



CEYLON PETROLEUM CORPORATION

18TH APRIL 2017

RE : TENDER FOR THE IMPORT OF LOW SULPHUR FUEL OIL 180 CST – BK/37/2017

CEYLON PETROLEUM CORPORATION (HEREIN AFTER CALLED CEYPETCO) INVITES FIRM OFFERS **FROM THE SUPPLIERS REGISTERED WITH CEYPETCO** FOR THE SUPPLY OF 35,000 MET TONS PLUS/MINUS 5 PCT OF LOW SULPHUR FUEL OIL 180 CST FOR DUAL PORT DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO ON **DES COLOMBO BASIS (INCOTERMS 2000)** DURING 01-02/06/2017. THE FIRST BERTH OF DELIVERY IS TO BE DETERMINED AT THE TIME OF ARRIVAL OF VESSEL AT COLOMBO.

BIDDERS ARE REQUESTED TO QUOTE THE PREMIUM FOR FOB BASIS AS WELL.

1. LAYTIME

LAYTIME FOR DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO **SHALL BE 168 HRS** AND THE COMMENCEMENT OF LAYTIME SHALL BE DETERMINED IN THE FOLLOWING MANNER.

1.1 FOR DOLPHIN TANKER BERTH, COLOMBO

- (A) NOR SHOULD BE TENDERED BETWEEN 0700 N 1700 HRS OF THE DELIVERY LAYCAN 01-02/06/2017. IF NOR IS TENDERED AFTER 1700 HRS, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF BERTHING, WHICHEVER IS EARLIER.
- (B) IF NOR IS TENDERED BEFORE THE COMMENCEMENT OF THE DELIVERY LAYCAN 01-02/06/2017, IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FIRST DAY OF THE DELIVERY LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF BERTHING, WHICHEVER IS EARLIER.
- (C) IF THE VESSEL IS BERTHED PRIOR TO THE DELIVERY LAYCAN 01-02/06/2017, AT THE REQUEST OF THE SELLER LAYTIME SHALL COMMENCE AT 0700 HRS ON THE FIRST DAY OF THE DELIVERY LAYCAN.
- (D) IF NOR IS TENDERED AFTER 1700 HRS OF THE SECOND DAY OF THE DELIVERY LAYCAN, LAYTIME SHALL COMMENCE AT THE TIME OF BERTHING.

1.2 FOR SPM MUTHURAJAWELA, COLOMBO

- (A) NOR SHOULD BE TENDERED BETWEEN 0600 N 1500 HRS OF THE DELIVERY LAYCAN 01-02/06/2017. IF NOR IS TENDERED AFTER 1500 HRS, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

- (B) IF NOR IS TENDERED BEFORE THE COMMENCEMENT OF THE DELIVERY LAYCAN 01-02/06/2017, IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FIRST DAY OF DELIVERY LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.
- (C) IF THE VESSEL IS MOORED PRIOR TO THE DELIVERY LAYCAN 01-02/06/2017, AT THE REQUEST OF THE SELLER THE LAYTIME SHALL COMMENCE AT 0600 HRS ON THE FIRST DAY OF THE DELIVERY LAYCAN.
- (D) IF NOR IS TENDERED AFTER 1500 HRS OF THE SECOND DAY OF THE DELIVERY LAYCAN, LAYTIME SHALL COMMENCE AT THE TIME OF MOORING.
- (E) MOORING OF TANKER AT SPM MUHTURAJAWELA, COLOMBO IS GOVERNED BY THE BUILDERS (SBM-IMODCO) RECOMMENDATIONS ESPECIALLY WITH REGARD TO THE SAFETY LIMITS OF WEATHER/SEA CONDITIONS. ANY DELAY IN MOORING DUE TO WEATHER AND/OR SEA CONDITIONS TO BE COUNTED AS HALF LAYTIME (CONOCO WEATHER CLAUSE).

2. NOTICE OF ARRIVAL AT COLOMBO

MASTER OF VESSEL SHOULD ADVISE ETA AT COLOMBO 3/2/1 DAYS IN ADVANCE TO COMMERCIAL MANAGER, CEYLON PETROLEUM CORPORATION TEL NOS. 94-11-5455113/5666078 FAX NOS. 94-11-5455406/5455400 AND OPERATIONS MANAGER AT OIL FACILITIES OFFICE, CPSTL, COLOMBO TEL NO. 94-11-2422388/FAX 94-11-2434273 VIA VESSEL AGENT AT COLOMBO. ARRANGEMENTS FOR BERTHING WILL BE MADE IN ACCORDANCE WITH THE ETA NOTICE RECEIVED BEFORE NOON ON THE PRECEDING DAY OF ARRIVAL AT COLOMBO. IN THE EVENT OF CANCELLATION OF BERTHING OPERATION DUE TO THE ARRIVAL OF VESSEL AFTER 1700 HRS, THE ADDITIONAL EXPENDITURE INCURRED BY CEYPETCO SHOULD BE BORNE BY THE SUPPLIER / VESSEL AGENT AT COLOMBO.

3. SPECIFICATIONS

SPECIFICATIONS FOR LOW SULPHUR FUEL OIL 180 CST IS ATTACHED AS **ANNEX 'A'**. IT IS MANDATORY TO SPECIFY THE COMPLIANCE TO THE SPECIFICATIONS GIVEN IN **ANNEX 'A-1'** SUBMIT ALONG WITH THE OFFER.

4. PRICE/PAYMENT

- (i) PRICE OFFERED FOR LOW SULPHUR FUEL OIL 180 CST IN USD PER MT ON **DES COLOMBO BASIS (INCOTERMS 2000)** SHOULD BE THE AVERAGE OF THE MIDS OF FOB SINGAPORE PRICE OF FO 180 CST 2.0% PUBLISHED IN PLATT'S MARKET SCAN UNDER THE HEADING OF "HEAVY DISTILLATES ASSESSMENTS" ON THE DATE OF B/L, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE DATE OF B/L. (IF THERE IS NO PUBLICATION ON B/L DATE THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE DATE OF B/L ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT FOR THE 30 DAY INTEREST FREE CREDIT PERIOD.
- (ii) IN THE EVENT THAT THERE ARE DIFFERENT B/L DATES FOR LOADING THE CARGO, PAYMENT WILL BE MADE 30 DAYS AFTER EACH B/L DATE (B/L DATE COUNT AS DAY ZERO) BY AN IRREVOCABLE, NON-ASSIGNABLE AND NON-TRANSFERABLE DOCUMENTARY LETTER OF CREDIT ESTABLISHED THROUGH BANK OF CEYLON / PEOPLE'S BANK, COLOMBO. ALL BANK CHARGES OUT SIDE SRI LANKA, IF ANY, WILL BE FOR THE ACCOUNT OF THE TENDERER.
- (iii) L/C TO BE ISSUED BY BANK OF CEYLON OR PEOPLE'S BANK (IN CONSULTATION WITH THE SUCCESSFUL SUPPLIER/BIDDER), IN A FORMAT ACCEPTABLE BOTH TO THE SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO TO BE RECEIVED BY THE SUCCESSFUL SUPPLIER/BIDDER LATEST FIVE BUSINESS DAYS PRIOR TO THE FIRST DAY OF THE LOADING DATE RANGE. COMMENCEMENT FOR LOADING VESSEL SHALL BE DELAYED UNTIL CEYPETCO HAS COMPLIED WITH THE PROVISIONS OF THIS CLAUSE. ANY DELAY FROM ABOVE DEADLINE WOULD

AUTOMATICALLY DEFER THE LOADING DATE, WITH ALL POSSIBLE RESULTING COSTS TO BE BORNE BY CEYPETCO, AND THE SUCCESSFUL SUPPLIER/BIDDER SHALL NOT BE RESPONSIBLE FOR THE LATE DELIVERY OF THE CARGO. THE SUCCESSFUL SUPPLIER/BIDDER SHALL NOT BE OBLIGED TO RETAIN THE CARGO WHERE THE SUCCESSFUL SUPPLIER/BIDDER DEEMS AT ITS SOLE ABSOLUTE DISCRETION, THAT CEYPETCO HAS NO INTENTION OR ABILITY TO PERFORMING THIS CONTRACT.

