&F) charges and any other incidental charges.

I) PAYMENT OF THE CONTRACTOR'S BILLS:

- 66 CONTRACTOR shall submit his bills to T&S department in four copies as and when the operation is completed relating to one vessel.
- 67 For the purpose of payment, "Payable weight" shall be 98% of the weight established through draught survey.
- 68 Payment of bills:
- (a) The contractor shall use the billing cycle of 16th of the month to 15th of subsequent month. This bill shall be paid on 15th day from the date of submission along with the documents stated in clause 68 (c) subject to any statutory deductions such as Income tax. Bills shall be prepared and submitted for the quantity dispatched during the billing cycle at the THC rate.
 - (b) The contractor is entitled for an amount up to 30% of the per MT, THC on the discharged quantity to be paid on 7th day after completion of discharge of each Vessel, which shall be adjusted against their bills submitted pursuant to Clause 68 (a). Such amounts will be accounted and adjusted Vessel wise.

- (c) The contractor will need to submit the following documents along with the bill for claiming 30% part payment
- (i) draft survey report
 - (ii) no damage certificate from Master of the Vessel.
 - (iii) SOF
- And along with the bill for claiming 70% part payment
- (iv) Vessel wise dispatch report
 - (v) monthly vessel-wise stock statement
 - (vi) Custodian certificate giving details of the stocks held by the contractor on behalf of RINL.
- (d) Payment shall be made to the designated bank account of the contractor through RTGS/such other electronic fund transfer mode offered by Banks, failing which, payment shall be made through an account payee cheque.
- (e) The contractor would submit their bills in suitable format to enable RINL avail input service tax and other tax credits, if applicable.
- (f) However, in case of any dispute relating to payment of charges due under the contract, it is agreed that the contractor shall not have any right to retain any goods/cargo belonging to RINL.

69 No guarantee is given by the COMPANY as to any definite volume of work that may be entrusted to the CONTRACTOR during the period of tenure of contract and / or at any point of time and the COMPANY does not accept any liability on this score.

70 **CONTRACT RATE:**

The TENDERER should quote the rate on FIRM basis per ton for the first year. The rates quoted by the TENDERER shall be deemed to cover all the operations/works mentioned at various parts of this tender and any other work incidental thereto and no extra claims from the CONTRACTOR for whatsoever reason shall be entertained by the COMPANY. Material will be discharged anywhere in the Port as per the decision of the Port Trust and only one rate is to be quoted. No extra charges for high stacking the material or any extra mileage covered for transporting the material shall be allowed. The THC shall be revised every year over the previous year THC in the month of September based on monthly whole sale Price index (WPI) (Base year 1993-94 = 100) for all commodities published by the office of the Economic Advisor, Ministry of Commerce and industry, Government of India. The mechanism for working out the "THC Revision Percentage" for each year will be as follows:

- (i) For all years except First year & Second year : For the purpose of arriving at the revised THC, the presently applicable THC shall be revised by the THC Revision Percentage. This THC Revision Percentage shall be computed based on the difference between the WPI for the month of March in the present calendar year and the corresponding month's WPI in the previous calendar year and the difference so arrived at shall be divided by the corresponding month's WPI in the previous calendar year. The figure so

arrived at shall then be multiplied with 100 to arrive THC Revision Percentage. The THC Revision Percentage shall not have any floor limit (i.e) negative variation but shall have a upward ceiling of 3% per annum.

- (ii) For the Year following the First Year (beginning December 1, 2010 and ending November 30, 2011): The THC Revision percentage shall be computed based on the difference between the WPI for the month of November '10 and WPI for the month and year of Commencement Date and the difference so arrived at shall be divided by the WPI for the month and year of the Commencement Date. The figure so arrived at shall then be multiplied with 100 to arrive at THC Revision Percentage. The THC Revision percentage shall have a ceiling, which shall be computed as follows: Number of days left in the year (counted from the Commencement Date till November 30, 2011), divided by 365 then multiplied by 3%.

For example:

Let the contract period be December 2009 to November 2012.

Let THC for first year (Dec'09 –Nov'10) = Rs. X. (Firm for fir first year)

THC for Dec'10-Nov'11 = ((WPI for Nov'10 – WPI for Nov'09)/ WPI of Nov'09) * 100. The THC shall be subject to a maximum of +3% for positive variation and in case of negative variation the same shall be at actuals.

- 71 By submitting a quotation, the CONTRACTOR shall be deemed to have fully familiarized himself with all the requisite data in connection with this Contract. After the tender is accepted, no extra claim will be entertained for enhancement of the rates or otherwise on account of work involved or on any ground whatsoever.

- 72 **Penalties:** the following penalties shall be levied on the CONTRACTOR in case of non-compliance with the terms and conditions laid down in this tender.

- i. A penalty of Rs. 2000/- shall be levied in each case of failure to paste proper posters on the wagons or for wrong posters indicating the vessel name and type of coal.
- ii. A penalty of Rs. 500/- shall be levied in each case of failure to hand over the Railway Receipts with 2 days of dispatch of rake.

- 73 **INTEGRITY PACT:** Party is required to unconditionally accept the "Integrity Pact" which is available in our web and shall submit the same duly signed along with his commercial bid. Offer of the party received without Integrity Pact duly signed, shall not be considered.

The details of Independent External Monitors nominated for this tender are given hereunder:

Sl.No.	Name of the Independent External Monitor (I E M)
1	Sri P C Parakh, IAS (Retd.), 4A-1, Jaagruthi Residency, East Maredpalli, SECUNDERABAD – 500026. Contact Numbers: +91-40-27732151 (Residence); +91-9390030272 (Mobile) e-mail: parakh31@hotmail.com ; parakh@ap.gov.in

2	Sri V.Velayutham, Ex. DG(RD)&SS, Dept. of Road Transport & Highways, Flat No. 4, Nalanda Apartments, "D" Block, Vikaspuri, New Delhi – 110018. Contact Numbers: +91-11-28530407 (Residence); +91-9810141563 (Mobile) e-mail: vtham_26@yahoo.co.in ; velayutham26@gmail.com
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The details of the Nodal officer in terms of Integrity Pact is as below:

Sl.No.	Nodal officer
1	GM (MM), Main Administrative Building, III Floor, Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, Visakhapatnam- 530 031.

