



Request for Proposal for supply of Fuel Oil (diesel) to Maamba Collieries Limited, Zambia

RFP No. MCL/ZM/PP/FO/001

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Place of Submission: Mr.B.Krishna Mohan, Materials Manager
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Disclaimer

The information contained in this document is confidential in nature. The bidders shall not share this information with any other party not connected with responding to this RFP. The information contained in this RFP or subsequently provided to Bidder(s) whether verbally or in writing by or on behalf of MCL, ZAMBIA shall be subject to the terms and conditions set out in this RFP and any other terms and conditions subject to when such Information is provided.

This RFP is not an agreement and is not an offer or invitation by MCL, ZAMBIA to any party other than the one that qualifies to submit the Bid. The purpose of this RFP is to provide information to the potential bidders to assist them in responding to this RFP. Though this RFP has been prepared with sufficient care to provide all required information to the potential bidders, they may need more information than what has been provided. In such cases, the potential bidder is solely responsible to seek the information required from MCL, ZAMBIA. MCL, ZAMBIA reserves the right to provide such additional information at its sole discretion.

MCL, ZAMBIA makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations on any claim the potential bidder may make in case of failure to understand the requirement and respond to the RFP. MCL, ZAMBIA may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP any time before the final bid submission.

BACKGROUND

Maamba Collieries Limited (MCL) is the largest coal mining company in Zambia. It is a subsidiary of Nava Bharat (Singapore) Pte. Limited which holds 65% and balance 35% of the equity is held by ZCCM Investments Holdings Plc., a Government of Republic of Zambia undertaking.

The Company's Works and Head Office are located at Maamba in Sinazongwe district of Southern Province which is about 350 km from Lusaka, the capital city of Zambia.

The Company has total estimated reserves of 140 million tonnes comprising high grade and thermal grade coal; spread over 1,070 hectares out of a total concession area of 7,900 hectares at Maamba.

MCL follows modern, eco-friendly mining practices. To add value to the coal mining operations, it is establishing a 300MW (2X150MW) mine-mouth coal fired power plant and will utilize diesel oil as a fuel during the commissioning activities and start-ups of the steam generators.

MCL plays a vital role in improving safety, health, environmental and education standards as well as infrastructure and community development in Sinazongwe district, through various CSR activities.

SECTION 1: SCOPE OF PROJECT/SPECIFICATIONS

1.1 MCL's Intent

1.1.1 Introduction:

Maamba Collieries Limited (hereinafter referenced as the "MCL") is seeking proposals from qualified Bidders for supply and delivery of Normal diesel to its Power Plant operations at Maamba, Southern Province, Zambia. This fuel oil will be used during the SG light up trails, Refractory dry out Alkali boil out, SG first light up, Steam blowing, SG light up & Unit start up, TG rolling, Safety valve setting, Synchronization of unit Trail operations, Reliability operation, Performance test, Provision Performance guarantee test and as well as in running condition during cold startup/low load / part load of the steam generators. This Project will allow MCL to operate with low level of emissions, protect the environment, and generate Electricity for use in Zambia and the surrounding region.

1.1.2 Interpretation of Estimates:

The attention of bidders is called to the fact that, unless stated otherwise, the Fuel Oil (Diesel) quantities given in the proposal are to be considered to be approximate only and are given as a basis for the comparison of bids. MCL may increase or decrease as may be deemed necessary or expedient, during the period of the contract. An increase or decrease in the quantity is not sufficient ground for an increase or decrease in the unit price.

1.1.3 **Price Quoted:** The prices quoted must be on delivery at MCL, Maamba storage tanks, Maamba. All prices must be quoted in Zambian Kwacha only.

1.2 Quality and Price Specifications

1.2.1 Fuel Oil (Diesel) Quality:

The fuel oil shall be clear hydrocarbon oil, free from sediment, water or suspended matter.

