

**Clarification to Queries from Bidders**  
**on**  
**Request for Proposal**  
**for**  
**Procurement of coal from Indonesia and/or Australia**  
**for**  
**Patuakhali 1320 (2×660) MW Coal Fired Thermal Power Plant**  
(RFP Ref.: RNPL/1320/2022/0653, 22 November, 2022)

Reference No.: RNPL/1320/2023/098

Date : 31 January, 2023



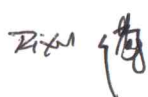
**RPCL-NORINCO INTL POWER LIMITED**

The following clarifications to the queries from bidders will be considered as the part and parcel of the issued **RFP document (RFP Ref No. - RNPL/1320/2022/0653; Dated 22 November, 2022)** and **Amendment No. 1 to RFP (Ref No.- RNPL/1320/2023/034; Dated 11 January, 2023)**.

SL. No	RFP Page No.	RFP Reference	RFP Description	Bidder's Queries	RNPL's Response																
1. Queries of Bidder - A																					
1	1 of Chapter II	1.1 Form 1 Proposal Letter	1. ....We are submitting this proposal for procurement of .....[Coal A or Coal B] from ["Indonesia or Australia]	As a trader, we are submitting one proposal both for Coal A from Indonesia and Coal B from Australia, since we have only opened one bank guarantee for the proposal and many parts such as company profile are the same for Coal A and Coal B. Pls advise if we can submit one proposal for both Coal A and Coal B within one envelope, writing "...Coal A from Indonesia and Coal B from Australia" in "Form 1 Proposal Letter". The "Form 2 Bid Price Schedule Form" and other coal mine certificates will be provided separately for Coal A and Coal B in the proposal.	1. A trader cannot submit one proposal for Coal A and Coal B. 2. A trader may submit two separate proposals for Coal A and Coal B respectively. According to 2.3 Key Coal Specifications, each type of coal should be supplied from a single coal mine ONLY, Coal A and Coal B should be supplied from discrete coal mines. 3. In case a trader who chooses to submit two separate proposals for Coal A and Coal B respectively, these two proposals should be packed separately and two Bid Securities as specified in ITB shall be provided.																
2	12 of Chapter I & 8 of Chapter II	5.5 Technical Score, No.2.8, Chapter I & Form 5 Coal Specification Form, Chapter II	2.8 Ash Fusion Temperature Reduced Spherical (ST) (2.00 points)	Shall "Ash Fusion Temperature Reduced Spherical (ST)" be added in Form 5 Coal Specification Form?	Yes. After adding, Form 5 of Chapter II should be like this. <u>For Coal A:</u> <table><tr><th colspan="2">Description</th><th>Coal Quality Rejection Limit</th><th>Seller's proposed coal quality</th></tr><tr><td>Spherical Temperature:</td><td>°C (Reducing Atmosphere)</td><td>Min. 1240</td><td></td></tr></table> <u>For Coal B:</u> <table><tr><th colspan="2">Description</th><th>Coal Quality Rejection Limit</th><th>Seller's proposed coal quality</th></tr><tr><td>Spherical Temperature:</td><td>°C (Reducing Atmosphere)</td><td>Min. 1280</td><td></td></tr></table>	Description		Coal Quality Rejection Limit	Seller's proposed coal quality	Spherical Temperature:	°C (Reducing Atmosphere)	Min. 1240		Description		Coal Quality Rejection Limit	Seller's proposed coal quality	Spherical Temperature:	°C (Reducing Atmosphere)	Min. 1280	
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3	10 of Chapter II	Form 6.3 Chapter II	Form 6.3 Proposed Changes to Chapter III - Draft Contract (Terms and Conditions)" is deleted in the Amendment No. 1	Shall "Proposed Changes to Chapter III - Draft Contract (Terms and Conditions)" as required in Form 6.3 in Initial RFP be included in the proposal? If not, could it be negotiated after contract award?	The Form 6.3 in initial RFP before Amendment No. 1 is no longer applicable. Attachment 5 in the Amendment No. 1 (RNPL/1320/2023/034 dated 11 January, 2023) shall prevail.
4	48 of Chapter III	Article 11.3 Payment Terms Chapter III	11.3.1. Initial Payment: Ninety percent (90%) of the Contract Price of the Shipment shall be released against usance L/C of 15 days allowable time with upon sailing of the vessel containing the Coal Shipment from Seller, based on... 11.3.2. Balance Payment: Ten percent (10%) of Contract Price of the shipment shall be released after adjusting any outstanding dues on receipt of the Shipment by RNPL and adjustment for quality and quantity variations, as may be necessary.	1. What is the usance period of usance L/C? Is it payable at 30, 60, 90, or 120 days? The usance period counts as part of financial cost for bidder. 2. Does "15 days allowable time with upon sailing of the vessel..." mean 15 days as period for Document Presentation?	1. A sight L/C will be opened by RNPL for a 90-day period. Payment will be made based on each shipment. 2. Basically, there is a 15-day time frame for payment to every shipment, and those 15 days start to count after the bank has received all of the shipping documents.
<b>2. Queries of Bidder - B</b>					
5	11 of Chapter I	5.4 Selection of the successful bidder 5.4.4 (Amendment No. 1)	In stage 2 commercial evaluation, based on the bid prices offered in the commercial proposals, the bidders are ranked accordingly. The proposal with the lowest	Request to elaborate on methodology of evaluating different price bids from various bidders. - Bidders will quote different bid price number for different slabs of NewC provided in the price bid format, How	The overall average of the Base Price $P_n$ will be used to decide the lowest Bid Price.

