

SUGGESTIONS OF THE TASK FORCE

PREAMBLE

Ministry of Coal, Government of India had forwarded the record notes of discussion and recommendation of the workshop held on 20.01.2015 at New Delhi on “The Technology Development & Mechanization of Mines in CIL in the context of reaching Coal production of 1 Billion tonne in “2019-20” for necessary action vide letter No. 43012/63/2014- CPAM dated 19th February, 2015.

It was opined in the workshop that a Task Force / Working Committee may be constituted to examine the recommendations of the workshop and review the terms and conditions for procurement of equipment / HEMM, which may comprise of -

- (i) Director (Technical), CIL.
- (ii) CMD, CMPDI.
- (iii) CMD, NCL.
- (iv) CMD, SECL.

Accordingly, the meeting of the Task Force Committee was held on 02.07.2015 and again on 21.7.2015 at CMPDI, Ranchi.

After detailed discussion on the suggestions given by the manufacturers, the Task Force committee constituted the following sub-committees to study the feasibility to adopt the technical and commercial points suggested by manufacturers for procuring Equipment/ HEMMs:

(A) Commercial committee consisted of the following members to study the commercial issues;

- (i) Sri G.K. Singh, GM MM, CCL.
- (ii) Sri P.K. Sinha, GM MM, NCL.
- (iii) Sri Suresh Prasad, GM MM CIL.
- (iv) Dr. Prabhat Kumar, HoD (EP & CM), CMPDI.

(B) Technical committee consisted of the following members to study the technical issues;

- (i) Shri D K Mandhyan, GM (Excavation), ECL (co-opted on 21.7.2015)
- (ii) Sri V. K. Jaitak, GM (Excv), SECL.
- (iii) Sri S. C. Vishwakarma, CM (Excv), CCL
- (iv) Sri A. K. Mukherjee, Advisor (Excv), NCL.
- (v) Sri Randip Singh, CM (OC/Excv), CMPDI.

The suggestions received from the manufacturers were examined in detail and in many cases like introduction of MTBF and MTTR as tools for performance evaluation, re-introduction of MARC, distribution of order between L1 and L2 bidders, revision in survey of norms, evaluation based on past performance of the machine, automatic release of bank guarantee, advance payment, centralized

purchases for regular machines such as 60 te and 100 te dumpers etc., it was felt that it does not require any change as the existing provisions of the NIT are in mutual interest of the suppliers as well as CIL. Changes in certain technical and commercial points suggested by the manufacturers have been agreed with modifications which are given as under:-

Sl. No .	SUGGESTIONS OF THE MANUFACTURERS	SUGGESTIONS OF THE COMMITTEE
1	Reintroduction of Technical merit rating system during evaluation.	<p>The system of Technical Merit Rating can be accepted along with adjustment of Bid price, subject to acceptance of CVC and the following conditions :-</p> <ol style="list-style-type: none"> I. TMR will not have any provision of cut-off marks. It must not be used for disqualification of any technically acceptable offer but be used for bid price adjustment to give weightage to the better technical features. II. TMR will be solely and wholly used for bid price adjustment to get benefit of merit of the features of a machine. III. TMR for each type & class of equipment and its weightage requires extensive ground work and much wider consultations and shall be decided at the time of formulation of Generalised Technical Specifications of HEMM, which will be done at CIL level under the broad framework as outlined: <ul style="list-style-type: none"> • Selection of the parameters for Technical Merit Rating System should be done very objectively & diligently and with utmost caution to ensure that the identified parameters truly translate into benefits in terms of improved productivity, long term cost advantage, safety, ease of maintenance & operator's comfort. • The number of these technical parameters identified for TMR should preferably (but not necessarily) be limited to 3-5, and should be very objective, in line with accepted standards and permit transparent and fair Evaluation.
2	Proven ness criteria.	<p>For equipment not supplied in India</p> <p>Provenness may be revised to incorporate the condition that the bidders who have not supplied equipment in India shall submit supply orders for minimum 33% of the tendered quantity (rounded off to the next integer) or the minimum threshold numbers as mentioned in CIL NIT's against each class of equipment (whichever is higher and rounded off to the next higher integer) from their worldwide population supplied within time span for different class of equipment as indicated below:</p> <ul style="list-style-type: none"> • Draglines : 20 Yrs • Excavators (size >= 10 cum): 10 Yrs • Dumpers (>= 150T) : 7 Yrs

		<ul style="list-style-type: none"> • RBH Drills ($\geq 311\text{mm}$) : 7 Yrs • Crawler Dozers ($\geq 850\text{ HP}$) : 7 Yrs • Other Equipment : 5 Yrs <p>For equipment supplied in India:</p> <p>It is proposed to revise the proven-ness criteria for incorporating the condition that the bidders who have supplied equipment in India shall submit supply orders for 25% of the tendered quantity or the minimum threshold numbers as mentioned in CIL NIT's against each class of equipment (whichever is higher and rounded off to the next integer) from their Indian population supplied within the time span not less than the period of performance mentioned below.</p> <p>For all equipment other than mentioned below, irrespective of supplied to India or not, performance period shall be 03 (three) years, which have been commissioned 3 years prior to the date of opening of tender but not prior to 5 years from the date of opening of tender.</p> <p>Such period of performance shall be 04 (four) years, which have been commissioned 4 years prior to the date of opening of tender but not prior to the 10 years for 10 cum and above Excavators, 20 years for Draglines of all sizes, 7 years for 150T and above size of Rear Dumpers, 850HP & above capacity of Crawler Dozers, 311mm & above dia of RBH Drills from the date of opening of tender.</p> <p>Such period of performance for the clear cut years and to be reckoned from the initial date of commissioning, prior to due date of tender but within the time frame stipulated against each equipment.</p> <p>Worldwide population shall be considered, if and only if, some of the equipment against which the bidder has sought proven-ness status was supplied and covered the performance period specified in the NIT in at least two countries other than that of manufacturer's own country. In any case, performance of equipment being used in a company which is subsidiary or falls under a group of company covering both manufacturer and user shall not be considered for the purpose of deciding proven-ness.</p>
3	Product of support set up.	<p>C.Product Support: Product support must consist of the following facilities:</p> <ol style="list-style-type: none"> 1) Mandatory visit of OEM's technical team of foreign manufacturers at least once in a year. The number of visits could be two per year if the company so feels for any particular product category/ large order size or for any specific criticality.

		<p>2) Depot/warehouse indicating address of location, inventory for the offered model</p> <p>3) Service, repair, overhauling of major sub-assemblies and condition monitoring facilities</p> <p>4) Availability of sufficient numbers of experts, specialists of each system. The number of such experts will depend upon spread of deployment of equipment.</p> <p>Such Product Support facility must be available or to be made available (as the case may be) (preferably within the 150 km of the serviced/supported equipment) so that services are rendered within 3 to 4 hrs of call to reduce downtime.</p> <p>In case of any bidder who does not have any such Product Support facility within the command area of user subsidiary (preferably within the 150 km of the serviced/supported equipment) at the time of bidding must give an undertaking that such facility would be set up within the first year of the first equipment commissioned (except for Dragline where such facility must be there within one year of supply of all CKD items). In such cases, supply order shall be released only and only after receipt of Bank Guarantee not less than 30% of the total order value (landed value) valid for the Guaranteed Availability period plus three months incubation period.</p>
4	Generalised technical specification for each type and class of equipment.	Generalised Technical Specifications for each type & class of equipment shall be of generic nature, and shall be uniform for CIL and all its subsidiaries. Such specifications should take into considerations technology up-gradation, product specifications/ features & safety features by prospective manufacturers. It must cover parameters identified for TMR.
5	Shift from guaranteed parts consumption to "cost cap."	<p>The concept of cost cap may be agreed to subject to the following :</p> <p>1] That the assessment of the requirement of spare parts & consumables for maintenance of the machine should be determined in consultation with the engineer in-charge.</p> <p>2] That the supplier agrees to provide the required spares parts & consumables for different categories of the equipment during the warranty and subsequent maintenance period as under :-</p> <p>i) Dumpers/Dozers/FE Loaders/Pay Loaders/ Hydraulic Shovels : 1 Year Warranty + 3 Yrs</p> <p>ii) Elect. Shovel/Dragline : 1 Year warranty + 5 Yrs</p> <p>3] They will be required to quote the cap value of spare parts & consumables for each year.</p> <p>4] Competitiveness of the Bidders would be evaluated on the basis of the Total Cash Outflow towards FOR Destination value of the machines and Maintenance</p>