Further, Diesel oil specifications are more detailed below:

Sl. No.	Parameters	Units	Value
1	Viscosity at 40° C	Cst	1.6/5.3
2	Density at 15° C (Approximate)	kg/lt	0.820/0.869
3	Flash point, Min	° C	Min 60
4	Pour point, Max.	° C	Max 5.0
5	Water content, Max.	Mass%	Max 0.01
6	Sediment, Max.	Mass%	Max 0.01
7	Sulphur, Max.	Mass%	Max0. 55
8	Ash content, Max.	Mass%	<0.01
9	Gross calorific value (Approximate)	MJ/kg(Kcal/Kg)	43-46(10227-10994)

1.2.2 Prices:

The prices quoted regardless of quantity and method shall be per litre delivered to MCL storage tanks and include all taxes, duties and freight & Insurance and shall remain firm for the duration of the contract period.

1.2.3 Quantity: Initial supply of 1,000 kilo litres followed by monthly supply of 150 kilo litres. (Refer clause 1.1.2)

1.2.4 Delivery Periods: As per the MCL delivery schedules.

1.2.5 Payment Terms: 30 Days credit from date of delivery.

1.2.6 Contract Period: Expected Contract period will be one year and extendable thereafter subjected to MCL satisfaction of performance and other parameters.

1.3 Bidder Responsibilities and Qualifications

1.3.1 Bidder Qualifications:

Bidder shall own and be in operation, a permanently established bulk storage plant with stationary tanks OR Bidder who does not have a bulk storage plant with stationary tank, must submit at the request of MCL, a letter from its source of supply, stating that it is committed for a certain quantity and that the source of supply will, in turn, guarantee that quantity of supply to the Bidder.

Letters of guaranteed supply from the Bidder's source must be submitted to MCL.

The bulk storage plant is located within a reasonable distance from the point to which deliveries are to be made by transport tank wagon. The decision of MCL shall be final as to whether or not the storage point is sufficiently close enough to protect the interests of MCL.

1.3.2 Statutory Requirements:

All applicable local, State laws and ordinances having jurisdiction in any manner affecting the conduct of the work will apply to the contract throughout. These regulations include, but are not limited to: fire codes, electrical codes, health and safety and labor laws. All such laws and regulations will be deemed to be implicitly incorporated into the contract.

1.3.3 Permits and Licenses:

All necessary permits, licenses, insurance policies, etc. as required by local, State laws, shall be provided by the bidder at its own expense.

1.3.4 Authority of Agency:

On all questions concerning the interpretation of specification, the acceptability and quality of material supplied, the classification of material, and the determination of payment due or to become due, the decision of MCL shall be final and binding.

1.3.5 Disqualification of Bidders:

Any one or more of the following causes may be considered as sufficient reason for disqualification of a bidder and the rejection of its proposal or proposals:

1. More than one proposal for the same contract from an individual, firm, or corporation under the same or different names.
2. Evidence of collusion among bidders.
3. Unsatisfactory performance record as evidenced by past experience.

4. If the unit prices are obviously unbalances either in excess or below reasonable cost analysis values.
5. If there are any unauthorized additions, interlineations, conditional or alternate bids or irregularities of any kind which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning.
6. Any other reason whether statutory or non-statutory / legal or illegal, which may lead to disqualification as per MCL.

1.4 MCL Responsibilities

1.4.1 RFP Terms

- MCL offers no compensation for expenses related to Bidder proposals. Bidders agree that submitting a proposal results in no obligation for MCL or its representatives.
- Acceptance of any bidder's response for evaluation does not place MCL under any obligation to accept the lowest priced or most technologically advanced response.
- MCL reserves the exclusive right to accept or reject any or all bids, for whatever reason they deem appropriate.
- Bidders acknowledge that MCL retains the right to alter the bid process, or waive any formalities.
- Issuance of this RFP does not constitute a commitment by MCL to award a contract to any of the responding Bidders.
- MCL reserves the right to make an award solely on the proposals or to negotiate further with one or more Bidder.
- MCL reserves right to award Contract to one or more Bidders based on the proposals received. If in such an event the quantity mentioned at clause 1.2.3 is likely to be split between the successful Bidders.

1.5 Award of Contract

1.5.1 Material Guarantee:

Before any contract is awarded, the successful bidder may be required to furnish a complete statement of the origin, composition and manufacture of any or all of the material to be used in the contract together with such samples as may be requested for the purpose of testing.

