

Dated: 3<sup>rd</sup> September, 2022

Dear Sirs,

**NOTICE INVITING TENDER ("NIT")  
FOR SUPPLY OF BIOMASS PELLETS OF TORREFIED & NON-TORREFIED TYPE  
TO HALDIA ENERGY LIMITED  
(SUPPLY ON FOR-PLANT DELIVERED BASIS)**

**TENDER No: PUR/HEL/02/2022**

We invite offer in the prescribed price bid format from manufacturers and/or intermediaries for supply of Biomass Pellets to Haldia Energy Limited (HEL) on FOR-Plant delivered basis, during the period October 2022 to March 2023 as follows:

- Non-Torrefied type: 63,000 MT +/- 5% @ 350 TPD

The detailed tender document with scope of work, Bid Format, General Terms & conditions are attached below.

You are requested to submit the hard copy offer in sealed envelope only within Monday, September 12, 2022 by 1700 Hr. to the address mentioned below.

Thanking You,

Yours faithfully,

Anindya Dhar  
Authorised Signatory  
Haldia Energy Limited  
2A, Lord Sinha Road,  
First Floor  
Kolkata 700 071  
Mob: 9903010747

## **A. INTRODUCTION:**

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We, Haldia Energy Limited (“HEL”) wish to procure Biomass Pellets (non-torrefied type) during the period October 2022 and March 2023 on FOR-Plant landed basis, for our 2x300 MW Power Plant at Haldia Energy Limited, Village-Baneswarchak, PO - Golapchak, PS-Durgachak, Haldia, Purba Medinipur, West Bengal - 721658.

In this context, offers are being invited for supply of the same on the basis of General Terms, Conditions and Related Information provided in this document.

## **B. SCOPE OF WORK:**

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- Supply of agro-residue based Biomass Pellets (non-torrefied), during the period October 2022 and March 2023, as per specifications given in Clause D.
- Bidder shall be responsible for supply, loading, transportation of the material from their facility to HEL plant in such a manner to meet the desired delivery schedule.
- Bidder shall mention the name(s) of agro/crop residue(s) used for manufacturing pellets and their approximate proportion in consignment details during the dispatch of material.
- Mixing materials such as by-products of woodwork factory like wood chips, sawdust, furniture waste, etc., bagasse, press mud, molasses, bamboo dust, or natural additives/binder such as lignin, starch, and animal dung may also be used with agro-residue in limited proportion to enhance material properties and the same shall be explicitly mentioned by the Bidder in consignment details.
- Wood obtained from tree cutting shall not be treated as agro-residue and shall not be used as base material or for mixing purposes whatsoever.
- The pellets should be supplied as loose filled in the carriage vehicle. Carriage vehicle should be fully covered and waterproofed during transportation to prevent the material from rain, sunlight, dust, etc. which can degrade the property of the material being hygroscopic in nature. Unloading shall be in the scope of HEL plant, provided material is loosely filled in the Carriage vehicle.
- Bidder may supply the material i.e. Biomass pellets packed in bags. In that case, the Bidder shall unload the material at his own cost at HEL plant.
- Transportation shall be in Road mode only.
- The Bidder shall offer to supply Biomass pellets on daily basis to meet the required quantity as mentioned in the table below. Minimum Quantity to be supplied is 25 TPD which can be increased in multiples of 25 MT e.g., offer can be 25 TPD, 50 TPD, 75 TPD & so on.
- Quantity shall be allocated in ascending order of quoted heat equivalent price (Rs/Kcal) based on HEL requirement. Further, HEL shall reserve the right to modify above bucket size at any time during tendering phase.

- Actual delivery to be planned in close co-ordination with HEL plant. HEL plant reserves the right to stop off-take of Biomass Pellets for any specific period to meet other operational requirements, as necessary.
- Before unloading, samples shall be tested for moisture content. However, the HGI report shall be submitted by the Bidder with each carriage vehicle/consignment at the time of supply.
- Demurrage, if any, of the carriage vehicle for reasons attributable to the Bidder shall be borne by the Bidder.
- Any road transport used for transportation shall be duly registered, have valid road permit and insured.
- Any & all other related services, unless specifically excluded & mentioned, and which may require to be carried out for successful performance, shall be deemed to be the Bidder's responsibility.