		<p>Charges for the period indicated above and evaluation of the L-1 Bidder would be made after arriving at the present value through Discounted Cash Flow (DCF)</p> <p>Method. Discounting would be made at the applicable rates which is presently 12%.</p> <p>5] They will have to certify that the prices charged for the spares & consumables supplied in replacement of the worn out items are the lowest and not higher than those applicable to Govt. Organizations / PSUs / DGS&D /companies in Pvt. Sector.</p> <p>6] The payment will be made against actual consumption limited to the cap value. The replaced spare parts & assemblies are required to be returned back to the user before payment.</p> <p>7] In case the consumption during any given year is less than the cap value, the balance amount will be carried forward to the next year. However, annual payment towards spare parts, consumables & assemblies will not exceed the total cap value plus carried forward amount if any, from the previous years. No additional cost will be payable for spare parts, consumables and assemblies beyond the total cap value.</p>
6	Simplification of the tendering process in line with the module followed by MCL	This matter is already being considered by CIL.
7	Reduction in the bid validity period.	May be reduced to 120 days from the existing 180 days after modification of the existing system in line with the MCL module.
8	Automatic release of Bank Guarantee	Re-introduction of Omnibus Bank Guarantee for performance and security.
9	Redefining the liquidated damages clause with a limit of 10%	<p>1. The contract period includes delivery as well as the period specified for commissioning. LD clause may be modified to cover the total contract period to decide the penalty if any arising due to delay in supply and commissioning.</p> <p>2. The LD may be limited to a maximum of 10% as per existing NIT of CIL for HEMM. However, Purchase Manual has a provision to impose LD upto 15% at the discretion of the purchaser which may be amended to limit the LD upto 10%.</p>
10	Clarity on the size and type of equipment in case of MDO tenders.	This point will be considered wherever possible while drafting the NIT for MDO.
11	Maintaining sufficient stock of spare parts and consumables.	Availability of equipment depends largely on the timely supply of spare parts and consumable. Hence, it is essential that sufficient stock is maintained by the supplier in each Subsidiary.

ANNEXURE - I

Sl. No.	SUGGESTIONS OF M/S L&T	Views of the Working Committee	SUGGESTIONS OF THE COMMITTEE
1	2	3	4
1.	<p><u>Re-introduction of Technical merit Rating (TMR) system (Suggested as equipment evaluation criterion) alongwith Adjusted Bid Price mechanism:</u></p> <p>The current evaluation process of HEMM require only a minimum technical qualification criteria. Thereupon, all the qualified bidders are assumed to be technically at par and the successful bidder is decided only on L1 price basis. Such an evaluation criteria discourages bringing-in state-of-the-art superior HEMM models manufactured by reputed global players as no weightage is given for such technical superiority / features. Hence, CIL is deprived of the best available HEMM options which reflect in the HEMM performance over the life of these equipment.</p> <p>In order to grade the HEMM in an objective manner, we have suggested the introduction of Equipment Evaluation Criterion (modified Technical Merit Rating System, as per the committee record note dated 19.012015) for Dump Truck, Hydraulic Excavator, Dozer and Wheel Loader.</p> <p>The Equipment Evaluation Criteria may consist of :</p>	Agreed with provisions indicated in column 4	<p>The system of Technical Merit Rating can be accepted along with adjustment of Bid price, subject to acceptance of CVC and the following conditions :-</p> <ol style="list-style-type: none"> TMR will not have any provision of cut-off marks. It must not be used for disqualification of any technically acceptable offer but be used for bid price adjustment to give weightage to the better technical features. TMR will be solely and wholly used for bid price adjustment to get benefit of merit of the features of a machine. TMR for each type & class of equipment and its weightage requires extensive ground work and much wider consultations and shall be decided at the time of formulation of Generalised Technical Specifications of HEMM, which will be done at CIL level under the broad framework as outlined: <ul style="list-style-type: none"> Selection of the parameters for Technical Merit Rating System should be done very objectively & diligently and with utmost caution to ensure that the identified parameters truly translate into benefits in terms of improved productivity, long term cost advantage, safety, ease of maintenance & operator's comfort. The number of these technical parameters identified for TMR should preferably (but
1 a	<p>A] <u>General criterion:</u> It consists of the following parameters, along-with sub-parameters, which remain unchanged with the class of equipment:</p> <ol style="list-style-type: none"> Proven-ness criterion Reliability features After-sales support capabilities The benefit of each of the parameter and the sub-parameter is explained at Annexure B. 		
1 b	<p>B] <u>Technical criterion:</u> It consists of the following parameters</p>		

	<p>a. Productivity features b. Safety features c. Ease of maintenance and Operator Comfort</p> <p>The sub-parameters shall vary from equipment to equipment. The benefits of each of the parameter and sub-parameter is explained at Annexure C.</p> <p>The evaluation may be carried out in the following manner</p> <ul style="list-style-type: none"> • CIL may decide to assign due weightage to each of the above parameter • CIL may assign maximum marks to each of the sub-parameters, depending upon its criticality • The tender may include a section. wherein, the bidder is to submit information on each of the above sub-parameters • CIL may then give marks to each bidder, for each of the sub-parameter, on a relative basis (maximum marks to the best figure/bidder and on percentile basis to the other bidders) • The total score (General + Technical) may be calculated for each of the quoted model • CIL may further decide a cut-off score, below which, the bid shall be technically rejected • Price adjustment of the technically qualified bids, based on the above total score • Bidder who emerges as Li on the basis of the above Adjusted Bid Price. may be declared as the successful bidder <p>The above suggestions are detailed at Annexure A (serial no 1).</p>		<p>not necessarily) be limited to 3-5, and should be very objective, in line with accepted standards and permit transparent and fair Evaluation.</p> <p>B. Generalised Technical Specifications for each type & class of equipment shall be of generic nature, and shall be uniform for CIL and all its subsidiaries. Such specifications should take into considerations technology up-gradation, product specifications/features & safety features by prospective manufacturers. It must cover parameters identified for TMR.</p> <p>C. Product Support: Product support must consist of the following facilities:</p> <ol style="list-style-type: none"> 1) Mandatory visit of OEM's technical team of foreign manufacturers at least once in a year. The number of visits could be two per year if the company so feels for any particular product category/ large order size or for any specific criticality. 2) Depot/warehouse indicating address of location, inventory for the offered model 3) Service, repair, overhauling of major sub-assemblies and condition monitoring facilities 4) Availability of sufficient numbers of experts, specialists of each system. The number of such experts will depend upon spread of deployment of equipment.
2	<p><u>Revision in Availability Guarantee Norm:</u></p> <p>We have suggested certain revision in AG period, norms and exclusions as detailed at Annexure A (serial no 2). Such revised norms will help CIL to get assured HEMM</p>		<p>Such Product Support facility must be available or to be made available (as the case may be) (preferably within the 150 km of the</p>

	availability for a longer duration, which in turn, will help in production augmentation.		serviced/supported equipment) so that services are rendered within 3 to 4 hrs of call to reduce downtime.
3	<p><u>Incorporating past experience for evaluating the same equipment model in a new tender:</u></p> <p>We have noted that the current tender norms are silent on CIL's/subsidiaries' past experience with the quoted model. Even if such experience has not been satisfactory, the model is still considered for a new tender, putting CIL / subsidiary in a helpless situation.</p> <p>We are of the opinion that CIL / subsidiary should be given the freedom to give weightage to their past experience with the quoted model, if any, for evaluation of the same equipment offered in a new tender. Such past experience may cover salient equipment performance parameters like</p> <p>a. Equipment availability, b. Major breakdowns, c. Repeated failures, d. Time taken to repair, etc.</p> <p>We would further suggest that CIL / subsidiary should have an option of not accepting any equipment with a proven record of failures, within their own organization.</p> <p>We have suggested inclusion of the above as part of Proven-ness Criterion of the Equipment Evaluation Criteria, as detailed at Annexure B.</p>		<p>In case of any bidder who does not have any such Product Support facility within the command area of user subsidiary (preferably within the 150 km of the serviced/supported equipment) at the time of bidding must give an undertaking that such facility would be set up within the first year of the first equipment commissioned (except for Dragline where such facility must be there within one year of supply of all CKD items). In such cases, supply order shall be released only and only after receipt of Bank Guarantee not less than 30% of the total order value (landed value) valid for the Guaranteed Availability period plus three months incubation period.</p>
4	<p><u>Redefining the Proven-ness Criteria</u></p> <p>The proven-ness criteria needs an overhaul in order to make it more stringent; to ensure that only the well-proven equipment models qualify for further technical evaluation. This will ensure that CIL gets the best equipment against its tenders. We have enlisted our suggestions in this regard, at Annexure A (serial no 4).</p>	Agreed with provisions indicated in column 4	<p>PROVENNESS CRITERIA :</p> <p>For equipment not supplied in India</p> <p>Proven ness may be revised to incorporate the condition that the bidders who have not supplied equipment in India shall submit supply orders for minimum 33% of the tendered quantity (rounded off to the next integer) or the minimum threshold</p>

