

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

Ministry of Transport, Highways, Ports & Civil Aviation

CEYLON SHIPPING CORPORATION LTD
(Sri Lankan Government Wholly Owned Company)



INSTRUCTIONS TO BIDDERS (ITB)

**HULL & MACHINERY AND WAR INSURANCE COVERS FOR THE VESSELS “MV.
CEYLON BREEZE” AND “MV. CEYLON PRINCESS” OF CEYLON SHIPPING
CORPORATION LIMITED – 2025/2026**
Tender No. CSCL/L&I/H&M/22/11/2024

Ceylon Shipping Corporation Ltd
No.27, MICH Building,
Sir Razik Fareed Mawatha (Former Bristol Street)
Colombo 00100.
Sri Lanka

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**INVITATION TO BIDS FOR HULL & MACHINERY(H&M) AND WAR INSURANCE
COVERS FOR THE VESSELS “MV. CEYLON BREEZE” AND “MV. CEYLON
PRINCESS” OF CEYLON SHIPPING CORPORATION LIMITED – 2025/2026**

1. Invitation for Bids

Ceylon Shipping Corporation Ltd (CSCL), a fully government-owned commercial entity, invites qualified and experienced local insurance companies to submit bids for providing Hull & Machinery (H&M) and War Insurance Coverage for the CSCL owned two vessels namely Mv. Ceylon Princess and Mv. Ceylon Breeze for the year 2025/2026.

2. Company Background

CSCL, as the national shipping carrier, operates with a commitment to ensuring the safety, security, and efficiency of its maritime operations. This bid aims to secure Hull & Machinery (H&M) and War insurance coverage, protecting its assets against risks associated with international shipping.

3. Overview of Required Insurance Coverage

CSCL requires comprehensive Hull & Machinery (H&M) and War insurance coverage for the vessels “Mv. Ceylon Princess” and “Mv. Ceylon Breeze”. This coverage is essential to manage risks associated with marine operations, covering physical damage, total loss, and related liabilities. Bidders are required to address the following aspects within their insurance proposal:

A. Vessel Details

Name	Ceylon Breeze	Ceylon Princess
IMO No.	9734563	9734575
Type	Bulk Carrier	Bulk Carrier
Year of Manufacture	2016	2016
GT	36,700	36,700
DWT	63,600	63,600
Builder	China, AVIC Weihai	China, AVIC Weihai
Classification Society	DNV	DNV
Flag and Port of Registry	Sri Lanka, Colombo	Sri Lanka, Colombo
Trading limits	Worldwide exclusive of JWC areas	Worldwide exclusive of JWC areas
Sum Insured	<u>US\$.24,667,500.00</u>	<u>US\$.25,300,000.00</u>
<i>These valuations have been obtained based on the market values as at 20st November 2024</i>	<u>(United States Dollars Twenty Four Million Six Hundred Sixty Seven Thousand Five Hundred)</u>	<u>(United States Dollars Twenty-Five Million Three Hundred Thousand)</u>

B. Required Period of Cover: From 24:00 hours 27th January 2025 to 24:00 hours 28th January 2026.

C. Standard H&M Insurance Coverage

1. Hull & Machinery Coverage:

- I. Physical damage to the hull, machinery, and equipment.
- II. Coverage for total loss or constructive total loss.
- III. Protection for partial loss or damages resulting from perils like fire, collision, grounding, heavy weather, and accidents at sea.

2. Collision Liability:

- I. Protection against liability for damage to third-party vessels and property resulting from a collision, as per international maritime standards Including 3/4th third party Collision liability as well as ;
- II. Excluding third party liabilities in Collision.

3. Salvage and Wreck Removal Costs:

- I. Coverage for salvage expenses incurred during operations.
- II. Wreck removal and disposal expenses in the event of a vessel becoming a navigational hazard.

D. Additional Clauses and Endorsements

1. Increased Value (IV) Clause:

Option to include Increased Value coverage for any additional loss.

2. War Risks Extension:

Coverage against war-related risks, such as damage resulting from hostilities, political unrest, or terrorism.

