



HINDUSTAN ZINC

Zinc & Silver of India

Tender Specification No: HZL/AMM/RAIL/24-25/01

**Bidding Document and Technical Specifications for AMM service partner for
Rail Mode Coal movement from CIL subsidiary SECL To Hindustan Zinc Limited,
Rajasthan**

07th Jan 2025

Hindustan Zinc Limited (HZL) is a Vedanta Group company engaged in the business of mining and manufacturing of Zinc and Lead. We are one of the world's largest integrated producers of Zinc and are among the leading global Lead and Silver producer with a production capacity in excess of 1MTPA. Various units of HZL like Chanderiya, Dariba and Zawar operate on coal based thermal power plants with an installed capacity of 549 MW.

To meet coal requirement of thermal power plant, HZL is having FSA with SECL subsidiary. The details of FSAs are as under:

FSA	Subsidiary	Source	FSA Grade	Annual QTY (in MT)	Size of Coal
TRANCHE V	SECL	Kusmunda Silo (KMKA)	G11	122300	Sized ROM -100 mm or -250 mm
	SECL	Gevra Silo (JRGR)	G11	92600	
	SECL	Gevra Silo (JRGR)	G11	62200	
	SECL	Junadih -I&II (GPCK)	G11	112000	
	SECL	New Kusmunda (NKCR)	G11	57800	
TRANCHE VI	SECL	Kusmunda Silo (KMKA)	G11	89800	ROM -100 or -250 mm
	SECL	Gevra Road (OKSR)	G11	19400	
	SECL	Govinda (GICK)	G6	100000	
	SECL	Junadih-I&II (GPCK)	G11	100000	
	SECL	Junadih-I&II (GPCK)	G11	52000	
	SECL	Dipka Siding (SCDG)	G10	24000	
	SECL	New Kusmunda-I&II (NKCR)	G11	152000	

HZL invites quotation from reputed parties to bring the material from above mentioned subsidiaries under Rail mode.

Eligibility criteria for Participation

Technical Criteria:

- Bidder must have handled at least 10 Lakh MT of coal under Rail/Road/Rail cum Road mode from various coal subsidiaries of Coal India cumulatively in last 3 years.
- Experience in co-ordination with railway: coordination with Railways for loading of coal in rakes & dispatch of coal. The bidder must have handled Minimum volume of 3 Lakh MT by rail mode in last 3 years cumulatively.

Financial Criteria: Bidder must have minimum Turnover of Rs 25 Cr/annum for last 3 fiscals.

1. SCOPE OF WORK

Quality and Grade: The Scope of Work under this Tender specification covers the job from lifting & transportation of coal from colliery to Hindustan Zinc Limited Chanderiya plant on Rail mode Transportation of coal. Service Provider to Coal quality as mentioned below:

Source	FSA Grade	GCV (ARB) for Non-monsoon Period (1 st Oct to 30 th June) (Kcal/Kg) (Quarterly Average basis)	GCV (ARB) for monsoon Period (1 st July to 30 th Sep) (Kcal/Kg) (Quarterly Average basis)
Kusmunda Silo / Gevra Silo / Junadih -I&II / New Kusmunda / Gevra Road / Dipka Siding	G11 & G10	3400-3600	3200-3400
Govinda Mines (GICK)	G6 (G8 grade loading)	4000-4200	3800-4000

Note: Above mentioned GCV bands are based on Quarterly dispatch RR date.

The scope of work under this specification covers the job of arranging coal supplies to HZL plant by Rail mode from M/s South Eastern Coalfield Limited. Coal being vital input, ensuring uninterrupted Supplies as per the quantity and quality requirements set out in contract is the essence of services to be rendered by contractor. The detailed scope of work for coal Lifting & Transportation Management agency is as follow:

