

**Head office**

Av. 24 de Julho, N°1123
Bairro da Polana Cimento
B
Maputo -
Moçambique
T +258 21 343600
F +258 21 320649

Tete works

Bairro Comunal de Matundo
Parcela N° 103 Cidade de Tete
Moçambique
Tel: +258 252 20059
Fax: +258 252 20110

GLOBAL TENDER NO. 19/MBL/TC/2021-22/1 Date: 4th March 2022

PART – I OF BIDDING DOCUMENTS

Minas de Benga, Lda. (hereinafter “MBL”) is a subsidiary of International Coal Ventures Pvt. Ltd. (ICVL) group of companies. ICVL is a JV with M/s Steel Authority of India Ltd (SAIL), M/s Rashtriya Ispat Nigam Ltd (RINL) and NMDC Ltd. (NMDC) as its promoters.

MBL invites ONLINE bids for the sale of Thermal Coal (size 0–50mm) for a minimum quantity of 10000 tons maximum up to 100000 tons on as is where is basis from its works at Cidade de Tete in Mozambique.

The salient features of the tender are as follows:

1. Indicative technical specifications of thermal coal (size -0-50 mm)

(Based on samples taken from stock piles in Oct 2021)

Sample ID:	TM % (ar)	Inh. Moist. %(ad)	Ash % (ad)	Volatile %(ad)	Fix. Carb. %(ad)	Tot .Sulp. % (ad)	CV MJ/Kg. (ad)	HGI Air Dry, mm (% Yields)
Thermal Sample 01D Heaps-01 18.10.2021	2.3	1.3	27.7	20.5	50.5	0.80	24.9	65.0
Thermal Sample 01D Heaps-02 19.10.2021	1.6	1.1	26.7	19.6	52.6	0.76	24.5	68.0
Thermal Sample 01D Heaps-03 21.10.2021	1.3	1.0	26.6	19.7	52.7	0.65	25.2	70.0

The above technical specification is only indicative and no discount/rebate shall be provided for any deviation in the same as the auction shall be on as is where is basis.

- Deadline for submission of bids: 11:00 hrs mt on 26th March 2022
- Date and time for opening of bids: immediately after expiry of the deadline for submission of bids i.e. 1100 hrs Mozambique standard time.
- Offers by the bidders to be kept valid for at least 15 days from the date of opening of the tender.
- The bidder has to bid on as is where is basis and delivery point will be stockpile area of MBL's Benga mine at Tete.
- The bidder has to quote the better offer per tonne in USD over api#4.
- The successful bidder shall make necessary arrangement for loading and transport of coal and it will be his responsibility and liability to get all the clearances from the government of Mozambique/other statutory agencies to take the material from road to its destination.
- The successful bidder shall make advance payment before lifting the material.

PART – II OF BIDDING DOCUMENTS

OPEN TENDER NO. *MBL/TC/2021-22/01* dated 4th March 2022

INSTRUCTIONS TO BIDDERS

1. Cost of Bidding

The Bidder shall bear all costs associated with the preparation and submission of its bid, and Minas de Benga Lda. (MBL), hereinafter referred to as "The SELLER," will, in no case, be responsible or liable or accountable for those costs, regardless of the conduct or outcome of the bidding process.

2. Content of Bidding Documents

The detailed specifications of the goods, bidding procedures and Agreement terms are prescribed in the Bidding Documents. The Bidding Documents include:

Part – I	Introduction
Part – II	Instructions to Bidders
Part – III	Proforma for Price Bid
Part – IV	Form of Agreement
Annexure – I	General Conditions of Agreement

The Bidder is expected to examine all instructions, forms, terms and specifications in the Bidding Documents. Failure to furnish all information and documents required by the Bidding Documents in every respect will be at the Bidder's risk and may result in the rejection of its Bid.

