

Government of Chhattisgarh, Mineral Resources Department

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Reply to Pre-bid Queries For
TENDER DOCUMENT FOR
"e-AUCTION OF
MOHRA (BLOCK-A) & PARSABHADAR LIMESTONE
BLOCKS
CHHATTISGARH
FOR MINING LEASE"



NIT Ref.

"Invitation of bids for grant of Mining Lease for Limestone Mineral Blocks in the State of Chhattisgarh" Dated 6th October 2018.

Tender No.: MSTC/RPR/MINERAL RESOURCES DEPARTMENT,CHHATTISGARH/3/NAYA RAIPUR/18-19/18647

E-Auction No: MSTC/RPR/ MINERAL RESOURCES DEPARTMENT,CHHATTISGARH/4/NAYA RAIPUR/18-19/18648

Tender No.: MSTC/RPR/MINERAL RESOURCES DEPARTMENT,CHHATTISGARH/1/NAYA RAIPUR/18-19/18645

E-Auction No: MSTC/RPR/ MINERAL RESOURCES DEPARTMENT,CHHATTISGARH/2/NAYA RAIPUR/18-19/18646

Responses to Bidders' Queries (Part 1) on Model Tender Document and Mine Specific Tender Documents for Auctions of Limestone Blocks(Dated 27 Dec 2018)

The replies/clarifications/responses shall be applicable to Model Tender Document (including MDPA) and all mine specific Tender Documents (including MDPA) issued pursuant to the Notice Inviting Tender issued by the Directorate of Geology & Mining, Government of Chhattisgarh dated 6th Oct 2018.

S.No	Reference Document / Name of Mine	Document	Article/Clause/Page No.	Comment/Views/ Suggestions	Rationale	Suggested text for amendment, if any	Response
1.	Tender Document/ IM		General Query/ Information of the Blocks	Also kindly let us have the quality of Limestone available in the blocks covered in this NIT.			<p>Please refer summary of Mineral block which is available free of cost at the MSTC website for both the blocks under "Mine Block Summary".</p> <p>Detail information on quality is available in the GSR as part of Tender Document to be available on purchase.</p>
2.	Tender Document/ IM		"Those interested and eligible for bidding can participate in the bidding only after online purchase of the Tender Document on payment of the non-refundable tender fee of Rs.INR 50,000 excluding Goods and Service Tax (GST shall be payable at 18% of tender fee), from the website of e-auction platform provider	<p>We are interested to participate in the above tenders. However, before purchasing the Tender Document for Rs.59000/-, we would like to ascertain our eligibility for bidding. Available NIT, Model Tender etc. do not quantify the Eligibility Criteria for these tenders.</p> <p>In view of the above, we request you to kindly let us know the Eligibility</p>			<p>The eligibility conditions are given in section 5 of the Model Tender Document.</p> <p>The Value of Estimate Resources (VER) has been calculated as per the Mineral (Auction) Rules, 2015 and amendments issued and considering technical details as per Mine Block Summary and average selling price (ASP) as published by the IBM considering average of selling price</p>

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			MSTC Ltd."	Criteria for the above tenders.			<p>of 12 months from July 2017 to June 2018.</p> <p>Refer the below web links:</p> <p>1.https://www.mstcecommerce.com/auktionhome/Layouts/mlcl_Chhattisgarh.html</p> <p>2.http://ibm.nic.in/index.php?c=pages&m=index&id=912&mid=22100</p> <p>3.https://mines.gov.in/writereaddata/UploadFile/Mineral%20(Auction)%20Rules,%202015.pdf</p> <p>4.https://www.mines.gov.in/writereaddata/UploadFile/The%20Mineral%20(Auction)%20Amendment%20Rules,%202017.pdf</p>
3.	Mohra (Block-A)	Tender Document	<p>Clause 4.2</p> <p>Although the block is not reserved for specified end use i.e. captive use, the mineral extracted from the block shall be used/ sold for prescribed purpose(Industrial) only as per</p>	<p>(i) What is meant by Prescribed Purpose (Industrial)?</p> <p>(ii) What kind of laws is applicable in defining Prescribed Purpose (Industrial)?</p>			<p>The Prescribed Purpose (Industrial) means material extracted from the mine shall be used only for industrial purposes. The bidder do not have a binding to install or set up own EUP.</p>