74 **ETHICS:**

If it comes to the notice of RINL/VSP at any stage from request for enlistment / tender document that any of the certificates / documents submitted by applicants for enlistment or by bidders are found to be false / fake / doctored, the party will be debarred from participation in all RINL/VSP tenders for a period of 5 years including termination of contract, if awarded. EMD / Security Deposit etc. if any, will be forfeited. The Contracting Agency in such cases shall make good to VSP any loss or damage resulting from such termination. Contracts in operation anywhere in RINL/VSP will also be terminated with attendant fall outs like forfeiture of EMD / Security Deposit, if any, and recovery of risk and cost charges etc. Decision of RINL/VSP Management will be final and binding.

- 75 The Company requires that bidders / contractors under this contract, observe the highest standard of ethics during the execution of this contract. In pursuance of this policy, the Company defines, for purpose of these provisions, the terms set forth below as follows. "Corrupt practice" means the offering, giving, receiving or soliciting of any thing of value to influence the action of a Public official in contract execution and "fraudulent practice" means a misrepresentation of facts in order to influence the execution of a contract to the detriment of the Employer and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Company of the benefits of free and open competition. The Company will reject a proposal for award of work if it determines that the bidder recommended for award had engaged in corrupt or fraudulent practices in competing for the tender in question. The Company will declare a bidder ineligible, either indefinitely or for a stated period of time, to be awarded contract / contracts if it any time determines that the bidder has engaged in corrupt or fraudulent practices in competing for, or in executing, the contract.

76 **Amendment to EOI Terms and conditions:**

The PURCHASER may, for any reason, modify the EOI terms and conditions by way of an amendment.

Such amendments will be notified on RINL's website www.vizagsteel.com and will be binding on the Parties. The intending Parties are, therefore, advised to visit RINL's website at regular intervals.

ANNEXURE-I**EOI NO: T&S/10/003 DATED 30.12.10****SCHEDULE OF RATES FOR VARIOUS OPERATIONS**

ITEM	MT PWWD SHINC
GUARANTEED DISCHARGE RATE	-

SL NO	ITEM OF WORK	UNIT		UNIT (THC) RATE	SERVICE TAX	TOTAL
				Rs.	Rs.	Rs.
1	<p style="text-align: center;">IN FIGURES</p> <p>THC RATE FOR GEARLESS PANAMAX VESSELS.</p> <p style="text-align: center;">RATE PER TON</p> <p style="text-align: center;">INWORDS</p> <p>THC SHALL INCLUDE THE CHARGES LIKE WHARFAGE, POLLUTION CONTROL, AGENCY CHARGES FOR CUSTOMS CLEARANCE, STEVEDORING, C&F, TRANSPORTATION OF COAL TO RINL'S STOCK YARD, SIDING & HAULAGE CHARGES, TERMINAL CHARGES, RAILWAY FREIGHT, PLOT RENTALS AND ALL OTHER INCIDENTAL CHARGES. (ALL JOBS AS PER CL 1 TO 65 OF SPECIAL CONDITIONS OF CONTRACT OF THIS TENDER)</p>					

NOTES:

- 1 RINL RESERVES THE RIGHT TO ALLOCATE THE ITEM DEPENDING ON THE REQUIREMENT. NO CLAIM FOR COMPENSATION FOR NON OPERATION OF ITEM SHALL BE ENTERTAINED.
- 2 CUSTOMS DUTY SHALL BE PAID BY THE COMPANY. PARTIES SHOULD QUOTE ALL INCLUSIVE RATES INCLUDING STATUTORY TAXES. ONLY SERVICE TAX NEED BE SHOWN SEPARATELY. BASIC RATE REMAINING FIRM, ANY VARIATION IN APPLICABLE RATE OF SERVICE TAX DURING THE CONTRACT PERIOD SHALL BE TO THE ACCOUNT OF RINL.
- 3 IN CASE OF ANY NECESSITY TO SHOW FURTHER BREAK UP WITHIN THE ITEMS SHOWN ABOVE TO INDICATE DIFFERENT RATES OF SERVICE TAX FOR DIFFERENT OPERATIONS, SEPARATE SHEET MAY BE ATTACHED SHOWING SUCH BREAK UP. HOWEVER, THE TOTAL RATE MUST MATCH THE FIGURE TO BE INDICATED ABOVE.
- 4 EVALUATION OF TENDER SHALL BE BASED ON THC ONLY.

ANNEXURE-II

Sample of evaluation of offers on the basis of discharge rate guaranteed:

Tenderer A:

Guaranteed discharge rate: 40000 MT PWWD SHINC

Quoted rate for THC = a

Tenderer B:

Guaranteed discharge rate: 20000 MT PWWD SHINC

Quoted rate for THC = b

Evaluation:

Tenderer A: $THC = a$

Tenderer B: $b - (((75000/40000) - (75000/20000)) * 36700) * 48.00 / 75000$

(75000=parcel size; 40000 & 20000 discharge guarantee; 36700=demurrage rate @ USD 36700/day; 48.00 = exchange rate for USD {for evaluation 48.00 only shall be considered irrespective of the prevailing rate at that time}).

Sample demurrage calculation in case of shortfall in actual discharge:

Guaranteed discharge rate: 40000 MT PWWD SHINC

Actual discharge rate: 20000 MT PWWD SHINC

Short fall rate: 20000 MT/day

Time lost: $((((75000/40000) - (75000/20000)) * 36700) * 48.00)$

ANNEXURE-III

DETAILS OF WORK DONE BY THE TENDERER IN THE LAST THREE YEARS

PARTIES MUST FILL IN THE UNDERNOTED COLUMNS

Sl. No.	Full particulars of works carried out by the tenderer	Approx tonnage handled	Period of contract	Names & Addresses of authorities for whom work was carried
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Signature:

Name of the tenderer:

Seal:

ANNEXURE-IV**SCHEDULE OF FRONT END LOADERS / DUMPERS TO BE EMPLOYED BY THE PARTIES
FOR THE CONTRACT**

Sl. No.	Description	Details (cap. Floor Space Etc.)	Regn. no. & whose name it is regd.	Name of under- Writer with whom insured
<hr/>				

Signature :

Name :

Seal :

PROFORMA FOR BANK SOLVENCY CERTIFICATE

Certified that Mr. / M/s _____

_____ is/are having his/their Bank account with _____

_____ Bank. that he / they is / are solvent and that he / they has / have the Financial capacity to execute the work of Customs & Port clearance / Stevedoring / Handling / Transportation of Imported Coking Coal / Pulverised coal / Boiler Coal/Steam Coal at VPT/VSPL.