### C. SOURCE OF SUPPLY:

It shall be the Bidder's sole responsibility to supply Biomass pellets only from lawful sources without contravening the provisions under applicable laws and extant Government policy. In the event of any contravention or violation, the Bidder shall be fully liable for any damage, financial or otherwise and HEL shall in no case be implicated.

### D. TECHNICAL SPECIFICATION:

Following torrefied and non-torrefied Biomass pellets of the desired general specification (IS Basis), as given below, shall be procured at the discretion of HEL:

Sl No	Technical Data	Unit	Non-Torrefied Pellet Specification
1	Base Material	-	Agro-residue / Crop residue (wood-based pellets will not be acceptable)
2	Shape and Size **	mm	Diameter: Not more than 25 mm No other dimension should exceed 35 mm.
3	Bulk Density	Kg/m <sup>3</sup>	Not less than 600
4	Fines % (length < 3mm) (ARB *)	Weight %	Fines ≤ 5%
5	Gross Calorific Value (GCV- ARB *)	Kcal/Kg	To be quoted by the Bidder  (Not less than 3200 Kcal/Kg for Non-Torrefied)
6	Moisture (ARB *)	Weight %	Not more than 14%
7	Hard Grove Grindability Index (HGI)		Not less than 50

\* ARB - As Received Basis

\*\* During contract validity period, diameter of pellets may be revised/modified based on result of test firing on mutual consent basis without any financial/cost implication to either HEL or the Bidder.

#### E. QUANTITY:

The quantity of Biomass pellets to be sold and purchased under this Tender shall be as follows:

Type of Biomass Pellets	Quantity (MT)	Quantity (TPD)
Non-Torrefied	63,000	350

The quantity of Biomass pellets shall be ascertained as follows:

- The quantity shall be determined on the basis of weighment at HEL plant's static road weighbridge.  
Net weight received at Plant shall be arrived by deducting gross weighment of the truck/dumper carried out at plant static road weighbridge with tare weight of the truck/dumper measured by plant's static road weighbridge.
- Supplier may witness the weight of vehicles once in 15 days. HEL Plant Fuel sourcing (FS) representative shall accompany the Supplier's representative when any such visit is carried out. Supplier shall intimate HEL Plant FS representative via e-mail at least two days in advance about the date of such visit.
- HEL Plant may provide a copy of calibration certificates of weighbridge if requested by the Supplier. HEL Plant shall undertake the calibration of Weigh Bridge in line with the schedule/practice as recommended by Legal Metrology.
- Net Weight Quantity of Pellets received at HEL power station will be final for the purpose of assessment of executed quantity and payment. However, if invoiced quantity is lower, payment shall be restricted to invoiced quantity.

#### F. QUALITY ANALYSIS:

Biomass pellets samples shall be tested in the HEL Plant laboratory as per following or their equivalent standards:

SL NO.	Technical Data	Testing Standard/ Method
1.	Dimension (Diameter & Length)	ISO 17829
2.	Fines% (Length < 3 mm) (ARB)	ISO 18846
3.	Gross Calorific Value (ARB)	IS 1350
4.	Moisture (ARB)	IS 1350 / Hand held moisture meter may also be used
5.	HGI	ISO 5074

- Sampling shall be done by HEL Plant, preferably in the presence of representative of the pellet supplier. The samples shall be collected and prepared as per BIS norms.