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			applicable Law, rules and regulation				
4.		Tender Document	<p>Clause 8.1(B)(c) The Qualified Bidder who submits the highest Final Price Offer shall be declared as the “Preferred Bidder” immediately on conclusion of the e-auction.</p> <p>Clause 11(15) Announcement of Preferred Bidder on next day of e-auction.</p>	As per Clause 8.1(B)(c) declaration of Preferred Bidder is immediately on conclusion of the e-auction while Clause 11(15) mention that Preferred Bidder will be declared on next day of e-auction. Please clarify which Clause is applicable in declaration of preferred Bidder.			<p>The clause 8.1(B) (c) and clause 11(15) of tender document shall prevail.</p> <p>To clarify further the declaration of Preferred Bidder shall be based on conclusion of the e-auction. The Qualified Bidder who submits the highest Final Price Offer shall be declared as the Preferred Bidder immediately on conclusion of the auction. However, the announcement shall be proposed to be made on the next day of e-auction.</p>
5.		Tender Document	<p>Clause 10.2-Declaration as a Successful Bidder</p> <p>&</p> <p>Clause 12(1) Time Table Stage II- Submission of Performance Security along with 2nd installment of Upfront Payment</p> <p>Rule 12(2) of Auction Rules-</p>	<p>The Auction rules do not require payment of 2nd installment of upfront payment & Performance security with six month of declaration as preferred Bidders.</p> <p>Performance Security & 2nd installment of upfront payment need to be submitted by Preferred Bidder before declaration as Successful Bidder as per clause 10.2 of Tender</p>	<p>Performance Security & 2nd installment of upfront payment should only be required before declaration as Successful Bidder.</p> <p>Necessary extension of Bid Security may be done till submission of Performance Security as per Clause 15.5 of Tender Document. The same process of Bid security extension</p>		<p>Tender Document conditions shall prevail.</p> <p>The Successful Bidder’s Bid Security will be returned, without any interest, upon furnishing of the Performance Security in accordance with the provisions of the Tender Document.</p>

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			<p>Performance security may be invoked as per provision of MDPA & Mining Lease Deed.</p> <p>Clause 15.5 –</p> <p>Successful bidder's Bid security will be returned, upon furnishing of Performance Security</p>	<p>Document as well as per rule 10(3) of Auction rules. The present Time table require Performance Security & 2nd installment of upfront payment within six month of issuance of LOI, while preferred bidder does not become Successful Bidder till compliance of LOI conditions which has to be fulfilled in 3 year period. There is a time gap of 2.5 years, in this period there is no requirement of Performance Security & 2nd installment of upfront payment.</p> <p>More ever as per rule 12(2) of Auction Rules, the Performance Security can only be invoked as per provision of MDPA & Mining Lease deed. There is no existence of MDPA & Lease deed within 6 month of grant of LOI.</p>	<p>up to LOI period has been adopted by Gujarat Government in recent Limestone Block auction and the same practice should be adopted in this auction also.</p> <p>More ever, the Model Tender Document Prepared by Central Government vide gazette notification dated 02.07.2015 also required Performance security to be paid 10 days before declaration of Successful Bidder as per clause 12(II)(1).</p>		

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6.		Tender Document	<p>Clause 13.2 Periodic Payments</p> <p>The holder of mining lease shall make monthly payments with respect to the Value of Mineral Dispatched or the minimum production requirement as specified in the MDPA, whichever is higher.</p>	<p>The minimum production requirement given in Schedule C of MDPA is of annual basis. The monthly fluctuations are permitted and does not invite any penalty. Accordingly minimum production requirement should not be applicable on monthly basis as mentioned in Clause 13.2</p>	<p>Minimum Production Requirement is linked with Mining Plan in which Production Proposal are annually and not on monthly basis. So the minimum production requirement cannot be applicable on monthly basis.</p>		<p>Minimum production requirement as mentioned in the Tender Document shall be on annual basis. However, periodic payment shall be done on monthly basis. Any adjustment, if any, shall be done at the end of the financial year for that respective year.</p>
7.		Tender Document	<p>Clause 15.5</p> <p>The Successful Bidder's Bid Security will be returned, without any interest, upon furnishing of the Performance Security in accordance with the provisions thereof.</p>	<p>As per present terms of Tender Document, the performance security is to provided by Preferred Bidder, so there is contradiction between tender terms & this clause.</p>			<p>The Bid Security of the Preferred Bidder shall be retained till declaration of the Preferred Bidder as Successful bidder. Once, the Preferred bidder is declared as Successful bidder then the Bid Security shall be returned without any interest, upon furnishing of the Performance Security in accordance with the provisions of the Tender Document.</p>

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8.		MDPA	Clause 4.1 The Successful Bidder has provided to the State Government [an irrevocable and unconditional bank guarantee.	As per present terms of Tender Document, the performance security is to provided by Preferred Bidder, so there is contradiction between tender terms & this clause.			The term Successful Bidder has been referred in the MDPA considering the bidder has signed MDPA and is already Successful Bidder at that time.
9.		Summary of Mineral Block	Part B –Particulars of permissions Forest Clearance to be obtained by successful bidder.	As there is no forest land in the block area, Forest Clearance is not applicable.			Agreed. Applicable necessary Clearance should be sought from appropriate authority.