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			bid price will be the successful bidder and the others will be candidates accordingly.	weightage will be allocated to different price bids as per slabs based on the index. Kindly illustrate with any representative example on how RNPL proposes to calibrate the prices quoted in different slabs to arrive at a single number for comparative purpose.	
6	2 of Chapter I	2.3 Key Coal specifications	Coal A and Coal B shall come from Indonesia and/or Australia and each type of coal should be supplied from a single coal mine ONLY. Blended coal is strictly forbidden and shall result in rejection of the proposal.	None of the coal parameters of Coal A requirement can be fulfilled by Australian coal (Except NAR). We request to consider Australian coal herewith min NAR value of 3900 with all other rejection parameters as per specifications of Coal B (TM, HGI, Ash, Total Sulphur, IDT, Coal Size).	No. The requirements specified in ITB 2.3 have to be fulfilled.
7	12 of Chapter I & 71 of Chapter III	5.5 Technical Evaluation Table Technical Evaluation for Coal B-2.1  Appendix -B: Coal Quality Rejection Limits  Attachment -9 (Amendment no. 1 to RFP)	2.1 Net Calorific Value (NAR)  Coal Quality Rejection Limits for Coal-B. NCV(ARB):  Typical -5350 NAR Rejection- Below 5100 NAR	Kindly re-validate the above information and cause to revise the COAL SPECS (TYPICAL) to be supplied for Australian (coal B) in the tender. To Revise the rejection limit for Australian coal being similar to Indonesian coal at 3900+ NAR, or equal to the design feed of 4675 NAR as per EIA project report of the plant and not as per currently mentioned in the tender document as 5100 NAR.	No. The typical and rejection figures specified in the RFP shall remain unchanged.







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<b>3. Queries of Bidder - C</b>					
8	4 of Chapter I	ITB 2.9.4 (4) of Chapter I	(4) In case of a trader, a coal supply agreement with a minimum term of 5 (five) years between the trader and its coal mine should be submitted together with a report for that contracted coal mine evidencing its recoverable reserves of the coal having a minimum quantity of 5 million tonnes, which should follow JORC Code or compliant code.	In lieu of Coal supply agreement between trader and coal mine (which can logically be only entered into once Trader has won the tender), can an MoU between the Trader and Coal mine or a Support Letter from Coal mine be submitted? Such MOU or Support Letter shall clearly mention the intention of Coal mine to support the col requirement of this tender in case Trader is awarded the Tender.	It has already been clarified in Amendment No. 1.
9	5 of Chapter I	ITB 2.11.2 of Chapter I	Two or more Proposals submitted by or with the same coal mine. However, in case of a coal trader, two Proposals may be allowed by such trader provided that one Proposal is for coal from Indonesia and the other one is for coal from Australia only.	Can a trader submit proposal from more than one mine/source from a given country? i.e. Can a trader offer coal from more than one mines/load ports for Coal A meeting the coal specifications, with Trader having option to supply coal from any of the proposed mine/load port? Similarly Can a trader offer coal from more than one mine/load port for Coal B with option of supplying from any of the proposed mine/load port?	No. Any proposal (for Coal A or Coal B) should contain one coal mine only. Refer to ITB 2.3 in Amendment No. 1.