			<p>numbers as mentioned in CIL NIT's against each class of equipment (whichever is higher and rounded off to the next higher integer) from their worldwide population supplied within time span for different class of equipment as indicated below:</p> <ul style="list-style-type: none"> • Draglines : 20 Yrs • Excavators (size ≥ 10 cum) : 10 Yrs • Dumpers ($\geq 150T$) : 7 Yrs • RBH Drills ($\geq 311mm$) : 7 Yrs • Crawler Dozers (≥ 850 HP) : 7 Yrs • Other Equipment : 5 Yrs <p>For equipment supplied in India:</p> <p>It is proposed to revise the proven-ness criteria for incorporating the condition that the bidders who have supplied equipment in India shall submit supply orders for 25% of the tendered quantity or the minimum threshold numbers as mentioned in CIL NIT's against each class of equipment (whichever is higher and rounded off to the next integer) from their Indian population supplied within the time span not less than the period of performance mentioned below.</p> <p>For all equipment other than mentioned below, irrespective of supplied to India or not, performance period shall be 03 (three) years, which have been commissioned 3 years prior to the date of opening of tender but not prior to 5 years from the date of opening of tender.</p> <p>Such period of performance shall be 04 (four) years, which have been commissioned 4 years prior to the date of opening of tender but not prior</p>
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			<p>to the 10 years for 10 cum and above Excavators, 20 years for Draglines of all sizes, 7 years for 150T and above size of Rear Dumpers, 850HP & above capacity of Crawler Dozers, 311mm & above dia of RBH Drills from the date of opening of tender.</p> <p>Such period of performance for the clear cut years and to be reckoned from the initial date of commissioning, prior to due date of tender but within the time frame stipulated against each equipment.</p> <p>Worldwide population shall be considered, if and only if, some of the equipment against which the bidder has sought proven-ness status was supplied and covered the performance period specified in the NIT in at least two countries other than that of manufacturer's own country. In any case, performance of equipment being used in a company which is subsidiary or falls under a group of company covering both manufacturer and user shall not be considered for the purpose of deciding proven-ness.</p>
5	<p><u>Introduction of MTBF and MTTR as tools for performance evaluation:</u></p> <p>Mean Time Between Failure (MTBF) = $\frac{\text{Total running hours of the equipment}}{\text{Number of instances of breakdown}}$</p> <p>MTBF is an important tool to measure the reliability of the equipment. Higher the MTBF figure, better are the chances of equipment availability for doing production jobs.</p> <p>Mean time To Repair (MTTR) =</p>	Not Agreed for the reasons indicated in column 4.	MTBF and MTTR as tools of performance evaluation may not be accepted in absence of any established norms at this point.

	<p style="text-align: center;"><i><u>Total breakdown hours in a given time period</u></i></p> <p style="text-align: center;"><i><u>Number of instances of breakdown</u></i></p> <p>MTTR is an important tool to measure the strength and preparedness of after-sales service provider, to put a breakdown equipment back into operation. Such strength may include :</p> <p>I. HEMM repair facilities in service station / workshop.</p> <p>II. Spare parts inventory management skills</p> <p>III. Skill level of service engineers for troubleshooting.</p> <p>IV. Overall attitude towards service to customer-</p> <p>Lower the MTTR figure, better are the chances of equipment availability for doing production jobs.</p> <p>Exclusions for calculation of MTBF and MTTR may be similar to the exclusions for calculation of Availability Guarantee (AG).</p> <p>We would suggest inclusion of MTBF and MTTR as tools for HEMM performance evaluation.</p>		
6	<p><u>Expand the scope of performance Bank Guarantee (PBG):</u></p> <p>Currently, the equipment '<i>performance</i>' is measured only by the Availability Guarantee. We would suggest inclusion of MTBF and MTTR as measurement of equipment '<i>performance</i>'. The tender should invite bidders to quote for these two parameters for the offered equipment model. In order to ensure that the bidder quotes realistic and achievable figures for MTBF and MTTR, any shortfall in these quoted figures should be covered by PBG. It may be noted that MTBF and MTTR can be calculated from the current set of equipment data maintained at CIL site offices, and does not require any additional data to be collected. Please refer Annexure A (serial no 6) for further details.</p>	Not Agreed for the reasons indicated in column 4.	MTBF and MTTR as tools of performance evaluation may not be accepted in absence of any established norms at this point.

7	<p><u>Shift from Guaranteed Parts Consumption to ‘Cost cap’:</u></p> <p>The 'Cost Cap' concept gives greater flexibility in parts planning to the bidder, without any additional burden on CIL. Such a concept is already prevailing in HEMM tender documents of NMDC and SAIL, which are attached at Annexure D for your ready reference.</p> <p>In order to make 'cost cap' provision more comprehensive, we have suggested certain measures and modifications in scope and the same are detailed at Annexure A (serial no 7).</p>	<p>Agreed with provisions indicated in column 4.</p>	<p>The concept of cost cap may be agreed to subject to the following :</p> <ol style="list-style-type: none"> 1] That the assessment of the requirement of spare parts & consumables for maintenance of the machine should be determined in consultation with the engineer in-charge. 2] That the supplier agrees to provide the required spares parts & consumables for different categories of the equipment during the warranty and subsequent maintenance period as under :- <ol style="list-style-type: none"> i) Dumpers/Dozers/FE Loaders/Pay Loaders/ Hydraulic Shovels : 1 Year Warranty + 3 Yrs ii) Elect. Shovel/Dragline : 1 Year warranty + 5 Yrs 3] They will be required to quote the cap value of spare parts & consumables for each year. 4] Competitiveness of the Bidders would be evaluated on the basis of the Total Cash Outflow towards FOR Destination value of the machines and Maintenance Charges for the period indicated above and evaluation of the L-1 Bidder would be made after arriving at the present value through Discounted Cash Flow (DCF) Method. Discounting would be made at the applicable rates which is presently 12%. 5] They will have to certify that the prices charged for the spares & consumables supplied in replacement of the worn out items are the lowest and not higher than those applicable to Govt. Organizations / PSUs / DGS&D /companies in Pvt. Sector. 6] The payment will be made against actual consumption limited to the cap value. The replaced spare parts & assemblies are required to be
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			<p>returned back to the user before payment.</p> <p>7] In case the consumption during any given year is less than the cap value, the balance amount will be carried forward to the next year. However, annual payment towards spare parts, consumables & assemblies will not exceed the total cap value plus carried forward amount if any, from the previous years. No additional cost will be payable for spare parts, consumables and assemblies beyond the total cap value.</p>
8	<p>Revision in MARC norms:</p> <p>We have suggested certain revisions in MARC norms in order to avoid unduly marked-up MARC rates. The details are illustrated at Annexure A (serial no 8).</p>	Not Agreed for the reasons indicated in Column 4.	This is not acceptable as the company has adequate maintenance facility in the departmental workshop which is upgraded as and when required.
9	<p><u>Re-introduction of order distribution between L1 and L2 bidders:</u></p> <p>We suggest re-introduction of order distribution between L1 and L2 bidders, provided L2 bidder matches the adjusted bid price of L1 bidder. Such a measure will benefit CIL / subsidiaries with faster delivery of the tendered equipment fleet, thereby resulting in quicker ramp-up of production. It will also reduce the risk in case L1 bidder is not able to supply the equipment for whatsoever reason.</p>	Not Agreed for the reasons indicated in Column 4.	The existing NIT already has the provision of order quantity distribution in case of capacity constraint of L1 bidder. The system proposed by M/s L&T for distribution of order may restrict competitive bidding.
10	<p><u>Composite Guarantee/ Warranty / Extended Warranty</u></p> <p>Tenders with 'Cost Cap' or 'Maintenance and Repair Contract' (MARC), makes clause for composite guarantee / warranty / extended warranty redundant. Hence, such clause may be deleted.</p>	Not Agreed for the reasons indicated in Column 4.	This may not be agreed to as the composite guarantee takes care of all the issues including replacement of equipment as a whole in case of manufacturing or design defect during the warranty period. The cost cap will start only after the guarantee period of one year from the date of commissioning.
11	<p><u>Revision of survey-off norms:</u></p> <p>We have observed that the current survey-off norms are very low. We would suggest revision of the norms in line</p>	Not Agreed for the reasons indicated in Column 4.	This may not be agreed to as the survey-off norms have been established after assessing the performance of different categories of equipment over a period of time throughout the company.