Place

Signature

Date

Designation

Name of Bank

Seal

N.B. The tenderer should be solvent to the extent of Rs.1.00 Crore.

EOI NO: T&S/10/003 DT 30.12.10.

GENERAL CONDITIONS OF CONTRACT
DEFINITIONS & INTERPRETATIONS

- 1.0 In the contract, as hereinafter defined, the following words and expressions shall have the meanings hereby assigned to them except where the contract otherwise requires:
- 1.1 "COMPANY" means Rashtriya Ispat Nigam Limited., incorporated under the Indian Company's act, 1956, with its registered office at Main Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam-530 031 and having its Transport & Shipping Department at Main Administrative Building, 3rd floor, A Block, Visakhapatnam Steel Plant, Visakhapatnam-530 031 and includes its successors and assignees.
- 1.2 ED (MM)/ GM (MM)/ DGM(T&S)/AGM(T&S)/DCM(T&S) of the Company or any Officer of the Company for the time being in charge of the Transport & Shipping.
- 1.3 "TENDERER" means the person, firm or corporation submitting a tender against the invitation to tender and shall include his /their heirs, executors, administrators, legal representatives, successors and permitted assignees.
- 1.4 "CONTRACTOR" means the person or persons, firm or company, whose tender has been accepted by the COMPANY and includes the Contractor's personal representatives, successors and permitted assignees.
- 1.5 "WORK" means and includes all work specified or set forth and required in and by the specifications, schedule hereto annexed or to be implied there from or incidental thereto or to be hereafter specified or required in such explanatory instructions (being in conformity with the original specification and schedule).
- 1.6 "CONTRACT" means the Invitation to Tender, instructions to Tenderers, General Conditions of Contract, Special Conditions, Specifications, Tender Schedule showing approximate quantities quoted rates and amount against each item, letter of acceptance, and the Contract Agreement.
- 1.7 "LETTER OF ACCEPTANCE" is intimation by a letter to tenderer that the Tender has been accepted in accordance with the provisions contained in that letter.
- 1.8 "APPROVED" means approval in writing including subsequent written confirmation or previous verbal approval and 'APPROVAL' means approval in writing including as aforesaid.
- 1.9 "SPECIFICATIONS" means schedule, statement of technical data, performance characteristics and all such particulars mentioned as such in the contract.
- 1.10 "STORAGE YARD" means and includes any place or locality within or outside the Port area where the Company stores its materials whether now existing or acquired later.

2.0 ASSIGNMENT AND SUB-LETTING:

- 2.1 The CONTRACTOR shall not sublet the whole or part of the work except where otherwise provided by the contract and even then only with the prior written consent of the COMPANY and such consent, if given, shall not relieve the CONTRACTOR from any liability or obligation under the contract and he shall be responsible for the acts, defaults and neglects of any subcontractor, his agent, servants or workmen, as fully as if they were acts, defaults or neglects of the CONTRACTOR his agent, servants or workmen.

- 2.2 In the event of contractor contravening the above conditions, the COMPANY shall be entitled to place the contract elsewhere on the Contractor's account and at his risk and the CONTRACTOR shall be liable for any loss or damage which the COMPANY may sustain in consequent or arising out of such placing of the Contract.

3.0 GENERAL OBLIGATIONS:

- 3.1 The CONTRACTOR shall enter into and execute a Agreement in writing within the time specified in the Letter of Acceptance and in default thereof the Earnest Money paid by the COMPANY shall be forfeited and acceptance of his tender shall be considered as withdrawn.
- 3.2 No materials shall be stored, stacked or kept outside the yard premises or on the roads of Railway lines within the yard, losses, if any, arising out of non-compliance with this requirement will be recoverable from the CONTRACTOR. The amount of losses as determined by the COMPANY shall be final and binding on the CONTRACTOR.
- 3.3 The entire cost of any materials belonging to the COMPANY, lost by the CONTRACTOR or any damage caused to such materials while in his care and custody will be recoverable from the CONTRACTOR. The amount of losses as determined by COMPANY shall be final and binding on the CONTRACTOR.
- 3.4 The CONTRACTOR shall indemnify the COMPANY against all claims for damages by suits and/or demands preferred against the COMPANY by third parties in respect of injuries sustained by and death caused to third person and also for loss or damage to COMPANY'S or third party's properties caused by the vehicles trucks/trailers/mechanical appliances employed by the CONTRACTOR and/or his employees or any act of omission/commission of the CONTRACTOR under this agreement. The COMPANY shall be entitled to recover from the Security Deposit or the Bills of the Contractor any such amount which may be decreed against the COMPANY for such damage or injuries and in respect of COMPANY'S properties such amount as may be determined.
- 3.5 The CONTRACTOR shall abide by all instructions and directions issued to him by the COMPANY in respect of the execution of the contract.
- 3.6 The fines and penalties, if any, imposed on the COMPANY, and /or CONTRACTOR due to Contractor's infringement or non-observance of or non-compliance with the rules framed by Government (Central or State) local/statutory bodies shall be borne by the CONTRACTOR.
- 3.7 The CONTRACTOR shall within a fortnight of the date of the award of work issue identity card to all the regular employees with photographs duly attached with such identity cards and attested by authorized representatives of the CONTRACTOR. Similarly, the CONTRACTOR shall issue identify cards to such approved casual employees / labourers that may be engaged by him from time to time.
- 3.8 The CONTRACTOR shall furnish to the COMPANY at the commencement of the contract a list of Workmen employed by him with their respective daily rates of pay and other allowances, etc., and the date of employment and a statement if they are the members of recognized Provident Fund. If there is any change in this list, the same shall be notified by the CONTRACTOR at the earliest.
- 3.9 The CONTRACTOR shall furnish a statement / declaration by 10th of every month succeeding month indicating the wages paid, i.e., in the previous month. The CONTRACTOR shall also produce for inspection by the Company's representative the wage sheet, acquittance roll/scroll, in respect of workmen employed by him whenever required. No payment will be released unless the documents as required herein are produced.