- (iv) IF THE PAYMENT DUE DATE FALLS ON A SATURDAY OR NON-MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE LAST PRECEDING BANKING DAY IN NEW YORK, USA. IF THE PAYMENT DUE DATE FALLS ON A SUNDAY OR MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE FIRST FOLLOWING BANKING DAY IN NEW YORK, USA.
- (v) FINAL UNIT PRICE PER METRIC TON FOR PRODUCT SHALL BE EXPRESSED TO THREE DECIMAL PLACES BY ROUNDING UP THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.
- (vi) PAYMENT WILL BE MADE 30 DAYS AFTER THE B/L DATE [B/L DATE TO COUNT AS DAY ZERO (0)] BY AN IRREVOCABLE, NON-ASSIGNABLE, NON-TRANSFERABLE & UNCONFIRMED DOCUMENTARY LETTER OF CREDIT (L/C) ESTABLISHED THROUGH BANK OF CEYLON/PEOPLE'S BANK, COLOMBO. ALL BANK CHARGES OUTSIDE SRI LANKA, IF ANY, WILL BE TO THE ACCOUNT OF THE SUCCESSFUL SUPPLIER/BIDDER. CONFIRMATION AND REIMBURSEMENT CHARGES OF L/C SHALL BE TO THE BENEFICIARY'S ACCOUNT.
- (vii) LETTER OF CREDIT ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
 - MANUALLY SIGNED COMMERCIAL INVOICE BASED ON THE B/L QUANTITY.
 - FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO THE ORDER OF BANK OF CEYLON/PEOPLE'S BANK, COLOMBO AND NOTIFY 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER CHARTER PARTY. EACH ORIGINAL B/L TO BE MANUALLY SIGNED BY THE MASTER OF THE VESSEL OR OWNERS OR SIGNED ON BEHALF OF THE MASTER AS AGENTS.
 - CERTIFICATE OF QUALITY AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORMS TO THE CONTRACTUAL SPECIFICATIONS.
 - CERTIFICATE OF QUANTITY AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
 - CERTIFICATE OF ORIGIN.
 - TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN AND DRY PRIOR TO LOADING.
 - CERTIFICATE OF QUALITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORMS TO THE CONTRACTUAL SPECIFICATIONS.
 - CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

THE NEGOTIATION OF L/C UPON PRESENTATION OF LOI IN LIEU OF ABOVE ORIGINAL SHIPPING DOCUMENTS IS PERMITTED SUBJECT TO PRESENTATION OF QUALITY AND OUT-TURN QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT COLOMBO.

5. LOCAL AGENT

OFFER SHOULD INDICATE THE LOCAL AGENT'S NAME AND ADDRESS AND THE QUANTUM OF COMMISSION PAYABLE TO LOCAL AGENT, WHICH SHOULD BE INCLUDED IN THE PRICE QUOTED. THE LOCAL AGENT'S COMMISSION WILL BE DEDUCTED FROM THE DES COLOMBO VALUE AND PAID IN SRI LANKA RUPEES.

6. MODE OF LOADING / PORT OF LOADING / LOCAL SUPPLIER

PRODUCTS SHOULD BE LOADED FROM SHORE TANKS ONLY (PREFERABLY EX-REFINERY) AND NOT BY SHIP TO SHIP TRANSFERS. BIDDER MUST INDICATE IN THEIR OFFER PORT OF LOADING, COUNTRY OF ORIGIN AND THE NAME OF SUPPLIER.

7. TITLE AND RISK

TITLE AND RISK/PROPERTY OF THE PRODUCT SUPPLIED, UNDER THE TERMS OF THIS TENDER, SHALL PASS ON TO THE BUYER AT THE DISCHARGE PORT WHEN PRODUCT PASSES THE SELLER'S VESSEL'S PERMANENT HOSE/DISCHARGING ARM CONNECTION.

8. INSPECTION AT LOAD PORT

- A) CEYPETCO SHALL NOMINATE AN INDEPENDENT INSPECTOR (GEO-CHEM / ITS CALEB BRETT / SBC ASIA – SAYBOLT / SGS / BUREAU VERITAS / CCIC) ACCEPTABLE TO THE SUCCESSFUL SUPPLIER/ BIDDER TO SAMPLE, TEST AND CERTIFY THE QUALITY OF EACH PRODUCT FOR INCONFORMITY WITH THE TENDER SPECIFICATIONS AND THE QUANTITY FOR INCONFORMITY WITH THE TENDER CONDITIONS. THEY SHOULD BE PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRYOUT/ WITNESS THE INSPECTION AND TO PREPARE THE QUALITY AND QUANTITY CERTIFICATES AND ANY OTHER DOCUMENTS SPECIFIED.
- B) CEYPETCO RESERVES THE RIGHT TO NOMINATE A SECOND INSPECTION COMPANY AT ITS SOLE DISCRETION TO WITNESS THE QUALITY & QUANTITY OF THE PRODUCTS AT LOAD PORT AS AND WHEN REQUIRED AT **ITS OWN COST**.
- C) IT IS THE RESPONSIBILITY OF THE SUCCESSFUL SUPPLIER/ BIDDER TO ENSURE THE PRESENCE OF THE INDEPENDENT INSPECTOR AT THE TIME OF SAMPLING, TESTING AND LOADING OF THE CARGO. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL CO-OPERATE AND LIAISE WITH THE INDEPENDENT INSPECTOR TO ENSURE THAT THE INSPECTION IS CARRIED OUT TO THE SATISFACTION OF CEYPETCO. UNDER NO CIRCUMSTANCES THE QUALITY OF THE CARGO SHALL BE TESTED AT THE LABORATORY AT THE LOAD PORT OR THE CARGO LOADED ON TO THE VESSEL AT THE LOAD PORT WITHOUT THE PRESENCE OF THE INDEPENDENT INSPECTOR APPOINTED AS SUB CLAUSE PER **CLAUSE A** ABOVE.
- D) CEYPETCO WILL FURNISH FULL PARTICULARS OF THE RESPECTIVE CARGO TO BE PURCHASED TO THE INDEPENDENT INSPECTOR UNDER ADVICE TO THE SUCCESSFUL SUPPLIER/ BIDDER. THE QUALITY AND QUANTITY OF THE PRODUCTS SHALL BE TESTED IN ACCORDANCE WITH GOOD INDUSTRY STANDARDS AND PRACTICES, USING INTERNATIONALLY ACCEPTED SAMPLING AND ANALYTICAL / TESTING METHODS STIPULATED IN RELEVANT SPECIFICATION SHEETS.
- E) SHORE TANK QUALITY CERTIFICATE ISSUED BY THE SUCCESSFUL SUPPLIER'S/ BIDDER'S TERMINAL AND SIGNED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR, SHALL BE FORWARDED/ COMMUNICATED TO THE DEPUTY GENERAL MANAGER (COMMERCIAL & SUPPLY CHAIN) OR COMMERCIAL MANAGER OF CEYPETCO FOR PRIOR APPROVAL, BEFORE COMMENCEMENT OF LOADING.
- F) THE SUCCESSFUL SUPPLIER/ BIDDER SHALL ENSURE THAT VESSEL LOADS ONLY THE PRODUCT(S) THAT MEET(S) EACH, EVERY AND ALL SPECIFICATIONS AS SPECIFIED BY CEYPETCO IN THE CONTRACT. THE INDEPENDENT INSPECTOR NOMINATED BY CEYPETCO AND

ACCEPTED BY THE SUCCESSFUL SUPPLIER/ BIDDER SHALL ALSO ENSURE THAT THE VESSEL LOADS ONLY PRODUCT(S) THAT IS ON SPECIFICATIONS. CEYPETCO SHALL COMMUNICATE THEIR ACCEPTANCE OR REJECTION WITH REASONS ON THE QUALITY RESULTS WITHIN A MAXIMUM OF 6 HOURS (EVEN AFTER THE OFFICE HOURS AND HOLIDAYS) AFTER THE SUCCESSFUL SUPPLIER/ BIDDER HAS SENT THE QUALITY CERTIFICATES THROUGH E-MAIL.