3. Clarification of Bidding Documents

A prospective Bidder requiring any clarification of the Bidding Documents may notify the SELLER in writing or by email to coking.coal.clarification@icvl.co.mz and copy to Cristina.Santana@icvl.co.mz

4. Amendment of Bidding Documents

4.1 At any time prior to the deadline for submission of bids, the SELLER may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents by issuing an amendment.

4.2 The amendment will be put in the same website, i.e, www.icvl.in and will form part of the tender document. BIDDERS ARE THEREFORE ADVISED TO VISIT THE WEBSITE AT REGULAR INTERVALS.

4.3 Where the SELLER issues an amendment within three (3) days prior to deadline for submission of bids, in order to afford prospective Bidders reasonable time in which to take the amendment into account in preparing their bids, the SELLER may at its own discretion simultaneously extend the deadline for the submission of bids by three (3) or more working days.

5. Language of Bid

5.1 The Bid prepared by the Bidder and all correspondence and documents relating to the bid exchanged by the Bidder and the SELLER, shall be written only in the English language.

6. Documents comprising the Bid

The Bid prepared by the Bidder shall comprise the following components:

- a) Envelope 1 - Earnest Money ("EMD") furnished in accordance with Para 11.
- b) Envelope 2 – Price bid in the prescribed form.

7. Submission of Bids

7.1 The price of Thermal Coal should be quoted using the format enclosed as Part – III of Bidding Documents, on the as is where is basis from Stockpile area of MBL`s Benga mine at TETE only.

7.2 Firm Discount: Discount quoted by the Bidder shall be firm during the performance of the Agreement and shall not be subject to variation on any account whatsoever.

8. Currency and unit of Weight

The Unit of Measurement (UOM) will be Metric Tonne (“MT”) and the price should be quoted in United States Dollars (“USD”).

9. Earnest Money Deposit

Each bid should be accompanied by proof of transfer (SWIFT, etc.) or deposit of the Earnest Money of USD 20000/- (hereinafter also referred to as “EMD”) to the bank account of MBL given below:

Bank Name: BIM (Banco Internacional De Moçambique)
Branch Name: Head Office
Account Holder Name: Minas de Benga, Limitada
Account Number: 9090000111939
IBANNumber: MU61SBIC2201900001119390000USD BIC
(SWIFT): SBICMUMU
Currency: USD
Account type: Current Account

9.1 The Earnest Money is required to protect the SELLER against the risk of Bidder’s conduct which would warrant the security’s forfeiture pursuant to Para 9.5 The Earnest Money shall not bear any interest.

9.2 A Bid which is not accompanied by Earnest Money of requisite value shall be rejected by the Seller.

9.3 An unsuccessful Bidder’s Earnest Money will be returned to the Bidder.

9.4 The successful Bidder’s Earnest Money will be adjusted along with the payment for the last dispatch.

9.5 The Earnest Money shall be forfeited:

a) If a Bidder withdraws or modifies its Bid during the period of Bid validity specified by the Seller;

b) In the case of a successful Bidder, if the Bidder fails:

(i) To sign the Agreement in accordance with Para 29; or

(ii) Lift the material in allotted time.

9.6 Bidders should provide their bank details along with their bid.

10. Validity of the offer

10.1 Each Bidder shall keep its offer firm and valid for acceptance by MBL for a minimum period of 15 days from the date of tender opening.

10.2 In exceptional circumstances, prior to expiry of the original Bid validity period, the SELLER may solicit the Bidder's consent to an extension of the period of Bid validity. The request and the responses thereto shall be made in writing or by email. In such a case the validity of the EMD provided under Para 12 shall also be suitably extended. A Bidder may refuse the request without forfeiting its EMD. A Bidder granting the request will not be required nor permitted to modify its Bid.