4.0 SPECIAL CLAUSES FOR SAFETY AND ENGAGEMENT OF CONTRACT / DOCK LABOUR FOR DOCK / STOCKYARD AND ALL OPERATIONS

- 4.1 The CONTRACTOR(S) shall ensure compliance with all the rules, regulations and statutory obligations of Inspectorate of Dock Safety and Dock Labour Board in relation to safety, welfare, health, Provident

Fund, payment of wages, maintenance of records, submission of reports, and returns, etc. in regard to the contract/Dock Labourers engaged by him for the work of COMPANY.
In particular he will ensure the following:

4.2 Whenever, any accident occurs which either:

- a) Causes loss of life to a worker: or
- b) Disables a worker from work on which he was employed for the rest of the day or shift in which the accident occurred: such accident shall be notified to Inspectorate of Dock Safety and Dock Labour Board within statutory limit and also to the COMPANY immediately. The injured person shall be given first and there after immediately conveyed to the hospital or other place of treatment.

4.3 Where any accident causing disablement or death occurs, the CONTRACTOR shall be liable for each injury or death caused as a result of such accident either within or outside the yard premises in the course of work. The CONTRACTOR shall be responsible for such contingencies and will make good all claims for compensation, claimed by his labour or staff or tribunal/commissioner of Workmen's Compensation Act and other relevant laws of the land. He shall also indemnify the COMPANY and pay all such sums as may be awarded in respect of claims for compensation arising out of our consequent to any accident to any staff or labour working under him pursuant to the provisions of the Workmen's Compensation Act (VIII of 1923 and NV of 1933) or any subsequent modifications or amendments to the Act thereof and Dock Labour Board rules and regulations/Inspectorate of Dock Safety. All costs incurred in connection with any such claims should be made good by the CONTRACTOR and the COMPANY reserves right to pay in the first instance, such amount of compensation as is payable under the said act or any other Act/Rules and to recover the amount so paid from the CONTRACTOR by deduction from his bills, security deposit or otherwise.

4.4 The CONTRACTOR shall ensure that all lifting machinery, including all parts and accessory gears, whether fixed or movable, shall be of good material, adequate strength, free from patent defect and maintained in good repair and working order, and shall have been tested and examined by competent person from time to time under intimation to the COMPANY.

4.5 No rope shall be used in hoisting or lowering or in preparing slings, and no slings shall be used, unless they are of suitable quality, and possess necessary test certificate regarding freedom from patent defect and bearing clearly the maximum permissible load. All such ropes and slings shall be regularly inspected and no wire rope shall be used in hoisting or lowering if it shows signs of wear, corrosion or other defect.

4.6 The CONTRACTOR shall ensure that no lifting machinery or chain or sling or other appliance be loaded beyond the safe working load which shall be plainly marked thereon.

4.7 Where stacking, unstacking and handling in connection with the work is carried out, reasonable measure to guard against accidents shall be taken.

4.8 Where contract labour are handling, projecting with sharp edges, time splinters, splinters or similar dangerous projecting parts such labour shall be provided with suitable protected equipment like helmets, safety boots, hand gloves, etc. by CONTRACTOR.

4.9 The Tenderer shall ensure usage of safety appliances by the labour engaged by him as prescribed under the Dock Labour Board/Inspectorate of Dock Safety.

5.0 CONTRACT LABOUR:

5.1 The CONTRACTOR shall obtain necessary licence from the competent authority under the Contract labour (Regulation & Abolition) Act, 1970 and rules framed thereunder and shall produce such licence

along with the tender. If the successful tenderer fails to produce a licence as aforesaid, the tender will be liable to be rejected.

- 5.2 The CONTRACTOR shall have to produce to the COMPANY or its designated Officer renewed licence every year. In case the CONTRACTOR fails to produce the statutory/renewed licence within the stipulated period, the contract shall be liable to be terminated within 15 (fifteen) days notice.
- 5.3 The CONTRACTOR shall be bound to carry out, perform and observe all the obligations of the principal COMPANY under the various Acts and rules in force from time to time. He shall maintain such records as are required under the applicable laws and submit them for scrutiny whenever required to do so to the COMPANY or its designated officer.
- 5.4 As a security against non-fulfilling the various obligations the CONTRACTOR shall have to be deemed to have authorised the COMPANY to set off any claims under various/act and rules in force from time to time from the bill amount payable to him and also withhold the payments due to the CONTRACTOR till such time as the requirement of laws are complied with or to adjust payments to be met to and/or on account of the employees of the contractor from the amounts payable to the CONTRACTOR. The CONTRACTOR shall have to maintain the following registers in the forms as prescribed under the contract. Labour (Regulation & Abolition) Act and rules framed thereunder and show such register to the concerned DCM (T&S) or his nominee as and when desired by him.

- a) Register of persons employed
- b) -do- Muster Roll
- c) -do- Wages
- d) -do- Overtime
- e) -do- Deductions
- f) -do- Fines
- g) -do- Advance

- 5.5 The CONTRACTOR shall furnish to the Company a copy of the half yearly return in the form prescribed under the Contract Labour (R&A) Act, 1970 and Rules.
- 5.6 The CONTRACTOR shall be responsible for payment of adequate wages not less than the minimum wages prescribed by the appropriate state to this labour employed and shall also submit a certificate to the COMPANY within a week after disbursement of wages of labour showing proper acquittance and the wage period.
- 5.7 The CONTRACTOR will be required to furnish to the COMPANY the following particulars for arranging a nominated representative of the COMPANY for witnessing the payment made by them to their workers immediately after the commencement of the work in the question.
- a) Wage period
 - b) Place of disbursement of wages
 - c) Payment and date of disbursement of wages

The above particulars are also required to be displayed in the form of a notice at the work place and a copy of the same is required to be sent by the CONTRACTOR to the Inspector under the Contract Labour (R&A Act, 1970). All payment of wages shall be made on working day at the work site and during the work times as provided in the rules framed under the said Act.

