

INSTRUCTIONS TO BIDDERS

1.1 Introduction

The Ceylon Petroleum Corporation (CPC) will receive sealed Bids from Manufactures & Suppliers for the Purchase of Pipes & Fittings and Steel Plates for Pipeline Repair in DTB & Crude SPBM.

1.2 Content of the Bidding Documents

1.2.1 Bidding Document will consist of the followings;

- 1.2.1.1 Instructions to Bidders (ITB)
- 1.2.1.2 Conditions of Contract (COC)
- 1.2.1.3 Specifications
- 1.2.1.4 Schedule of Prices
- 1.2.1.5 Form of Bid
- 1.2.1.6 Format of Bid Security Guarantee
- 1.2.1.7 Format of Performance Guarantee
- 1.2.1.8 Format of Advance Payment Guarantee

1.3 Documents to accompany the Bid

All Bidders shall furnish adequate information in respect of the items offered.

Failure to furnish the following documents and details, with the bid may result in the Bid being rejected. All documents shall be furnished in English language.

- 1.3.1 Business Registration Certificate of the Company.
- 1.3.2 Every Bidder should specify the conditions and period of warranty.
- 1.3.3 Detailed Technical Specifications and literature of the item offered.
- 1.3.4 Form of Bid (**Annex A**) duly completed and signed.

1.4 Sealing and marking of Bids

Bids shall be submitted in duplicates. The original and the duplicate of the Bid shall be placed in separate envelopes marked 'ORIGINAL' and 'DUPLICATE' and shall be marked " **BID FOR THE PURCHASE OF PIPES & FITTINGS AND STEEL PLATES FOR PIPELINE REPAIR IN DOLPHIN TANKER BIRTH & CRUDE SPBM**" on the top left hand corner and the statement, "DO NOT OPEN BEFORE **1400 hrs on 26.06.2019** (to be completed with the time and date specified in the Bidding Document).

Manager (Procurement & Stores),

Procurement & Stores Function,
1st Floor, No. 609,
Dr. Danister De Silva Mawatha,
Colombo 09.
Sri Lanka.

If the envelope is not sealed and marked as stated above, CPC will not take the responsibility for the Bids being misplaced or premature opening. In the event of any discrepancy between the Original and the Duplicate, the Original shall govern.

1.5 Period of validity of Bids

All bids shall be valid for a **minimum period of Seventy Seven (77) days** from the closing date of the Bid. **A Bid valid for a shorter period will be rejected as non-responsive.**

1.6 Signing of Bids

The Original and the Duplicate of the Bid shall be typed, or written in indelible ink, and shall be signed by the Bidder. **All pages of the Bid except for un-amended printed literature shall be initialed by the person(s) signing the Bid.**

Any inter lineation, erasures or over-writing shall be valid only if they are initialed by the person(s) signing the Bid.

1.7 Clarification of Bidding Document

A prospective Bidder requiring any clarification of the Bidding Document should notify CPC in writing by hand or post or facsimile at the CPC's mailing address indicated in the Bidding Document clause 1.5. Similarly if a Bidder feels that any important provision is unacceptable, such objection should be raised at this stage. CPC will respond in writing to any request for clarification or modification of the Bidding Document that is received not later than Seven (07) days prior to the deadline of submission of Bids prescribed by the CPC.

1.8 Deadline for submission of Bids

CPC must receive Bids at the address specified in **ITB Clause 1.4**, not later than 1400 hrs. on **26.06.2019**.

1.9 Late Bids

Any Bid received by CPC after the deadline for submission of Bids, will be rejected and returned unopened to the Bidder.

1.10 Withdrawal of Bids

A Bidder wishing to withdraw his Bid shall notify the CPC in writing prior to the deadline prescribed for the submission of Bids. A withdrawal notice may also be sent by Facsimile, but must be followed by the original, by post or by hand not later than the deadline for submission of Bids. The notice of withdrawal shall be sent to the Manager (Procurement & Stores), which the address is given in Clause No. 1.4.

1.11 Closing of Bids

Bids shall be closed at 1400 hrs on **26.06.2019** and hence bids shall be reached to the address given in clause no. 1.4 before the time and date specified in clause no. 1.8.

1.12 Opening of Bids by CPC

Bids will be opened immediately after the closing date and time fixed for receipt of Bids. The address where bids are opened is given in clause 1.4.