11. The Bidder shall prepare one (1) copy of the Bid (i.e., Part 1 – EMD and; Part 2 – Price Bid).
12. Each page will be numbered consecutively, referring to the total number of pages comprising the entire part, at the top right-hand corner of each page.
13. Each page of the offer should be signed and stamped by the authorized officer(s) of the Bidder.
14. Each Bidder should ensure that the aforesaid conditions for submission of Bids are duly complied with.
15. Complaints

15.1 The Bidder, if feel aggrieved, may raise complaint / pass on information, if any, to: MD & CEO, ICVL MOZAMBIQUE;

16. Submission of Bids

16.1 Bids shall be submitted electronically only

16.2 The detailed offer shall be submitted in two (2) parts:

PART 1: EARNEST MONEY

Should contain the proof of submitting the Earnest Money as per Para 9

PART 2: PRICE BID

Only duly filled in Price Bid should be submitted as per the prescribed proforma enclosed as Part – III of the Bidding documents. Price Bid proforma should not contain any conditions, otherwise the Bid will be rejected and EMD will be forfeited.

In two (2) separate mails one each for EMD and Price Bid.

16.3 The Bidder shall submit EMD & Price Bid in separate e-mails with the subject clearly mentioning about "EMD (Part-1)" or "PRICE BID (Part-2)", so as to avoid opening of Price Bid before commercial scrutiny.

On the e-mail containing EMD, the Bidder will write "EMD (PART-1) "OFFER IN RESPONSE TO OPEN TENDER NO. MBL/TC2/2021-22/1 'Bidder's Short Name' Dated 26th MARCH 2022 "and on the e-mail containing price bid the Bidder shall write "PRICE BID (PART-2) "OFFER IN RESPONSE TO OPEN TENDER NO. MBL/TC2/ 2021-22/01 dated 26th MARCH 2022 'Bidder's Short Name' The Price Bid shall be sent in password protected PDF file. The password shall only be provided when MBL asks for the same from the Bidder at the time of opening of the Price Bid.

16.4 Price will be quoted as the Discount per tonne in USD over API#4 average price of 2 weeks immediately prior to actual dispatch. The figure shall be rounded off to 2 decimals.

16.5 The price quoted shall be firm for the contract duration and will be governed by pricing mechanism as per clause 16.6

16.6 Pricing Mechanism.

16.6.1 The bidder shall quote Discount USD (rounded off to 2 Decimals) per Metric Tonne over API#4.

16.6.2 For the purpose of API#4, Argus/McCloskey's Coal price Index Report shall be used.

16.6.3 The API#4 price considered for reference shall be average of two week's prices immediately prior to the week in which Dispatch / Delivery takes place. Henceforth this price shall be called "Base Price". Base Price is rounded up to two decimals place.

16.6.4 The discount given by the Bidder at Annexure 2 of the document shall be subtracted from the "Base Price" to arrive at selling price. .

16.6.5 Applicable Taxes will be charged extra. At present IVA is levied at 17% on local sales.

If the bidder claims exemption from IVA necessary clearance from the Tax authorities should be provided by the bidder, else IVA at applicable rate shall be charged.

17. Deadline for Submission of Bids

17.1 Bids must be received by the SELLER at the electronic mail address specified above well within 1100 Hrs (Mozambique Standard Time) on 26th March 2022.

18. Late Bids

Any bid received by the SELLER after the deadline for submission of Bids will be rejected.

19. Modification and Withdrawal of Bids

19.1 The Bidder may modify or withdraw its Bid after the Bid's submission, prior to the deadline prescribed for submission of Bids, provided that written notice of the modification or withdrawal is received by the SELLER to (coalsales.tender@icvl.co.mz)

19.2 A withdrawal notice may be sent by email and received before the deadline for submission of Bids (coalsales.tender@icvl.co.mz)

19.3 No Bid may be modified subsequent to the deadline for submission of Bids.

19.4 No Bid may be withdrawn in the interval between the deadline for submission of Bids and the expiration of the period of Bid validity specified by the Bidder on the Bid Form. Withdrawal of a Bid during this interval shall result in the forfeiture of EMD.

19.5 In case of multiple bids by the same Bidder, the latest one shall only be considered.

A. Bid Opening and Evaluation

20. Opening of Bids by SELLER

20.1 The SELLER will open (Part 1-EMD) immediately after expiry of the deadline for submission of the Bid, as specified hereinabove.