- 5.8 The CONTRACTOR shall undertake and be responsible to provide canteen facilities for the workers employed by him in compliance of Chapter V of the Contract Labour Regulations and equipped with contents as may be prescribed under the rules framed under the contract labour (R&A) Act, 1970 at every place where contract labour is employed by him.

- 5.9 The CONTRACTOR shall not allow the use of sale of ardent spirits or other intoxicated beverages in the working area or in any of the building, premises occupied by the CONTRACTOR in connection with the work.
- 5.10 No canteen facilities of the COMPANY will be available for labourers under this agreement.
- 5.11 The CONTRACTOR shall ensure that the working hours for the female workers, if any employed by them shall be regulated as per the provision of the statute and that no women workers are made to work inside the COMPANY'S premises except between 6.00 am to 7.00 pm of any working day.
- 5.12 The CONTRACTOR shall further ensure that the workmen employee engaged by him in the COMPANY'S premises maintains proper discipline and decorum.
- 5.13 If any loss arises due to theft, pilferage or damage or articles which have been provided for work, the CONTRACTOR will be responsible and cost of articles and quantum of damage as will be settled by the COMPANY, will be recovered from the CONTRACTOR. The CONTRACTOR Shall if necessary provide their labourers with Torch Lights, etc.
- 5.14 The CONTRACTOR should register them with the Regional Provident Fund Commissioner. The CONTRACTOR will be required to follow PF rules, failing, which no payment will be, make to the CONTRACTOR.

6.0 SECURITY DEPOSIT AND ITS FORFEITURE:

- 6.1 The CONTRACTOR is required under the terms of this contract to furnish Security Deposit in accordance to the Invitation to Tender for due performance of the Contract.
- 6.2 The Security Deposit is liable to be forfeited or appropriated towards any loss that may be sustained by the COMPANY as a result of any act or omission on the part of the CONTRACTOR.
- 6.2.1 The Security Deposit will be returned on due and satisfactory performance of the work and on completion of all obligation by the CONTRACTOR under the contract, the CONTRACTOR shall also submit a certificate to the effect that he has no claim(s) against the COMPANY under the Contract. However, if any of the Bills submitted by the CONTRACTOR for works done/obligations discharged as per the contract, remain pending at the time of furnishing the above certificate, the certificate may be furnished in the following manner;

I/we hereby certify that there are no claims against Rashtriya Ispat Nigam Limited under the Contract (No. _____ for the work) except to the extent of the claim preferred by me/us as per the bills mentioned hereinafter.

- 6.3 No claim shall lie against the COMPANY for any depreciation in the value of any investment in which the Security Deposit or any portion thereof may be invested. No interest shall be payable on such deposits.
- 6.4 In the event of any breach of any of the terms and conditions of the contract, the COMPANY shall have (without prejudice to other rights and remedies) the rights (i) to suspend further allocation of work to the CONTRACTOR and (ii) to forfeit the Security Deposit furnished by the CONTRACTOR or to appropriate the Security deposit or any part thereof in or towards the expenses or costs that may be suffered or incurred by the COMPANY due to contractor's negligence or unsatisfactory performance of any service under the contract. The decision of the COMPANY in respect of such damages, losses, charges, costs or expenses shall be final and binding on the CONTRACTOR.
- 6.5 In the event of the Security deposit being insufficient or if the Security has been wholly forfeited, the balance of the total sum recoverable as the case may be, shall be deducted from any sum then due or which at any time thereafter may become due to the CONTRACTOR under this or any other Contract

with the COMPANY. Should the sum also be not sufficient to cover the full amount recoverable, the CONTRACTOR shall pay to the COMPANY on demand the balance.

- 6.6 Whenever the Security Deposit falls short of the specified amount, the CONTRACTOR shall make good this deficit so that the total amount of Security Deposit shall not at any time be less than such specified amount.

7.0 MISCELLANEOUS:

- 7.1 All Contracts or terms thereof entered into between the COMPANY and the CONTRACTOR shall be governed and regulated by the relevant laws for the time being in force in the territory of India relating to Contracts. The courts at Visakhapatnam shall only have jurisdiction for adjudication of all questions/claims/disputes/differences of any kind whatsoever arising under or in connection with the terms and conditions or any general/special conditions of the Contract.
- 7.2 No guarantee is given as to any definite volume of work which will be entrusted to the CONTRACTOR at any time or throughout the period of the Contract.
- 7.3 No claim will be entertained from the CONTRACTOR for his equipment or labour having remained idle or for any other expenses incurred by him due to the flow of work not being continuous for stoppage of work.
- 7.4 The CONTRACTOR shall carry out perform and observe the provision of the Factories Act, Shops and Establishment Act, Workmen's Compensation Act, Contract Labour (Regulation and Abolition) Act, 1970; Employees Provident Act, 1952; the Minimum Wages Act, 1948; the Payment of Wages Act, 1936 or any other enactment passed by the Parliament or State Legislature and the rules made thereunder by the appropriate Govt. (s) in any way affecting the labourers and staff employed by the CONTRACTOR and also indemnify the COMPANY against any liability that may be imposed by law or the Govt for non-observance of any of the provisions of these Acts and enactments. The COMPANY reserves the right to recover any amount from the CONTRACTOR by deducting from his bills, Security Deposit including performance guarantee bond, if any.
- 7.5 The Contractor shall be responsible and will undertake to provide the following welfare facilities for the workers employed by him in compliance of Chapter (V) of the Contract Labour (Regulation & Abolition) Act, 1970 viz., Rest Rooms, sufficient supply of wholesome drinking water at convenient places, sufficient number of latrines and urinals and washing facilities and also provide for First Aid Box equipped with contents as maybe prescribed under the rules framed under the Contract Labour (Regulation & Abolition) Act, 1970 at every place where contract labour is employed by him.
- 7.6 The CONTRACTOR shall pay his labourers (male or female) minimum wages as may be prescribed from time to time by the Central Government or by the appropriate State Government in the State where the CONTRACTOR works.
- 7.7 The CONTRACTOR shall strictly adhere to all rules and regulations as laid down by the Police, the Regional Transport Authority and the Port Trust authority in the matter of movement of materials / equipment etc.
- 7.8 The COMPANY reserves the right to get any portion of work done departmentally or through any other CONTRACTOR (s) for the whole period of the Contract or such time as he deems fit and the fact that the same has not been entrusted to the CONTRACTOR shall not entitle the CONTRACTOR to prefer any claim for damages or compensation.
- 7.9 In case COMPANY is satisfied that the CONTRACTOR is unable to execute the work in satisfactory manner and in accordance with the terms of the contract, he shall have the right to stop the work at any stage and to make arrangements to get the work done in such a manner as he may deem appropriate including through other CONTRACTOR(s) or departmentally and to recover from the defaulting CONTRACTOR all the extra expenditure incurred on this account from the money due or