E. Claims Process & Service Requirements

1. Efficient Claims Handling Process:

Detailed claims process with clear guidelines on claims submission, response time, and documentation requirements.

2. 24/7 Emergency Assistance:

A contact line or designated representative to provide assistance with claims or incidents occurring at any time.

3. Network with International Underwriters:

Strong partnerships with recognized international underwriters or P&I Clubs to facilitate claims and provide support globally.

4. Bidder Eligibility and Qualification Requirements

Only bidders who meet the following criteria will be considered:

I. Insurance Regulatory Compliance:

Valid registration with the Insurance Regulatory Commission of Sri Lanka.

II. Experience in Maritime Insurance:

A minimum of Ten (10) years' experience in providing Hull & Machinery insurance to commercial vessels, with references to similar accounts.

III. Track Record with International Underwriters:

Documented relationships or partnerships with leading international marine underwriters or Clubs capable of underwriting H&M policies.

IV. Financial Stability:

Audited financial statements from the past three years, demonstrating financial capacity and reliability.

5. Submission Requirements

The submission should be comprehensive and include the following components:

I. Company Profile and Credentials:

- a) Background, experience, and certifications.
- b) Summary of recent similar marine insurance policies provided.

II. Technical Proposal:

- a) Outline of the H&M insurance coverage, including policy limits, deductibles, exclusions, and extensions.
- b) Description of claims management process and support services.
- c) List of partner underwriters and documentation proving access to international coverage.
- d) The certified copy of the Fitch rating for the company and S&P rating for respective Reinsurers.

III. Financial Proposal:

- a) Premium breakdown for each vessel.
- b) Details on any additional charges, fees, or deductibles.
- c) Payment terms and installment options, if available.

IV. Other Supporting Documents:

- a) Company registration certificates, licenses, and tax clearance.
- b) References from at least two maritime clients.
- c) Signed declaration of adherence to the bid's terms and conditions.

6. Bid Validity& Bid Security:

- I. Bids must remain valid for a period of 60 days from the date of submission.
- II. Bidder is required to submit a Bid Security to the value of 1% of the contract price (total premium) valid for Three months commencing from the date of Bid Opening by a Licensed Commercial Bank operating in Sri Lanka. Bid Security is to be issued in line with the attached format. **(Form of Bid-D)**

7. Evaluation Criteria

CSCL will evaluate bids based on the following criteria:

I. Compliance with Requirements:

Adherence to eligibility, technical, and documentation requirements.

II. Coverage Scope and Completeness:

Comprehensive coverage of all required H&M clauses, endorsements, and additional protections.

III. Experience and Industry Reputation:

Relevant experience in marine insurance and strength of partnerships with international underwriters.

IV. Cost-Effectiveness:

Competitive pricing for premium, clear breakdown, and favorable terms for CSCL.

V. Claims Management Capabilities:

Efficient claims handling process and global support network.

8. Premiums Payment: Premiums payable to the Insurer shall be made in quarterly installments in USD terms and all insurance claims shall be paid in USD terms. Insurance premium is to be quoted in USD terms or Premium payable to the insurer shall be paid by the insured in LKR based on the USD rate calculated on the date of the Invoice and 50% of the insurance claims shall be paid in USD.

9, Payment Terms: All the payment terms approved upon awarding of the contract shall continue without any change throughout the period of cover. (Payment due to changes in Govt. taxes, levy & fees etc., are allowed and the insurer must clearly provide specific explanations in this regard).

10. Bid Submission Guidelines

Deadline for Submission: Bids must be submitted on or before **20th December, 2024 at 02, 00 P.M.** Late submissions will not be considered.

Submission Method: Bids with the duly filled **Form A,B,C & D** must be submitted in a sealed envelope, clearly marked “**Bid for Hull & Machinery(H&M) And War Insurance Covers For The Vessels “Mv. Ceylon Breeze” And “Mv. Ceylon Princess” Of Ceylon Shipping Corporation Limited – 2025/2026**” to the following address:

**Chairman
Department of Procuring Committee
Ceylon Shipping Corporation Limited
No.27, MICH Building,
Sir Razik Fareed Mawatha
Colombo 01.**

11. Rights

CSCL reserves the right to accept or reject any bid in whole or in part and to cancel the bid process if deemed necessary. All bids will be treated with strict confidentiality.