	<p>with the improved life expectancy of new generation of HEMM. This improvement in expected life of HEMM has been made possible due to continuous technological advancements by the global players and CIL should take the full advantage of this development.</p> <p>The upward revision of survey-off norms will help CIL in:</p> <ul style="list-style-type: none"> • Reduction in the owning cost per ton • Increasing the AG / Cost Cap / MARC duration 		
12	<p><u>Simplification of tendering process</u></p> <p>We would suggest simplification of tendering process, as currently followed at Mahanadi Coalfields Ltd (MCL). The process may be standardized across all subsidiaries. It will help in expediting the tender finalization, resulting in earlier delivery of equipment.</p>	Agreed	This matter is already being considered by CIL.

Sl. No.	SUGGESTIONS OF M/S GMMCO	VIEWS OF THE COMMITTEE	SUGGESTIONS OF THE COMMITTEE
1	2	3	4
1	<p><u>Need to simplify and reduce the requirement</u> to very specific information that is necessary for evaluation.</p> <p>The amount of technical data requested in each type of machine (dumper, dozer, shovel, etc.) is excessive.</p>	Not Agreed for the reasons indicated in column 4.	This may not be agreed to as no data / information related to technical specification of any equipment is redundant. However, an effort may be made by CIL to standardize the same across all subsidiaries of CIL.
2	Certain types of information requested is confidential and proprietary to manufacturer. There is no confidentiality agreement or non-disclosure agreement signed between manufacturer and purchaser to protect any breach.	Not Agreed for the reasons indicated in column 4.	This cannot be agreed to as it is against the basic idea of CVC to increase transparency.
3	<p>Need to review the visibility of information on need basis and restrict the accessibility of data to required personnel only.</p> <p>In e-tendering, all the technical data submitted in the bid document is made available to all bidders which is not necessary.</p>	Not Agreed for the reasons indicated in column 4.	This cannot be agreed to as it is against the basic idea of CVC to increase transparency.
4	<p>Need to incorporate quantitative measures in the NIT:</p> <p>Machine durability, ability to harness second life from the product is not accounted for in tender documents. Cat machines are designed and manufactured for users for long use. Additionally, current survey off norms are too low by international industry standards that cause inbuilt life in the machine to be wasted.</p>	Not Agreed for the reasons indicated in column 4.	This may not be agreed to as the survey-off norms have been established after assessing the performance of different categories of equipment over a period of time throughout the company.

5	Need to consider provision in bid evaluations for machine residual value, either through machine auctions or buy backs or benchmark to global market data for used equipment to allow consideration of actual capital expenditure by Coal India towards the purchase.	Not Agreed for the reasons indicated in column 4.	May not be agreed to in absence of any established norms in this regard.
6	Product support set-up including infrastructure by dealers / suppliers is not awarded any merit in the NIT although this is the key towards machine availability. Cat dealers today offer complete flexibility in their product support offerings starting from simple warranty support to full MARC services that involve substantial investments such as CRCs which differentiates the quality of support. However, such investments done in view of long term commitments are not accounted for. There is an acute need to deliberate on this front to define the standards and attach weightage in tender evaluation as product support by itself can be a differentiator in demonstrating the bidder's long term commitment towards the purchaser.	Agreed with the provisions indicated in column 4.	<p>Product Support: Product support must consist of the following facilities:</p> <ol style="list-style-type: none"> 1. Mandatory visit of OEM's technical team of foreign manufacturers at least once in a year. The number of visits could be two per year if the company so feels for any particular product category/ large order size or for any specific criticality. 2. Depot/warehouse indicating address of location, inventory for the offered model 3. Service, repair, overhauling of major sub-assemblies and condition monitoring facilities 4. Availability of sufficient numbers of experts, specialists of each system. The number of such experts will depend upon spread of deployment of equipment. <p>Such Product Support facility must be available or to be made available (as the case may be) (preferably within the 150 km of the serviced/supported equipment) so that services are rendered within 3 to 4 hours of call to reduce downtime.</p> <p>In case of any bidder who does not have any such Product Support facility within the command area of user subsidiary (preferably within the 150 km of the serviced/supported equipment) at the time of bidding must give an undertaking that such facility would be set up within the first year of the first equipment commissioned (except for Dragline where such facility must be there within one year of supply of all CKD</p>

			items). In such cases, supply order shall be released only and only after receipt of Bank Guarantee not less than 30% of the total order value (landed value) valid for the Guaranteed Availability period plus three months incubation period.
7	For machine types / classes that are purchased on a periodic basis such as 60 ton or 100 ton trucks or 5-6 cu.m. FE Loaders, etc, filling up the same set of information in every tender is cumbersome and repetitive. Provision to be made for registration of data once or twice a year at a single repository within Coal India which would be accessible to all subsidiaries and users. This would help reduce tender purchase times, reduce chances of mistakes and simplify the bid documents. Need to consider this aspect to reduce the burden on bidders.	Not Agreed for the reasons indicated in column 4.	May not be agreed as each tender is a unique tender and the documents submitted against a particular tender is a part of the accepted contract in accordance with the Contract Act.
8	Need to significantly reduce the bid validity period of 180 days as keeping equipment pricing valid for long periods is not practical anymore. Besides, it would help Coal India get equipment quickly. Incorporation of above pt. 6 will aid this request.	Agreed for the reasons indicated in column 4.	May be reduced to 120 days from the existing 180 days after modification of the existing system in line with the MCL module.
9	Past performances of machines like exceeding availability guarantees over NIT requirements, delivering more production or being more efficient (depending on machine type) or being highly utilized in the mine in comparison to other competitive equipment to bear weightage in next purchases of same type of equipment. Need to incorporate this aspect in tender purchases.	Not Agreed for the reasons indicated in column 4.	May not be agreed in absence of established standards and procedure.
10	While the world's top miners are extremely	Agreed for the	Safety requirement and standards of equipment can

	safety conscious and have forced manufacturers to incorporate many safety features on the machines, Coal India tenders do not explicitly award any merits for safety, either on machine or for operation. Need to explore areas of safety requirements and deliberate on standards in line with worldwide practices.	reasons indicated in column 4.	be considered for each class of equipment.
11	<u>Need to incorporate the clause</u> of automatic release of bank guarantees without the provision to revert for claims after the defined period as follow-ups for release is cumbersome and time taking. Re introduce the Omni Bus Bank Guarantee.	Agreed for the reasons indicated in column 4.	The Re-introduction of omnibus bank guarantee may be agreed for performance and security which will take care of this issue.
12	Need to consider exemption of Earnest Money Deposit for bidders who are bidding regularly for a given machine class with Coal India and its subsidiaries.	Not Agreed for the reasons indicated in column 4.	EMD is required from all the bidders except those from the exempted category notified by the Govt., to protect the sanctity of the tender. Hence, the suggestion cannot be agreed to.
13	Need to consider only one extension of 3 days beyond original bid submission date in the event of less than 3 bids submitted against a NIT.	Not Agreed for the reasons indicated in column 4.	The period of extension has been reduced from 25 days in two phases to 7 days in two phases. Such extension is essential to ensure wider participation for increasing the competitiveness.
14	In view of the cumbersome rules of registration with customs for PCD benefits and the losses incurred by CAT on past purchases by Coal India on this front, differential pricing is not provided between NCD and PCD machines. CAT is willing to reconsider offering the differential pricing in case Coal India decides to pursue all the necessary documentation directly with customs authorities without involving manufacturer. Coal India may opt to deliberate on this aspect if there is a reasonable commercial need to take benefit of lower pricing on PCD machines.	Agreed for the reasons indicated in column 4.	To address this problem, a clause may be incorporated in the order/contract that in case of any delay/problem with customs department, the supplier will notify to the purchaser as well as to the ministry concerned for immediate resolution.
15.	There is a need to remove the mandatory clause of exploring Shipping Corporation of India's ability first to ship before opting for other shippers. This has found to be time and again a hurdle that delays shipment. The SCI restriction is to be eliminated.	Agreed for the reasons indicated in column 4.	This provision in the NIT arises out of the directives of the Govt. CIL may take up this issue with Ministry of Shipping through MOC.