- The authorized representatives of HEL and pellet supplier shall jointly witness the process of sample collection and preparation of the laboratory samples. The representatives shall put their signature on the sample tags in evidence of the process of sampling. Both HEL and pellet supplier shall also sign on the samples register maintained by HEL at the unloading end. The Supplier may waive the witnessing and signing at their own discretion.
- For purpose of rejection test, before unloading, samples shall be tested for moisture by HEL. If value comes out to be more than rejection level, the consignment shall be rejected, and it shall be the supplier's responsibility to carry it back at his own cost.
- For testing of Gross Calorific Value (GCV) and other technical parameters, single sample shall be prepared for all the consignments received in a day from a particular Supplier. For avoidance of doubt, in case supply is from multiple Suppliers in a day, Supplier-wise sample shall be prepared for all the consignment received in a day.
- The final laboratory sample shall be divided into 3 (three) parts. Part-1 of the sample is for analysis of GCV and other technical parameters by HEL Plant lab at site. Part-2 sample is to be handed over to the pellet supplier for his own analysis. Part- 3 of the sample, called Referee sample, shall be sealed jointly and shall be kept with HEL Plant under proper lock and key arrangement.
- HEL Plant's representative shall have the right to witness sampling and testing of pellets for the Base Parameters at the loading end.
- Supplier's representative will have the option to witness the sample collection, preparation, testing of the main sample, and final packing of the Referee sample. Any dispute related to sampling, preparation, and analysis activity has to be raised strictly within 48 hours of the respective activity. Further, any dispute related to testing results may be raised strictly within 7 days of the declaration of the results by HEL Plant. The disputes concerning sampling and testing may be entertained only if backed up by logical and justifiable reasons. Frivolous/repeated disputes may invite penal action by HEL Plant.
- As this process of sampling and preparation is a continuous round the clock process to deal with the multiple consignment workloads, so HEL Plant would carry out the process as per the time deemed suitable for the process. Hence, it is the responsibility of the supplier's representative to be available at all times to witness the same.
- HEL Plant may request Supplier to withdraw representative who is not diligent and/or is not co-operative. Frivolous/unreasonable objections to the sampling and testing process at HEL Plant will not be entertained.
- Referee samples will be preserved in the HEL Plant laboratory in locked almirah in sealed condition in a moisture-free area for 30 days (from the date of declaration of such results) in the safe custody of HEL Plant.
- Generally, Quality reports will be generated within 7 working days of receipt of the material and the same will be communicated to the Supplier, subject to receipt of loading end quality report.
- In case dispute is raised within the stipulated time period, the Referee sample shall be analyzed at a mutually agreeable & reputed NABL accredited test laboratory, expense of which shall be borne by the pellet supplier. NABL accredited laboratory report of Referee Sample shall be final and binding on both the parties.

- It may be noted that Referee Samples shall only be used in case of conflict of quality and price adjustment, whereas, in case of rejection of consignment due to Total moisture (TM) content, HEL Plant reported TM content result will be final and binding on both the parties.
- To prevent misuse of the facility by disputing the majority of results of the lot, HEL Plant shall abort this reserve testing process in case the Referee Sample results (first two) are within the repeatability limits (as per BIS 1350) from original results. In this case, original results will be considered for payment purposes.
- Any pellet that is received at HEL Plant will not be returned/ permitted to be collected by the Supplier unless agreed to in writing by HEL Plant.
- HEL shall arrange for analysis of fines part of pellets at HEL site, and if fines percentage exceeds more than 5%, HEL has the right of rejecting the sample.

**Determination of Total Moisture (TM) content:**

- a) Samples shall be collected from each truck/dumper for TM determination.
- b) TM will be determined by HEL Plant lab validated method based on IS 1350, as follows or by Hand held Moisture Meter.

(10g of 2.90 mm passing sample will be heated for 2 hours at 108 +/- 2 Deg C.

Total Moisture will be computed as per the formula below:

$$TM\% = (W1-W2) \times 100 / W1$$

where: W1= Initial Weight of Sample (10 grams)

W2= Final Weight of Sample.

Note: Before unloading, samples shall be tested for moisture at Station end. If this value is in the rejection level range, the consignment shall be rejected and it shall be the suppliers' responsibility to carry it back at his own cost.

**G. DISPATCH SCHEDULE:**

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Biomass pellets (non-torrefied) are to be supplied to HEL Plant between October 2022 and March 2023 as follows:

Type of Biomass Pellets	Quantity (MT)	Quantity (TPD)
Non-Torrefied	63,000	350

**H. PRICE**

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Contract price shall include all expenses but not limited to cost of material, transportation charges, taxes, transit insurance and all other charges related to delivery of material at destination mentioned above.

Price to be quoted in Indian Rupees only.

The FOR-destination price quoted by the Supplier and incorporated in PO, shall be firm during the full validity period of the Contract.