that may become due to the CONTRACTOR, under the terms of this contract, or any other contract(s) without prejudice to any other right or remedies available to the COMPANY. The CONTRACTOR will not also be entitled to any compensation whatsoever under any circumstances.

- 7.10 If the CONTRACTOR fails to deploy sufficient suitable cranes / trailers /trucks / gears etc. to execute the work in a satisfactory manner and in accordance with the terms of the contract, the COMPANY, without prejudice to any other rights or remedies available reserves the right to hiring the cranes / trailers / trucks / gears, etc. from other CONTRACTOR(S) or any other sources at the rates being paid by the other Public Sector Undertakings working in the Port Area or at the prevailing market rates for handling of such materials. The decision of the COMPANY in this regard shall be final and binding on the CONTRACTOR. The extra expenditure incurred on this account will be recovered from the defaulting CONTRACTOR.
- 7.11 The COMPANY also reserves the right (i) of placing of Contract(s) simultaneously with one or more CONTRACTORS, as it may think fit even by calling fresh tenders and/or by negotiations and appoint some other CONTRACTOR(s) accordingly (ii) of appointing any other CONTRACTOR (s) for services referred to in the contract to meet an emergency, if the COMPANY whose decision shall be final is satisfied that the CONTRACTOR is not in a position to tender specific services within the period in which such services are required.
- 7.12 No contract work, however, petty may be carried out except on specific written authority from a duly authorized officer of the COMPANY.
- 7.13 The COMPANY will not be responsible for any damage to the trucks / trailers / lighters / barges suffered by the CONTRACTOR during the course of operation and the CONTRACTORS in their own interest should obtain suitable and sufficient cover from underwriters and no claims/correspondence on this account will be entertained by the COMPANY.

8.0 MALPRACTICE:

8.1 If any CONTRACTOR is found guilty of:

- a) Misappropriating, pilferage or abetting misappropriation or pilferage of COMPANY's property or any attempt therefor:
- b) Offering illegal gratifications including offering bribe, regard or advantage etc. pecuniary other otherwise is to any Officer or employee of the COMPANY or:
- c) Indulging in any malpractice namely but not limited to forgery falsification or fabrication of documents, bills, vouchers, indents etc. in support of any claim against the COMPANY of reduction of any liability or in connection with the work with the COMPANY or indulging any other act which is an offence under the provisions of the Indian Penal Code.

The COMPANY without prejudice to its any other legal rights, be entitled to summarily terminate the contract and forfeit the security deposit.

9.0 ARBITRATION:

- 9.1 If at any time, any question, dispute or difference whatsoever shall arise between the COMPANY (Visakhapatnam Steel Plant) and the CONTRACTOR upon or in connection with the contract, either party may forthwith give to the other notice in writing of the existence of such question dispute or difference and the same shall be referred to the adjudication of sole Arbitrator to be nominated by the Chairman-cum-Managing Director, Visakhapatnam Steel Plant. In case the designation of the Chairman-cum-Managing Director is changed or his office abolished, the Officer who for the time being is entrusted with the functions of the Chairman-cum-Managing Director Visakhapatnam Steel Plant, by whatsoever designation such Officer is called shall nominate the Sole Arbitrator to adjudicate upon disputes and there shall be no objection to any such nomination /appointment that the Sole Arbitrator is an Officer/employee of the Visakhapatnam Steel Plant. The Officer nominated by Chairman-cum-Managing Director of Visakhapatnam Steel Plant shall be the sole judge to decide the

questions / claims / disputes / differences referred to him for Arbitration and his decision shall be final and binding on both parties. The venue of Arbitration shall be the registered office premises of the Visakhapatnam Steel Plant, Visakhapatnam.

The provisions of the Indian Arbitration and Conciliation Act, 1996 and the rules thereunder and all statutory modifications thereof shall govern such arbitration proceedings and shall be deemed to apply to and be incorporated under this Contract.

10.0 FORCE MAJEURE:

10.1 The COMPANY and the CONTRACTOR shall not be in any way liable for non-performance either in whole or part of the Contract or for delay in performance thereof in consequences of any strike, lockout, fire or accidents to machinery, riots/war or insurrection or restraints imposed by Government, act of Legislature of Port Trust, Railways , Customs Authorities.

On the occurrence of the Force Majeure condition, the party concerned shall notify the other party in writing of such occurrence as soon as possible but within 48 hours of the occurrence stating therein:

- a) The date of commencement of such Force Majeure disability;
- b) The anticipated duration of such Force Majeure disability (if such duration can be estimated) and
- c) The nature of such Force Majeure disability. The disabled party and the remaining party shall employ all reasonable means to reduce the consequences of such Force Majeure and shall employ all reasonable means to terminate the same.

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INTEGRITY PACT

Rashtriya Ispat Nigam Limited (RINL) hereinafter referred to as **"The Principal"**,

And

..... hereinafter referred to as **"The Bidder/Contractor"**

Preamble

The Principal intends to award, under laid down organizational procedures, a contract for **(nature of contract, in brief)**. The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources, and of fairness/transparency in its relations with its Bidder(s) and /or Contractor(s).