16	In general, tenders specify guaranteed parts consumption clauses rather than parts value caps. This restricts the ability of the bidder to effectively utilise the value cap through actual parts fitment. Parts value cap is the preferred mode rather than consumption guarantee by part nos. There is a need to revisit this provision in view of better machine management ability. Alternatively, it is proposed with the guaranteed part no. consumption method that at least 50% of the part nos. be allowed to be changed during the course of the contract to enable updated parts or alternate appropriate parts be used to guarantee availability.	Agreed with the provisions indicated in column 4	The details have already been elaborated under srl.no. 7 of the suggestions of M/s L&T (Annexure-I).
17	Need to consider 80% payment towards the equipment against despatch documents rather than machine receipt at site. This is more important in case of imported equipment where the payment outstanding is for a longer duration affecting cash flow.	Not Agreed for the reasons indicated in column 4	The existing payment term takes care of this issue in case of direct import by CIL In all other cases the existing payment term should remain unchanged to protect the interest of the purchaser.
18	It is well acknowledged that taxes and duties have been amended regularly over the past few years which pose uncertainties even in the contractual periods of 4-5 years. Need to consider provision in NITs to accommodate discussions between bidder and Coal India in events when the exchange parity, duties and taxes and other significant commercial terms deviate significantly than standard norms.	Not Agreed for the reasons indicated in column 4	Statutory variations are allowed as per the contract. Post tender consideration for any terms other than statutory provisions affecting price may lead to change in competitive status of the bidder, hence this may not be accepted.
19	Need to make the following mandatory in Provenness criteria for machine acceptance – Minimum working population worldwide for the quoted equipment or similar model, similar equipment criteria upto a given capacity depending upon the complexity and design philosophies of the machine type.	Agreed with provisions indicated under point no. 4 of M/s L&T.	This point has already been covered in detail under point no. 4 of the suggestions given in case of L&T.
20	Need to provide weightage on worldwide machine population of the desired model and that a required % of such machines to be working outside the country of manufacture.	Agreed with provisions indicated	This point has already been covered in detail under point no. 4 of the suggestions given in case of L&T.

	This would demonstrate WW acceptability of the machine and the overall focus of the manufacturer to support these machines WW till the entire economic cycle.	under point no. 4 of M/s L&T.	
21	Need to consider centralized purchases for regular machines such as the 60 ton, 100 ton, etc. This will reduce regular pressures on bidders towards multiple bids.	Not Agreed for the reasons indicated in column 4	Purchase of high capacity equipment for all the Subsidiaries is centralized at CIL. Purchase of other equipment is made by the subsidiary companies to facilitate speedy procurement so that the work is not disrupted.
22	Need to evaluate current options prior to machine purchases due to technological advancements & obsolescence, primarily in areas of AC over DC technology, hydraulic mining shovels over electric mining shovels, customized dump bodies and loading buckets by material density, etc. ..	Agreed to with the provisions indicated in the column 4.	Need to address these issues as part of the formulation of generic specifications at CIL level within the guiding framework of procurement. However, some issues related to technical requirements need to be addressed during the formulation of the Project report.

Sl. No.	SUGGESTIONS OF JOY GLOBAL	VIEWS OF THE WORKING COMMITTEE	SUGGESTIONS OF THE COMMITTEE
1.	2	3	4
1a.	<p>PAYMENT TERMS FOR IMPORTED EQUIP: 20% of the FOB equipment and spares value upon order placement as advance; 40% of the FOB equipment and spares value as stage payment during the middle of Start Date and scheduled shipment date. 30% of the FOB equipment and spares value along with 100% ocean freight and insurance on shipment. The INR component of CIP value to be paid within 10 days of receipt of materials at site. Balance 10% of the equipment and spares FOB value within 10 days from commissioning.</p>	Not Agreed for the reasons stated in column no. 4.	M/s Joy Global is requesting for 60% payment in advance. CVC discourages payment in advance. It is permitted only in specific cases only where mobilization of equipment is required at site in cases of work contracts against at least 110% B.G. and payment of interest. In view of this, it is not prudent to accept their request for advance payment.
1b.	<p>PAYMENT TERMS FOR INDEGENIOUS EQUIP: 20% of the Ex-works equipment and spares value upon order placement as advance; 40% of the Ex-works equipment and spares value as stage payment during the middle of Start Date and scheduled shipment date. 30% of the Ex-Works equipment and spares value on shipment. The inland freight / insurance and 100% taxes and duties to be paid within 10 days of receipt of materials at site. Balance 10% of the equipment and spares Ex-works value within 10 days from commissioning.</p>	Not Agreed for the reasons stated in column no. 4.	M/s Joy Global is requesting for 60% payment in advance. CVC discourages payment in advance. It is permitted only in specific cases only where mobilization of equipment is required at site in cases of work contracts against at least 110% B.G. and payment of interest. In view of this, it is not prudent to accept their request for advance payment.
2.	<p>Liquidated Damages: LD @ 1/2% per week of the basic value of the equipment which the successful tenderer has not been able to supply as aforesaid for each week or part of a week during which the delivery of such stores may be in arrears limited to 5% (Five Percent) For commissioning delays LD will be recovered @ 0.5% of the basic value of the equipment along</p>	Agreed with the provisions indicated in column 4.	<ol style="list-style-type: none"> 1. The contract period includes delivery as well as the period specified for commissioning. LD clause may be modified to cover the total contract period to decide the penalty if any arising due to delay in supply and commissioning. 2. The LD may be limited to a maximum of 10% as per existing NIT of CIL for HEMM. However, Purchase Manual has a provision to impose LD upto 15% at the discretion of the purchaser which may be amended to limit the LD upto 10%

	<p>with accessories per week or part thereof for the delayed period subject to a maximum of 5%.</p> <p>Since the commission charges are built in the equipment and not paid separately and moreover both supply of equipment at site and commissioning are in seller scope, we would suggest that the LD's on both these accounts should be considered together and capped at 10% of the equipment value.</p> <p>Global tenders for such type of high value equipment generally restricts the capping on LD to either 5 or 7.5% maximum.</p> <p>Further there should not be any discretionary clause for increasing the LD beyond 10% which is there in certain current NIT.</p> <p>Moreover Coal India should derive a system for paying bonus for delivering goods / services before time instead of only penalizing.</p>		<p>3.Their request for Monetary bonus for timely execution of contract is not reasonable as supply orders are placed on the delivery terms agreed by the bidders for supply & commissioning within the contact period and as such does not qualify for any additional incentive.</p>
3.	<p>Security Deposit / PBG:</p> <p>For security instruments of validity more than 1 year, evergreen auto renewal instruments should be accepted.</p> <p>Further clarity should be there in all NIT that</p> <p>a. SD will be returned on submission of PBG.</p> <p>b. PBG will be released equipment wise.</p>	<p>Agreed with the provisions indicated in column 4.</p>	<p>Equipment wise PBG is acceptable and Security deposit can be converted into PBG, if the Supplier decides to do so after award of the contract. This will solve the problem relating to overlap of security deposit and PBG during the interim period. However, the validity of the Bank Guarantee in no case should less than the period given for deliver, commissioning, warranty and claim period.</p>
4.	<p>Provision of Spare Parts:</p> <p>We propose the previous MARC format be incorporated in the NIT instead of parts guarantee / provision of spare parts. However the initial MARC period should be similar to the parts guarantee period that is maximum period of 5 years after warranty in case of Rope Shovels.</p>	<p>Not Agreed for the reasons stated in column no. 4.</p>	<p>This is not acceptable as the company has adequate maintenance facility in the departmental workshop which is upgraded as and when required.</p>
5.	<p>Compensation for not achieving Guaranteed Availability:</p> <p>½ % of the notional basic value of equipment for reduction in every percentage or part thereof from the Guaranteed Availability for the first 5%.</p>	<p>Not Agreed for the reasons stated in column no. 4.</p>	<p>Any relaxation in the existing compensation clause would adversely affect the availability of the equipment and production.</p>

