

Request for Proposal (RFP)
For
Repair and Maintenance Contract for Sathavahana Ispat Limited

Issued on 4th September 2021 by:

Name: Golla Ramakantha Rao

Address:

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Hyderabad-500016. Telangana**

Instructions to parties interested in submitting quotation for Repair and Maintenance Contract for Sathavahana Ispat Limited in furtherance of Advertisement dated 4th September 2021

1. Introduction:

- a) Sathavahana Ispat Limited (“**SIL**” or “**the Company**”) is a public limited company incorporated in 1989 under the Indian Companies Act 1956, with limited liability by shares. SIL is primarily engaged in the business of manufacturing & selling of DI pipes, metallurgical coke & pig iron and power generation.
 - b) The Company started with manufacturing and selling pig iron, and subsequently, set up (i) coke ovens to manufacture metallurgical coke (ii) captive power plants (iii) iron ore sintering plant and (iv) DI pipe manufacturing unit. As of now, the Company has plants at 2 locations, i.e., one at Haresamudram, Anantapur Dt., Andhra Pradesh and the other at Kudithini, Ballari Dt., Karnataka.
 - c) The Corporate Insolvency Resolution Process (CIRP) with regards to SIL has been initiated as per the provisions of Insolvency and Bankruptcy Code (IBC) 2016, by an order of National Company Law Tribunal (NCLT) dated July 28, 2021. The manufacturing facilities of the Company require urgent repair and maintenance as set out in the subsequent part of this RFP and the IRP has deemed it fit to invite proposals from repair and maintenance contractors, for the scope of work set out herein below.
2. Persons (including individuals, corporate, LLPs, partnership firms, body corporates, etc.) having experience of installation, erection or repair of coke oven and DI pipe manufacturing plants with following indicative eligibility criteria can submit their bids.

No.	Criteria	Having experience of installation, commissioning, repairs, etc.	Having experience of operation of plants of similar nature / capacity
1.	Minimum Average Annual Turnover	3 times of quoted contract value	Rs 1000 crores
2.	Minimum Network	Rs 50 crores	Rs 500 crores
3.	Experience	(a) Experience of successfully completed similar works during last 5 years ending last day of month previous to the one in which applications are invited should be either of the following: Three similar completed works each costing not less than an amount equal to 40% of estimated value mentioned	Experience of operation of similar plants for at least of 3 years with operating capacity in each of last three years equivalent to at least 50% of the installed capacity of

		<p>against each work in the tender notice.</p> <p>OR</p> <p>(b) Two similar completed works each costing not less than 50% estimated value mentioned against each work in the tender notice.</p> <p>OR</p> <p>(c) One similar completed work costing an amount not less than 80% estimated value mentioned against each work in the tender notice.</p>	each of specific plants.
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Non-banking financial companies can also apply and submit their bids, provided such bid is in collaboration with any of the eligible entities set out above. The eligibility criteria will be measured as average for last three years or as on date ending 31st March, 2021 (as applicable).

3. Scope of Work:

The scope of work under the contract shall comprise of the following:

No.	Name of Unit	Location	Repair & Maintenance Activities	Performance Requirement
1.	36 Square Meter - Sinter Plant	Haresamudram Anantapur Dt., AP	Inspection, repair and servicing of all equipments and systems to make the Unit function and operating the defined performance parameters;	<p><u>Output of Sinter as 1.7 MT / Sq.m/hr:</u></p> <p>Contractual agency shall ensure the performance of the plant after repair & maintenance, by demonstrating the constant operation of plant at rated capacity for a week without any breakdown or stoppage. All necessary raw materials, consumables and man power shall also be arranged by the contractual agency.</p>
2.	350 m3 / Blast Furnace	Haresamudram Anantapur Dt., AP	Inspection, Dismantling of Bricks, Erection of Bricks and final commissioning of the blast furnace with all necessary	<p><u>Liquid Metal of 800 MT / Day:</u></p> <p>Contractual agency shall ensure the performance of the plant after repair & maintenance, by</p>

			ancillaries;	demonstrating the constant operation of plant on rated capacity for a week without any breakdown or stoppage. All necessary raw materials, consumables and man power shall also be arranged by the contractual agency.
3.	DI Pipe plant	Haresamudram Anantapur Dt., AP	Inspection, repair and servicing of all equipments and systems to make the Unit function and operating the defined performance parameters;	<u>0.21 MTPA Pipe production:</u> Contractual agency shall ensure the performance of the plant after repair & maintenance, by demonstrating the constant operation of plant on rated capacity for a week without any breakdown or stoppage. All necessary raw materials, consumables and man power shall also be arranged by the contractual agency...
4.	30 MW power plant	Haresamudram Anantapur Dt., AP	Inspection, repair and servicing of all equipments and systems to make the Unit function and operating the defined performance parameters;	<u>30.0 Mwh power generation:</u> Contractual agency shall ensure the performance of the plant after repair & maintenance, by demonstrating the constant operation of plant on rated capacity for a week without any breakdown or stoppage. All necessary raw materials, consumables and man power shall also be arranged by the contractual agency.
5.	0.4 MTPA Coke oven plant	Kudithini Bellary Dt., Karnataka	Inspection, repair and servicing of all equipments and systems to make the Unit function and	<u>0.4 MTPA coke production:</u> Contractual agency shall ensure the performance of the plant after repair &