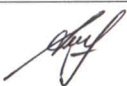
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10	12 of Chapter I	ITB 5.5 Technical Score Point (4)	Annual Export Quantity in the last five (5) years Bidders should provide documents evidencing the actually completed annual export quantity.	For a Coal Trader - which supporting documents shall suffice to prove trader's export quantity? As the BLs and COAs usually mention names of the coal miner and not of the Trader. Can a statement from Auditor submitted as a supporting document?	It has already been clarified in Amendment No. 1.
11	14 of Chapter I	ITB 5.6 Commercial Score Point (3)	Production capacity Minimum 10 Years Supply Period	Please clarify what is meant by Production capacity and how a trader is expected to respond to this Evaluation Criteria. Is a statement letter from coal mine/source stating their intended future production plan sufficient for the purpose?	It has already been clarified in Amendment No. 1.
12	11 of Chapter II	1.7 Form 7 Bid Security Form	Bid security to be issued on non-judicial stamp paper of appropriate value by a scheduled bank in Bangladesh or a foreign bank of International repute having correspondent bank located in Bangladesh, to make it enforceable, as stated under the relevant IFB Clause	1. What is relevant IFB clause - pls specify. 2. If Bidder's issuing bank of Bid security does not have a presence in Bangladesh, who is RNPL preferred bank to do this endorsement? 3. What is meant by "endorsed by the correspondent bank"? Is it simply signed and stamped by the correspondent bank? Can you provide a sample bid security?	1. Instead of IFB clause, it would be <b>ITB clause</b> . It has already been amended in Amendment No. 1.  2. RNPL have no preferred bank. Bidder's Bid Securities can be endorsed by any scheduled bank of Bangladesh.  3. When a bid security is "endorsed by the correspondent bank," it means that the correspondent bank will be in responsible for issuing the Bid Security.







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					Banks are more competent at generating bid security. Typically, a correspondent bank will give bid security using a Tk. 300 non-judicial stamp with an authorized sign and official seal after receiving a SWIFT message of bid security from a foreign bank.
13	48 of Chapter III	11.3.2 Balance Payment	Balance Payment: Twenty percent (20%) of Contract Price of the shipment shall be released after adjusting any outstanding Dues on receipt of the Shipment by RNPL and adjustment for quality and quantity variations, as may be necessary.	<ol style="list-style-type: none"> <li>1. Please clarify the exact timeline (in maximum number of days from the date of BL) for the release of balance 10% payment under LC.</li> <li>2. Why is this 10% being not released along the 90% payment, as there is no such clause in contract, which factors for the release of this 10%.</li> </ol>	<ol style="list-style-type: none"> <li>1. The release of the remaining 10% of the LC payment may take up to 40 days from the date of the BL.</li> <li>2. The reason is clearly stated in 11.3.2 Balance Payment.</li> </ol>
14	41 of Chapter III	Article 9 Price	<ul style="list-style-type: none"> <li>• If gcNEWC<sub>n</sub> is \$55 or below then the IPV<sub>n</sub> = gcNEWC<sub>n</sub>, D = ....., PAF = \$0.00</li> <li>• If gcNEWC<sub>n</sub> is between \$55.01 and \$70.00 then the IPV<sub>n</sub> = (gcNEWC<sub>n</sub> - \$55), D = ....., PAF = ....</li> <li>• If gcNEWC<sub>n</sub> is between \$70.01 and \$85.00 then the IPV<sub>n</sub> = (gcNEWC<sub>n</sub> - \$70), D = ....., PAF = ....</li> </ul>	<ol style="list-style-type: none"> <li>1. What is D? Should it be in percentage (%) or an absolute value?</li> <li>2. If D is in percentage (%) - can it be value above 100%?</li> <li>3. What is the rational of PAF? When there is already a Discounting factor (D) in the price formula, what is the significance of PAF and how it should be calculated.</li> </ol>	<ol style="list-style-type: none"> <li>1. D is the proposed discount by the bidder and is in percentage (%).</li> <li>2. D should be less the 100%.</li> <li>3. PAF is the proposed adjustment price by the bidder and is in US dollar (\$). Bidders are free to propose any figures for PAF.</li> <li>4. The gcNEWC<sub>n</sub> has been divided into six sections to cover the whole range. Accordingly, six Ds and six PAFs should be proposed by bidders. Bidders should not propose more than six Ds or six PAFs.</li> </ol>





