Invitation to all stakeholders/prospective bidders for the project of coal movement to NTPC Plant at Barh through NW-1

(1) Government of India has given priority to the development of National Waterways with the objective of making them a robust and sustainable mode of transportation.

(2) Globally, Inland Water Transport (IWT) has long been recognized as a viable mode of transport with many advantages over other modes of surface transport viz. road and railways, especially for bulk goods, over dimensional cargo and hazardous goods.

(3) Inland Waterway is considered to be the most environment friendly mode of transportation with its excellent fuel efficiency and lower emission levels. It can provide high capacity transport corridors alongwith rail and road.

(4) There are 5 declared National Waterways in India (NW-1, NW-2, NW-3, NW-4 and NW-5) and an additional 101 rivers, canals etc have been identified to be declared as National Waterway.

(5) Government of India has recently announced the prestigious project of “Jal Marg Vikas” which is focused on the capacity augmentation for navigation of 1500-2000 ton vessels on National Waterway-1 (NW-1) between Haldia and Allahabad. This shall be achieved by developing and improving the navigational infrastructure and maintaining least available depth (3.0 m) throughout the year in the waterway in the river Ganga between Haldia and Varanasi in phase-I.

(6) In order to develop inland water transport as a supplementary mode for transportation of coal on the National Waterway – 1 (Ganga), Inland Waterways Authority of India (IWAI) has entered into MoU with NTPC for transportation of 3 MMTPA of imported coal for a period of 10 years for their plant located at Barh, Patna in the State of Bihar through private sector participation.

(7) IWAI proposes to convene a stakeholder’s consultation meeting tentatively in the first week of September 2015, which is open for all the stakeholders/ prospective bidders to obtain their feedback/facilitations required for implementation of the project through private sector participation. The objective of the meeting is to collate stakeholders/prospective bidders suggestions/facilitations/interventions required so that same could be considered for suitable incorporation in the tender document.

(8) The brief of the project, scope of work of Operator and Obligations of IWAI & NTPC is provided in Annex-I.

(9) All interested participants may kindly send their confirmation to iwainoi@nic.in, sahamanaskr@yahoo.co.in and also fax at 91-120-2543973.
I. Project

(1) Capacity of Barh Power Plant

NTPC is developing a Mega thermal power plant at Barh in Bihar with a total capacity of 3300 MW [(2 x 660 MW) + (3 x 660 MW)]. The power plant is under construction and first unit of 660 MW was commercialized in FY 2014-15. The second unit is expected to be commercialized shortly.

(2) Location of Barh Super Thermal Power Plant (Barh STPP)

Barh STPP is located in the Patna District of Bihar at latitude of 25 deg 29' 10" North and longitude 85 deg 45' 40" East. It is 47 metres (154 ft) above the mean sea level. The site is approximately 4 kms from Barh town and is approachable via the Patna – Mokama National Highway. The nearest railway station is Barh, on the Patna - Howrah section of main trunk route and is approximately 3.0 kms from the project site. Patna is the nearest commercial Airport at approximately 60 km from the site. The site is located by the side of the river Ganges.

(3) Coal Requirement

The total coal requirement of the power plant is estimated to be around 16 MMTPA. Out of that NTPC intends to import around 3 MMTPA & is desirous to move the imported coal through waterways subject to the condition that the delivered cost of coal through waterway is competitive vis-à-vis Railways.

(4) Presently, NTPC imports coal on FOR destination basis through Imported Coal Supplier(s) (ICS). However, in future NTPC may also procure imported coal either on Cost and Freight (CFR) /Free on Board (FOB) basis.

(5) The selection of the ICS is done by NTPC through a periodic coal procurement tender (the "Coal Procurement Tender"), for import and supply of coal.