1.5.2 Contract Award:

MCL decides upon evaluation of the bids received based on evaluation process which is solely termed at the discretion of MCL. Within ninety days from the date of opening proposals, the contract will be awarded or the proposals shall be rejected.

1.5.3 Execution of Contract:

The bidder to whom the award is made shall execute a formal contract and submit a performance bond in the form of a Bank Guarantee (Appendix – 1) for a value equivalent to 25% of yearly supply value within twenty one days after the date of official notice of the award of contract.

- 1.5.4 If the successful bidder fails to execute the Contract and or fails in submission of guarantee as aforesaid within twenty one days after the date of official notice of the award of the

contract, award will then be made to the next qualified bidder or re-advertised, as MCL may decide.

SECTION 2: PROPOSAL INSTRUCTIONS

2.1 Single Point of Contact

- 2.1.1 From the date this Request for Proposals (the “RFP”) is issued until a Bidder is selected, **Bidders are not allowed to communicate with any staff of MCL regarding this procurement and or process.** Any unauthorized contact may disqualify the Bidder from further consideration. Contact information for the single point of contact is as follows:

Buyer: Mr. B. Krishna Mohan
Address: Maamba Collieries Limited, P. O. Box 99, Maamba
Telephone: +260 0962565972
Email: kmohan@maambacoal.com

2.2 Proposal Instructions

- 2.2.1 **Request for Information (RFI):**
All RFI’s concerning this RFP should be submitted electronically to the single point of contact as mentioned in section 2.1.1 above and hard copy of the same in sealed cover to MCL Corporate office in Lusaka.
- 2.2.2 **Addenda:**
Additions, deletions, clarifications, or other modifications related to this RFP will be issued by one or more addenda. Addenda will become part of the proposal documents.

2.3 Submitting a Sealed Proposal

- 2.3.1 **Organization of Proposal:**
Each proposal shall be prepared simply and economically, providing straightforward, concise delineation of the Bidder’s capabilities to satisfy the requirements of this RFP. Emphasis in each proposal shall be on completeness and clarity of content. To expedite the evaluation of proposal, it is also essential that Bidders shall provide us a minimum of (3) three references from those buyers to whom the bidders supplies Limestone.
- 2.3.2 **Failure to Comply with Instructions:**
Bidders failing to comply with these instructions may be subject to ranking reductions. MCL may also choose not to evaluate, and/or may disqualify from further consideration any proposals that do not follow this RFP terms / instructions, are difficult to understand, are difficult to read, or are missing any requested information.
- 2.3.3 **Copies Required and Due date for Receipt of Sealed Proposals:** All proposals must be received by mail and hand-delivered before the due date in sealed opaque packaging. Sealed bid envelopes must be clearly labeled with the following information:
Company Name :
RFP No. : 01
Date of submission :
Bidders must submit the following number of copies to the address set forth on the Cover Page:

- i. **One (1)** hard copy marked “Original” with original signatures; and
- ii. **One (1)** electronic copy. The electronic copy shall be submitted in pdf format and organized in the same format as the original submission with each chapter or section of the original having a corresponding chapter or section in the Electronic File.

2.3.4 **Late Submissions, Withdrawals, and Corrections:**

Late Proposals:

Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be the Bidder’s sole risk to assure delivery to MCL by the designated time. Late proposals will not be opened and may be returned to the Bidder at the expense of the Bidder or destroyed if requested.

Proposal Withdrawal:

A Bidder requesting to withdraw its proposal prior to the RFP due date and time, may submit a letter to the single point of contact listed in *Section 2.1.1* requesting to withdraw. The letter must be on Company letterhead and signed by an individual authorized to legally bind the firm.

Proposal Correction:

If an obvious clerical error is discovered after the proposal has been opened, the Bidder may submit a letter to the single point of contact listed in *Section 2.1.1* within two business days of opening, requesting that the error be corrected. The letter must be on Company letterhead and signed by an individual authorized to legally bind the firm. The Bidder must present clear and convincing evidence that an unintentional error was made. The single point of contact will review the correction request and a judgment will be made. Generally, modifications to opened proposals for reasons other than obvious clerical errors will not be permitted.

2.4 Bidder’s Certification

2.4.1 **Understanding of Specifications and Requirements:**

By submitting a response to this RFP, Bidder agrees to an understanding of and compliance with the specifications and requirements described in this RFP.