## I. PRICE ADJUSTMENT, RECOVERY AND REJECTION

### Price adjustment for GCV variation

Stipulation of limits for Quoted GCV: Based on the Base material and Mixing material as per technical specification, Supplier is required to quote GCV value of biomass in Kcal/Kg within the range as mentioned below:

	<b>Acceptable GCV ARB range without penalty</b>
Non-torrefied pellets	Between 3200 Kcal/Kg to 4500 kcal/Kg [both inclusive]

### Price adjustment for Non-Torrefied Pellets

Supplier shall supply the agro residue based Non-Torrefied biomass pellets of GCV not less than 3200 kcal/kg. Price shall be adjusted for GCV variation of supplied material as below:

For GCV (ARB)  $\geq$  2800 Kcal/Kg [For GCV more than or equal to 2800 Kcal/Kg], no adjustment.

For any variation in the GCV (ARB) from the quoted Guaranteed, the “Adjusted FOR Price” shall be calculated as per the following formula.

$$\text{Adjusted FOR Price} = (\text{Quoted FOR price} \# * \text{Actual GCV (ARB)}) / \text{Quoted GCV (ARB)}$$

# FOR Price- FOR Destination Price

The payable price shall be as given in the following tables

<b>Price adjustment on account of as received GCV (ARB) within the acceptable range however cannot be more than quoted price</b>	
<b>GCV Range</b>	<b>Adjusted Payable price</b>
Within acceptable GCV range	Adjusted Payable price shall be equal to Adjusted FOR Price or Quoted price whichever is lower

<b>Price adjustment on account of as received GCV (ARB) below the acceptable range For Non-Torrefied Pellets</b>	
<b>GCV Range</b>	<b>Adjusted Payable price</b>
For GCV in Kcal/Kg: $3000 \leq \text{GCV} < 3200$ [For GCV less than 3200 Kcal/Kg AND more than or equal to 3000 Kcal/Kg]	Payable price shall be equal to 0.75* AdjustedFOR price
For GCV in Kcal/Kg: $2800 \leq \text{GCV} < 3000$ [For GCV less than 3000 Kcal/Kg AND more than or equal to 2800Kcal/Kg]	Payable price shall be equal to 0.5* AdjustedFOR price
For GCV < 2800 Kcal /Kg [For GCV Less than 2800 Kcal/Kg]	No payment shall be made for already delivered material

**Note: In case, supplier is found to frequently supply the material of GCV less than the minimum level below which no payment is to be made as per above methodology or is found to take deviations in other technical parameters, warning letter shall be issued to supplier.**

Further, if material is supplied below this threshold on more than 3 (Three) instances during the subsistence of the Contract even after issuing warning letter, then Contract shall be liable for cancellation.

#### **Recovery on Account of Excess Fines in Consignment**

Dimension of agro residue-based pellets has been given in the technical specification which shall be adhered to. Dust, crushed agro residue-based pellets in consignment as received at Power Plant shall be treated as fines and there shall be recovery on account of excess fines (ARB) if it exceeds 5%. The recovery on account of excess fines will be worked out as per the following formula:

Recovery = Adjusted price of biomass pellets x W x (Weight% of fines beyond 5%.)  
This amount shall be recovered from the payment of that consignment.

#### **Rejection of consignment**

The consignment of biomass pellets arrived at HEL plant shall initially be tested for following before unloading and shall be rejected in case parameter exceeds the rejection level given in following table:

<b>Technical Data</b>	<b>Unit</b>	<b>Rejection Level</b>
Moisture (ARB*)	Weight %	More Than 14 %

#### **J. BILLING AND PAYMENT TERMS:**

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The Supplier shall submit the invoices in triplicate on completion of delivery of material at HEL Power Plant and payment shall be released based on the methodology as below:

- a) The invoices are to be submitted along with the following supporting documents (as applicable), including but not limited to:
  - i. Copy of weighment certification by HEL Plant
  - ii. Copy of Quality reports of loading end
  - iii. Copy of HEL Plant receipt end quality reports
  - iv. Payable quantity certified by HEL Plant representative
  - v. Original challan copies of truck engaged in transportation
  - vi. HGI Certificate from NABL accredited lab
  - vii. Composition of Biomass pellets
- b) 75% of payable amount shall be paid on receipt of materials at site.  
Balance 25% shall be paid on receipt and acceptance of test results.
- c) The Supplier who defaults on quality of pellets, resulting in actual payment less than 15% of the invoiced amount, shall be paid 50% of the invoiced value on receipt of the



material, instead of the 75% for subsequent three months. The remaining 50% shall be paid on receipt and acceptance of test results. Original payment terms may be restored based on satisfactory performance in previous two months.