1. Service provider will carry out all required Quality Assurance and Logistic Management Activities with SECL to convert 100% of the allocation quantity of coal, from SECL mines by rail mode in favor of HZL equivalent to the quantity for maximum possible rake formation.
2. Service provider will ensure timely consent for allotment and loading/dispatch of rakes and supervise by deploying sufficient manpower at the loading point and ensuring proper quantity and quality coal loaded and the coal is free from shale/stone, Big size boulders, heavy Coal Dust and other foreign ingredients and also to ensure for providing as per FSA with coal india subsidiaries.
3. Service provider will ensure timely allocation from desired fields required grade of coal as per this contract.
4. Service Provider will coordinate, follow up and inform HZL for the linkage rakes status which are in transit from the point of dispatch i.e. loading siding to receipt end at HZL.
5. Service Provider will ensure boulders, stones, heavy Coal dust, shale and other extraneous materials are not loaded into rakes, and they will also ensure that no bulged/sick wagons are dispatched to HZL, in case a bulged/sick wagon is dispatched then any kind of delay penalty and demurrage incurred to HZL shall be payable by Service Provider.
6. Service provider shall facilitate timely payment of coal bills to SECL by getting correct invoices and coordinating with HZL and respective subsidiary team for payment.
7. Service Provider will collect the coal bill and provide other original documents to HZL from the SECL / Railways for obtaining refund against amounts due to HZL for various reasons.
8. Service Provider will ensure submission of necessary letters to railway/SECL on behalf of HZL and arranging acknowledgement of the same.
9. Reconciliation with SECL for coal bills & other related documentation.
10. Support in documentation for performance Incentive/penalty.
11. Handling of disputes with respect to FSA.
12. Detailed schedule of rake supply plan to be given in writing or in mail on monthly basis.
13. Service provider shall carry out supervision work to load surface miner ROM coal of correct quantity, quality and size as specified in this service order into wagon from SECL mine and dispatch to HZLs plant at Chanderiya.
14. Service provider shall arrange to get Delivery order (DO) for the balance quantity by road if desired by HZL, after allocating maximum possible quantity through rakes (basis full rake capacity as per SECL).

Service provider shall handover the DO of balance quantity by road mode to HZL's nominated beneficiation Service Provider from time to time to ensure the raw coal is lifted from subsidiary within the time limit specified by CIL. HZL shall have an option to engage Service provider to arrange trucks & transport the quantity by road to HZL's nominated plant. In this case, the road transportation rate shall be mutually discussed and agreed.

15. Service provider will ensure timely indentation and program / annexure filing of railway program for HZL as per the extent policy/guideline of SECL / CIL / Railway. In case of any failure in the same from service provider, penalty arises / loss to HZL due to the same will be imposed on service provider.
16. Service provider shall co-ordinate with SECL, and Railway Authorities concerned for sanction of program for loading of Coal.
17. Service provider shall create E-way bill for all rake movement and share it to HZL.
18. Service provider shall ensure timely release of refund of excess amount paid to SECL / Railway by HZL on monthly basis. Service provider shall submit a reconciliation statement to HZL on monthly basis showing the total amount paid, actual refund received by HZL & balance yet to be refunded.
19. Service provider shall ensure supply of coal as provided by SECL to HZL. The quantity & quality as received at HZL plant(s) shall be final and binding for payments and all contractual purpose(s).
20. Service provider shall maintain all the necessary documentation of coal receipt from SECL and dispatched to HZL and the same to be submitted to HZL.
21. Service provider will support HZL for carrying out reconciliation of linkage/auction coal on quarterly/auction basis with SECL & railway, if any.
22. Service provider will support in preparation of costing related data for Linkage / any type of auction and also arrange to provide the relevant information for all auctioned source/mines for quality and loadability as and when required by HZL.
23. Service Provider shall ensure No rakes to be charged under wagon load.
24. Service Provider shall be responsible for providing as and when required market intelligence report on CIL and its subsidiaries for Linkage, Linkage Auction, E-auction (Spot, Special & Exclusive) and Indian Railways, new policies, customer details, mines infrastructure, notices, circulars, production details, dispatch details, stock details, rake movement, rake supplied etc. relevant to coal and railways.
25. There will not be any concurrence of third-party Analysis. HZL CRDL / authorized Lab report shall be final and binding for all payment purpose and all contractual purpose(s).