2.5 Cost of Preparing a Proposal

- 2.5.1 **MCL Not Responsible for Preparation Costs:** The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by MCL are entirely the responsibility of the Bidder. MCL is not liable for any expense incurred by the Bidder in the preparation and presentation of its proposal.

SECTION 3: RFP EVALUATION PROCESS

3.1 Evaluation of Proposals

3.1.1 Basis of Award:

MCL shall award this contract to the lowest responsible and responsive Bidder (s) who best meets the terms and conditions of the bid. The award will be made on basis of price, product evaluation, and prior history of service and capability of the bidders etc.

3.1.2 Completeness of Proposals:

Information or materials presented by Bidders outside the formal response will not be considered and will have no bearing on any award, and may result in the Bidder being disqualified from further consideration.

3.2 MCL Rights Reserved

3.2.1 While MCL has every intention to make an award as a result of this RFP, issuance of the RFP in no way constitutes a commitment by MCL to award and execute a contract. Upon a determination that such action would be in its best interest, MCL, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP at any time. A notice of cancellation will be issued on the MCL website. If the RFP is cancelled, MCL will not reimburse any Bidder for the preparation of its proposal. Proposals may be returned upon request if unopened;
- Reject any or all proposals received in response to this RFP, and award a contract directly on the proposals received in the best interest of MCL, at its sole discretion;
- Waive and/or amend any undesirable, inconsequential, or inconsistent provisions/specifications of this RFP which would not have significant impact on any proposal;
- Not award if it is in the best interest of MCL; or
- Terminate the contract if MCL determines adequate funds are not available, technical changes are introduced wherein Limestone may not be required to be used in the process / operations etc.,

SECTION 4: SUBMITTALS

4.1 PROPOSAL

Proposal Requirements: Each response to this RFP shall include the information described in this section. Failure to include all of the elements specified may cause for rejection. Additional information may be provided, but should be sufficient and relevant to the objectives of this RFP. Excessive information will not be considered favorably.

All proposals shall contain the following elements, and in the order given:

- A. Cover Page, signed by an authorized representative of the Bidder.
- B. Basic Information
 1. Bidder name, mailing address (include physical location if mailing address is a P.O. Box), contact person, telephone number, fax number, and e-mail address.
 2. Type of organization (partnership, private limited companies', limited partnership, Corporation, etc.)
 3. History of the firm, including background of firm's executive management and number of years the firm has been in business.
- C. Supply Capabilities – Provide a narrative containing the following information:
 1. Experience: The Bidder must demonstrate with experience in supplying Lime stone with three references with the following information:
 - i. Name of client,
 - ii. Date of contract,
 - iii. Size of refueling station,
 - iv. Client's point of contact,
 - v. Phone number for point of contact,
 - vi. Email for point of contact.
 2. Installed capacity and Capacity utilization
 3. Supply details for the last five years.

APPENDIX - 1

Bank Guarantee

[The bank, as requested by the successful Bidder, shall fill in this form in accordance with the instructions indicated]

Date: *[insert date (as day, month, and year) of Bid Submission]*

ONB No. and title: *[insert no. and title of bidding process]*

Bank's Branch or Office: *[insert complete name of Guarantor]*

Beneficiary: *[insert complete name of Procuring Entity]*

BANK GUARANTEE No.: *[insert Performance Guarantee number]*

We have been informed that *[insert complete name of Supplier]* (hereinafter called "the Supplier") has entered into Contract No. *[insert number]* dated *[insert day and month]*, *[insert year]* with you, for the supply of *[description of Goods and related Services]* (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a Performance Guarantee is required.

At the request of the Supplier, we hereby irrevocably undertake to pay you any sum(s) not exceeding *[insert amount(s)¹ in figures and words]* upon receipt by us of your first demand in writing declaring the Supplier to be in default under the Contract, without cavil or argument, or your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This Guarantee shall expire no later than the *[insert number]* day of *[insert month]* *[insert year]*,² and any demand for payment under it must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458, except that subparagraph (ii) of Sub-article 20(a) is hereby excluded.

[signatures of authorized representatives of the bank and the Supplier]