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			<ul style="list-style-type: none"> <li>• If gcNEWC<sub>n</sub> is between \$85.01 and \$100.00 then the IPV<sub>n</sub> = (gcNEWC<sub>n</sub> - \$85), D = ....., PAF = ....</li> <li>• If gcNEWC<sub>n</sub> is between \$100.01 and \$115.00 then the IPV<sub>n</sub> = (gcNEWC<sub>n</sub> - \$100), D = ....., PAF = ....</li> <li>• If gcNEWC<sub>n</sub> is above \$115.00 then the IPV<sub>n</sub> = (gcNEWC<sub>n</sub> - \$115), D = ....., PAF = ....</li> </ul>	<p>4. For calculations of IPV<sub>n</sub>, why the value of gcNEWC<sub>n</sub> only bracketed upto \$115?</p> <p>5. Please clarify whether the value in the each bracket of the PAF examples provided refers to the actual GCNewc value or the difference in the GCNewc value and the lower bound number.</p> <p>6. Please clarify whether the multiplication with the discount factor (D) is for the absolute GCNewc value in the bracket or the difference between GCNewc and the lower bound number.</p>	<p>5. For each section of gcNEWC<sub>n</sub>, the IPV<sub>n</sub> is different and is the differential value between the relevant gcNEWC<sub>n</sub> and a fixed figure, such as 55, 70, 85, 100 and 115.</p> <p>6. Base Price P<sub>n</sub> = (IPV<sub>n</sub> × BaseCV/6000) × D + PAF. Thus for each section of gcNEWC<sub>n</sub>, the difference between gcNEWC<sub>n</sub> and a fixed figure (i.e. IPV<sub>n</sub>) is the multiplier of D. Kindly refer to Attachment 1 for demonstrations only.</p>
15	40 of Chapter III	Article 9 Price		Please give an illustration of complete price calculation for our clear understanding of the pricing formula.	Please refer to Attachment 1.

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## Attachment 1: Demo of Price Calculations

The following table and calculations are for illustrations only:

gcNEWC <sub>n</sub>	IPV <sub>n</sub>	D (%)	PAF (US\$)
gcNEWC <sub>n</sub> ≤ 55	gcNEWC <sub>n</sub>	93%	0
55.01 ≤ gcNEWC <sub>n</sub> ≤ 70	gcNEWC <sub>n</sub> -55	78%	33.54
70.01 ≤ gcNEWC <sub>n</sub> ≤ 85	gcNEWC <sub>n</sub> -70	72%	41.28
85.01 ≤ gcNEWC <sub>n</sub> ≤ 100	gcNEWC <sub>n</sub> -85	64%	50.21
100.01 ≤ gcNEWC <sub>n</sub> ≤ 115	gcNEWC <sub>n</sub> -100	58%	54.89
gcNEWC <sub>n</sub> ≥ 115	gcNEWC <sub>n</sub> -115	53%	62.08

Suppose one Coal A shipment's gcNEWC<sub>n</sub> is **85.6USD/ton**, following the above table:

$$\text{Base Price } P_n = (\text{IPV}_n \times \text{BaseCV}/6000) \times D + \text{PAF} = (85.6-85) \times 4100/6000 \times 64\% + 50.21 = 50.47 \text{ USD/ton}$$

The coal's relevant parameters for the shipment are assumed:

**NCV:** 4120 Kcal/kg, **TM:** 33.2%, **TS:** 0.25%, **TA:** 3.8%。

$$P_{\text{NCV}} = P_n \times [(\text{Actual GCV} - \text{BaseCV}) / \text{BaseCV}] = 50.47 \times (4120-4100)/4100 = 0.246 \text{ (Price Increase)}$$

$$P_{\text{TM}} = P_n \times [(\text{Actual TM} - 32.0\%) / (1 - 32.0\%)] = 50.47 \times (33.2\%-32\%)/(1-32.0\%) = 0.891 \text{ (Price Decrease)}$$

$$P_{\text{TS}} = (\text{U.S. \$3.00*/Tonne}) \times (\text{Actual TS} - 0.20\%) \times 100 = 3 \times (0.25\% - 0.20\%) \times 100 = 0.15 \text{ (Price Decrease)}$$

$$P_{\text{TA}} = (\text{U.S. \$0.30*/Tonne}) \times (\text{Actual TA} - 4.00\%) \times 100 = 0 \text{ (3.8\% < 4.0\%, Price remain unchanged)}$$

$$DP_n = P_n + P_{\text{NCV}} - P_{\text{TM}} - P_{\text{TS}} - P_{\text{TA}} = 50.47 + 0.246 - 0.891 - 0.15 - 0 = \mathbf{49.675 \text{ USD/ton.}}$$

\*US\$ 3.00 and US\$ 0.30 per ton for adjustment resulting from TS and TA are for demonstration purpose only.

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