20.2 The part II of the bids will only be opened in case of Bidders who have complied with EMD requirements.

21. Clarification of Bids

The SELLER may, at its discretion, ask the Bidder for a clarification of its Bid.

22. Preliminary Examination of Bids

22.1 The SELLER will examine the Bids to determine whether they are complete, whether required sureties have been furnished and whether the Bids are generally in order.

22.2 The SELLER may waive any minor infirmity or non-conformity or irregularity in a Bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

23. Evaluation and Comparison of Bids

23.1 The Bids shall be compared on the basis of Discount offered. The bidders quoting Minimum discount shall be declared as the Highest Bidder (H1)

23.2 If there is a discrepancy between words and figures, the amount in words will prevail.

24. Contacting the SELLER

24.1 Any effort by a Bidder to influence the SELLER in the SELLER's Bid evaluation, Bid comparison or

Agreement award decision may result in the rejection of the Bidder's Bid.

25. Award Criteria

From the successful Techno-Commercial Bids, the highest Bidder shall be declared based on the lowest discount quoted. The SELLER will award the Agreement to the successful Techno-Commercial Bidder who's Bid has been determined as the highest Bid.

26. SELLER's right to vary quantities at time of Award

The SELLER reserves the right to award a quantity more or less than the offered quantity, for the purpose of completion of shipment, without any change in unit prices or other terms & conditions.

27. The SELLER reserves the right to accept any Bid in full or in part, or to reject any Bid or all Bids.

28. Notification of Award

28.1 The notification of award will constitute the formation of the Agreement.

29. Signing of Agreement

29.1 Within 5 (Five) business days from the date of receipt of the Notification of Award from MBL, the successful Bidder will send the signed and accepted scanned copy of the Agreement through email, followed by the original through hand delivery or through secured express courier.

29.2 In the event of failure by the successful Bidder to send the signed and accepted scanned copy of the Agreement through email, within 5 (five) business days of the date of receipt of the Notification of Award, MBL shall be entitled to forfeit the EMD (Ernest Money Deposit) furnished by the successful Bidder and to immediately terminate the Agreement formed as per the terms of clause 28.1, and consequently to award the Agreement to the next highest bidder.

30. Action for misrepresentation/ submission of false documents

All the information/ documents furnished with the bid are liable for verification and in case of misrepresentation/ fraud noticed at any stage, the SELLER shall take action such as non-consideration of bid/ termination of order along with forfeiture of EMD. SELLER shall also be entitled to proceed for banning/ suspend business dealings as per rule/ norm. Decision of the SELLER in such case shall be final and binding.

PART – III OF BIDDING DOCUMENTS
OPEN TENDER NO. MBL/TC/2021-22/01 dated 4th March 2022

PROFORMA FOR PRICE BID

(The price is to be quoted on as is where is basis only for delivery from MBL, Tete)

1. Name of the Bidder:

2. Address.....

3. Thermal Coal from Benga Mine, Mozambique

4. Discount per Metric Tonne over API#4: US \$
(in figures as well as in words)

..... United States dollars

(Discount has been quoted over API#4, to be dispatched from Thermal Coal dump area of MBL`s Benga mine at TETE only).

5. Quantity offered: : MT
(in figures as well as in words) : Metric Tonnes

NAME & SIGNATURE OF THE AUTHORISED SIGNATORY OF THE BIDDER

(NAME OF THE BIDDER)

Note: No conditions shall be mentioned in this Format. Any conditional offer is liable for rejection and forfeiture of EMD.