2. Specifications:

Service provider shall ensure to load surface miner ROM coal as per following specifications:

- The ROM coal to be supplied shall be of the size 0 - 100 mm Crushed Coal or as per FSA.
- The quality of coal shall be determined as follows:

The samples of the coal shall be collected from the wagons received at HZL's plant located at Chanderiya. The analysis shall be carried out at HZL- CRDL lab as per defined standards, the analysis results declared by CRDL (HZL) lab shall be final and binding for payments and calculation of Bonus & penalties.

3. Bonus and Penalty:

Bonus: Bonus will be applicable as below:

Applicable for Kusmunda Silo / Gevra Silo / Junadih -I&II / New Kusmunda / Gevra Road / Dipka Siding for G11 & G10 Grade loading		
GCV (ARB) for Non-monsoon Period (1st Oct to 30th June) (Quarterly Average basis)	GCV (ARB) for monsoon Period (1st July to 30th Sep) (Quarterly Average basis)	Bonus
3400-3600	3200-3400	No Bonus
3601-3700	3401-3500	25% Prorate of AMM Service Charge
3701-3800	3501-3600	50% Prorate of AMM Service Charge
Above 3800	Above 3600	25% prorate bonus on landed cost

Illustration As below:

If GCV is B/W 3400-3600 (Non-Monsoon) or 3200-3400 (Monsoon) - NO Bonus

If GCV is B/W 3601-3700 (Non-Monsoon) or 3401-3500 (Monsoon) - Only 25% Prorate Bonus of AMM service charges. (ex. For 3637 GCV bonus for Non-monsoon period will be $37/100 \times \text{AMM service charge} \times 25\%$)

If GCV is B/W 3701-3800 (Non-Monsoon) or 3501-3600 (Monsoon) - Only 50% Prorate Bonus of AMM service charges. (ex. For 3737 GCV bonus for Non-monsoon period will be $37/100 \times \text{AMM service charge} \times 50\%$)

If GCV is above 3800 (Non-Monsoon) or 3600 (Monsoon) - 25% prorate bonus of landed cost.

25% prorate bonus of landed cost will be calculated as below:

Bonus amount (Non-monsoon Period) = $((\text{Actual GCV} - 3600) / (3500)) \times \text{landed cost} \times 25\%$

Bonus amount (Monsoon Period) = $((\text{Actual GCV} - 3400) / (3300)) \times \text{landed cost} \times 25\%$

Applicable for Govinda Siding for G6 Grade FSA and G8 Grade loading		
GCV (ARB) for Non-monsoon Period (1st Oct to 30th June) (Quarterly Average basis)	GCV (ARB) for monsoon Period (1st July to 30th Sep) (Quarterly Average basis)	Bonus
4000-4200	3800-4000	No Bonus
4201-4300	4001-4100	25% Prorate of AMM Service Charge
4301-4400	4101-4200	50% Prorate of AMM Service Charge
Above 4400	Above 4200	25% prorate bonus on landed cost

If GCV is B/W 4000-4200 (Non-Monsoon) or 3800-4000 (Monsoon) - NO Bonus

If GCV is B/W 4201-4300 (Non-Monsoon) or 4001-4100 (Monsoon) - Only 25% Prorate Bonus of AMM service charges. (ex. For 4237 GCV bonus for Non-monsoon period will be $37/100 \times \text{AMM service charge} \times 25\%$)

If GCV is B/W 4301-4400 (Non-Monsoon) or 4101-4200 (Monsoon) - Only 50% Prorate Bonus of AMM service charges. (ex. For 4337 GCV bonus for Non-monsoon period will be $37/100 \times \text{AMM service charge} \times 50\%$)

If GCV is above 4400 (Non-Monsoon) or 4200 (Monsoon) - 25% prorate bonus of landed cost.