(6) IWAI has proposed to undertake competitive bidding process for and on behalf of NTPC, to identify and recommend an operator (“Operator”) to NTPC, for final selection and appointment by NTPC. The Operator, selected through the bidding process, would be responsible for unloading coal from the Ocean Going Vessels and thereafter moving the coal on its own Vessels [(river sea vessels or any combination of coastal vessel/river sea vessels/inland). (self propelled/tug and barge combination)] capable of 24 hours and round the year operation, transporting the coal using National Waterway -1 and ensuring delivery of the imported coal, in accordance with identified specifications, at the coal stack yard of Barh STPP, for a period of ten (10) years (excluding the period of construction)

(7) Bidders are required to quote the Total Transportation Rate per metric tonne that comprises of :
(a) Rate per Metric Tonne for unloading from Ocean Going Vessel using the Transshipment Infrastructure created / procured by the Bidder and loading onto the Operator’s Vessels
(b) Rate per Metric Tonne for transportation of coal by Operator’s Vessels through coastal waters
(c) Rate per Metric Tonne for transportation of coal by Operator’s Vessels through inland waterways up to Barh Waterfront
(d) Rate per Metric Tonne for Unloading of coal from Operator’s Vessels and delivery of coal through conveyor Belt System to coal stack yard of Barh STPP

Quoting the lowest Total Transportation Rate per Metric Tonne would not automatically qualify a Bidder for being declared as the Successful Bidder/Operator. The Total Transportation Rate per Metric Tonne quoted by the Bidder would be examined in the context of the delivered cost of Coal, as explained in item 3 above.

The Total transportation Rate per metric tonne will be subject to escalation based on Wholesale Price Index (WPI) and increase/decrease in the cost of Diesel

(8) The Operator, selected pursuant to the bidding process undertaken by IWAI, shall be required to execute and enter into Tripartite Agreement with NTPC and IWAI. The Operator shall also be required to execute and enter into agreement with the ICS and/or NTPC or their designated agency(ies), as the case may be for transportation and delivery of a minimum of 3 MMT(million metric tonne) of imported coal per annum from the Transfer Point (as defined later) to coal stack yard of Barh STPP

(9) The broad scope of work of Operator and obligations of NTPC and IWAI are provided in subsequent section

II. **Broad scope of work (Operator)**

Formulate and implement a detailed plan in accordance with which:
(1) coal would be unloaded and transferred from Ocean Going Vessels (both Panamax and Capesize vessels) to the Operator’s Vessels at such locations as are identified by the Operator as being suitable for such unloading from the Ocean Going Vessels to the Vessels, (such location being referred to as the “Transfer Point”).
(2) The Transfer points shall be identified and finalized by the Operator in accordance with the applicable laws and in consultation with the concerned port authorities including but not limited to the Kolkata Port Trust (KoPT) and/or Paradip Port Trust (PPT).
(3) design, create and procure suitable and adequate infrastructure and facilities for unloading and transferring of the coal from Ocean Going Vessels (both Panamax and Capesize vessels) to Operator’s Vessels at the Transfer Point (“Transshipment Infrastructure”)
(4) procure and operate sufficient number of Vessels to meet movement schedule of imported coal.
(5) design, construct, finance, operate and maintain, Unloading Infrastructure and Material Handling System including but not limited to the pipe conveyor system and other ancillary equipments at the Unloading Point, that would be used to unload coal from the Vessels for onward delivery of coal to coal stack yard of Barh STPP. The Unloading Infrastructure and Material Handling System will be transferred and handed over to NTPC at Re 1/- at the end of the Term.

(6) Pipe Conveyor system should have a discharge capacity of 1000 tonnes per hour (TPH).

(7) Operator shall ensure the creation / procurement of Transshipment Infrastructure, Vessel and development of Unloading Infrastructure and Material Handling System, required for the purposes of discharge of its obligations in respect of the Project, within a period of thirty six (36) months from the date of execution of the Agreement.

(8) Complete on board stevedoring for discharge of coal from Ocean Going Vessel to Vessels and ensure a minimum unloading rate of 12000 Metric Tonne PDPRWWDSHINC (Per Day Pro-rata Working Weather Day Sunday Holiday Included). All expenses and cost with respect to wharfage, Berth Hire Charges/ anchorage, tug charges, Pilotage & Towage, mooring, fenders, Storage charge etc at the Transfer Point shall be borne by Operator.