- G) CEYPETCO SHALL PROVIDE AT LEAST THREE (03) E-MAIL ADDRESSES FOR SUCH CORRESPONDENCE TO THE SUCCESSFUL SUPPLIER/ BIDDER AND THE SELLER SHALL SEND THE QUALITY CERTIFICATES TO ALL THREE E-MAIL ADDRESSES PROVIDED BY THE BUYER FOR THE SAID PURPOSE.
- H) THE LOADING CAN ONLY BE COMMENCED AFTER ACCEPTANCE OF THE QUALITY CERTIFICATES HAVE BEEN COMMUNICATED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER/ BIDDER BY E-MAIL.
- I) THE SUCCESSFUL SUPPLIER/ BIDDER IS FULLY RESPONSIBLE FOR OBTAINING APPROVALS FROM CEYPETCO ON THE QUALITY OF LOW SULPHUR FUEL OIL 180 CST BEFORE LOADING.
- J) IN THE EVENT PRODUCT IS LOADED FROM DIFFERENT SHORE TANKS, INDEPENDENT INSPECTOR SHALL PROVIDE QUALITY CERTIFICATES IN RESPECT OF EACH AND EVERY SHORE TANK.
- K) THE COST OF INSPECTION AT LOAD PORT SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.
- L) QUANTITIES MENTIONED IN THE BILLS OF LADING (B/Ls) AT RESPECTIVE LOAD PORTS SHALL BE BINDING ON BOTH PARTIES.
- M) IN THE EVENT THAT THE SUCCESSFUL SUPPLIER/ BIDDER DOES NOT AGREE TO THE NOMINATED INDEPENDENT INSPECTOR BY CEYPETCO AS PER THE **CLAUSE A** ABOVE THE SUCCESSFUL SUPPLIER/ BIDDER IS PERMITTED TO NOMINATE AN ALTERNATIVE INDEPENDENT INSPECTOR LIABLE IN THE SAID CLAUSE UNDER NO CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE PERMITTED TO CHANGE SUCH ALTERNATIVE NOMINATION THEREAFTER.
- N) INDEPENDENT INSPECTOR SO APPOINTED SHALL BE BOUND TO PROVIDE A TANK CLEANLINESS & DRY CERTIFICATE ENSURING DRY AND CLEANLINESS OF THE VESSEL'S TANKS BEFORE LOADING AND VESSEL'S TANKS FACILITIES SUCH AS PIPELINES, PUMPS AND STRAINERS TO BE CLEANED, DRY AND SUITABLE FOR LOADING LOW SULPHUR FUEL OIL 180 CST.
- O) IT IS EXTREMELY IMPORTANT TO SUBMIT THE ABOVE CERTIFICATE TO CPC BY THE INDEPENDENT INSPECTOR PRIOR TO COMMENCEMENT OF LOADING FOR APPROVAL OF CPC. UNDER NO CIRCUMSTANCES THE CARGO SHOULD BE LOADED TO THE VESSEL WITHOUT OBTAINING THE PRIOR APPROVAL FROM CPC FOR QUALITY AND SHIP TANK INSPECTION REPORT. **INDEPENDENT INSPECTORS AT LOAD PORT AND DISCHARGE PORT ARE DIFFERENT TO EACH OTHER.**

9. INSPECTION AT DISCHARGE PORT

- A) DISCHARGE PORT INDEPENDENT INSPECTOR SHALL BE DIFFERENT TO THAT OF THE LOAD PORT.
- B) THE QUALITY AT DISCHARGE PORT COLOMBO SHALL BE DETERMINED BY CEYPETCO / CPSTL (CEYLON PETROLEUM STORAGE TERMINALS LIMITED) LABORATORIES AND WITNESSED BY THE INDEPENDENT INSPECTOR (ITS CALEB BRETT / GEO-CHEM / SBC ASIA – SAYBOLT / SGS / BUREAU VERITAS) AT COLOMBO. SUCH DETERMINATIONS SHALL BE REPORTED ON THE CERTIFICATE OF QUALITY FINALLY ISSUED BY CPSTL LABORATORY.

- C) A SHIP TANK COMPOSITE SAMPLE FOR EACH PRODUCT SHALL BE DRAWN FROM THE SHIP'S TANKS ACCORDING TO ASTM STANDARD METHOD OF SAMPLING BY A MUTUALLY AGREED INDEPENDENT INSPECTOR AT DISCHARGE PORT WITNESSED BY CEYPETCO/CPSTL REPRESENTATIVES. SUCH SAMPLE TO BE ANALYSED AT THE CEYPETCO' S LABORATORIES ACCORDING TO CONTRACTUAL SPECIFICATIONS AND SHALL BE WITNESSED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR. THE RESULT OF THE ANALYSIS SHALL BE THE RECOGNIZED CARGO ANALYSIS AND SHALL BE BINDING ON BOTH PARTIES.
- D) FOR SAKE OF CLARITY, THE SUCCESSFUL SUPPLIER/ BIDDER WOULD LIKE TO MENTION THAT CERTIFICATE OF QUALITY AT DISCHARGE PORT SHALL BE ON THE BASIS OF SHIP TANK COMPOSITE SAMPLE TAKEN ON ARRIVAL OF THE VESSEL AT DISCHARGE PORT.
- E) HOWEVER, IN THE EVENT THE FIRST COMPOSITE SAMPLE DOES NOT MEET THE CONTRACTUAL SPECIFICATIONS THE MUTUALLY AGREED INDEPENDENT INSPECTOR WILL BE REQUESTED TO DRAW A SECOND SET OF SAMPLES FROM VESSEL'S INDIVIDUAL TANKS IN THE PRESENCE OF REPRESENTATIVES FROM CEYPETCO, TWO REPRESENTATIVES FROM THE SUCCESSFUL SUPPLIER/ BIDDER AND ONE REPRESENTATIVE FROM THE PROTECTION AND INDEMNITY INSURANCE (P & I CLUB). ALL REPRESENTATIVES WITNESS THIS TEST REQUIRED TO BE SIGNED EACH OF THE FULL TEST CERTIFICATES ISSUED BY CPSTL LABORATORY.
- F) SUCH INDIVIDUAL SAMPLES TO BE ANALYSED AT THE LABORATORY OF CPSTL (AS SPECIFIED IN **SUB CLAUSE B ABOVE**) ACCORDING TO CONTRACTUAL SPECIFICATIONS AND SHALL BE WITNESSED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR. THE RESULTS OF THESE ANALYSIS BASED ON THE SAMPLES DRAWN FROM VESSEL'S INDIVIDUAL TANKS SHALL BE THE RECOGNIZED CARGO ANALYSIS AND SHALL BE BINDING ON BOTH PARTIES.
- G) IN THE EVENT CEYPETCO DECIDING TO ACCEPT A PART CARGO ON BOARD THE VESSEL BASED ON THE TEST RESULTS OF THE SECOND TEST FOR THE INDIVIDUAL TANKS, THE PART CARGO SHALL BE DISCHARGED AT ITS SOLE DISCRETION OF CEYPETCO.
- H) IN THE EVENT CEYPETCO DECIDING, AT ITS SOLE DISCRETION, NOT TO ACCEPT A REPLACEMENT CARGO FOR THE REJECTED PART CARGO, A PENALTY OF ONE POINT FIVE PERCENT (1.5%) WILL BE IMPOSED ON THE SUCCESSFUL SUPPLIER/ BIDDER BASED ON THE DES "VALUE OF THE REJECTED PART CARGO" AND RECOVER FROM THE LETTER OF CREDIT (L/C) OF THE BALANCE ACCEPTED CARGO ON-BOARD THE SAME VESSEL.
- I) DISCHARGE OF VESSEL SHALL COMMENCE ONLY AFTER THE CERTIFICATE OF QUALITY AT DISCHARGE PORT, AS ISSUED BY INDEPENDENT INSPECTOR BASED ON THE TESTS REPORT OF CPSTL LABORATORY AND COUNTERSIGNED BY CEYPETCO'S REPRESENTATIVE IS IN THE SUCCESSFUL SUPPLIER'S/ BIDDER'S POSSESSION. ALL CHARGES FOR THE TIME UTILIZED BY THE INDEPENDENT INSPECTOR AND CPSTL LABORATORY FOR SAMPLING AND TESTING SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.
- J) THE QUALITY CERTIFICATE AT DISCHARGE PORT, COLOMBO SHALL BE ISSUED BY THE INDEPENDENT INSPECTOR BASED ON THE TEST REPORT OF CPSTL LABORATORY.
- K) THE QUANTITY OF PRODUCTS AT THE DISCHARGE PORT COLOMBO WILL BE DETERMINED BY AN INDEPENDENT INSPECTOR (ITS CALEB BRETT / GEO-CHEM/ SBC ASIA – SAYBOLT / SGS / BUREAU VERITAS) AT COLOMBO. SUCH DETERMINATIONS SHALL BE REPORTED ON THE CERTIFICATE OF QUANTITY. IN THE EVENT THAT THE OUT-TURN LOSS (OUT-TURN QUANTITY VS. B/L QUANTITY) IS IN EXCESS OF 0.5% AND/OR THERE IS ANY FREE FLOWING PRODUCT LEFT ON BOARD AS REPORTED AND CERTIFIED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, THE SUCCESSFUL SUPPLIER/ BIDDER SHALL DEDUCT THE EXCESS LOSS AND/OR FREE FLOWING PRODUCT LEFT ON BOARD FROM THE BILL OF LADING QUANTITY FOR INVOICE PURPOSES.