25% prorate bonus of landed cost will be calculated as below:

Bonus amount (Non-monsoon Period) = $((\text{Actual GCV} - 4200) / (4000)) \times \text{landed cost} \times 25\%$

Bonus amount (Monsoon Period) = $((\text{Actual GCV} - 4000) / (3800)) \times \text{landed cost} \times 25\%$

Penalty: Penalty will be applicable as below:

Applicable for Kusmunda Silo / Gevra Silo / Junadih -I&II / New Kusmunda / Gevra Road / Dipka Siding for G11 & G10 Grade loading		
GCV (ARB) for Non-monsoon Period (1st Oct to 30th June) (Quarterly Average basis)	GCV (ARB) for monsoon Period (1st July to 30th Sep) (Quarterly Average basis)	Penalty
Below 3200	Below 3000	100% penalty on prorate basis with respect to landed cost of coal at HZL's plant
3200-3299	3000-3099	50% Prorate of AMM Service Charge
3300-3399	3100-3199	25% Prorate of AMM Service Charge
3400-3600	3200-3400	No Penalty

Illustration As below:

If GCV is B/W 3400-3600 (Non-Monsoon) or 3200-3400 (Monsoon) - NO Penalty

If GCV is B/W 3300-3399 (Non-Monsoon) or 3100-3199 (Monsoon) - Only 25% Prorate Penalty of AMM service charges. (ex. For 3337 GCV penalty for Non-monsoon period will be $63/100 \times \text{AMM service charge} \times 25\%$)

If GCV is B/W 3200-3299 (Non-Monsoon) or 3000-3099 (Monsoon) - Only 50% Prorate Penalty of AMM service charges. (ex. For 3237 GCV penalty for Non-monsoon period will be $63/100 \times \text{AMM service charge} \times 50\%$)

If GCV is below 3200 (Non-Monsoon) or 3000 (Monsoon) - 100% prorate penalty of landed cost.

100% prorate penalty of landed cost will be calculated as below:

Penalty amount (Non-monsoon Period) = $\frac{((\text{Actual GCV} - 3400))}{(3500)} \times \text{landed cost}$

Penalty amount (Monsoon Period) = $\frac{((\text{Actual GCV} - 3200))}{(3300)} \times \text{landed cost}$

Applicable for Govinda Siding for G6 Grade FSA and G8 Grade loading		
GCV (ARB) for Non-monsoon Period (1st Oct to 30th June) (Quarterly Average basis)	GCV (ARB) for monsoon Period (1st July to 30th Sep) (Quarterly Average basis)	Penalty
Below 3800	Below 3600	100% penalty on prorate basis with respect to landed cost of coal at HZL's plant
3800-3899	3600-3699	50% Prorate of AMM Service Charge
3900-3999	3700-3799	25% Prorate of AMM Service Charge
4000-4200	3800-4000	No Penalty

Illustration As below:

If GCV is B/W 4000-4200 (Non-Monsoon) or 3800-4000 (Monsoon) - NO Penalty

If GCV is B/W 3900-3999 (Non-Monsoon) or 3700-3799 (Monsoon) - Only 25% Prorate Penalty of AMM service charges. (ex. For 3937 GCV penalty for Non-monsoon period will be $63/100 \times \text{AMM service charge} \times 25\%$)

If GCV is B/W 3800-3899 (Non-Monsoon) or 3600-3699 (Monsoon) - Only 50% Prorate Penalty of AMM service charges. (ex. For 3837 GCV penalty for Non-monsoon period will be $63/100 \times \text{AMM service charge} \times 50\%$)

If GCV is below 3800 (Non-Monsoon) or 3600 (Monsoon) - 100% prorate penalty of landed cost.

100% prorate penalty of landed cost will be calculated as below:

Penalty amount (Non-monsoon Period) = $\frac{((\text{Actual GCV} - 4000))}{(4100)} \times \text{landed cost}$

Penalty amount (Monsoon Period) = $\frac{((\text{Actual GCV} - 3800))}{(3900)} \times \text{landed cost}$

Bonus / Penalty calculation will be on quarterly average basis. GCV (ARB) to be taken as per Quality and Grade clause of SCOPE OF WORK whereas Quantity will be taken as HZL actual receipt quantity for the quarterly reconciliation.

AMM service charges will be provided based on HZL actual receipt quantity or RR actual weight whichever is lower.

** Landed cost shall be calculated as (Coal price + Railway freight + Handling charges), excluding debit/credit note raised at latter stage due to quality change.

