

Section II

Instructions to Bidders (Charterers) for Bidding for Time Chartering of Mv. Ceylon Breeze & Mv. Ceylon Princess Owned By Ceylon Shipping Corporation Ltd.(ITB)

Invitation for Bids (IFB) No. : **CSC/2019/T/TC/CB&CP**

Date of issue: 01st February 2019

1. Introduction

- (a) In this Bidding Document, where the references are made to as the “Charterer” has the same meaning as the “Bidder.”
- (b) The Bidders may bid for one ship or both ships.
- (c) The vessels will be open for time chartering with following approximate delivery laycans to be narrowed down;
 - i. Mv. Ceylon Princess 02- 07 March 2019
 - ii. Mv. Ceylon Breeze Prompt
- (d) Preferred place of delivery: Puttalam port anchorage / Colombo port outer anchorage, Sri Lanka
- (e) Preferred redelivery ranges: East Africa or West Coast of India or Singapore Region.
- (f) Time charter period will be until around mid-September 2019 (hereinafter referred to as the “Season”)
- (g) Remittance of the Charter Hire for the first 15 days 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 when the payments are due 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.
- (h) All the bank charges for remittances shall be borne by the Charterer.
- (i) Time charter Specifications of Mv. Ceylon Breeze and Mv. Ceylon Princess are given in the Schedule 01 and 02, respectively.
- (j) Subject to signing of mutually agreed charterparty agreements as per NYPE 93 charter party format as amended; and Trading and Cargo Exclusions given in the Schedule 3.

- (k) The competitive parameters and the selection method for choosing the best Bidder are elaborated in Clause 5 and 6.
- (l) 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) Common Invitation for Bids (IFB)
- (b) Instructions to Bidders (ITB) for CSC/2019/T/TC/CB&CP
- (c) Schedule 1 & 2 : Time charter Specifications of Mv. Ceylon Breeze and Mv. Ceylon Princess
- (d) Schedule 3: Trading & Cargo Exclusions
- (e) Form 1: Statement of Bidders
- (f) Form 2: Experience in Ship Chartering & Operations
- (g) Form 3: Summary of References Submitted
- (h) Form4: Declaration by the Bidders with Regard to Non-Blacklisting / Non-Debarment
- (i) Form 5: Addenda Receipt
- (j) Form 6: Form of Power of Attorney or Board Resolution
- (k) Form 7: Form of Bid
- (l) Form 8: Charter Bid Offer
- (m) Form 9: Specimen Format of Bid Security

3. Eligibility & Qualifications of the Bidders

- (a) The Bidder should be a registered entity as a shipping company in Sri Lanka or any other country and be a member of the Baltic & International Maritime Council (BIMCO) or The Baltic Exchange or any other similar recognized organization acceptable to SCAPC, with an experience of at least three (03) years in chartering and operating of ships in the Supramax / Ultramax / Panamax dry bulk categories.
- (b) Details of at least three fixtures of ships per year chartered by the Bidder during last 03 years up to 31st January 2019 should be submitted with the details of ships, owners, cargo carried period of charter etc. in the format given as the Form no. 2.
- (c) Bidders should submit at least 03 Service Letters as References signed by a Director of the client ship owning company of good repute for the satisfactory conclusion of charter contracts / services that the Bidder has performed without disputes.
- (d) 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 initiated by the person or persons signing the Bid.

- i. Statement of Bidders (Form 1)
- ii. Experience in Ship Chartering & Operations (Form 2)
- iii. Summary of the References Submitted (Form 3)
- iv. Declaration by the Bidders with Regard to Non-Blacklisting / Non-Debarment (Form 4)
- v. Addenda Receipt (Form 5)
- vi. Form of Power of Attorney or Board Resolution (Form 6)
- vii. Form of Bid (Form 7)
- viii. Charter Bid Offer (Form 8A and 8B)
- ix. Bid Security (Form 9) and the SWIFT
- x. 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

- (a) The Bidders shall have a minimum of 03 years' of experience in chartering and operating of ships in the categories of Supramax / Ultramax / Panamax.
- (b) Financial Stability of the company shall be evaluated using the Audited Financial Statements for last three consecutive years (2016 to 2018).
- (c) Re-delivery dates of ships in the Bids offered should not be beyond the domestic re-deployment requirements of ships for CSC mentioned in the IFB.
- (d) The Bid that generates the highest total net hire to CSC from the evaluation for two ships separately will be considered for the award of the Time Charter Contract. The total net hire for each vessel will be calculated as described in Clause 6.

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, experience, fixtures of the last 03 years, net income of the Bidders for last 03 years, charter period offered which should not exceed the specified re-delivery dates, 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/s, which derives the highest total net income to CSC for each vessel separately and together after deducting of commissions/ brokerage for the longest period will be considered for awarding of the charter contract/s.

The highest total net income to be generated for CSC will be calculated by multiplying of the net charter hire per day (after deducting of commissions/ brokerage) by the number of time charter days offered, for two ships separately and together in the following manner.

[Time Charter rate per day x charter days – (commissions+ brokerage)= total net hire]

End