The Principal will nominate Independent External Monitor(IEM) by name, from the panel of IEMs, at the tender stage, for monitoring the tender process and the execution of the contract in order to ensure compliance with the Integrity Pact by all the parties concerned.

Section 1 - Commitments of the Principal:

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
 - a. No employee of the Principal, personally or through family members, will in connection with the tender or the execution of a contract, demand/take a promise/accept for self or for third person, any material or non material benefit which the person is not legally entitled to.
 - b. The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
 - c. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the PC Act/ applicable law, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer of RINL and in addition can initiate disciplinary action.

Section 2 - Commitments of the Bidder(s)/contractor(s):

- (1) The Bidder/ Contractor commits to take all measures necessary to prevent corruption and commits to observe the following principles during his participation in the tender process/during the contract execution(in case of Bidder to whom the contract has been awarded).
 - a. The Bidder/Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain, in exchange, any advantage of any kind whatsoever during the tender process or during the execution of the contract or to vitiate the Principal's tender process or contract execution.
 - b. The Bidder/ Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process or to vitiate the Principal's tender process or execution of the contract.
 - c. The Bidder/Contractor will not commit any offence under the PC Act/ Applicable law, like paying any bribes or giving illegal benefit to anyone including employees of RINL, to gain undue advantage in dealing with RINL or for any other reason etc. Further, the Bidder/Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship regarding plans, technical proposals and business details including information contained or transmitted electronically.
 - d. The Bidder/Contractor of foreign origin shall disclose the name and address of their Agent(s)/representative(s) in India, if any. Similarly the Bidder/Contractor of Indian Nationality shall furnish the name and address of the foreign supplier/contract Agency, if any. Further details, as mentioned in the Guidelines on Indian Agents of Foreign "Suppliers/contract agencies", shall be disclosed by the Bidder/Contractor, wherever applicable. Further, as mentioned in the Guidelines, all the payments made to the Indian agent(s)/representative(s) have to be in Indian Rupees only. Copy of the Guidelines on Indian Agents of Foreign "Suppliers/contract agencies" is enclosed.
 - e. The Bidder/ Contractor will, when presenting his bid, disclose any and all payments he has made or committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder/Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts:

- (1) A transgression is considered to have occurred, if the Principal after due consideration of the available evidence, concludes that a reasonable doubt is possible.
- (2) If the Bidder/Contractor, before award of contract or after award of contract has committed a transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already awarded, for that reason, without prejudice to other remedies available to the Principal under the relevant GCC of the tender/contract.
- (3) If the Bidder/Contractor has committed a transgression through a violation of any of the terms under Section 2 above or in any other form such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder / Contractor from future tenders/Contract award processes. The imposition and duration of the exclusion will be determined by the Principal keeping in view the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder /Contractor and the amount of the damage.
- (4) If it is observed after payment of final bill but before the expiry of validity of Integrity pact that the Contractor has committed a transgression through a violation of any of the terms under Section 2 above during the execution of contract, the Principal is entitled to exclude the Contractor from future tenders/Contract award processes.
- (5) The exclusion will be imposed for a Period not less than six (6) months and, up to a maximum period of three (3) years.
- (6) If the Bidder / Contractor can prove that he has restored/ recouped the damage to the Principal caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion before the expiry of the period of such exclusion.

Section 4 – Compensation for Damages:

- (1) If the Principal has disqualified the bidder from the tender process prior to the award in accordance with Section 3 above, the Earnest Money Deposit (EMD)/Bid security furnished, if any, along with the offer as per the terms of the Invitation to Tender (ITT) shall be forfeited. This is apart from the exclusion of the Bidder from future tenders as may be imposed by the Principal, as brought out at Section 3 above.
- (2) If the Principal has terminated the Contract in accordance with Section 3 above, or if the Principal is entitled to terminate the Contract in accordance with Section 3 above, the Security Deposit/performance bank guarantee furnished by the Contractor, if any, as per the terms of the ITT/Contract shall be forfeited without prejudicing the rights

and remedies available to the Principal under the relevant General conditions of contract. This is apart from the exclusion of the Bidder from future tenders as may be imposed by the Principal, as brought out at Section 3 above.

Section 5 – Previous transgressions:

- (1) The Bidder declares that, to the best of his knowledge, no previous transgression occurred in the last five (05) years with any Company or Organization or Institution in any country or with any Government in any country conforming to the anticorruption approach that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process. The contract, if already awarded, can be terminated for such reason.

Section 6 – Equal treatment of all Bidders / Contractors / Subcontractors:

- (1) The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors, he desires to appoint, a commitment in conformity with this Integrity Pact, and to submit it to the Principal at the time of seeking permission for such subcontracting.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders/ Contractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Bidder(s)/Contractor(s)/subcontractor(s):

If the Principal obtains knowledge of conduct of a Bidder, Contractor, Sub-contractor or of any employee or a representative or an associate of a Bidder/Contractor/ Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the CVO of RINL.

Section 8 – Independent External Monitor(s)(IEM(s)):

- (1) The Principal appoints competent and credible Independent External Monitor with the approval of Central Vigilance Commission. The IEM reviews independently, the cases referred to him or written complaints with all details received directly by him to assess whether and to what extent the parties concerned complied with the obligations under this Integrity Pact,