- L) IN THE EVENT THE OUT-TURN LOSS IS PROVED TO BE DUE TO CEYPETCO'S FAULT INCLUDING BUT NOT LIMITED TO DISCHARGING PIPE LINE LEAKAGE, CAUSING AND OUT-TURN LOSS IN EXCESS OF 0.5%, SUCH EXCESS LOSS SHALL NOT BE DEDUCTED FROM THE B/L QUANTITY FOR INVOICE PURPOSES.
- M) THE QUALITY AT DISCHARGE PORT COLOMBO DETERMINED BY CEYPETCO / CPSTL LABORATORIES AND WITNESSED BY THE INDEPENDENT INSPECTOR AT COLOMBO SHALL BE BINDING ON BOTH PARTIES.
- N) THE COST OF INSPECTION AT DISCHARGE PORT SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.

PENALTY FOR UNACCEPTABLE QUALITY

- O) IF THE QUALITY OF ANY OR ALL OF THE CARGO (ES) AT THE DISCHARGE PORT DOES NOT MEET/COMPLY WITH THE CONTRACTUAL SPECIFICATIONS SPECIFIED UNDER ANNEX - 'A' WITH RESPECT TO ANY OF THE PARAMETERS INDICATED THEREIN, SUBJECT TO **SUB CLAUSE E** AND **SUB CLAUSE F** CEYPETCO RESERVES THE RIGHT TO REJECT THE FULL CONSIGNMENT OR PART OF THE CONSIGNMENT AS THE CASE MAY BE. IN SUCH A CASE THE SUCCESSFUL SUPPLIER/ BIDDER IS OBLIGED TO PROVIDE A REPLACEMENT CARGO AT THE REQUEST OF CEYPETCO WITHOUT ANY ADDITIONAL COST TO CEYPETCO WITHIN THE TIME SPECIFIED BY CEYPETCO SUBJECT TO IMPOSING THE DELAY PENALTY OF ONE PERCENT (**1%**) OF THE DES "VALUE OF THE REJECTED CARGO" PER DAY FOR THE PERIOD COMMENCING FROM THE DATE OF REJECTION OF THE CARGO UNTIL THE REPLACEMENT CARGO IS DELIVERED AT COLOMBO (I.E. UP TO THE TIME OF BERTHING) DURING THE NEW LAYCAN OR MAXIMUM OF TWELVE (12) DAYS WHICHEVER OCCURS FIRST. DETERMINATION OF THE NEW LAYCAN WILL BE AT THE DISCRETION OF CEYPETCO. HOWEVER, THE CEYPETCO SHALL NOT UNREASONABLY DELAY THE ALLOCATION OF AN ALTERNATIVE DELIVERY LAYCAN.
- P) HOWEVER, IN THE EVENT THAT THE SUCCESSFUL SUPPLIER/ BIDDER IS UNABLE TO DELIVER THE REPLACEMENT CARGO DURING THE AGREED NEW DELIVERY LAYCAN, THE SAME TERMS AND CONDITIONS SHALL BE APPLICABLE FOR THE QUALITY, DELIVERY AND PENALTY IN THE **SUB CLAUSE O**.
- Q) IN THE EVENT THE CEYPETCO DECIDING, AT ITS SOLE DISCRETION, NOT TO ACCEPT A REPLACEMENT CARGO, A PENALTY OF ONE POINT FIVE PERCENT (**1.5%**) WILL BE IMPOSED ON THE SUCCESSFUL SUPPLIER/ BIDDER BASED ON THE DES "VALUE OF THE REJECTED CARGO" AND RECOVER FROM THE LETTER OF CREDIT (L/C) OF THE BALANCE ACCEPTED CARGO ON-BOARD THE SAME VESSEL.
- R) IF THE CARGO ON-BOARD THE ENTIRE VESSEL IS REJECTED DUE TO UN ACCEPTABLE QUALITY THE PENALTY IMPOSED AS PER SUB **CLAUSE O OR P**.
- S) IN THE EVENT A REJECTION OF FULL CARGO, THE PERFORMANCE SECURITY GUARANTEE AVAILABLE WITH CEYPETCO PERTAINING TO THIS TENDER WILL BE FORFEITED. ALTERNATIVELY THE SUCCESSFUL SUPPLIER/ BIDDER MAY SUBMIT A BANK GUARANTEE OR BANK DRAFT DRAWN FROM A RECOGNIZED COMMERCIAL BANK IN SRI LANKA TO THE VALUE OF THE PENALTY IMPOSED BY CEYPETCO AS PER SUB **CLAUSE O OR P**.
- T) WHEREVER APPEARING THE "VALUE OF THE REJECTED CARGO" REFERS TO THE VALUE DETERMINED BASED ON THE DATE OF BILL OF LADING (B/L) OF THE REJECTED CARGO AND AS PER THE PRICE / PAYMENT /INTEREST CLAUSE UNDER **CLAUSE 4**.

10. BID SECURITY GUARANTEE

- (A) PRIOR TO THE BID OPENING, **ALL** BIDDERS SHALL ESTABLISH **A BID SECURITY GUARANTEE FOR UNITED STATES DOLLARS TWO HUNDRED THOUSAND (US\$ 200,000/=)** FOR THE TENDER UNDERTAKING THAT THE BID WILL BE HELD VALID FOR THE SPECIFIED PERIOD AND THAT THE BID WILL NOT BE WITHDRAWN DURING THAT PERIOD. SUCH SECURITY SHALL BE IN THE FORM OF A BANK GUARANTEE ISSUED/CONFIRMED BY A LICENCED COMMERCIAL BANK IN SRI LANKA, IN FAVOR OF CEYPETCO AND PAYABLE TO THE SAME ON DEMAND. **THE ORIGINAL BID SECURITY GUARANTEE SHALL BE SUBMITTED ALONG WITH THE OFFER.**

IMPORTANT

- (B) **PLEASE NOTE THAT ALL BIDDERS IRRESPECTIVE OF WHETHER THEY ARE RECOGNIZED GOVERNMENT OWNED INSTITUTIONS / SUBSIDIARIES AND/OR OIL MAJORS SHALL SUBMIT THE BID SECURITY GUARANTEE.**
- (C) THE BID SECURITY GUARANTEE SHALL BE VALID FOR A MINIMUM THIRTY (30) DAYS FROM THE DATE OF CLOSING OF THE BID. **THE FORMAT OF BID SECURITY GUARANTEE IS ANNEXED HERETO AS ANNEX - 'B'.**
- (D) FAILURE TO SUBMIT THE BID SECURITY GUARANTEE INCONFORMITY WITH THE BID REQUIREMENT ON OR BEFORE THE CLOSING TIME OF BID **BY ANY BIDDER** WILL RESULT IN THE BID BEING REJECTED. CEYPETCO SHALL BE ENTITLED TO ENCASH THE BID SECURITY GUARANTEE IN THE EVENT THE SUCCESSFUL BIDDER FAILS TO ENTER INTO THE CONTRACT, WITHIN A PERIOD OF FOURTEEN (14) DAYS SUBSEQUENT TO WRITTEN INSTRUCTION FROM CEYPETCO TO ENTER INTO THE SAID CONTRACT.
- (E) THE BID SECURITY OF THE SUCCESSFUL BIDDER WILL BE RETURNED ONLY AFTER RECEIPT OF THE PERFORMANCE SECURITY GUARANTEE BY THE SUCCESSFUL BIDDER. CEYPETCO SHALL BE ENTITLED TO ENCASH ON THE BID SECURITY GUARANTEE UNLESS A PERFORMANCE SECURITY GUARANTEE IS PROVIDED BY THE SUCCESSFUL BIDDER, ON THE DATE SPECIFIED BY CEYPETCO.
- (F) THE BID SECURITY GUARANTEE FROM THE UNSUCCESSFUL BIDDERS WILL BE RETURNED TO THEM AFTER THE AWARD IS MADE TO THE SUCCESSFUL BIDDER.