12. Clarifications:

For any clarifications or additional information, bidders may contact:

Mr.Y.T.Praboditha
Deputy Manager
Legal and Insurance Division
Tel - 0112-328772/3 (ext 210)
Mobile - 0710215730
e-mail - dm-lni@cscl.lk

**Department of Procuring Committee
Ceylon Shipping Corporation Limited
No.27, MICH Building,
Sir Razik Fareed Mawatha
Colombo 01.**

(Only on Bidder's Letterhead)

Form of Bid -A

To: **Department Procurement Committee,
Ceylon Shipping Corporation Limited
No.27, MICH Building, Sir Razik Fareed Mawatha,
Colombo, Sri Lanka**

I/We, the undersigned, hereby confirm our full understanding and acceptance of the terms, conditions, and instructions detailed in the referenced Bid. We further commit to providing the services specified therein, in strict accordance with the terms outlined, and at the premium rate indicated in our policy.

Additionally, we acknowledge that the Company reserves the right, at its discretion, to reject any or all bids or to accept any portion of a bid that best serves the Company's interests, without obligation to provide justification. We also understand that the Company is not required to accept the lowest bid.

Name of the Bidder:		
Bidder's Business Registration No:		
Authorized Signature of the Bidder:		
Name & Title of the Authorized Signatory:		
Address:		
Telephone and Fax Nos.:	Telephone Nos.:	
	Fax Nos.:	
Address:		
Date:		
Seal:		

(Only on Bidder's Letterhead)

Form of Bid -B

**To: Department Procurement Committee,
Ceylon Shipping Corporation Limited
No.27, MICH Building, Sir Razik Fareed Mawatha,
Colombo, Sri Lanka**

		Mv. Ceylon Breeze	Mv. Ceylon Princess
Sum Insured		US\$.24,667,500.00	US\$.25,300,000.00
Period of Cover		From 24:00 hrs. 27/01/2025 to 24:00 hrs. 28/01/2026	From 24:00 hrs. 27/01/2025 to 24:00 hrs. 28/01/2026
Premium (Ex. Collision)			
Hull			
Increased Value			
War			
Premium (Incl. 3/ 4th Collision) Hull			
Increased Value			
War			
Express Warranties			
Trading Limits			
Conditions (applicable Clauses)			
Any continuity Credit / NCB			
Payment terms / Conditions			
The Law & Jurisdictions			
Deductible/ Excess	US\$ 50,000.00		
	USD 75,000.00		
	US\$100,000.00		

- Fitch Rating for the Company - Minimum A credit rating
- S&P Rating for the Re-insurer - Minimum A Credit rating

We hereby declare that we are bound by the above stated conditions and premiums, throughout the cover period.

Date

Authorized Signatory

Company Frank

(Only on Bidder's Letterhead)

Form of Bid -C

**To: Department Procurement Committee,
Ceylon Shipping Corporation Limited
No.27, MICH Building, Sir Razik Fareed Mawatha,
Colombo, Sri Lanka**

Compliance Sheet

"The quotations have been submitted separately (ITB Clause 1)	Attached / Not Attached Agreed / Disagreed	Attached / Not Attached Agreed / Disagreed
<u>Premium</u> (Ex. Collision) Hull Increased Value War <u>Premium</u> (Inc!. 3/ 4th Collision) Hull Increased Value War (ITB Clause 3 C & 3 D) (Attached/Not Attached)		
Submission of the Local Insurance company registration certificates, licenses, and tax clearance. (ITB Clause 5 IV) (Attached/Not Attached)		
Submission of the Background, experience, and Certification of the Local Insurance Company (ITB Clause 5 I) (Attached/Not Attached)		
Submission of the Local Insurance company a valid registration with the Insurance Regulatory Commission of Sri Lanka (ITB Clause 4 I) (Attached/Not Attached)		
Submission of documents for minium of Ten (10) years' experience in providing H&M , War insurances to commercial vessels, with reference to similar accounts. (ITB Clause 4 II) (Attached/Not Attached)		
Submission of documents about documented relationships or partnerships with leading international marine underwriters or Clubs capable of underwriting H&M, War insurances policies. (ITB Clause E 4 III) (Attached/Not Attached)		