	5% of the notional basic value of equipment for reduction beyond 5% from the guaranteed availability		
6.	Termination for Convenience: Orders cannot be cancelled or terminated without Seller's prior consent. As a condition of Seller's consent to any order cancellation for Equipment, Seller may require (as liquidated damages and not as a penalty) cancellation fees as follows: up to the greater of all payments made or payable on that order as of the date of termination or 20% of the Price plus all Seller's costs and expenses associated with the cancellation.	Not Agreed for the reasons stated in column no. 4.	Termination of contract is warranted only under extraordinary situation with due notice to the supplier. Moreover, the interest of Seller is protected under existing NIT clause of CIL/ Subsidiary, which inter-alia stipulates that the goods ready for shipment shall be accepted by the Purchaser at the Contract terms and prices.
7.	Limitation of Liability: Buyer and seller each waive all claims against each other (and against each other's affiliates, contractors, subcontractors, consultants, employees, agents and vendors) for any loss of profits or revenues (other than the portion of the price that represents seller's profit under the agreement), loss of opportunity or productivity, increased operational or capital costs or exemplary or punitive damage (all of these whether direct or indirect) or any other consequential, special, indirect or incidental damages of any kind. In no event will seller be liable to buyer for any damages of any kind under any legal theory (including, but not limited to, tort, indemnity, or contribution), in an aggregate amount greater than the price of the equipment, parts and/or services sold under the agreement that gave rise to the claim. If seller's warranty provisions are determined to fail of their essential purpose for any reason, or are held invalid or unenforceable, buyer and seller each agree that all limitations of liability in the agreement will remain in effect.	Not Agreed for the reasons stated in column no. 4.	Limitation of liability beyond the contract value is not justified and cannot be accepted.
8.	Arbitration: Please add Arbitration clause as follows: The Seller and Buyer will select one arbitrator each and the two arbitrators will select the third arbitrator. The Proceedings of Arbitration shall be in the English language. The arbitration	Not Agreed for the reasons stated in column no. 4	The interest of private bidder is protected under following clause of the existing NIT: - "The Contract shall be interpreted in accordance with the laws of the Republic of India" which also takes care of arbitration, where ever required. Hence, the suggestion to

	proceeding shall be conducted in accordance with the rules of Indian Arbitration and conciliation Act 1996 and shall be settled in Singapore International Arbitration Centre (SIAC) and the venue shall be preferably Singapore or New Delhi. The arbitration award shall be substantiated in writing. The arbitrators shall also decide on the costs of the arbitration proceedings. The arbitral award will be final and binding		settle the dispute in Singapore International Arbitration Centre (SIAC) is not acceptable.
9.	Warranty: Please modify the second paragraph to : - The Supplier further warrants that all Goods supplied under this Contract shall have no defect arising from materials or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the purchaser's country.	Not Agreed for the reasons stated in column no. 4	Supplier has to ensure that the equipment being supplied is manufactured as per proven design for satisfactory performance in the conditions prevailing in the purchaser's country.
10.	To delete the provisions of CIL Purchase Manual and its subsequent amendments (Available on CIL website, www.coalindia.in) shall also be applicable, if not specified otherwise in this Bid document. Notwithstanding anything said above, ECL reserves the right to follow any guideline or instruction received from the Government or any statutory bodies from time to time	Not Agreed for the reasons stated in column no. 4	The guidelines/orders issued by the Govt. are statutory in nature and is binding on all the stake holders. Hence, the existing NIT clause stipulates that the provisions laid down in the purchase manual and/or guidelines of Government will also hold good.
11.	Technical Evaluation Criteria We would request you to bring into effect the Technical Evaluation Criteria and also consider criteria's such as Service & Support network, Product Improvements & Technology etc. which also provides technical superiority and benefits desired results out of a World class product	Agreed with the provisions indicated in column 4.	Already addressed in the point raised by M/s L&T (Annexure-I).
12.	Patent Rights The Supplier shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark or industrial design rights arising from use of the Goods or any part thereof in the Purchaser's country, however CIL will render all support and information in case of such patent rights issues are found, to the seller	Not Agreed for the reasons stated in column no. 4	It is the responsibility of the seller to ensure that the equipment being supplied does not infringe patent, trademark or industrial design rights etc. In any case, claims on this account by third party has to be settled by the seller.
13	Currently all Coal India subsidiaries follow different Terms and Conditions in their NIT. This		

	becomes a problem for the seller to go through all the Terms and Conditions of each and every NIT and seek clarity. We would propose to have a common NIT format for all subsidiaries in the future thereby saving substantial time in submitting the bids.	Agreed for the reasons indicated in column 4	CIL can prepare and circulate uniform NIT for different class of equipment
14	Even there is huge difference between Underground and Surface tenders. Best practices from each should be incorporated.		
15	Currently tenders for high value equipment such as 42 cum Rope Shovel and tender for small capacity equipment such as a 3 - 5 cum loader have the same Terms and Conditions. There is a distinct difference in the value and lead time of these two products and keeping the same percentage of LD / PBG etc. is not feasible. Coal India should adopt a method to have separate T&C's for different capacity of equipment.	Not Agreed for the reasons stated in column no. 4	LD/PBG is taken as a percentage of the estimated value and as such it is not related to higher or lower capacity of equipment. It is logical that the LD/PBG for higher capacity and value of equipment should be more in terms of financial involvement as the losses in case of such equipment arising out of late delivery or poor performance is high. In any case, it only covers for partial compensation.
16	In case of MDO tenders in the future there should be clarity upon what size and type of equipment is being suggested by CMPDIL and the MDO should adhere to this for optimum production from the outsourced mines.	Agreed for the reasons indicated in column 4.	This point will be considered wherever possible while drafting the NIT for MDO.

Sl. No.	SUGGESTIONS OF HEC	VIEWS OF THE COMMITTEE	SUGGESTIONS OF THE COMMITTEE
1	2	3	4
1	<p><u>Availability :-</u></p> <p>The present formula in the NIT for arriving at the percentage availability of the equipment does not exclude the routine maintenance hours in a day (as recommended by supplier) out of down time.</p> <p>We propose that routine maintenance hours should not be considered in down-time for arriving at percentage availability. Further, even preventive maintenance schedule as recommended by supplier should also not be considered for calculating percentage availability.</p>	Not Agreed for the reasons stated in column no.4.	The suggested point may not be agreed to as the maintenance time is also considered as non-available time and taken as part of breakdown time.
2.	<p><u>Payment Terms:</u></p> <p>Existing payment terms in case of NIT of Dragline Equipment of M/s NCL is as follows:</p> <p>i) For Indigenous Bidders Quoting Prices in Indian Rupees on FOR Destination basis: For Equipment with Accessories, Consumable Spares & Consumables for Warranty period of the Equipment:</p> <p>The Bidders shall confirm their acceptance of the following Payment Terms:</p> <p>a) 80% payment within 21 days after receipt of the equipment along with accessories at the project site and confirmation of the same by the project head and receipt and acceptance of Performance Bank guarantee as per NIT.</p> <p>b) Balance 20% payment within 21 days of successful installation, commissioning and final acceptance of the equipment along with accessories at site upon</p>	Not Agreed for the reasons stated in column no.4	<p>Supply of certain components/assemblies of the equipment is of no use to the company. Hence, Stage payment on pro-rata basis against supply of equipment cannot be agreed.</p> <p>Any bidder can quote for the imported content of an equipment in foreign currency on FOB basis for direct import by CIL/Subsidiaries.</p>