11. PERFORMANCE SECURITY GUARANTEE

- (A) THE SUCCESSFUL SUPPLIER / BIDDER **INCLUDING RECOGNIZED GOVERNMENT OWNED INSTITUTIONS / SUBSIDIARIES AND OIL MAJORS**, ON BEING NOTIFIED BY THE CEYPETCO OF THE ACCEPTANCE OF HIS OFFER, SHALL FURNISH AT HIS OWN EXPENSE A PERFORMANCE SECURITY GUARANTEE AFTER THE DATE OF AWARD OF THE BID TO THE SUCCESSFUL TENDERER, WITHIN SEVEN (7) WORKING DAYS BY A LICENCED COMMERCIAL BANK IN SRI LANKA IN FAVOR OF CEYPETCO AND PAYABLE TO THE CEYPETCO ON DEMAND TO THE VALUE OF **UNITED STATES DOLLARS ONE MILLION (US\$ 1, 000,000/=)**.
- (B) THE PERFORMANCE SECURITY GUARANTEE SHALL BE VALID UPTO 30 DAYS FROM THE SECOND DAY OF THE STIPULATED LAYCAN. THIS SHALL BE COMPLIED BY ALL SUCCESSFUL BIDDERS IRRESPECTIVE OF THEIR CATEGORY, AS INDICATED IN 11 (A).
- (C) THE SUCCESSFUL SUPPLIER / BIDDER SHOULD STRICTLY ADHERE TO **THE FORMAT OF PERFORMANCE SECURITY GUARANTEE WHICH IS ANNEXED HERETO AS ANNEX - 'C'.**
- (D) **THE SUCCESSFUL SUPPLIER / BIDDER SHOULD ENSURE AND CLEARLY INDICATE IN THEIR OFFER THAT THEY PROVIDE A PERFORMANCE SECURITY GUARANTEE UPON THE AWARD. FAILURE TO COMPLY THIS REQUIREMENT WILL RESULT IN THE AWARD BEEN CANCELLED, AS IT IS CONSIDERED TO BE A MAJOR DEVIATION.**

- (E) IF THE SUCCESSFUL SUPPLIER/ BIDDER, FAILS TO FURNISH THE PERFORMANCE SECURITY GUARANTEE AS AFORESAID, HIS NAME WILL BE PLACED IN THE LIST OF DEFAULTING CONTRACTORS. CEYPETCO SHALL THEREFORE, BE ENTITLED IN ITS ABSOLUTE DISCRETION TO MAKE SUITABLE ARRANGEMENTS REQUIRED FOR THE PERFORMANCE OF SUCH TENDER, AS THE CASE MAY BE, AT THE RISK AND EXPENSE OF SUCH DEFAULTED BIDDER.
- (F) THE SUCCESSFUL SUPPLIER/ BIDDER, IN THE EVENT OF HIS FAILURE TO FURNISH THE PERFORMANCE SECURITY AS REQUIRED UNDER THIS TENDER DOCUMENT, SHALL BE LIABLE FOR ANY LOSSES, COSTS, EXPENSES AND DAMAGES, WHICH CEYPETCO MAY SUSTAIN IN CONSEQUENCE OF SUCH FAILURE AND THE PERFORMANCE SECURITY GUARANTEE, SHALL BE FORFEITED.
- (G) THE LETTER OF CREDIT (L/C) FOR THE SHIPMENT WILL BE OPENED ONLY AFTER THE RECEIPT OF PERFORMANCE SECURITY GUARANTEE. THE PERFORMANCE SECURITY GUARANTEE SHALL BE IN FAVOUR OF CEYPETCO.

12. VESSEL REQUIREMENTS

12.1 VESSEL REQUIREMENTS AT DOLPHIN TANKER BERTH, COLOMBO

TANKER NOMINATED

1. SHOULD MEET FOLLOWING RESTRICTIONS AT DOLPHIN PIER, COLOMBO:

TYPE OF HULL	-	DOUBLE HULL
SDWT	-	60,000 MT MAX
LOA	-	210 METERS MAX.
BEAM	-	32.2 METERS MAX.
DRAFT	-	11.8 METERS MAX.
DISTANCE FROM SEA LEVEL TO CENTRE MANIFOLD	-	14 METERS MAX.
MANIFOLD SIZE	-	6" DIAMETER
MANIFOLD TYPE	-	ANSI 150 CLASS
ARRIVAL MANIFOLD HEIGHT FROM SEA LEVEL	-	11.5 METERS MAX.

- 2. SHALL NOT EXCEED 20 YEARS OF AGE. HOWEVER CEYPETCO MAY AT ITS' SOLE DISCRETION ACCEPT VESSELS UP TO MAX AGE OF 25 YEARS ON CONDITION THAT THE ADDITIONAL INSURANCE PREMIUM ON CARGO DUE TO OVERAGE OF VESSEL SHALL BE TO THE SELLER'S ACCOUNT. UNDER NO CIRCUMSTANCES VESSELS OVER 25 YEARS OF AGE WILL BE ACCEPTED.
- 3. SHOULD BE A TANKER, WHICH HAS CARRIED FUEL OIL ON THE LAST THREE VOYAGES (OBO CARRIERS ARE NOT ACCEPTABLE).
- 4. SHOULD BE EQUIPPED WITH HEATING COILS WHICH ARE OPERATIONAL WHILST DISCHARGING FOR MAINTAINING THE CARGO TEMPERATURE AT 45 ° C – 50 ° C.
- 5. SHOULD BE CAPABLE OF DISCHARGING LOW SULPHUR FUEL OIL 180 CST AT A MINIMUM DISCHARGING RATE OF 350 M. TONS PER HOUR. WHILE MAINTAINING PRESSURE AT VESSEL'S MANIFOLDS FROM 7.5 TO 15.0 KG/SQCM. ONE NO. MANIFOLD CONNECTION WILL BE PROVIDED FOR THE DISCHARGE OF PRODUCT THROUGH SIX INCH DISCHARGING ARM. CPC SHORE TANKS ARE LOCATED ABOUT 5 MILES AWAY FROM THE PORT.
- 6. SHOULD BE ISM CODE CERTIFIED OR WHOSE OWNERS OR OPERATORS SHOULD HOLD AN ISM CODE DOCUMENT OF COMPLIANCE.
- 7. SHOULD HAVE CARGO TANKS/ PIPE LINES/ PUMPS/ STRAINERS CLEAN AND DRY PRIOR TO COMMENCEMENT OF LOADING.

8. THE CRANE ON BOARD THE VESSEL SHOULD COMPLY THE FOLLOWING REQUIREMENTS;

- (i) MINIMUM OUTREACH OF CRANE SHOULD BE SIX METERS (06 M)
- (ii) MINIMUM SWL OF CRANE SHOULD BE TEN METRIC TONS (10 MT)

A DOCUMENT FROM VESSEL OWNERS CONFIRMING THAT THE VESSEL COMPLIES WITH ALL THE ABOVE REQUIREMENTS FROM 1 TO 8 AND THE QUESTIONNAIRE 88 SHOULD BE FURNISHED AT THE TIME OF VESSEL NOMINATION.

IN THE EVENT OF A DELAY IN DISCHARGING THE CARGO AT DOLPHIN TANKER BERTH, COLOMBO DUE TO VESSEL'S NON-COMPLIANCE WITH THE ABOVE REQUIREMENTS FROM 1 TO 8 YOU WILL BE HELD LIABLE FOR ALL CONSEQUENTIAL LOSSES.

12.2 VESSEL REQUIREMENTS AT SPM MUTHURAJAWELA, COLOMBO

TANKER NOMINATED

1. SHOULD MEET FOLLOWING RESTRICTIONS AT SPM MUTHURAJAWELA, COLOMBO:

TYPE OF HULL	-	DOUBLE HULL
SDWT	-	60,000 MT MAX
LOA	-	228 METERS MAX.
BEAM (MOULDED)	-	34.9 METERS MAX.
DEPTH (MOULDED)	-	18.2 METERS MAX.
DRAFT 100% LOADED	-	12.5 METERS MAX.
DRAFT 20% LOADED	-	4.6 METERS MIN.
MANIFOLD SIZE/TYPE	-	12" DIAMETER/ANSI 150 CLASS

2. SHALL NOT EXCEED 20 YEARS OF AGE. HOWEVER CEYPETCO MAY AT ITS' SOLE DISCRETION ACCEPT VESSELS UP TO MAX AGE OF 25 YEARS ON CONDITION THAT THE ADDITIONAL INSURANCE PREMIUM ON CARGO DUE TO OVERAGE OF VESSEL SHALL BE TO THE SELLER'S ACCOUNT. UNDER NO CIRCUMSTANCES VESSELS OVER 25 YEARS OF AGE WILL BE ACCEPTED.