- (2) In case of complaint/representations on compliance of the provisions of the Integrity Pact by any person/agency, the complaint/representation can be lodged by the aggrieved party with the Nodal Officer for IP of RINL or directly with the IEM. The Nodal Officer shall refer the complaint /representation so received by him to the IEM for his examination. Similarly, RINL in case of any doubt regarding compliance by any or all the bidders can lodge its complaint / make a reference to IEM through Nodal Officer. For ensuring the desired transparency and objectivity in dealing with the complaints arising out of the tendering process, the matter should be examined by the full panel of IEMs who would look into the records, conduct an investigation and submit their joint recommendations to the Management.
- (3) The IEM is not subject to instructions by both the parties and performs his functions neutrally/independently. The IEM will submit report to the CMD, RINL.
- (4) The Bidder(s)/Contractors(s) accepts that the IEM has the right to access without restriction, to all tender/contract documentation of the Principal including that provided by the Bidder/Contractor. The Bidder/Contractor will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his tender/contract documentation. The same is applicable to unrestricted and unconditional access to tenders / contract documentation of Subcontractors also. The IEM is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s)/Subcontractor(s) with confidentiality.
- (5) IEM will have the right to attend any meeting between RINL and Counterparties in respect of the cases falling under the purview of IP.
- (6) As soon as the IEM notices, or believes to notice, a violation of this Pact, he will inform the Principal and request the Principal to discontinue or take corrective action or to take other relevant action. The IEM can, in this regard, submit non binding recommendations. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (7) The IEM will submit a written report to the CMD-RINL within four (04) to six (06) weeks from the date of reference or intimation to him by the Principal/ receipt of the complaint and, should the occasion arise, submit proposals for corrective actions for the violations or the breaches of the provisions of the agreement noticed by the IEM.
- (8) IEM may also submit a report directly to the CVO of RINL and the Central Vigilance Commission, in case of suspicion of serious irregularities attracting provisions of the PC Act/ applicable Law.
- (9) Expenses of IEM shall be borne by RINL/VSP as per terms of appointment of IEMs.
- (10) The word 'Monitor' means Independent External Monitor and would include both singular and plural.

Section 9 - Duration of the Integrity Pact:

- (1) This Pact comes into force upon signing by both the Principal and the Bidder/Contractor. It expires for the Contractor twelve (12) months after the last payment under the contract, and for all unsuccessful Bidders, six (06) months after the contract has been awarded and accordingly for the Principal after the expiry of respective periods stated above.
- (2) If any claim is made/ lodged during the valid period of the IP, the same shall be binding and continue to be valid even after the lapse of this Pact as specified above, unless it is discharged/determined by CMD of RINL.

Section 10 - Other provisions:

- (1) This Pact is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. Visakhapatnam, State of Andhra Pradesh, India.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements to this pact have not been made.
- (3) If the Contractor is a partnership firm/ Consortium, this Pact must be signed by all partners/ Consortium members, or their Authorized Representative(s) by duly furnishing Authorization to sign Integrity Pact.
- (4) Should one or several provisions of this Pact turn out to be invalid, the remaining part of the Pact remain valid. In this case, the parties will strive to come to an agreement with regard to their original intentions.
- (5) Wherever he or his is indicated in the above sections, the same may be read as he/she or his/her, as the case may be. Similarly, wherever Counterparty or Bidder or Contractor is mentioned, the same would include both singular and plural.

(For & On behalf of the Principal)

(Office Seal)

(For & On behalf of Bidder/
Contractor)
(Office Seal)

Place -----

Date -----

Witness 1:
(Name & Address)

Witness 2:
(Name & Address)

GUIDELINES FOR INDIAN AGENTS OF FOREIGN "SUPPLIERS/CONTRACT AGENCIES"

- 1.0 There shall be compulsory registration of Indian Agents of foreign suppliers/contract Agencies with RINL in respect of all Global (Open) Tenders and Limited Tenders. An agent who is not registered with RINL shall apply for registration in the prescribed Application Form.
- 1.1 Registered agent needs to submit before the placement of order by RINL, an Original certificate issued by his foreign supplier/ contract Agency (or an authenticated Photostat copy of the above certificate duly attested by a Notary Public) confirming the agency agreement and giving the status being enjoyed by the agent alongwith the details of the commission/ remuneration/ salary/ retainer being paid by them to the agent(s).
- 1.2 Wherever the Indian representative has communicated on behalf of their foreignsupplier/contract Agency and/or the foreign supplier/contract Agency have stated that they are not paying any commission to their Indian agent(s) but paying salary or retainer, a written declaration to this effect given by the foreign supplier/contract Agency should be submitted before finalizing the contract.
- 2.0 **DISCLOSURE OF PARTICULARS OF AGENT(S)/REPRESENTATIVE(S) IN INDIA, IF ANY:**
 - 2.1.1 Bidders of Foreign nationality shall furnish the following details in their quotation/bid:
 - 2.1.2 The name and address of their agent(s)/representative(s) in India, if any, and the extent of authorization and authority given to them to commit them. In case the agent(s)/representative(s) is a foreign Company, it shall be confirmed whether it is a really substantial Company and details of the company shall be furnished.
 - 2.1.3 The amount of commission/remuneration included in the quoted price(s) for such agent(s)/representative(s) in India.
 - 2.1.4 Confirmation of the Bidder that the commission/remuneration if any, payable to his agent(s)/representative(s) in India, may be paid by RINL in Indian Rupees only.
- 3.0 **DISCLOSURE BY INDIAN AGENT(S) OF PARTICULARS OF THEIR FOREIGN SUPPLIER/CONTRACT AGENCY AND FURNISHING OF REQUISITE INFORMATION:**
 - 3.1 Bidders of Indian Nationality shall furnish the following details/certificates in/alongwith their offers:

- 3.1.1 The name and address of foreign supplier/contract agency indicating their nationality as well as their status, i.e., manufacturer or agent of manufacturer holding the Letter of Authority.
- 3.1.2 Specific Authorization letter by the foreign supplier/contract agency authorizing the agent to make an offer in India in response to tender either directly or through their agent(s)/representative(s).
- 3.1.3 The amount of commission/remuneration included for bidder in the price (s) quoted.
- 3.1.4 Confirmation of the foreign supplier/contract Agency of the Bidder, that the commission/remuneration, if any, reserved for the Bidder in the quoted price (s), may be paid by RINL in India in equivalent Indian Rupees.
- 4.0 In either case, in the event of materialization of contract, the terms of payment will provide for payment of the commission/remuneration payable, if any, to the agent(s)/representative(s) in India in Indian Rupees, as per terms of the contract.
- 4.1 Failure to furnish correct information in detail, as called for in para 2.0 and/or 3.0 above will render the bid concerned liable for rejection or in the event of materialization of contract; the same is liable for termination by RINL. Besides this, other actions like banning business dealings with RINL, payment of a named sum etc., may also follow.

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RINL VIGILANCE – TOLL FREE No. 1800 425 8878