			operating the defined performance parameters;	<p>maintenance, by demonstrating the constant operation of plant on rated capacity for a week without any breakdown or stoppage. All necessary raw materials, consumables and man power shall also be arranged by the contractual agency. Target for the contractual agency shall be for a consistent pushing of 33 numbers per day with 48 mt coal charging in each oven and production of coke shall be 34 mt from each oven with required coke parameters and with a flue gas temperature of not less than 1050 deg C at boiler inlet with the rated volume by arresting all the leakages from the duct, oven doors etc to see that the entire qty of flue gas generated reaches the boiler and make the steam generation accordingly.</p>
6.	50 MW Power plant	Kudithini Bellary Dt., Karnataka	Inspection, repair and servicing of all equipments and systems to make the Unit function and operating the defined performance parameters;	<p><u>30 Mwh power generation through coke oven waste heat recovery:</u></p> <p>Contractual agency shall ensure the performance of the plant after repair & maintenance, by demonstrating the constant operation of plant on rated capacity for a week without any breakdown or stoppage. All necessary raw materials, consumables and man power shall also be arranged by the</p>

				contractual agency.
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The bidder shall, together with the bid, also submit specific timelines for completion of the work (including demonstration time as above), together with major milestones and the corresponding timelines within which they shall be completed.

4. Evaluation of the bid:

Evaluation of the bid would be carried out by the IRP/ Resolution Professional (RP) (on behalf of the Committee of Creditors of SIL constituted as part of the CIRP) in two steps.

- a) IRP/RP will first evaluate the technical bid of the bidder and only once such bidder is found fit to undertake the repair work technically, will the IRP/ RP open and evaluate such bidder’s commercial and financial bid.
- b) Commercial and financial bid shall be evaluated on the following factors:
 - i. Quotation of the repair & maintenance work to be carried out;
 - ii. Timelines for the completion of the work;
 - iii. Interest for deferred payment terms, as set out herein below.

Further, the following terms and conditions in relation to the evaluation of the bid shall be applicable:

- (i) the IRP / RP, with the approval of CoC, reserves the right to cancel bid at any point in time without assigning any reason whatsoever and without any liability to the IRP.
- (ii) the IRP / RP, with the approval of CoC, reserves the right to determine whether or not the bidder qualify for the submission of the proposal and may reject their bid without assigning any reason whatsoever and without any liability to the IRP.
- (iii) the IRP / RP, with the approval of CoC, may consider deviations from the aforementioned qualification criteria, at their sole right and discretion, and
- (iv) the IRP / RP, with the approval of CoC, reserves the right to request for additional information from the bidders for the purposes of evaluation of the bid.

5. Critical Date Sheet:

1.	Published Date	04.09.2021
2.	RFP document Download Start Date and Time	04.09.2021 from 10.00 AM
3.	Last date and time of sending queries	11.09.2021 up to 5.00 PM
4.	Authority’s response to queries	14.09.2021
5.	Proposal Submission (Online) End Date and Time	18.09.2021 up to 5.00 PM
6.	Proposal Opening Date and Time: Technical Bid	19.09.2021 - 11.30 AM
7.	Proposal Opening Date and Time: Financial/	20.09.2021 - 11.30 AM

	Commercial Bid	
8.	Declaration of successful bidder/ release of letter of intent	25.09.2021 - by 3.00 PM

6. Earnest Money Deposit:

- a) EMD will be equivalent to 1% of estimated value of contract subject to a maximum of Rs50.00 lakhs. Bidder will have to submit their Bids accompanied by Earnest Money.
- b) The EMD shall be deposited in the form of pay order / Demand Draft/ Banker's cheque in favour of IRP / RP.
- c) EMD deposited by the bidder shall not bear any interest to the Contractor.
- d) Refund/ return of EMD to unsuccessful bidders: The EMD amounts shall be returned to all unsuccessful bidders within 15 days of the declaration of the successful bidder.