3. SHOULD BE A TANKER, WHICH HAS CARRIED FUEL OIL ON THE LAST THREE VOYAGES (OBO CARRIERS ARE NOT ACCEPTABLE).

4. SHOULD BE EQUIPPED WITH HEATING COILS WHICH ARE OPERATIONAL WHILST DISCHARGING FOR MAINTAINING THE CARGO TEMPERATURE AT 45 ° C – 50 ° C.

5. SHOULD BE CAPABLE OF DISCHARGING LOW SULPHUR FUEL OIL 180 CST THROUGH 16 INCH PORT MANIFOLD AT A MINIMUM DISCHARGE RATE OF 1,000 M. TONS PER HOUR THROUGH 16 INCH FLOATING HOSE, WHILE MAINTAINING PRESSURE AT VESSEL'S MANIFOLDS UPTO 8.0 KG/SQCM.

6. SHOULD BE ISM CODE CERTIFIED OR WHOSE OWNERS OR OPERATORS SHOULD HOLD AN ISM CODE DOCUMENT OF COMPLIANCE.

7. SHOULD HAVE CARGO TANKS/ PIPE LINES/ PUMPS/ STRAINERS CLEAN AND DRY PRIOR TO COMMENCEMENT OF LOADING.

8. VESSEL MOORING EQUIPMENTS AND MANIFOLDS SHOULD CONFORM TO OCIMF STANDARDS.

9. MANIFOLD

MANIFOLD LOCATION - MIDSHIP (PORT SIDE)

MANIFOLD CONNECTION - ONE 12 INCH STUDDED CAMLOCK FLANGE ANSI CLASS 150

10. DETAILS OF DERRICK AT MANIFOLD LOCATION

DERRICK SHOULD HAVE MINIMUM SAFE WORKING LOAD OF 10 MT AND SHOULD BE IN GOOD OPERATIONAL CONDITION.

11. MOORING EQUIPMENT, MOORING AND TOWING ARRANGEMENT

- A) TANKER SHOULD BE FITTED WITH A CENTRAL BOW STOPPER (CHAIN STOPPER) OF 100 TONNES SWL FOR OCIMF CHAFE CHAIN "B"
- B) TANKER SHOULD BE FITTED WITH A CENTRAL BOW FAIR LEAD (BULL RING) MEASURING AT LEAST 600 MM X 450 MM
- C) POSITION OF PEDESTAL ROLLER FAIRLEAD/WINCH DRUM
 - (a) SHOULD BE A CONTINUATION OF THE DIRECT LEAD LINE BETWEEN THE BOW FAIRLEAD (BULL RING) AND BOW CHAIN STOPPER.
 - (b) SHOULD BE NOT LESS THAN 4.5 METRES DIRECTLY BEHIND THE BOW CHAIN STOPPER.
 - (c) SHOULD BE AT SUCH A HEIGHT THAT FAIRLEAD ROLLERS WILL ENABLE AN UNRESTRICTED LINE PULL TO BE ACHIEVED.
- D) PEDESTAL FAIRLEAD SHOULD BE FITTED FOR LEAD TO WINCH/WINDLASS.
- E) SHOULD HAVE A MESSENGER LINE OF CIRCUMFERENCE 4 INCH/5 INCH X 500 FT. LONG, ONE END CONNECTED TO AN EMPTY MOORING ROPE WINCH DRUM.
- F) TANKER SHOULD HAVE A "PANAMA" LEAD RIGHT AFT ON ITS CENTRE LINE.
- G) A GOOD TOW ROPE (POLYPROPYLENE) OF 10" CIRCUMFERENCE OR ABOVE IN SIZE AND LENGTH (APPROX. 650 FT.) TO BE KEPT READY AT THE STERN. IF NECESSARY, TWO ROPE COILS MAY BE JOINED TO OBTAIN LENGTH OF 650 FT.
- H) MOORING MASTERS SHOULD HAVE FREE ACCESS TO NAVIGATIONAL CHARTS AND EQUIPMENTS REQUIRED FOR MOORING OPERATION.
- I) WHEEL HOUSE TO BE KEPT OPEN THROUGHOUT THE PERIOD THE TANKER MADE FAST TO THE BUOY.
- J) A FORE-CASTLE WATCHMAN TO BE MADE AVAILABLE BY THE TANKER THROUGHOUT THE PERIOD THE TANKER MADE FAST TO THE BUOY.
- K) ALL TOOLS REQUIRED FOR CONNECTION/DISCONNECTION OF CARGO HOSE TO BE SUPPLIED BY THE TANKER.
- L) CONNECTION/DISCONNECTION OF HOSE IS THE RESPONSIBILITY OF SHIP'S STAFF UNDER THE SUPERVISION OF A SHIP'S OFFICER ON THE INSTRUCTIONS OF CEYPETCO OFFICIALS ON BOARD THE TANKER.
- M) TANKER'S MAIN ENGINE SHOULD BE KEPT READY THROUGHOUT THE PERIOD OF STAY AT THE BUOY FOR MANEUVERING PROMPTLY ON NOTICE.
- N) TANKER SHOULD BE CAPABLE OF HANDLING THE OTHER HOSE (USED FOR THE DISCHARGE OF CLEAN PETROLEUM PRODUCTS) SAFELY BY WAY OF HOLDING ONTO THE TANKER THROUGHOUT THE DISCHARGING OPERATION.

12. INERT GAS SYSTEM

TANKER SHOULD HAVE AN OPERATIONAL INERT GAS PLANT CAPABLE OF MAINTAINING TANK ATMOSPHERE OF LESS THAN 8 PCT. OXYGEN CONTENT AND POSITIVE PRESSURE IN CARGO TANKS WITHIN SAFE LIMITS AT ALL STAGES OF DISCHARGE.

13. COMMUNICATION EQUIPMENT

TANKER SHOULD HAVE VHF CHANNEL 09,16,68,71 FACILITIES FOR COMMUNICATION WITH SHORE FACILITY. TANKER'S CARGO CONTROL ROOM SHOULD HAVE FACILITY TO MAINTAIN A CONTINUOUS WATCH ON VHF CHANNEL 71 FOR OPERATIONAL REQUIREMENTS.

14. ACCOMMODATION/MEALS

A) FOLLOWING PERSONNEL WOULD STAY ON BOARD THROUGHOUT THE PERIOD OF TANKER MADE FAST TO THE BUOY.

- (a) TWO MOORING MASTERS (SENIOR MASTER MARINERS)
- (b) TWO LOADING MASTERS
- (c) ONE SAMPLE COLLECTOR (CREW)
- (d) ONE INDEPENDENT INSPECTOR (JUNIOR OFFICER)

B) PROPER ACCOMMODATION ON OFFICERS DECK SHOULD BE ARRANGED FOR MOORING MASTERS, LOADING MASTERS AND INDEPENDENT INSPECTOR.

C) MEALS FOR MOORING MASTERS, LOADING MASTERS AND INDEPENDENT INSPECTORS SHOULD BE SERVED IN OFFICERS' DINING SALOON.

15. A DOCUMENT FROM TANKER OWNERS CONFIRMING THAT THE TANKER COMPLIES WITH ALL THE ABOVE REQUIREMENTS.

16. IN THE EVENT OF A DELAY IN DISCHARGING THE CARGO AT SPM MUTHURAJAWELA, COLOMBO DUE TO VESSEL'S NON-COMPLIANCE WITH THE ABOVE REQUIREMENTS YOU WILL BE HELD LIABLE FOR ALL CONSEQUENTIAL LOSSES.

13. THIRD PARTY CARGO

TENDERERS ARE NOT PERMITTED TO CARRY ANY THIRD PARTY CARGO ALONG WITH THIS CARGO IN THE SAME TANKER.