Submission of Audited financial statements from the past three years, demonstrating financial capacity and reliability. (ITB Clause 3 E 4 IV) (Attached /Not Attached)		
Submission references from at least two maritime clients (ITB Clause 4 II) (Attached/Not Attached)		
Submission of the certified copy to confirm Fitch rating of the Local Company (ITB Clause 5 II (d)) (Attached /Not Attached)		
Submission of the certified copy to confirm the Standard & Poor rating for Re-insurer (ITB Clause 3 C) (Attached /Not Attached)		
Submission of the certified documents verifying financial position of Re-insurer (ITB Clause 3 C) (Attached /Not Attached)		
All the payment terms approved upon awarding of the contract shall continue without any change throughout the period of cover. (Payment due to changes in Govt. taxes, levy & fees etc., are allowed and the insurer must clearly provide specific explanations in this regard). (ITB Clause 9) (Agreed /Disagreed)		
Premium payable to the insurer shall be paid by the insured in USD and 100% of the insurance claims shall be paid in USD. (ITB Clause 8) (Agreed/Disagreed) Or Insurer's proposals regarding claim payment are also considered.		
Premium payable to the insurer shall be paid by the insured in LKR based on the USD rate calculated on the date of the Invoice and 50% of the insurance claims shall be paid in USD. (ITB Clause 8) (Agreed/Disagreed) Insurer's proposals regarding claim payment are also considered.		
Submission of Bid Security (ITB Clause 6) (Attached /Not Attached)		

Date

Authorized Signatory

Company Frank

(Only on Bidder's Letterhead)

Form of Bid -D

PROCUREMENT GUIDELINE REFERENCE 5.3.13	
Format for Bid Security Guarantee	
<i>[this Bank Guarantee form shall be filled in accordance with the instructions indicated in brackets]</i>	
----- [insert issuing agency's name, and address of issuing branch or office] -----	
Beneficiary :	-----[insert (by PE) name and address of Employer/Purchaser]
Date :	-----[insert (by issuing agency) date]
BID GUARANTEE No:	-----[insert (by issuing agency) number]
<p>We have been informed that ----- [insert (by issuing agency) name of the Bidder: if a joint venture, list complete legal names of partners] (hereinafter called "the Bidder") has submitted to you its bid dated ----- [insert (by issuing agency) date] (hereinafter called "the Bid") for the execution/supply [select appropriately] of [insert name of Contract] under Invitation for Bids No. ----- [insert IFB number] ("the IFB").</p> <p>Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid Guarantee.</p> <p>At the request of the Bidder, we ----- [insert name of issuing agency] hereby irrevocable undertake to pay you any sum or sums not exceeding in total an amount of ----- [insert amount in figures]-----[insert amount in words] upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid conditions, because the Bidder :</p> <ul style="list-style-type: none">(a) has withdrawn its Bid during the period of bid validity specified ; or(b) does not accept the correction or errors in accordance with the Instructions to Bidders (hereinafter "the ITB") of the IFB ; or(c) having been notified of the acceptance of its Bid by the Employer/Purchaser during the period of bid validity, (i) fails or refuses to execute the Contract Form, if required, or (ii) fails or refuses to furnish the Performance Security, in accordance with the ITB. <p>This Guarantee shall expire : (a) if the Bidder is the successful bidder, upon our receipt of copies of the Contract signed by the Bidder and of the Performance Security issued to you by the Bidder, or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder that the Bidder was unsuccessful, otherwise it will remain in force upto ----- (insert date)</p> <p>Consequently, any demand for payment under this Guarantee must be received by us at the office on or before that date _____</p> <p>[signature(s) of authorized representative(s)]</p>	