1.13 Agent's Authority:

An Accredited Agent of the manufacture signing the Bidding Document on behalf of the Principal shall state the Principal's name and address, telephone number and fax number, (if any) and a letter of Authority empowering the agent.

Nomination of an Agent after the Bid has been submitted will not be valid.

1.14 Bid Security Guarantee

Each Bid shall be accompanied by a Bid Security Guarantee, (if requested) 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 Draft or a Bank Guarantee issued / confirmed by a recognized Bank in Sri Lanka, and payable to the CPC on demand in a sum of Rupees **Fifty Thousand only. (Rs. 50,000.00)**.

The Bid Security Guarantee should be valid for hundred and Seven (107) days (**i.e. up to 11.10.2019**) from the date of closing of Bid. A form of Bid Security Guarantee is attached in Annex "B".

Failure to submit the Bid Security Guarantee at the time, or before the closing of Bid, and in accordance with above said requirements, and in the format provided, will result in the Bid being rejected. Bid Security Guarantee from unsuccessful Bidders will be returned to them after the award is made to the successful Bidder. The Bid Security of the successful Bidder will be returned only after receipt of the **Performance Security Guarantee**.

1.15 Preliminary Examination of Bids

CPC will examine the Bids to determine whether they are complete, any computational errors have been made, whether the documents have been properly signed, and the Bids are generally in order. If not, CPC may at its discretion call clarifications from the Bidder. The request for clarification and the response shall be in writing within one week's form the clarifications and no change in the price or substance of the Bid shall be sought, offered or permitted.

1.16 Correction of Errors

Bids determined to be substantially responsive will be checked by the Employer for any arithmetic errors. Errors will be corrected by the Employer as follows:

- (a) Where there is a discrepancy between the amounts in figures and in words, the amount in words will govern; and
- (b) Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern, unless there is an obviously gross misplacement of the decimal point in the unit rate, in which case the line item total as quoted will govern, and the unit rate will be corrected.
- (c) If the total Bid price increases due to corrections made on above procedure, the bid price shall not be adjusted to the increased price and the corrections should be readjusted within the Bid price in consultation with the Bidder.
- (d) If the bid price decreases by the above procedure, the amount stated in the Form of Bid shall be adjusted with the concurrence of the Bidder and shall be considered as binding upon the Bidder.
- (e) If the bidder does not accept the corrected amount of bid, its bid shall be rejected and the bid security may be forfeited.

1.17 Evaluation of Bids:

CPC will carry out a detailed evaluation of Bids, to determine whether the Technical aspects are properly addressed, and the Bids are substantially responsive.

1.18 CPC's right to accept or reject any or all Bids

The CPC will not be bound to make the award to the Bidder submitting the lowest offer. The CPC reserves the right to reject any or all Bids or any part thereof, without assigning any reasons. The CPC may accept any or all items of an bid, and reserves the right to increase or decrease the number of units to be contracted for, at prices indicated in the Schedule of Prices

1.19 Notice of Acceptance

The notice of acceptance of Bid will be sent by facsimile, followed by post to the successful Bidder, to the address given by him in the Bidding Document, soon after the decision of the CPC.

Upon renewal of notice of acceptance the successful bidder shall submit Mill Test Certificates of the materials to be supplied within two (02) months.

1.20 Award Criteria

1.20.1 Subject to ITB Clause 1.18, the CPC will award the contract to the successful Bidder, whose Bid has been determined to be substantially responsive, lowest evaluated Bid, provided that the Bidder is determined to be qualified to perform the contract satisfactorily.

1.20.2 CPC will advise for any corrections. If CPC accepts the corrected sample bidder can proceed for the total quantity. If not, the order will be cancelled automatically and the contract will be awarded to the next responsive bidder.

1.20.3 If the Successful bidder is called upon to enter in to an Agreement with CPC, the bidder should be ready to sign an agreement with CPC.

2. CONDITIONS OF CONTRACT (COC)

2.1 Performance Security:

If it is applicable, the successful Bidder will be notified by CPC to furnish a Performance Guarantee. This guarantee shall be submitted on his owned cost and within fourteen (14) days of such notification through / confirmed by a reputed Commercial Bank in operation in Sri Lanka, for a sum equivalent to 10% of the total Bid value of the accepted Bid. The Performance Security shall be complied to the format given in Annex C. The period of validity of this performance security shall be the expected period of delivery of goods/equipment plus one month. (i.e. period of the contract plus one month)

If the successful Bidder fails to furnish the Performance Security aforesaid, his name will be placed in the list of defaulting Contractors. CPC shall therefore, be entitled in its absolute discretion to make suitable arrangements required for the performance of such Bid, as the case may be, at the risk and expense of the successful Bidder.