PART – IV OF BIDDING DOCUMENTS

OPEN TENDER NO. MBL/TC2/2021-22/01 dated 4th March 2022

FORM OF AGREEMENT FOR THE SUPPLY OF THERMAL COAL ON AS IS WHERE IS

BASIS AT DUMP AREA OF MBL'S BENGA MINE IN TETE

AGREEMENT NO

DATED: ___/___/___

AGREEMENT FOR SALE AND PURCHASE OF Thermal Coal

This Agreement made this _____ day of _____ two thousand and _____ between M/s. _____, a Company incorporated in _____ and having its Registered Office at _____, hereinafter called the "PURCHASER" (which term or expression unless excluded by or repugnant to the context shall include its successors and permitted assigns) of the FIRST PART, and Minas de Benga Limitada, a Company incorporated in Mozambique under the Laws of Mozambique, having its registered office at Av. 24 de Julho, 4^o Piso, No. 1123, Maputo, Mozambique, hereinafter called the "SELLER", (which term or expression unless excluded by or repugnant to the context shall include its successors and permitted assigns) of the SECOND PART.

WHEREAS acting on such representation of the PURCHASER and other commercial consideration, the PURCHASER has agreed to buy Thermal Coal from the SELLER and the SELLER has agreed to supply the said Thermal Coal on the price and other terms & conditions contained herein in this Agreement and according to the Tender Documents as per the Open Tender No. MBL/TC2/2021-22/01 dated 5th March 2022

NOW THIS AGREEMENT WITNESSETH as follows:

CLAUSE 1: MATERIALS, QUANTITY, QUALITY AND DELIVERY PERIOD

1.1 The SELLER shall sell and the PURCHASER shall buy a total quantity of () Metric Tonne (), subject to a tolerance of plus or minus 10 % (ten percent) at PURCHASER's option including shipping tolerance, of Thermal Coal, hereinafter referred to as the MATERIALS.

1.2 For the purpose of this Agreement, the delivery period shall be reckoned as from _____ to _____. The SELLER reserves the right to postpone the deliveries up to _____ without any additional financial liability to the SELLER.

CLAUSE 2: PRICE

2.1 The price of the MATERIALS shall be API#4 average of 2(two) weeks, price immediately prior to actual dispatch T. The price shall be as per clause 16.4, Part II of the bidding document.

2.2 The discount quoted shall be firm and shall not be subject to any escalation for any reason, whatsoever, until the completion of delivery of the entire Agreement quantity within the agreed delivery period

with such extensions as might be mutually agreed upon between the SELLER and the PURCHASER.

CLAUSE 3: GENERAL CONDITIONS OF AGREEMENT (GCA)

This Agreement is subject to the terms & conditions contained in the General Conditions of Agreement (hereinafter referred to as "GCA") annexed to this Agreement (Annexure-I) which shall form an integral part of this Agreement. In case of any conflict between GCA and any provision hereinabove, the provision contained hereinabove shall prevail over "GCA".

CLAUSE 4: SECURITY DEPOSIT

4.1 The EMD of the successful bidder shall be converted into security deposit.

4.2. After the last shipment, the Security Deposit amount will be refunded to the PURCHASER, after adjustment, if any required.

4.3 The Security deposit shall be forfeited in case of breach of any conditions of the Agreement.

CLAUSE 6: LEGAL ADDRESS OF PARTIES REGISTERED OFFICE

THE PURCHASER

.....

THE SELLER

Minas de Benga, Limitada
Av 24 de Julho,
4º Piso, No. 1123,
Bairro da Polana,
Cimento B, Maputo,
Moçambique.

ADDRESS FOR CORRESPONDENCE

1.

THE PURCHASER

2. Minas de Benga, Limitada
General Manager (Procurement & Sales)

THE SELLER

ICVL Training Centre
Bairro Comunal de Matundo, Parcela No. 1049
Estrada Nacional No. 103
Tete, Moçambique

ANNEXURE – I

TO

GENERAL CONDITIONS OF AGREEMENT (GCA)