	<p>presentation of a certificate from the project head to the effect that the equipment has been erected and commissioned to their entire satisfaction.</p> <p>c) For Consumable Spares & Consumables for the warranty period of the equipment, 100% payment on receipt & acceptance of the same & after commissioning of the equipment.</p> <p>For Back-up Spares and Consumables (fast moving spares and slow moving spare parts) for 2 years beyond the warranty period of the equipment : 100% payment within 21 days of receipt and acceptance of materials or receipt of bills whichever is later.</p> <p>Suggestions :</p> <p>Erection and commissioning of the equipment will start as soon as the base of the machine reaches the site. Erection and commissioning & supply of balance units will occur side by side. This will result in reducing erection and commissioning time. Also, the electrics which is 35-40% of the total equipment cost, are required 6 months before the commissioning of the machine. Hence, the same will be supplied at the last stage of commissioning resulting in procurement of latest technology and avoiding blockage of funds for a longer duration. We propose stage payment on pro-rata basis on receipt of materials at site as per approved billing schedule.</p>		
3.	<p><u>Provenness Criteria:</u></p> <p>Existing clause in case of NIT of Dragline Equipment of M/s NCL is as follows:-</p> <p>“24/88 and/or above capacity of Electric Walking Dragline must have been supplied in</p>	Not Agreed for the reasons stated in column no.4	Equipment cannot be purchased without establishing the performance of the product as it has direct bearing on the investment and production.

	<p>the past to the mining industry and/or to the other Industries (Private or Government/Public Sector Undertaking-Indigenous or Global) during the last 10 years (as on the date of opening of the tender) and performed satisfactorily for a minimum period of three (03) years from the date of commissioning. However, if the performance achieved during 1st two years is more than the availability guaranteed for the 1st year, NCL reserves the right to grant relaxation for declaring the equipment as proven.”</p> <p>Suggestions:</p> <p>We propose there should not be any proven ness criteria applicable for wholly Govt. owned Company.</p>		
4.	<p><u>Bank Guarantee:-</u></p> <p>Existing clause in case of NIT of Dragline Equipment of M/s NCL is as follows:-</p> <p>“10% of the total Equipment value (along with Accessories, Consumable Spares & Consumables for the warranty period of the equipment) on Landed basis inclusive of applicable Taxes & Duties, valid for Erection & Commissioning period + 39 months from the date of commissioning of the equipment (for the bidders quoting prices on FOR Destination basis). Additional 02 months period shall be added by the successful bidders quoting on FOB Basis (i.e. for Transit period). The calculation for arriving at Landed Price are given in the clause evaluation of the tender”.</p> <p>Suggestions:</p> <p>We propose for release of 80% payment against submission of corporate guarantee/Indemnity Bond for wholly Govt. Owned Company. Submission of performance</p>	Not Agreed for the reasons stated in column no.4	Purchase of equipment involves huge investment and has direct impact on the production. Hence, performance bank guarantee is essential to protect the interest of the company.

	bank guarantee may be exempted for PSUs as EMD and security deposits are exempted in case of PSUs.		
5.	<p>Erection commissioning and Services:</p> <p>Existing clause in case of NIT of 10 CuM Shovel Equipment of M/s ECL is as follows:-</p> <p>“Erection/Assembly, Commissioning and Performance Testing: The Supplier shall provide the Services of Specialist Technicians to supervise the installation/ erection/ assembly, commissioning and any performance testing of the plant, Equipment and accessories supplied. The Technicians shall remain at site following commissioning until all necessary personnel are fully conversant with the maintenance and operation of the Equipment.</p> <p>Services: The supplier shall be responsible for the erection and commissioning of the equipment at site. The supplier shall depute qualified and competent Engineer(s) and specialist technicians to supervise the entire assembly, erection and commissioning of equipment free of cost.”</p> <p>Suggestions:</p> <p>We propose that there should be clarity in services to be provided by the supplier for erection and commissioning. If erection and commissioning is to be done by the supplier, the same should be spelt clearly in the NIT in terms of man-power and facilities to be provided by the purchaser.</p>	Agreed with provisions indicated in column 4	CIL/Subsidiary companies may clearly indicate the facilities and support to be provided by the company to the supplier at the time of erection and commissioning in the NIT/purchase order for better coordination.
6.	<p>Delivery:</p> <p>Delivery period in case of HEMM equipment should be more pragmatic. As regards, spares, contractual delivery is normally kept 6 months irrespective of the cycle time of manufacturing of the spares. We propose categorization of spares in terms of delivery:</p>	Not Agreed for the reasons stated in column no.4	The suggested point may not be agreed to as the delivery period cannot be formulated different for various category of spares. However, we may consider rationalization of delivery period depending upon the nature of item and manufacturing process.

	<p>i. Short cycle items: 6 months ii. Medium cycle items: 9 months iii. Long cycle items: 12-15 months. Initially categorization of spares may be done in consultation with the suppliers.</p>		
7.	<p><u>Spares should be sourced from OEMs only.</u></p> <p>OEMS follow quality norms for manufacture of components. Strict metallurgical discipline is followed for steel making for spares. Items pass through different phases of metallurgical cycles like VD/VAD route to get right quality of material.</p> <p>To get the required mechanical properties, components are heat treated at different stages of manufacturing. Heat treatment is done before finish machining of the component. The component is then stress relieved before carrying out finish machining. Depending upon the properties required the component is induction hardened.</p> <p>To select a right vendor, the purchaser needs to ascertain the facilities/ infrastructure available with the vendor.</p> <p>HEC is undergoing through modernization. With augmentation of new equipment, delivery and quality of components will be ensured.</p>	Not Agreed for the reasons stated in column no.4	<p>As per the policy guideline formulated by CIL in 2012, Spare parts manufactured by the OEMs which are proprietary in nature are being purchased from the OEMs only .</p> <p>Other spares which are available in the market are purchased as per the Government guidelines either from MSME registered firms/ancillary units or from any other supplier whose products are established and proven.</p>

ANNEXURE - V

SL. NO	SUGGESTIONS OF M/S ATLAS COPCO	VIEWS OF THE COMMITTEE	SUGGESTIONS OF THE COMMITTEE
1	2	3	4
1	<p>In the recent tenders, proven-ness criteria have been diluted to a level where a very new inexperienced manufacturer can enter into CIL without having even a trial order. This also facilitates to have quoted by any supplier who was in drill business in past but now in hibernation for some time. In past, proven-ness criteria were stringent enough to avoid such players. It should be reinforced so that no one gets a chance to experiment at cost of CIL and therefore, we would request you to modify proven-ness criteria for drills in following line:</p> <p>A: 160 mm: The bidder must have commissioned at least 05(five) nos. of the type and the model of equipment offered, to mining industry and/or to other industries (Private or Government/Public sector Undertaking-Indigenous or Global) during last 05 years (as on the date of opening of the tender) and at least five equipment should have performed satisfactorily for a minimum period of two years from the date of commissioning.</p> <p>Atlas Copco Mining and Rock Excavation Technique (A Division of Atlas Copco India Limited)</p> <p>In case the quoted Model of equipment has not been commissioned/ supplied by a bidder during last 05 years (as on the date of opening of the Tender) in India but has not completed one year of performance for proven-ness of the equipment as mentioned above, the minimum worldwide population (including the supplies in India) of the quoted model of the equipment supplied, during the last 05 years</p>	Not agreed for the reasons indicated in column 4.	A generalized proven-ness criteria has already been suggested which will cover all types of equipment. Equipment specific proven-ness criteria is not required.