(9) Operator shall bear and pay all applicable charges and levies for use of public utilities and facilities, incidental to the performance of its obligations hereunder, including but not limited to the following charges:

   (a) KoPT has approved a concessional wharfage charge @60% of that applicable for ‘Foreign Cargo’ at KoPT berth other than through mechanized system and nil anchorage charge on mother vessel/ transloader/ daughter vessel/river sea vessels for this Project for 3 MMTPA of coal.

   (b) KoPT has identified two locations viz. virtual jetty at Saugor and Maragolia near Saugor as additional anchorage points and approved wharfage @ 150% of the SOR applicable for ‘Foreign Cargo’ at KoPT berth other than through mechanized system.

   The above set forth charges are subject to change from time to time, during the Operation Period.

   (c) Rs 10 per MT of the cargo transloaded from/to the mother vessel to Paradip Port Trust as Royalty.

In case the Operator finalizes the Transfer Point which is not under the jurisdiction of KoPT and/or Paradip Port Trust, the Operator shall be required to do its own due diligence and finalize the commercial terms with the concerned port authorities. In such case, any incremental change in the charges shall be borne by the Operator.
(d) Rs 20 per GRT to Farakka Barrage Project to enable the crossing of Vessels through Lock Gate.

(e) Waterway usage charges prevailing @ Rs 0.02 per Gross registered tonnage (GRT) per kilometer for use of National Waterways to IWAI.

(f) Any increase or decrease in the above stipulated statutory charges during the Operation Period shall be passed on to Imported coal Supplier or NTPC or/and their designated agency(ies) as the case may be and accordingly the Total Transportation Rate Per Metric Tonne as applicable at the time of such revision shall be adjusted.

(10) bear and pay all cost, taxes, expenses and charges in connection with or incidental to the performance of the obligations under the Agreement;

(11) comply with all applicable laws and obtain all applicable permits and approval in all material respects during the tenure of contract period.

III. **Obligation of NTPC**

(1) Enter into Tripartite Agreement with IWAI and Operator for transportation of 3MMTPA coal for a period of 10 years excluding the construction period

(2) NTPC shall ensure during the Operation Period, transportation of a minimum quantity of 3 MMT (million metric tonne) of coal per annum, through the Operator using Inland Waterways Transport (IWT), either itself and/ or through the Imported Coal Supplier(s) and/or their designated agency(ies), as the case may be (in terms of the Coal Transportation Agreement) selected pursuant to the Coal Procurement Tender as the case may be.

(3) Ensure that Imported Coal Supplier executes the Coal Transportation Agreement with the Operator and accepts the Operator as the exclusive transport operator appointed by NTPC for transportation of coal from Transfer Point to Barh STPP.

(4) Ensure timely payments by the Imported Coal Supplier to the Operator, in terms of the Coal Transportation Agreement.

(5) NTPC through their Imported Coal Supplier shall ensure delivery of coal at Transfer Point on Fairly Evenly Spread basis.

(6) Imported Coal Suppliers shall reimburse to the Operator any increase in the stipulated existing statutory charges (as described in II (10) above), payable by the Operator during the Operation Period on actual basis. In case of any reduction in stipulated charges the Total Transportation Rate per metric tonne as applicable at the time of such revision shall be adjusted accordingly
IV. Obligation of IWAI

(1) Enter into Tripartite Agreement with NTPC and Operator

(2) Ensure Least Available Depth (LAD) of 3 meters (with effect from December 2017) with a minimum width of Channel of 45 meters from Haldia upto Barh for a period of 330 days in a year

(3) provide channel markings, navigational aids including night navigation facilities for 24 hrs operation of Vessels, and other navigational aids such as DGPS, RIS, etc.

(4) Ensure smooth 24x7 operation of navigational lock gate at Farakka over the Operation Period, in close co-ordination with Farakka Barrage Project, to enable the crossing of Vessels within 2 hours of its arrival

(5) IWAI is planning to construct the multi-modal IWT terminal with rail & road connectivity at Haldia with technical and financial assistance of World Bank under Jal Matg Vikas. IWAI has acquired 61 acres of land from KoPT and the construction of the terminal is expected to commence in February 2016. The facilities on this multi-Modal IWT Terminal would have berthing, anchorage and transshipment facilities. This may be used by the Operator on chargeable basis.