The successful Bidder, in the event of his failure to furnish the Performance Security as required, shall be liable for any losses, costs expenses and damages, which the CPC may sustain in consequence of such failure, and the Bid security shall be forfeited.

2.2 Warranty Conditions

The successful Bidder should give a Comprehensive Warranty from the Manufacturer for a period of one year (minimum) from the date of delivery. Warranties more than one year period will be given more priority during the evaluation of offers.

2.3 Delivery

Pipes & Fittings delivered to CPC within Forty Five (45) days from the date of Order Confirmation.

2.4 Delays in Delivery

Where the Supplier does not supply of pipes & fittings and steel plates in due time, in accordance with the stipulated and agreed dates of delivery, as given in the bidding document, the Ceylon Petroleum Corporation, will have the right to make suitable alternate arrangements for the required supplies. Delays for reasons beyond the suppliers control which is acceptable to CPC and such situations will be dealt accordingly.

2.3 Advance Payment and the Payments

Unless otherwise stated, an advance payment to a value of 20% (maximum) will be paid on a bank guarantee form a commercial bank operation in Sri Lanka. The format of Bank Guarantee is given in Annex E.

Balance payment will only be made within 30 days after Completion of the Job.

2.4 Defaults by Successful Bidder

If the successful Bidder, defaults in the supply or otherwise commit a breach of any of the provisions in the Contract with CPC, he shall be liable to pay to CPC, all losses, damages and expenses incurred by CPC, in consequence of such default or breach. Bidders should declare that they had read the Bid conditions, and that they make the offer in compliance with, and subject to all the conditions thereof, and agree to perform the services in accordance with the said conditions in the manner therein set out, and in terms of this offer. A Form of Bid, as Annex- 'A' is attached.

2.5 Liquidated Damages

Liquidated Damages amounts to Rs. 2,000.00 will be levied per each day delayed beyond the period of delivery specified in the contract.

2.6 Force Majeure:

Except as regards an act of God, War, Strike, Invasion, Civil war, Rebellion Revolution, Insurrection, Earthquake or Plagues, the Bidder shall undertake all risks and liabilities of whatsoever kind arising out of incidentals connected with the sale.

2.7 Termination

Ceylon Petroleum Corporation may at any time terminate the contract by giving written notice to the Service Provider, if the Service Provider breach of any of the provisions in the contract with CPC for the Finance Lease of vehicle/s or becomes bankrupt or otherwise insolvent. In this event, termination will be done without compensation to the Financial Institution or Bank provided that such termination will not prejudice or effect any right of action or remedy which has accrued or will accrue thereafter to CPC.

2.8 Arbitration.

If during the continuance of this Contract or at any time after the termination thereof, any disputes or differences of opinion touching the interpretation of this contract were to arise between the parties hereto or their respective representatives, such differences or disputes shall be referred for Arbitration.

Arbitration shall be conducted under the rules of ICLP (Institute of the Development of Commercial Law & Practice), Arbitration Centre and in accordance with the arbitration Act No. 11 of 1995 of Sri Lanka. The place of Arbitration shall be Colombo, Sri Lanka.

2.9 Governing Law

Governing law will be the law of Democratic Socialist Republic of Sri Lanka.

