

Section II

Instructions to Bidders for Bidding for the Commercial Management of Mv. Ceylon Breeze & Mv. Ceylon Princess Owned By Ceylon Shipping Corporation Ltd.(ITB)

Invitation for Bids (IFB) NO. : CSC/2019/T/CM/CB&CP

Date of issue: 01st February 2019

1. Introduction

- (a) The vessels will be open for time charter deployments under the Commercial Management with the selected Bidder with following approximate delivery laycans to charterers to be narrowed down:
 - i. Mv. Ceylon Princess 02- 07 March 2019
 - ii. Mv. Ceylon Breeze Prompt
- (b) Preferred place of delivery: Puttalam port anchorage / Colombo port outer anchorage, Sri Lanka
- (c) Preferred redelivery ranges: East Africa or West Coast of India or Singapore
Region
- (d) Period: Commercial Management Contract period will be up to around mid-September 2019 (Season).
- (e) Remittance of the first Charter Hire shall be made by the Bidder within 03 banking days after delivery; and subsequent charter hire payments for periods of not less than 15 days each, shall be made always in advance. The charter hire payments shall be made directly to CSC's nominated bank account/s in United States Dollars direct by the Charterer.
- (f) All the bank charges for remittances shall be borne by the Charterer.
- (g) The Bidders shall submit a draft Commercial Management Agreement with the Bid, which should be mutually agreed between CSC and the selected Bidder.
- (h) All the charter contracts shall be subject to signing of mutually agreed charter party agreements as per NYPE93 charter party format as amended with the prospective charterers to be sought by the selected Bidder.
- (i) Time charter Specifications of Mv. Ceylon Breeze and Mv. Ceylon Princess are given in the Schedule 01 and 02, respectively.

- (j) Sub-chartering may be allowed only with the prior written mutual consent of CSC, at CSC's discretion.

2. Composition of Bidding Documents

This Bidding Document is comprised of following Documents:

- (a) Invitation for Bids (IFB)
- (b) Instructions to Bidders (ITB)
- (c) Schedule 1 & 2 : Time charter Specifications of Mv. Ceylon Breeze and Mv. Ceylon Princess
- (d) Form 1: Statement of Bidders
- (e) Form 2: Experience in Commercial Management of Dry-bulk Ships
- (f) Form 3: Summary of References Submitted
- (g) Form 4: Declaration by the Bidders with Regard to Non-Blacklisting / Non-Debarment
- (h) Form 5: Addenda Receipt
- (i) Form 6: Form of Power of Attorney or Board Resolution
- (j) Form 7: Form of Bid
- (k) Form 8: Projected Vessel Deployment Plan/s (submit two Plans for two vessels separately)
- (l) Form 9: Price Offer Form
- (m) Form 10: Specimen Format of Bid Security

3. Eligibility & Qualifications of the Bidders

- (a) The Bidders should be a registered entity as a Commercial Management company in Sri Lanka or any other country and be a member of the Baltic & International Maritime Council (BIMCO) or The Baltic Exchange, with an experience of at least three (03) years in Commercial Management (CM) of ships.
- (b) Bidders should have had a turnover of at least USD 1.0 million during the last three (03) years. Bidders should submit at least 03 Service Letters as References signed by a Director of the client company, for the Commercial Management Services rendered by the Bidders during the last 36 months up to 31st January 2019, indicating minimum of five fixtures made with each client (ship owners), for the ships of Supramax / Ultramax / Panamax dry bulk categories.
- (c) Bidders should not have been blacklisted / de-registered / debarred by any Government Department / Public Sector Undertaking / Private Sector / or any other agency in any country.

4. Documents to be submitted by the Bidders

When submitting of Bids the Bidders shall submit the following documents initialed by the person or persons signing the Bid.