- d) Payment to the supplier shall be made fortnightly, i.e. payment for quantity delivered from 1<sup>st</sup> to 15<sup>th</sup> of a given month shall be made by 30<sup>th</sup> or 31<sup>st</sup> of that month and similarly, payment for quantity delivered from 16<sup>th</sup> to 30<sup>th</sup> or 31<sup>st</sup> of a given month shall be done by 15<sup>th</sup> of the next month.  
However, payment shall be processed only after receipt of invoice complete in all respects with supporting documents.
- e) All the relevant payments due as per the Contract shall be released to the Supplier only on production of documentary evidence such as LR copy/ e-way bill/ toll tax receipts etc, to ensure that Biomass Pellets have been supplied from Supplier's declared place (District) of manufacturing plant.
- f) Payment shall be made on the basis of Quantity of biomass pellets as defined in Clause E above & Quality results as declared by HEL Plant Laboratory, subject to penalty adjustment, if applicable.
- g) Deduction of Liquidated Damages shall also be made, if applicable.

#### **K. LIQUIDATED DAMAGES:**

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Further for supplies on landed basis, in the event, truck/dumper arrivals at plant is delayed by more than 7 days from agreed schedule, Liquidated Damages shall apply @ 0.5 % of the basic price per day for the said truck/dumper subject to a maximum of 5%. In the event truck/dumper arrivals are delayed by more than 14 days, HEL at their discretion may cancel the Purchase order

Basic Price, as applicable, shall be as per Clause H above.

#### **L. TITLE:**

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The title of Biomass Pellets and risk of loss shall pass from Seller to Buyer as and when the Biomass Pellets is delivered at Plant through truck/dumper. However, Seller shall have a lien on such quantity of Biomass Pellets for which payment is yet to be received by Seller.

#### **M. INSURANCE:**

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The Supplier undertake at its own cost insurance cover for value of the cargo and also covering all risk from own facility to HEL Plant for FOR Plant delivered basis.

#### **N. INDEMNITY:**

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Bidder assumes responsibility for and shall indemnify and save harmless HEL, from all liability, claims, costs, expenses, taxes and assessments including penalties, punitive damages, attorney's fees and court cost which are, or may be required with respect to any breach of Bidder's obligations under the Purchase Order, or in respect of all salaries, wages or statutory dues or any other compensation or dues of whatsoever, nature of all persons

employed by Bidder in connection with performance of the Scope of this Purchase Order. Bidder to take sole control of the defense of such claims. Bidder shall execute and deliver such other further instruments as may be necessary to comply with all the requirements of such laws and regulations as may be necessary there under to confirm and effectuate the Purchase Order and to fully protect and indemnify HEL. HEL shall not in any way be responsible for any accident or damages incurred or claims arising there from during discharge of the obligations by Bidder under this Purchase Order.

#### **O. FORCE MAJEURE:**

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Neither party shall be liable to the other party for any failure or delay in making, receiving and accepting the supply of Biomass Pellets hereunder or otherwise performing the terms and provisions or conditions of this Purchase Order to the extent that such performance is prevented by any of the events of “Force Majeure” including but not limited to the following:

- (1) War, hostilities, acts of the public enemy or belligerents, sabotage, blockade, revolution, insurrection or riot;
- (2) Expropriation, requisition, confiscation or nationalization;
- (3) Embargoes, sanctions, rationing of allocation, whether imposed by law, decree or regulation;
- (4) Acts of God, fire, earthquake, storm, lightning, perils of the sea, accidents of navigation, breakdown, arrest or restraint of vessels;
- (5) Epidemic or quarantine;
- (6) Explosion or breakdown from any cause whatsoever or accidents by force or otherwise to railways, storage facilities, processing plants, terminal and loading facilities.

In the event either Seller or Buyer, are affected by a Force Majeure event, the affected party shall forthwith give written notice stating the circumstances of the Force Majeure event thereof to the unaffected party, together with an estimate in good faith of the degree to which and the period for which its performance will be affected thereby. The affected party shall however go on sending such notice every week so long the event of Force Majeure continues. The affected party shall immediately after cessation of the event of Force Majeure undertake the obligation arising out of this Purchase Order. In the event of Force Majeure, the party or parties affected shall use its or their best efforts to resolve the said Force Majeure event as rapidly as is reasonable and practicable.