14. IMPORTANT

IT IS IMPERATIVE THAT THE CARGO IS DELIVERED FOR TWO BERTH DISCHARGE AT DOLPHIN TANKER BERTH AND SPM MUTHURAJAWELA, COLOMBO IN ONE LOT DURING THE CONTRACTUAL LAYCAN 01-02/06/2017 AND UNDER NO CIRCUMSTANCES THE CARGO WILL BE ACCEPTED IN TWO SEPARATE TANKERS. SHOULD YOU FAIL TO DELIVER THE CARGO FOR TWO BERTH DISCHARGE AT DOLPHIN TANKER BERTH AND SPM MUTHURAJAWELA, COLOMBO IN ONE LOT DURING THE CONTRACTUAL LAYCAN 01-02/06/2017, YOU WOULD BE HELD LIABLE FOR HEAVY PENALTIES AND ALL CONSEQUENTIAL LOSSES.

15. PENALTY FOR LATE DELIVERY

15.1 THE SUCCESSFUL TENDERER IS FULLY RESPONSIBLE TO DELIVER THE CARGO ON THE DELIVERY LAYCAN (I.E. 01-02/06/2017) AS PER THE TENDER. FAILURE TO COMPLY WITH THE AGREED

DELIVERY LAYCAN WILL MAKE THE SUPPLIER IS LIABLE FOR A DELAY PENALTY OF **0.25%** OF THE **DES VALUE** PER DAY FOR EACH DAY OF DELAY.

15.2 IN THE EVENT SUCCESSFUL TENDERER FAIL TO DELIVER THE CARGO DURING THE CONTRACTUAL LAYCAN DETERMINED BY CEYPETCO THE PARTICULAR SUPPLIER MIGHT BE PLACED IN THE HOLIDAY LIST FOR A PERIOD DETERMINED BY CEYPETCO AT ITS SOLE DISCRETION.

16. SHORT LOADING

THE SUCCESSFUL TENDERER IS FULLY RESPONSIBLE TO DELIVER THE AGREED QUANTITY OF CARGO UNDER EACH SHIPMENT. FAILURE TO DELIVER THE QUANTITY AGREED UPON ADJUSTED TO THE TOLERANCE OF MINUS FIVE PERCENT (-5%) WILL MAKE THE SUCCESSFUL TENDERER LIABLE FOR A PENALTY OF US\$ 10,000 PER EACH 1,000 MT OR PART THEREOF FOR SHORT LOADING BELOW MINUS 5%.

17. FORCE MAJEURE

THE SELLER OR THE BUYER SHALL NOT BE LIABLE FOR ANY LOSS, CLAIM OR DEMANDS OF ANY NATURE WHATSOEVER, OR BE DEEMED TO BE IN A BREACH OF THIS AGREEMENT BECAUSE OF ANY DELAYS OR FAILURE IN OBSERVING OR PERFORMING ANY OF THE CONDITIONS OR PROVISIONS HEREOF IF SUCH DELAY OR FAILURE WAS CAUSED BY OR AROSE OUT OF ANY CIRCUMSTANCES WHATSOEVER BEYOND THE SELLER'S OR BUYER'S CONTROL INCLUDING (BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING) DECLARED OR UNDECLARED WAR, SABOTAGE, BLOCKADE, PIRACY OR PIRATICAL SEIZURE OF VESSEL, REVOLUTION, POLICE ACTION, RIOT OR DISORDER, EMBARGO OR TRADE RESTRICTION OF ANY SORT GOVERNMENT OR QUASI GOVERNMENT ACTION, ACT OF GOD, FIRE, FLOOD, EARTHQUAKE, STORM, TIDE OR TIDAL WAVE, EXPLOSION, ACCIDENT, RADIATION, STRIKE, LOCKOUT OR OTHER LABOUR DISPUTE.

18. ARBITRATION

THE VENUE OF ARBITRATION SHALL BE IN COLOMBO, SRI LANKA AND THIS TENDER SHALL BE GOVERNED BY THE RULES OF ARBITRATION OF THE **UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (UNCITRAL)** PROCEDURE. THE LANGUAGE OF ARBITRATION SHALL BE ENGLISH. THE ARBITRATION TRIBUNAL SHALL CONSIST OF THREE ARBITRATORS, ONE TO BE APPOINTED BY THE SELLER, ONE BY THE BUYER AND THE TWO ARBITRATORS THUS APPOINTED SHALL CHOOSE THE THIRD ARBITRATOR. ARBITRATION SHALL BE A CONDITION PRECEDENT TO THE INSTITUTION OF ANY LEGAL ACTION BY EITHER PARTY AGAINST THE OTHER.

ALL OTHER REQUIREMENTS AS PER CEYPETCO STANDARD TERMS AND CONDITIONS AVAILABLE WITH YOU.

19. SUBMISSION OF OFFERS

(A) FAX/E-MAIL QUOTATIONS ARE NOT ENTERTAINED.

(B) BIDDERS ARE REQUESTED TO SUBMIT THE OFFERS **WITH THEIR BID/PERFORMANCE BONDS** THROUGH THEIR RESPECTIVE LOCAL AGENTS AND THOSE WHO DO NOT HAVE LOCAL AGENTS MAY SUBMIT THEIR OFFERS THROUGH COURIER SERVICE TO FOLLOWING ADDRESS.

CHAIRMAN,
SPECIAL STANDING CABINET APPOINTED PROCUREMENT COMMITTEE (SSCAPC),
3RD FLOOR,
CEYLON PETROLEUM CORPORATION,
NO. 609, DR. DANISTER DE SILVA MAWATHA,
BASELINE ROAD, COLOMBO 09,
SRI LANKA.

(C) OFFERS CLOSE AT **1200 HRS. SRI LANKA TIME ON WEDNESDAY 03RD MAY 2017** AND SHOULD BE HELD VALID FOR **72 HRS**, THEREFROM.

NOTE

- (i) **BIDDERS ARE REQUESTED TO INDICATE AUTHORISED SIGNATURE ON EACH PAGE OF OFFERS.**
- (ii) **WHEN OFFERS ARE SUBMITTED THROUGH YOUR LOCAL REPRESENTATIVE, BIDDERS ARE REQUESTED TO SUBMIT A LETTER FROM THE PRINCIPALS THAT THEIR LOCAL AGENT IS AUTHORISED TO SUBMIT THE OFFER ON BEHALF OF THEM.**
- (iii) **PLEASE ALSO NOTE THAT ONLY THOSE WHO HAVE SUBMITTED OFFERS (OR THEIR LOCAL AGENTS) COULD BE PRESENT AT THE TIME OF OPENING OF TENDERS. NO LOCAL AGENT IS PERMITTED TO BRING MOBILE PHONES.**

REGARDS,


COMMERCIAL MANAGER/CEYPETCO/CE/0032

LOW SULPHUR FUEL OIL 180 CST

PROPERTY/TEST	TEST METHOD IP	ASTM-D	CPC SPECS
DENSITY @ 15DEG C kg/m ³	160	1298	900 - 970
FLASH POINT PM CC, Deg C	34	93	MIN 60
POUR POINT Deg C	15	97	MAX 21.1
TOTAL SULPHUR CONTENT % (w/w)	61	4294	MAX 1.8
VISCOSITY KINEMATIC @ 50Deg C, Cst	71	445	90 - 175
WATER CONTENT % (v/v)	74	95	Max. 1.0
ASH % (w/w)	4	482	Max. 0.1
CONDRADSON CARBON % (w/w)		189	MAX 12
SEDIMENT BY EXTRACTION % wt.	53	473	Max. 0.1
ASPHALTENES m/m %	143	6560	Max. 4.0
TOTAL SEDIMENT POTENTIAL % m/m	375	4870	Max. 0.1
CALORIFIC VALUE GROSS, Kcal/kg.	12	240	Min 10,300
STRONG ACID KOH mg/g	1	974	NIL
METAL CONTAMINANTS			
V	288	3605	Max. 65 ppm
Pb		3605	Max. 1 ppm
Al + SI	501/377		Max. 80 ppm
Na + K		3605	Max. 30 ppm
Zn	501/470		Max.5 ppm
PHOSPHORUS	501/500		Max .15 ppm
Ca	501/470		Max. 10 ppm
Fe		3605	Max. 5 ppm

NOTES :

- (I) THE FUEL SHALL NOT INCLUDE ANY ADDED SUBSTANCES OR CHEMICAL WASTE, WHICH JEOPARDIZES THE SAFETY OF INSTALLATIONS OR ADVERSELY AFFECTS THE PERFORMANCES OF THE MACHINES OR IS HARMFUL TO PERSONNEL OR CONTRIBUTES OVERALL TO AIR POLLUTION.
- (II) THIS FUEL IS USED IN POWER PLANTS HAVING HEAVY DUTY GAS TURBINES WHICH ARE CONNECTED TO THE NATIONAL GRID OF THE COUNTRY'S ELECTRICITY SUPPLY. AS SUCH THE SELLER MUST TAKE EVERY PRECAUTION TO SUPPLY LOW SULPHUR FUEL OIL 180 CST. AS PER THE TENDER SPECIFICATIONS AND HE IS RESPONSIBLE TO SUPPLY MERCHANTABLE GRADE OF PRODUCTS.
- (III) THE PRODUCT SHOULD BE LOADED FROM SHORE TANKS TO MEET THE SAID SPECIFICATIONS, PREFERABLE EX-REFINERY AND SHOULD ALWAYS AVOID SHIP TO SHIP TRANSFERS OR OTHER TYPE OF FUEL OIL BLENDING, TO AVOID BLENDING WITH CONDENSATE.