3. TECHNICAL SPECIFICATIONS

PIPES & FITTINGS					
BILL OF MATERIAL					
TYPE OF MATERIAL				CARBON STEEL	QTY TO BE ORDERED
#	SIZE	Schedule	DESCRIPTION	MATERIAL	
1	14"	sch40	PIPE	A106Gr. A	1length (≈6M)
2	12"	sch40	PIPE	A106Gr. A	1length (≈6M)
3	10"	sch40	PIPE	A106Gr. A	1length (≈6M)
4	8"	sch40	PIPE	A106Gr. A	1length (≈6M)
5	8"	sch40	ELBOWS 90deg LR BW	A234WPA	4 Nos
6	14"	-	FLANGE CLASS 150# S.O RF	A105Gr. I	5 Nos
7	12"	-	FLANGE CLASS 150# S.O RF	A105Gr. I	8 Nos
8	10"	-	FLANGE CLASS 150# S.O RF	A105Gr. I	4 Nos
9	8"	-	FLANGE CLASS 150# S.O RF	A105Gr. I	5 Nos
10	10"	-	BLIND FLANGE 150# RF	A105Gr. I	2 Nos
11	12" X 8"	sch40	CONC. REDUCER	A234WPA	2 Nos
12	-	-	12MM TK (8' X 4') PLATE	A283Gr. C	1 No.
13	14"	-	GASKETS FOR CLASS 150# RF	4C3	4 Nos
14	12"	-	GASKETS FOR CLASS 150# RF	4C3	6 Nos
15	10"	-	GASKETS FOR CLASS 150# RF	4C3	4 Nos
16	8"	-	GASKETS FOR CLASS 150# RF	4C3	4 Nos
17	1"X135	-	STUD BOLTS WITH TWO NUTS	A193B7, A194Gr. 2H	36 Nos
18	7/8"X120	-	STUD BOLTS WITH TWO NUTS	A193B7, A194Gr. 2H	72 Nos
19	7/8"X115	-	STUD BOLTS WITH TWO NUTS	A193B7, A194Gr. 2H	36 Nos
20	3/4"X110	-	STUD BOLTS WITH TWO NUTS	A193B7, A194Gr. 2H	24 Nos

PLATES				
#	Plate thickness	Material	Plate size (LxW)	Required Qty
1	1/8"	A131Gr.A	8'X4'	2 Nos
2	1/4"		8'X4'	2 Nos
3	3/8"		8'X4'	2 Nos

4. SCHEDULE OF PRICES

No.	Description	Qty.	Unit Price	Total Price
1	PIPE	1length (≈6M)		
2	PIPE	1length (≈6M)		
3	PIPE	1length (≈6M)		
4	PIPE	1length (≈6M)		
5	ELBOWS 90deg LR BW	4 Nos		
6	FLANGE CLASS 150# S.O RF	5 Nos		
7	FLANGE CLASS 150# S.O RF	8 Nos		
8	FLANGE CLASS 150# S.O RF	4 Nos		
9	FLANGE CLASS 150# S.O RF	5 Nos		
10	BLIND FLANGE 150# RF	2 Nos		
11	CONC. REDUCER	2 Nos		
12	12MM TK (8' X 4') PLATE	1 No.		
13	GASKETS FOR CLASS 150# RF	4 Nos		
14	GASKETS FOR CLASS 150# RF	6 Nos		
15	GASKETS FOR CLASS 150# RF	4 Nos		
16	GASKETS FOR CLASS 150# RF	4 Nos		
17	STUD BOLTS WITH TWO NUTS	36 Nos		
18	STUD BOLTS WITH TWO NUTS	72 Nos		
19	STUD BOLTS WITH TWO NUTS	36 Nos		
20	STUD BOLTS WITH TWO NUTS	24 Nos		

PLATES					Unit Price	Total Price
#	Plate thickness	Material	Plate size (LxW)	Required Qty		
1	1/8"	A131Gr.A	8'X4'	2 Nos		
2	1/4"		8'X4'	2 Nos		
3	3/8"		8'X4'	2 Nos		

Total Amount in words

.....

VAT Registration No.

Name of Tenderer

Address:.....

.....

.....

Signature

.....

Date

Form of Bid

To: The Chairman
Procurement Committee,
Ceylon Petroleum Corporation,
1st Floor,
No. 609, Dr. Danister De Silva Mawatha,
Colombo 09.
SRI LANKA.

From:

.....

.....

Sir,

A-1 Having familiarized ourselves with the formal request for Instruction to Bidders and Conditions of contract, Technical Specification for the purchase of Pipes & Fittings and Steel Plates for Pipeline Repair in DTB & Crude SPBM.

we offer to complete the whole of said services in conformity with the said document.

A-2 Unless and until a formal agreement is prepared and executed this Bid together with your written acceptance thereof shall constitute a binding contract with us.

A-3 We understand you are not bound to accept the lowest or any Bid you may receive.

A-4 The Bid we are offering is complete and fulfils the requirements discussed in the Technical specifications of the Bidding Document.

A-5 We agree to abide by this Bid for the period of **Seventy Seven (77) days** from the date of opening of the same Bid. Conditions and prices quoted shall

remain binding upon us and may be accepted at any time before the expiration of the period.