4. Incentive for rake materialization:

Calculated for SECL mines (Quarterly average basis)

1-4 rake per Month	100% of Rake materialisation Incentive
5-10 Rakes per Month	150% of Rake materialisation Incentive
11 and above Rakes in a Month	200% of Rake materialisation Incentive

Rakes Materialisation incentive will be taken from service provider during the auction.

Note: Materialization of less than 3 rakes in a quarter will be not eligible for Incentive for rake materialization

ABOVE RAKE MATERIALISATION INCENTIVE WILL REVIEW QUARTERLY BASIS AND HZL RESERVE ALL RIGHTS TO MODIFYING OR CANCELING OF INCENTIVE AT ANY POINT OF TIME.

5. Penalty on Overloading Charges:

AMM must ensure for non-occurrence of overloading in each loaded rake. **In case of overloading, 5% of punitive charges amount incurred due to overloading will be recovered from service provider's account.**

6. Weighment:

The weighment as per the in-motion weigh bridge installed at HZL'S Chanderiya plant shall be considered as final and binding for both the parties.

7. Demurrage /Wharfage / Penal Freight/ Idle Freight:

- All overloading, Punitive Charges / Pushback Charges / Shunting Charges / ENHC / PCLA / Demurrage at loading end as well as at unloading end shall be in HZL account. Service Provider to ensure no overloading shall be done. **In case of overloading, 5% of punitive charges amount incurred due to overloading will be recovered from service provider's account.**
- The minimum loading guarantee for N BOX / NHL Box wagon for the rake will be derived based on CC weight and maximum relaxation will be 2% of CC weight.
- Any underloading below specified limit (2% of CC weight) will be in service provider account and will be calculated post adjustment of credit received from CIL subsidiaries. Underloading penalty shall be calculated on quarterly average basis.
- In case where the number of wagons per rake is less than the full rake because some of the wagons have been declared sick then the weight allowed in the sick wagons (as per the wagon type) will be excluded while calculating the allowable weight.

8. Shortage:

Service provider must ensure there is no shortage in quantity received at HZL from RR weight to received weight. In case of shortage occurs, Penalty will be applicable on service provider as per following:

Shortage	Penalty
Shortage <= 0.3%	NIL
0.3% < Shortage <= 0.5%	1 Rs/MT
0.5% < Shortage <= 1%	2 Rs/MT
1% < Shortage <= 1.5%	3 Rs/MT
Shortage > 1.5%	Recovery of landed cost to HZL*

All shortages found at the destination will be calculated on Quarterly average basis.

Charge Weight	Dispatch Weight	HZL receipt Weight	Landed cost	Shortage = Disp. Weight – HZL Recv. Weight	% of Shortage /Excess	Penalty applicable on excess of 1.5%	Shortage 1.5% Tolerance allowed	Penalty Weight	Penalty Amt
4009	3865.8	3872.22	3571.45	6.42	0.17	No			

*Landed cost shall be calculated as (Coal price + Railway freight + Handling charges), excluding debit/credit note raised at latter stage due to quality change.

9. Payment Procedure:

The contract fee payable to service provider shall be paid by HZL on the quantity received by HZL as per HZL's weighbridge (Clause 7 for weighment). Payment of these bills shall be made to service provider by HZL within 30 days of submission of bills.

10. Bank Guarantee:

Service provider will submit BG of 50 Lac to HZL as security.

11. Tenure:

The duration of contract will be one year from the date of issuance. Based on service provider's performance, contract maybe extended beyond the term of the contract depending on mutual consent of HZL and Service provider.

The Scope of Work has been detailed as above but in case any items are omitted from the Scope of Work but otherwise required to complete the work then such items shall be deemed as included in the Scope of Work without any additional financial liability to HZL.

12. Detailed offer:

Please submit your acceptance of this enquiry document.

Kindly do not share your service charges anywhere in response to this document. AMM Service charges and Rake materialisation Incentive will be collected through Ariba auction portal on later stage.

13. Selection of AMM service Partner:

Selection of Service Provider will be done through Ariba Auction only. In case vendor not yet completed their profile, please complete vendor registration on Ariba portal.

Please note that final offer shall be accepted only through Ariba portal. Please confirm once profile is completed.

Last date for submission of offer is 14/01/2025.

In case of any queries, please contact undersigned:

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