1. The coal shall be lifted on as is where is basis (Only indicative quality of Thermal coal has been mentioned).
2. The Purchaser shall, at his own expense, arrange for suitable insurance cover for the MATERIALS delivered by the SELLER.
3. The purchaser shall pay in advance before lifting the material. Payment currency in case of Export shall be USD and in case of local sale (within Mozambique) it shall be MZN. The Advance amount to be deposited as per the bank details which shall be provided in the Proforma Invoice for remittance of the amount in advance. The Rate of Exchange for USD to Metical's shall be considered as on the Date of depositing the payment to ICVL account.
4. Any additional Tests, Certificates, documents, etc, required by the PURCHASER, may be directly obtained from the concerned agencies, in consultation with the SELLER. Any additional charges/Fees that need to be paid on this account, has to be paid directly by the PURCHASER to such agencies.
5. The Purchaser will arrange its own truck (s) for taking delivery at MBL's Benga mine premises at Tete, Mozambique.
6. The terms of delivery of the MATERIALS shall be as per Annexure – 2, which shall constitute an integral part of this Agreement.
7. The PURCHASER shall lift the full contracted quantity as per schedule, unless agreed by MBL, failing which the EMD shall be forfeited.

8. If the SELLER/PURCHASER commits breach of any provisions of this Agreement, the SELLER/PURCHASER shall notify the SELLER/PURCHASER to remedy such breach within a reasonable period. If breach continues to occur, the SELLER/PURCHASER shall have the right to terminate this Agreement.
9. The SELLER on the one hand and the PURCHASER on the other hand shall be responsible for the performance of all their respective obligations under this Agreement.
10. The PURCHASER shall not sublet, transfer, assign or otherwise part with the Agreement or any part thereof, either directly or indirectly, without the prior written permission of the SELLER.
11. EXPORT LICENCE

It shall be the responsibility of the SELLER to obtain the requisite Export License and comply with other relevant laws of its country for export of the MATERIALS if required.

12. The PURCHASER shall be entirely responsible for all taxes, stamp duties, License fees and other such levies imposed outside the SELLER's country.
13. This Agreement cancels all previous negotiations between the parties hereto. There are no understandings or agreement between the PURCHASER and the SELLER which are not fully expressed herein and no statement or agreement, oral or written, made prior to or at the signing hereof shall affect or modify the terms hereof or otherwise be binding on the parties hereto. No change in respect of the terms covered by this Agreement shall be valid unless the same is agreed to in writing by the parties hereto specifically stating the same as an amendment to this Agreement.
14. Failure to enforce any condition herein contained shall not operate as a waiver of the condition itself or any subsequent breach thereof.
15. If the SELLER be prevented from discharging its or their obligation under this Agreement by reason of an unforeseeable and unavoidable event beyond its reasonable control interallied including arrests or restraints by Government or people, war, blockade, revolution, insurrection, mob violence, strikes, terrorist actives, civil commotions, civil, political or social unrest, Acts of God, plague or other epidemics, destruction of the MATERIALS by fire or flood or other natural calamity, incidents and issues interfering with the production, transportation, loading, then the time for delivery shall be extended by the time or times, during which production, transportation or loading is prevented by any such causes as hereinabove mentioned. The party invoking protection under this clause shall put the other party on notice and shall likewise intimate/notify the cessation of such causes. The delivery shall be resumed by the Party/Parties within 15 (fifteen) days from the cessation of the Force *Majeure* causes.
16. Should there be any interruptions in the delivery of the MATERIALS due to *Force Majeure* circumstances, the period of ofttake of the MATERIALS by the PURCHASER/ period of loading of the MATERIALS by the SELLER shall automatically stand extended, equal to the actual duration of the causes interrupting the delivery of the MATERIALS by the SELLER plus a period of 2 (two) weeks to enable the affected party to make suitable arrangements for normalization of shipments.
17. All disputes arising in connection with the present Agreement shall be settled under the Rules of Arbitration of the International Chamber of Commerce, Paris by the Sole Arbitrator appointed in accordance with the said Rules and the Award made in pursuance thereof shall be binding on the parties. The Arbitrator shall give a reasoned award. The venue and seat of arbitration shall be Maputo.
18. This Agreement shall be governed by and construed according to the laws of Mozambique for the time being in force.

FOR AND ON BEHALF OF THE PURCHASER

FOR AND ON BEHALF OF THE SELLER