

Minutes of meeting of Pre-bid meeting held on 10/08/2015 at 17.00 Hrs at GMDC, 5<sup>th</sup> Floor, Conference room, Corporate office, Ahmedabad with respect to tender No. GMDC/BX/GS/01/2015- Mining, Grading and Stacking of various grades of bauxite at Gadhsisa Group of Mines, Gadhsisa, Dist. Kutch

( 3 pages)

The following were present in the meeting :

From GMDC

1. Shri D. U Vyas, GM ( Tech.), GMDC

From prospective Bidders

1. Shri Pankaj Shah, MD Meena Agency, jamnagar

2. Representative of M/s. Rocktech Engineers, Kolhapur

The prospective bidder has raised following points during pre-bid meeting as well as the point received through-mail.

<b>Reorientation by Prospective Bidders</b>	<b>GMDC's view</b>
<b>From Mr. Farook through e-mail</b>	
You have asked two separate rates for two grade of bauxite. Pl clarify how you will decide L-1 Party.	Following clause may be added :  “ GMDC will decide the lowest bidder based on the total contract value of the work after taking two grades together.”
<b>From Shri Pankaj Shah of M/s. Meena Agency</b>	
Pre-operating time can be allowed for at least 90 days for the purpose of cleaning as well as organise to mechanized mining, purchase of required earth moving machineries & said machinery's will takes 2 to3 months delivery time approximately	After selecting L-1 bidder, all such operational having adequate justification, will receive GMDC's attention.
Jaw crusher is required to mine Metal Grade bauxite to achieve the target. For uninterrupted mining in consideration of uncertainty of labours availability, we suggest to allow to installing jaw crusher at mines site. In case of any permission is required to install Jaw crusher at project site which, shall be obtained by us on behalf of GMDC.	GMDC will discuss such issues with L-1 bidder. If the technology does not attract the new mine plan and new environment clearance we would be open to accept any new technology in the interest of project.
As regards to target of HG bauxite production, we would like to invite your kind attention that we have visited the NANDRA mines & observed that at this mines only 1000 MT. per annum is available where as your tender shows target as 10,000 Mt.	We have re-verified the exploration data available with us and the quantity mentioned in the tender document is in order. If prospective bidder desires, he may consult GM(Project) Gadhsisha and visit the site with his prior appointment.

<p>As regards to Liquidated Damages on High grade bauxite, if we achieve less than targeted quantity in one mines and in another mines we achieve more than the targeted quantity in that case GMDC have to consider the overall total mined quantity &amp; Liquidated Damages is to be calculated if any shortfall arise. Our intention is that the Liquidated Damages should be calculated as overall quantity and not on any individual mines.</p> <p>For Metal Grade bauxite production also on Liquidated Damages part above condition should apply.</p>	<p>GMDC will negotiate with L1 bidder for such arrangement subject to the conditions laid down in the environment clearance and approved mine plan. GMDC is open to discuss the issue with L1 bidder.</p>
<p>We have noticed that in the tender the specification of High Grade bauxite mentioned is not of HG Bauxite, which is of Metal Grade Bauxite as per IBM norm, and it's royalty is Rs. 120/= Per Mt. Also you inquire in the market with any refractory manufacturers you will found that no refractory can be produced with this bauxite. The exact specification of High Grade Bauxite is as under :</p> <p>Al<sub>2</sub>O<sub>3</sub> : 54 % Minimum</p> <p>Fe<sub>2</sub>O<sub>3</sub> : 3 to 3.5 % Maximum</p> <p>TiO<sub>2</sub> : 3 % Maximum</p> <p>CaO : 1.5 % Maximum</p> <p>Size : 10 mm maximum</p>	<p>As stacking of mines bauxite has been made as per the tender document, the proposed suggestion cannot e implemented.</p>
<p>To consider period &amp; quantity of mining, GMDC shall put a Laboratory and also allot space at Gadhsisa to contractor for their office. Joint analysis shall be carried out in view of avoid dispute of quality issues in future.</p>	<p>GMDC will facilitate L-1 bidder to setup it's own laboratory where contractor may carry out its analysis of the sample which GMDC will test in it's own lab. In any unlikely event of dispuete a portion of sample drawn will be sent to a Govt. laboratory maintained by CGM for bringing a finality to such disputes. Costs of analysis will be share by both the parties.</p>

<p>If it is possible for arrangement to sell MEDIUM GRADE to successful contractor as BUY BACK then GMDC may offer the material as per prevailing market rates. The buyback arrangement also preferable in consideration of HUGE stock will be created while running of Mining activities.</p> <p>As per our past experience, sometime 4 to 5 lakhs Mt. MG/LG stock has occupied big area which create disturbance in Mining. To avoid such type of possibilities, GMDC may arrange to sell materials which produced by Contractor as buy back sell at the time of Mining of material so that GMDC can adjust contractor's RA bill as well as will get payment in advance from contractor for selling of material.</p>	<p>Disposal of bauxite is carried out as per Govt. of Gujarat directives and as per the Govt. Resolution and modification issued by Govt. of Gujarat. It would not be in order to consider buy-back proposal.</p>
<p>Our request that to consider if the mining space is not available at mines site for mining &amp; stacking of material than GMDC has to arrange cleaning of place &amp; shifting of material if it is needed. The cost of such type of arrangement should be incurred by GMDC only. The period of above activities should not cover while calculating of Liquidated Damages (LD) in terms of bauxite production target.</p>	<p>In normal condition, such position will not arise as GMDC has initiated sale of bauxite currently available. However, in such rare contingency, we would be open to consider avoiding not taking in to account the liquidated damages if it is justified.</p>
<p>As the matter discussed in pre bid meeting, as per IBM mines rules, Two Wheel / Four Wheel Tractor Trolley combination is not allowed in any circumstances. In this situation, mining cost will increased by Rs. 50 to 60 per Mt with utilization of only four wheelers &amp; dumpers.</p>	<p>We have taken note of your suggestion. At this stage we cannot accept your suggestion.</p>
<p>Required IBM plan in details for proper mining operation. Bidder should know the mining pit area as per plan.</p>	<p>Plan will be provided to prospective bidder as agreed in meeting.</p>
<p><b>M/s. PSK Mineral Dev. Ltd. through e-mail</b></p>	
<p>Duration of contract shall be for five years. There should be provision of price escalation.</p>	<p>An escalation of 5% in to the basic price will be considered every year.  Example :  Say basic price is Rs. 100 per M<sup>3</sup>  Escalation calculation is as under :  For 2<sup>nd</sup> year – Rs. 105 per M<sup>3</sup>  For 3<sup>rd</sup> year – Rs. 110.25 per M<sup>3</sup>  For 4<sup>th</sup> Year – Rs. 115.76 per M<sup>3</sup>  For 5<sup>th</sup> year – Rs. 121.55 per M<sup>3</sup></p>

Note : With above clarification/ observations, no comment is required for any other issues raised during above meet.