In the event that Buyer, as a result of Force Majeure, are unable to meet the commitments to Seller holding contracts entitling Seller to deliver Biomass Pellets, Buyer shall use their best endeavours to revise deliveries of Biomass Pellets from Seller in a fair and reasonable manner.

#### **P. SETTLEMENT OF DISPUTES:**

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- A) Disputes, Differences, Questions on issues other than Quality Related:

- i. If at any time, any questions, disputes or differences other than relating to quality of pellets, arise between the parties, in connection with or related to the Contract, both parties at first instance shall attempt to resolve the dispute through dialogue and/or written correspondence. The mutually agreeable decision through such process shall be minuted & signed by authorized representatives of both the parties and shall be given effect to.
  - ii. If at any time, any questions, disputes or differences other than relating to quality of Biomass Pellets, arise between the parties in connection with or related to the Contract, which could not be resolved through the process of Dispute Redressal above, either party shall, as soon as reasonably practicable, give to the other party notice in writing of the existence of such question, dispute, or difference specifying its nature and the points at issue, and the same shall be referred to arbitration in accordance with the provisions of the Arbitration & Conciliation Act, 1996 by Sole Arbitrator, appointed mutually by Buyer and Seller. The award shall be speaking award accepting or rejecting full or in part, the claims and counter claims of the party's item-wise with reasons. The language of arbitration shall be English and venue shall be at Kolkata, West Bengal, India.
- B) If at any time, any questions, disputes or differences about quality of Biomass Pellets (Quality Dispute) arise between the parties that relate to the quality of pellets, as applicable, the referee sample held by us, will be used to re-analyse and determine the quality of pellets through a mutually agreeable & reputed test laboratory/company.

#### **Q. TERMINATION:**

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HEL on its discretion, reserves the right to terminate the Contract either in part or in full. HEL shall in such an event give 15 days' notice in writing to the Supplier of his decision to do so.

The Contract, otherwise, shall be terminated upon completion of sale and delivery of the contracted quantities under the Contract or by mutual agreement of the Parties.

#### **R. BID SUBMISSION:**

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- a) General conditions mentioned hereunder are mandatory & must be complied with, to avoid rejection of the offer/s.
- b) Bids to be submitted on or prior to the due date in hard copies in sealed envelope only. Copies of the Bid sent to any other email id or Bids received after the due date shall be rejected without further reference.
- c) The bidder shall have to submit the bid strictly in the given format.
- d) All offers must remain valid for our acceptance/negotiation for 15 days after the Last Date of Submission
- e) Last date of submission: 12<sup>th</sup> September, 2022, 1700 hr
- f) HEL reserves the right to cancel/withdraw/modify this Invitation for Bid, partially or fully, without assigning any reason and shall bear no liability whatsoever consequent upon such a decision.
- g) HEL reserves the right to negotiate with selected suppliers. (Selected on the basis of Techno Commercial offer)
- h) HEL at their sole discretion may split the quantity in favor of multiple suppliers.

## **BID FORMAT FOR NON-TORREFIED PELLETS:**

Tender Reference: **PUR/HEL/02/2022** dated 02.09.2022

Important: All Information **MUST** be filled up/provided

Bidder Information:

<b>Bidder's Name &amp; Address:</b>	
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Sl No	Technical Data	Unit	Offered Specification
1	Base Material	-	
2	Shape and Size	mm	Diameter:
3	Bulk Density	Kg/ m <sup>3</sup>	
4	Fines % (length < 3mm) (ARB)	Weight %	
5	Guaranteed Gross Calorific Value (GCV- ARB)	Kcal/kg	
6	Moisture (ARB)	Weight %	
7	Hard Grove Grindability Index (HGI)	-	

### **Offered Quantity:**

In Metric Tonnes:	Total:
	TPD:

### **Offered Delivery Schedule at HEL Plant:**

Delivery Schedule:	
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### **Price in INR/MT basis FOR-HEL:**

Basic Price (Rs/MT)	GST (%)	Remarks, If Any

**Other Remarks, if Any:**

**Signature & Seal:** \_\_\_\_\_

**Dated:**        |        | 2022