- (IV) SELLER IS HEREBY MADE RESPONSIBLE FOR THE QUALITY OF LOW SULPHUR FUEL OIL CARGO PURCHASED FROM OTHER SUPPLIERS AND SUPPLIED TO CPC.
- (V) THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHOULD CERTIFY THAT THE PRODUCT LOADED IS FREE FROM USED LUBRICATING OIL ((ULO) AS DESCRIBED IN ANNEX. H OF THE ISO 8217:2005 (E) STANDARDS FOR PETROLEUM PRODUCTS – FUELS (CLASS F) – SPECIFICATIONS OF MARINE FUELS).
- (VI) THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHALL FORWARD THE ANALYSIS REPORT AND THE TANK INSPECTION CERTIFICATE BEFORE LOADING, TO BOTH PARTIES.
- (VII) UNDER NO CIRCUMSTANCES THE CARGO SHOULD BE LOADED TO THE VESSEL WITHOUT OBTAINING THE PRIOR APPROVAL FROM CPC FOR QUALITY AND SHIP TANK INSPECTION REPORT.

LOW SULPHUR FUEL OIL 180 CST

PROPERTY/TEST	TEST METHOD IP	ASTM-D	CPC SPECS	Compliance
DENSITY @ 15DEG C kg/m ³	160	1298	900 - 970	
FLASH POINT PM CC, Deg C	34	93	MIN 60	
POUR POINT Deg C	15	97	MAX 21.1	
TOTAL SULPHUR CONTENT % (w/w)	61	4294	MAX 1.8	
VISCOSITY KINEMATIC @ 50Deg C, Cst	71	445	90 - 175	
WATER CONTENT % (v/v)	74	95	Max. 1.0	
ASH % (w/w)	4	482	Max. 0.1	
CONDRADSON CARBON % (w/w)		189	MAX 12	
SEDIMENT BY EXTRACTION % wt.	53	473	Max. 0.1	
ASPHALTENES m/m %	143	6560	Max. 4.0	
TOTAL SEDIMENT POTENTIAL % m/m	375	4870	Max. 0.1	
CALORIFIC VALUE GROSS, Kcal/kg.	12	240	Min 10,300	
STRONG ACID KOH mg/g	1	974	NIL	
METAL CONTAMINANTS				
V	288	3605	Max. 65 ppm	
Pb		3605	Max. 1 ppm	
Al + SI	501/377		Max. 80 ppm	
Na + K		3605	Max. 30 ppm	
Zn	501/470		Max.5 ppm	
PHOSPHORUS	501/500		Max .15 ppm	
Ca	501/470		Max. 10 ppm	
Fe		3605	Max. 5 ppm	

NOTES :

- (J) THE FUEL SHALL NOT INCLUDE ANY ADDED SUBSTANCES OR CHEMICAL WASTE, WHICH JEOPARDIZES THE SAFETY OF INSTALLATIONS OR ADVERSELY AFFECTS THE PERFORMANCES OF THE MACHINES OR IS HARMFUL TO PERSONNEL OR CONTRIBUTES OVERALL TO AIR POLLUTION.
- (II) THIS FUEL IS USED IN POWER PLANTS HAVING HEAVY DUTY GAS TURBINES WHICH ARE CONNECTED TO THE NATIONAL GRID OF THE COUNTRY'S ELECTRICITY SUPPLY. AS SUCH THE SELLER MUST TAKE EVERY PRECAUTION TO SUPPLY LOW SULPHUR FUEL OIL 180 CST. AS PER THE TENDER SPECIFICATIONS AND HE IS RESPONSIBLE TO SUPPLY MERCHANTABLE GRADE OF PRODUCTS.

- (III) THE PRODUCT SHOULD BE LOADED FROM SHORE TANKS TO MEET THE SAID SPECIFICATIONS, PREFERABLE EX-REFINERY AND SHOULD ALWAYS AVOID SHIP TO SHIP TRANSFERS OR OTHER TYPE OF FUEL OIL BLENDING, TO AVOID BLENDING WITH CONDENSATE.
- (IV) SELLER IS HEREBY MADE RESPONSIBLE FOR THE QUALITY OF LOW SULPHUR FUEL OIL CARGO PURCHASED FROM OTHER SUPPLIERS AND SUPPLIED TO CPC.
- (V) THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHOULD CERTIFY THAT THE PRODUCT LOADED IS FREE FROM USED LUBRICATING OIL ((ULO) AS DESCRIBED IN ANNEX. H OF THE ISO 8217:2005 (E) STANDARDS FOR PETROLEUM PRODUCTS – FUELS (CLASS F) – SPECIFICATIONS OF MARINE FUELS).
- (VI) THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHALL FORWARD THE ANALYSIS REPORT AND THE TANK INSPECTION CERTIFICATE BEFORE LOADING, TO BOTH PARTIES.
- (VII) UNDER NO CIRCUMSTANCES THE CARGO SHOULD BE LOADED TO THE VESSEL WITHOUT OBTAINING THE PRIOR APPROVAL FROM CPC FOR QUALITY AND SHIP TANK INSPECTION REPORT.

FORMAT FOR BID SECURITY GUARANTEE

[This Bank Guarantee form shall be filled in accordance with the instructions indicated in brackets]

..... *[insert issuing agency's name and address of issuing branch or office].....*

Beneficiary : **CPC**

Date : *[insert (by issuing agency) date]*

BID GUARANTEE NO : *[insert (by issuing agency) number]*

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 execution / supply *[select appropriately]* of *[insert name of contract]* under Invitation for Bids No. *[insert IFB number]* ("the IFB")

Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid Guarantee.

At the request of the Bidder, we *[insert name of issuing Bank]* hereby unconditionally and irrevocably 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

- (a) has withdrawn its Bid during the period of bid validity specified; or
- (b) having been notified of the acceptance of its Bid by the Ceylon Petroleum Corporation during the period of bid validity, (i) fails or refuses to execute the Contract or (ii) fails or refuses to furnish the Performance Security, in accordance with the Terms & Conditions of tender.

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 up to *[insert date]*

Consequently, any demand for payment under this Guarantee must be received by us at the office on or before that date

[signature(s) of authorized representative(s)]

FORMAT FOR PERFORMANCE SECURITY GUARANTEE

..... [issuing Agency's Name and Address of issuing Branch or Office]

Beneficiary : **CPC**
Date :

PERFORMANCE SECURITY GUARANTEE NO :

We have been informed that [name of supplier] (hereinafter called "the Supplier") has entered into contract No. [reference number of the contract] dated with you, for the supply of [name of contract and brief description of works] (hereinafter called "the Contract")

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Supplier, we [name of Bank] hereby unconditionally and irrevocably undertake to pay you any sum or sums not exceeding in total an amount of US\$..... [amount in figures] (United States Dollars.....) [amount in words], upon receipt by us of your first demand in writing accompanied by a written statement stating that the Supplier is in breach of its obligation(s) under the Contract, without your needing to prove or to show grounds for your demand or the sum specified therein.

This Guarantee shall expire, no later than the day of, 20.... [insert date one month beyond the scheduled contract completion date] and any demand for payment under it must be received by us at this office on or before that date.

.....
[Signature(s)]