- i. Statement of Bidders (Form 1)
- ii. Annual Audited Accounts of the last three years (2016, 2017 and 2018)
- iii. Experience in Commercial Management of Dry-bulk Ships (Form 2)
- iv. Summary of the References Submitted (Form 3)
- v. Undertaking Declaration by the Bidders with Regard to Non-Blacklisting / Non-Debarment (Form 4)
- vi. Addenda Receipt (Form 5)
- vii. Form of Power of Attorney or Board Resolution (Form 6)
- viii. Form of Bid (Form 7)
- ix. Projected Vessel Deployment Plan/s (submit two Plans for two vessels separately) (Form 8)
- x. Price Offer Form (Form 9)
- xi. Draft Commercial Management Agreement proposed by the Bidder (subject to mutual agreement)
- xii. Bid Security and the SWIFT (Form 10)
- xiii. PCA 3 Form (in case of involvement of a local Agent / Broker)

Please note that PCA-3 form is a prescribed form under the Public Contracts Act No.3 of 1987, which specifies the persons required to register with the Registrar of Public Contracts.

This act is available for your reference at

http://www.lawnet.lk/section.php?file=http://www.lawnet.lk/docs/statutes_1956_2006/index/Vol2/1987YOVOC3A.html

5. Selection Criteria Used in Bid Evaluation

The competitive parameters and the selection method for choosing the best Bidder are elaborated as follows.

- (a) Minimum of 03 years' of experience.
- (b) Financial Stability shall be evaluated using the Audited Financial Statements for last three consecutive years (2016 to 2018).
- (c) The Bid that generates the highest total net income.
- (d) The Bidders shall submit the projected charter income for two vessels or any one of the two vessels. The projections should include trading areas, prospective cargo to be carried, duration of each prospective charter contract separately, most

realistic ballasting periods during the entire duration of Commercial Management contract considering redelivery range etc. (Form8).

- (e) The SCAPC should be able to satisfy itself that the projected income could be substantiated / supported with reliable charter market indexes such as Baltic Supramax Index / Clarkson Time Charter Index etc.
- (f) Bidder shall quote their remunerations for Commercial Management services. In evaluation of the highest net income to be generated to CSC from the Commercial Management Services as per the Bids offered by the Bidders, all the fees quoted shall be deducted from the projected gross charter hire income.

6. Bid Evaluation

Bids for two ships will be evaluated separately under following evaluation method.

Step-1:

- (a) The Technical Evaluation Committee (TEC) will determine each Bid whether they are complete and substantially responsive to the Bidding Documents. TEC will also determine whether the required Bid Security has been furnished, whether any computational errors have been made, whether the documents have been properly signed and whether the Bids are responsive.
- (b) A Bid determined as not substantially responsive will be rejected by SCAPC and may not subsequently be made responsive by the Bidder/s by correction of the nonconformity. SCAPC may waive any minor informality or nonconformity or irregularity in a Bid, which does not constitute a material deviation, provided such a deviation has been identified by the Bidder and does not prejudice or affect the relative ranking of any Bidder.
- (c) A Bid may be disqualified and excluded from further evaluation for any valid reason including but not limited to, the reasons listed below:
 - i. Receipt of the Bid after the Closing time.
 - ii. Failure to submit all documents, including the supporting documentation or any other clarification or any documents requested within the required time frame.
 - iii. Failure to provide the Bid Security.
 - iv. Willful misrepresentations in the Bid.
 - v. Illegal conduct or attempts to influence the GOSL, CSC, TEC or SCAPC in evaluation of a Bid.
 - vi. Arithmetical errors will be rectified on the following basis. If there is a discrepancy between words and figures (numerical value), the amount in words will prevail. If the Bidder does not accept the correction of errors, Bid will be rejected.

Step-2:

- (d) Bids, which are substantially responsive in accordance with the **Step-1** will be deemed as qualifying for evaluation under **Step-2** for the References from the clients, Commercial Management experience, fixtures of the last 03 years, net income of the Bidders for last 03 years, charter period offered, type of charter, trading areas and intended cargoes.

Step-3:

- (e) The Bids, which are substantially responsive under the evaluation criteria in the **Step-2** will be considered for the Price Evaluation under the **Step-3**.

The Bid, which derives the highest total net income during the entire period (considering the ballasting days) to CSC under each vessel after deducting of Commercial Management Fees will be considered for awarding of the Commercial Management contract/s.

The highest total net income will be calculated by multiplying of the net charter hire per day(after deducting of fees) by the number of time charter days offered (considering the ballasting days), for two ships separately or together.

End