7. Security Deposit:

- a) The successful bidder will be required to furnish a security deposit, which shall be 10% of the original contract sum, furnished in the form of a performance bank guarantee, within 2 business days from the date of declaration of the successful bidder. This amount will not be altered during the execution of work due to deviation, either plus or minus.
- b) Performance guarantee will be refunded within 30 days of the completion of the scope of work as per the proposed timelines.
- c) As time is of essence of the contract, time submission and start of work is critical for the same. Non-submission of performance guarantee within a period of 2 business days from the date of declaration of successful bidder will result in termination of the bid and EMD submitted will be forfeited. However, the IRP / RP, with the approval of the CoC, on the request of the successful bidder, reserves the right to extend the period of submission of performance guarantee subject to recovering damages as mentioned below.
- d) The bidder will not be allowed to start the work unless performance security deposit has been paid.
- e) Term of the performance guarantee: The performance guarantee furnished by the contractor shall remain valid for the proposed duration for completion of works and an additional 3 months.
- f) The bidder has to extend the bank guarantee in case of period of contract has been extended.

8. Payment Terms:

The Company is currently undergoing CIRP in terms of the provisions of the Code and has limited funds. Accordingly, the bidder will be required to meet the operational/ management expenses incurred towards the repair and maintenance of the plants during the tenure of its appointment. The costs / expenses incurred by the bidder in this respect, along

with interest at the rate of [*to be quoted by bidder*] %, shall, subject to approval of the CoC, be treated as ‘insolvency resolution process costs’ in terms of the Code and the regulations framed there under, and shall be payable to the bidder in priority, over any other debts of the Company, at the time of implementation of the resolution plan, or in case of liquidation of the Company, as the case may be.

The successful bidder/ contractor will submit a bill for the work done, upon the completion of such contracted work.

9. Liquidated Damages:

Time is of essence of the contract. In case of delay in completion of work, liquidated damages @0.5% of the contract value per week of delay will be deducted, subject to maximum of 10% of the contract value.

10. The IRP/RP will issue the repair & maintenance contract to the successful bidder, with a usual ‘Risk Purchase’ clause.
11. Please note that all the bids received pursuant to this RFP shall remain subject to the approval and final decision of the CoC, with respect to the commercial terms.
12. The IRP / RP reserves the right to suspend and / or cancel the bid process and / or amend and / or supplement the bid process or modify the dates or other terms and conditions set out in this RFP and / or the advertisement.
13. The successful bidder / contractor shall handover the unit(s) in their entirety, to the RP/ new management, as the case may be, upon completion of the contract works.

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[On the Letterhead of the Entity Submitting the Quotation]

Offer letter

Date: _____

To,

Subject: Offer letter for Repair and Maintenance Contract for Sathavahana Ispat Limited

Dear Sir,

1. In response to the advertisement in Financial Express dated 4th September inviting quotation as captioned above advertisement, we hereby submit our technical and financial bids for the Repair and Maintenance Contract for Sathavahana Ispat Limited.
2. This offer is valid for a minimum period of 90 days.
3. We agree that any Contract placed as result of this offer will be in accordance with the terms & conditions in the said offer. We declare that any other terms or conditions of the contract or any general reservations, which may be printed on any correspondence of documents emanating from us in connection with this tender shall not form part of any resulting contract unless specifically agreed to by (IRP / RP with the approval of CoC) and included in this contract.
4. We also enclose herewith the following documents:
 - a) Schedule of compliance with timelines of the contract works
 - i) Acceptance of contract conditions & Standard terms & conditions
 - ii) Quotation for the scope of work along with timelines
 - b) Documents required by (IRP / RP, with the approval of CoC) under the eligibility criteria

M/s (Name and Address of the Company)

Signature of the authorized Signatories

[On the Letterhead of the Entity Submitting the Quotation]

Quotation

Date: _____

To,

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Subject: Quotation for Repair and Maintenance Contract for Sathavahana Ispat Limited

We, hereby submit our quote, timelines and payment terms as per the format below:

S.No	Name of the Unit	Location	Repair and maintenance activity	Lumpsum Quote (Rs in lacs)	Remarks
1.0	36 Square Meter - Sinter Plant	Haresamudram AnantapurDt., AP	Inspection, repair and servicing of all equipment and systems to make the Unit function and operating the defined performance parameters;		
2.0	350 m3 / Blast Furnace	Haresamudram Anantapur Dt., AP	Inspection, Dismantling of Bricks, Erection of Bricks and final commissioning of the blast furnace with all necessary ancillaries;		
3.0	DI Pipe plant	Haresamudram AnantapurDt., AP	Inspection, repair and servicing of all equipment and systems to make the Unit function and operating the defined performance parameters;		

4.0	30 MW power plant	Haresamudram Anantapur Dt., AP	Inspection, repair and servicing of all equipment and systems to make the Unit function and operating the defined performance parameters;		
5.0	0.4 MTPA Coke oven plant	Kudithini Ballary Dt., Karnataka	Inspection, repair and servicing of all equipment and systems to make the Unit function and operating the defined performance parameters;		
6.0	50 MW Power plant	Kudithini Ballary Dt., Karnataka	Inspection, repair and servicing of all equipment and systems to make the Unit function and operating the defined performance parameters;		

M/s (Name and Address of the Company)

Signature of the authorized Signatories