A-6 We agree to be bound by the Bid, Bid Conditions, Technical specifications and Performance security.

A-7 We affirm that the said items will be delivered after we receive notice of acceptance of our Bid from the CPC.

A-8 We offer the lump sum fixed price of (foreign cost in figures)inwords)..... and Sri Lanka Rupees (local cost in figures) (in words..... for Supply of as detailed out in this Bidding Document and details of the lump sum price is as given in the schedule of prices. We agree that it is open to the Procurement Committee to reject this offer or to accept.

Dated this day of2019.
in the capacity ofduly authorized to sign
Bids for and on behalf of :

Signature.....

Name

Address
.....
.....

Witnesses:

1. Signature
Name :
Address :
.....
.....

2. Signature :
Name :
Address :
.....
.....

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 : [insert (by PE) name and address of Employer/ Purchaser]

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 agency] hereby 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) does not accept the correction of 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 Guarantee, in accordance with the ITB.

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 Guarantee 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)]

FORM OF AGREEMENT

This Agreement made this _____ day of _____ 2019, by and between **CPC** established by an Act of Parliament namely Act No. 28 of 1961 & having its registered Office at No. 609, Dr. Danister De Silva Mwt., Colombo 09 in the Government of the Democratic Socialist Republic of Sri Lanka (hereinafter called and referred to as the “CPC” which terms of expression as herein used shall where this context so requires and admits mean & include the CPC & its Successors & assigns) of the one part and _____ of _____ a Company duly incorporated & having its registered Office at _____ (hereinafter called the “Agent” which terms of expression as herein used shall where this context so requires and admits mean & include the _____ & its successors & assigns) of the other part.

Whereas the CPC is desirous that the Goods known as the Boat should be supplied by the Agent, and has accepted a Bid by the Agent for the supply of a Boat and the remedying of any defects therein.

The CPC and the Agent agree, as follows: -

In the Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract and Agent’s scope of work hereinafter referred to.

The following documents shall be deemed to form and be read and construed as a part of this Agreement.

- **Letter of Acceptance dated _____.**
- **The Technical Specifications**
- **The Bid dated _____.**
- **The Conditions of Contract**
- **The Completed Schedules and**
- **The Agent's Proposal**

In consideration of the payments to be made by the CPC to the Agent as hereinafter mentioned, the Agent hereby covenants with the CPC to supply and remedy any defects therein, fit for purpose in conformity in all respect according to the provisions of the Contract.

The CPC hereby covenants to pay the Agent in consideration of the Supply and the remedying of defects therein, the agreed Price or such other sum as may become payable under the provisions of the Agreement the times and in the manner prescribed by the Agreement.

In Witness whereof the parties have hereunto caused this Agreement to be executed the day, month & year afore written.

Authorized Signature of the Chairman Of CPC		Authorized Signature of the Agent	
<u>In the presence of</u>		<u>In the presence of</u>	
Name		Name	
Signature		Signature	
Address		Address	

FORMAT FOR PERFORMANCE GUARANTEE

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

Beneficiary :[Name and Address of Employer]

Date :

PERFORMANCE GUARANTEE NO :

We have been informed that[name of Contractor/ Supplier] (hereinafter called “the Contractor”) has entered into Contract No.[reference number of the contract] datedwith you, for the [insert “ construction”/ “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 Contractor, we [name of Agency] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of[amount in figures] (.....) [amount in words], such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor 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 theday of, 2019 [insert date, 28 days 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.

This guarantee shall be governed by the laws of Sri Lanka and shall be subject to the Uniform Rules for Demand Guarantees, published as number 758 by the International Chamber of Commerce, except as stated above.

.....
[Signature(s)]

FORM OF ADVANCE PAYMENT SECURITY

.....[Name and address of Agency, and Address of Issuing Branch or Office]

Beneficiary:[Name and Address of Employer]

Date :

ADVANCE PAYMENT GUARANTEE No.:.....

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

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum.....[amount in figure] (.....)[amount in words] is to be made against an advance payment guarantee.

At the request of the Contractor, we.....[name of issuing agency]
Hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of.....[amount in figures] (.....) [amount in words] upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation in repayment of the advance payment under the Contract.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor.

This guarantee shall expire on.....[Insert the date, 28 days beyond the expected expiration date of the Contract]

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

[Signature(s)]

DRAWINGS

1. DWG No. 8940