<p>(as on the date of opening of the tender) should be 50 Nos.</p> <p>B: 250 mm: The bidder must have commissioned at least 03(three) nos. of the type and the model of equipment offered, to mining industry and/or in the other Industries (Private or Government/Public Sector Undertaking-Indigenous or Global) during the last 05 years (as on the date of opening of the tender) and performed satisfactorily for a minimum period of two years from the date of commissioning.</p> <p>In case the quoted Model of equipment has not been commissioned / supplied by a bidder during last 05 years (as on the date of opening of the Tender) in India but has not completed one year of performance for proven ness of the equipment as mentioned above, the minimum worldwide population (including the supplies in India) of the quoted model of the equipment supplied, during the last 05 years (as on the date of opening of the tender) should be 20 Nos.</p> <p>C) 311 mm: The type and model of the equipment offered must have been commissioned in the past in the mining industry and/or to the other Industries (Private or Government/Public Sector Undertaking-Indigenous or Global) during the last 05 years (as on the date of opening of the tender) and performed satisfactorily for a minimum period of three years from the date of commissioning.</p> <p>In case the quoted model of equipment has not been commissioned / supplied by a bidder during last 05 years (as on the date of opening of the Tender) in India, but has not completed one year of performance for proven ness of the equipment as mentioned above, the minimum worldwide population (including the supplies in India) of the quoted model of the equipment supplied, during the last 05 years</p>		
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	<p>(as on the date of opening of the tender) should be 10 Nos.</p> <p>D] 381 mm: The type and model of the equipment offered must have been commissioned in the past in the mining industry and/or to the other Industries (Private or Government/Public Sector Undertaking-Indigenous or Global) during the last 05 years (as on the date of opening of the tender) and performed satisfactorily for a minimum period of three year from the date of commissioning.</p> <p>In case the quoted model of equipment has not been commissioned / supplied by a bidder during last 05 years (as on the date of opening of the Tender) in India, but has not completed one year of performance for proven ness of the equipment as mentioned above, the minimum worldwide population (including the supplies in India) of the quoted model of the equipment supplied, during the last 05 years (as on the date of opening of the tender) should be 05 Nos.</p>		
2	<p>Re-introduction of distribution clause in tender: The ambitious target of 1 billion ton would demand more number of machines to be delivered in shorter period of time and one supplier (lowest bidder in this case) may not be in position meet the stringent delivery and therefore it may have potential to delay the production target. Therefore we would request you to re-introduce the distribution clause as it used to be in past tenders. It will keep a check on bidders and both in terms of price and performance. This was also advocated by many Chairman's of CIL subsidiaries during the course of discussion in Delhi.</p>	Not agreed for the reasons indicated in column 4	The existing NIT already has the provision of order quantity distribution in case of capacity constraint of L1 bidder. The system proposed by M/S Atlas Copco for distribution of order may restrict competitive bidding.
3	<p>Weightage to technically superior product and service provider: This was also raised by everyone in the forum that no bidders are given the weightage for their better products and services and it happens</p>	Agreed with provisions contained in column 4	This point relates to Technical Merit Rating raised by M/s L&T which has been deliberated at length and agreed with modifications under point no. 1 of M/s L&T (Annexure –I)

	that even a defaulter of last supply and poor service provider get equal chance in on going tender. We would request Coal India to devise some mechanism of having rating for suppliers not only for products but for services as well. It will help Coal India by always having products and service of best quality apart from best price.		
4	Pull for introduction of new technology in Coal India: Drilling technology has gone through lots of development to level of autonomous operations. We are not able to offer such products to the largest coal mining company in the world (CIL) because of restrictions imposed by your procedures and manual. Even if Coal India wants to have trial order and establish worth of product, it is being discouraged by processes. We would request if Coal India can look into this and can create ecosystem for pull of new technology.	No Comments	There is no specific suggestion in case. It's merely a commentary on the existing system of procurement of new product and proven product.
5	Tyre mounted rigs used by contractor in mines of Coal India: It has been observed in every project where a contractor (Out sourcing) is working, they use tyre mounted drilling rigs without operator cabin (on operating side) and without any means of dust suppression system. These rigs do not meet the safety norms specified by DGMS circular no 09 of 2008. Therefore these rigs pose serious threat not only to drill operator, and other mines personnel but also violate environmental norms. The Coal India should enforce contractor to use drilling rigs which are meant for mining purpose i.e. track mounted with operator cabin and meeting DGMS safety standards.	Agreed for the reasons indicated in column 4	Safety and environmental norms should be followed by all the stake holders. Hence, there should be stipulations in the NIT for outsourcing contracts related to adherence to Safety and environmental norms.

6	Documents to be submitted for every bid: The bidders have to submit the same documents to every subsidiary even if tender is being floated every year. These repeated submission of same documents needs to be minimized and bidder should submit only the changed document or have changed from last bid submitted to the subsidiaries for same model of equipment	Not agreed for the reasons indicated in column 4.	May not be agreed as each tender is a unique in nature and the documents submitted against a particular tender is a part of the accepted contract in accordance with the Contract Act.
7	EMD in form of Bank Guarantee: EMD should also be acceptable by means of BG instead of direct money transfers through NEFT/RTGS. This will encourage many bidders to participate.	Not agreed for the reasons indicated in column 4.	The amount of EMD is limited to 2% of the estimated value or Rs. 10,00,000.00 whichever is lower which is not an unreasonable amount considering the value of purchase. Hence, it does not require any review.
8	Changes in availability formula: Currently in availability formula downtime includes "routine service and maintenance and planned preventive maintenance". Since its planned maintenance its international practice to exclude "routine service and maintenance and planned preventive maintenance" from downtime.	Not agreed for the reasons indicated in column 4.	Routine maintenance and planned preventive maintenance should be treated as downtime as the machine is not available for production.

ANNEXURE - VI

Sl.No.	SUGGESTIONS OF M/S BELAZ ENRIKA	VIEWS OF THE COMMITTEE	SUGGESTIONS OF THE COMMITTEE
1	2	3	4
1.	Delivery period of equipment from OEMs can be minimized and supply may commence within 04 months from the date of signing of contract @ of delivering at least 6 machines per month.	Not agreed for the reason indicated in column 4	The delivery period is decided by the CIL/Subsidiary companies based on their requirement.
2.	Setting up of a Task Force may be considered to review the old technical specifications of equipment specially in case of heavy duty dumpers with aim to compare the owning and operational costs as well as performance based on global norms and practices. This will not only reduce operational costs and save exchequers money for Coal India, but enable other global manufacturers to participate in CIL tenders. This will provide fair opportunity to all eligible bidders to participate which will not be restricted to a select few.	Agreed for the reason indicated in column 4	Technical Committee at CIL is there for this purpose. Till date CIL has not framed technical specification of equipment with aim to compare the owning and operating costs as well as performance based on global norms and practices.
3.	To ensure that the OEM/ Supplier is responsible not only for providing spare parts well in time but also bound to supply OTR tyres for complete life span of the equipment, as it is one of the most critical components for successful operation of the equipment.	Not agreed for the reason indicated in column 4	OTR tyres are sufficiently available in the market at competitive rates. Moreover the suggested point is not acceptable to all the prospective manufacturers/ suppliers of Wheeled equipment to supply OTR tyres for complete life span of the equipment.
4.	OEMs must be made to maintain sufficient stock of spare parts and consumables and keep such spares in each subsidiary headquarter.	Agreed for the reasons indicated in column 4	Availability of equipment depends largely on the timely supply of spare parts and consumable. Hence, it is essential that sufficient stock is maintained by the supplier in each Subsidiary.
5.	Based upon the survey-off period of each type of equipment, respective contract periods should be at least 50 per cent of the economic life of the equipment instead of 1-3 years as mentioned in bid documents.	Not agreed for the reason indicated in column 4	It is difficult to predict the risks in operation of the equipment for a very long period, due to which chances of getting inflated rates are high. For this very reason, this point is not acceptable to all the prospective manufacturers/ suppliers and they

			insist to keep the period of contract only up to 3-5 years.
6.	As these are high valued mining equipment, CIL should look into opting for long-term Maintenance & Repair Contract (MARC) for a minimum period of seven years, while including complete supply of spares by OEM along with regular supply of OTR tyres and GET items.	Not agreed for the reason indicated in column 4	This is not acceptable as the company has adequate maintenance facility in the departmental workshop which is upgraded as and when required.
7.	Enhancing of the warranty period from present 12 months to 24 months in future for offered equipment may be incorporated as this will provide not only enhanced assurance from OEM for its supplied equipment but save operating costs for Coal India which are substantial.	Agreed for the reasons indicated in column 4	Enhancing the warranty period from 12 months to 24 months may be considered if agreed to by other manufacturers.